

ORGANIZATION OF  
AFRICAN UNITY

Secretariat  
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ORGANISATION DE L'UNITE  
AFRICAINNE

Secretariat  
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COUNCIL OF MINISTERS  
THIRTIETH ORDINARY SESSION  
TRIPOLI, LIBYA  
20 - 28 FEBRUARY, 1978

REPORT ON THE ACTIVITIES OF THE ADVISORY COMMITTEE  
ON BUDGETARY AND FINANCIAL MATTERS FOR THE PERIOD  
FEBRUARY, 1977 TO JANUARY, 1978



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MICROFICHE

I. BUREAU FROM FEBRUARY 1976 TO DECEMBER 1976

CHAIRMAN : CAMEROON : HIS EXCELLENCY  
 EL HADJ MAHMOUDOU HAMAN DICKO  
 AMBASSADOR OF THE  
 UNITED REPUBLIC OF  
 CAMEROON TO ETHIOPIA

VICE CHAIRMAN : EGYPT : HIS EXCELLENCY  
 SALAH BASSIOUNY  
 AMBASSADOR OF THE ARAB  
 REPUBLIC OF EGYPT TO ETHIOPIA

RAPPORTEUR : SIERRA LEONE : HER EXCELLENCY  
 MRS. SHIRLEY Y. GBUJAMA  
 AMBASSADOR OF THE REPUBLIC  
 OF SIERRA LEONE TO ETHIOPIA

II. BUREAU FROM DECEMBER 1976 TO DECEMBER 1977

CHAIRMAN : CAMEROON : HIS EXCELLENCY  
 EL HADJ MAHMOUDOU HAMAN DICKO  
 AMBASSADOR OF THE UNITED  
 REPUBLIC OF CAMEROON  
 TO ETHIOPIA

VICE CHAIRMAN : ZAMBIA : HIS EXCELLENCY  
 KALENGA KANGWA  
 AMBASSADOR OF THE  
 REPUBLIC OF ZAMBIA  
 TO ETHIOPIA

RAPPORTEUR : EGYPT : HIS EXCELLENCY  
 SALAH BASSIOUNY  
 AMBASSADOR OF THE ARAB  
 REPUBLIC OF EGYPT TO  
 ETHIOPIA

III. BUREAU FROM DECEMBER 1977

CHAIRMAN : CAMEROON : HIS EXCELLENCY  
 EL HADJ MAHMOUDOU HAMAN DICKO  
 AMBASSADOR OF THE UNITED  
 REPUBLIC OF CAMEROON  
 TO ETHIOPIA

VICE CHAIRMAN : ZAMBIA : HIS EXCELLENCY  
 KALENGA KANGWA  
 AMBASSADOR OF THE REPUBLIC  
 ZAMBIA TO ETHIOPIA

RAPPORTEUR : MOROCCO : HIS EXCELLENCY  
 ABDELAZIZ JAMAI  
 AMBASSADOR OF THE ROYAL  
 KINGDOM OF MOROCCO TO  
 ETHIOPIA

REPORT ON THE ACTIVITIES OF THE ADVISORY COMMITTEE  
ON BUDGETARY AND FINANCIAL MATTERS FOR THE PERIOD  
FEBRUARY, 1977 TO JANUARY, 1978

Composition and Terms of Reference:- The Council of Ministers sitting in its Twenty-Fourth Ordinary Session held in Addis Ababa in February 1975 decided that the following twenty-one Member States of the Organization of African Unity should constitute the Advisory Committee on Budgetary and Financial Matters for a period of three years:-

Algeria	Kenya	Somalia
Cameroon	Liberia	Sudan
Egypt	Libya	Tanzania
Ethiopia	Morocco	Tunisia
Gabon	Nigeria	Uganda
Ghana	Senegal	Zaire
Guinea	Sierra Leone	Zambia

2. The Terms of Reference of the Advisory Committee on Budgetary and Financial Matters are as follows:-

- (a) To study from time to time the budget proposals and the financial operations of the General Secretariat and its Regional and Sub-Regional Offices and to Submit in writing such comments and observations as it may deem useful;
- (b) To consider the periodic reports of the Board of External Auditors and to submit to the Council of Ministers such observations and comments on these reports as it may deem useful and necessary;
- (c) To meet at least once a year at the Headquarters of the Organization;
- (d) To set up a sub-committee consisting of Members of the Advisory Committee on Budgetary and Financial Matters, residing in Addis Ababa for the purpose of considering and deciding on excess and unauthorised expenditure before these are incurred.

3. In its 28th Ordinary Session held in Lome, Togo, the Council of Ministers decided as follows:-

"That henceforth, all the Member States represented in Addis Ababa as well as Ethiopia shall be members of of the Advisory Committee on Budgetary and Financial Matters except the countries providing the OAU External Auditors;

That the Members of the Advisory Committee on Budgetary and Financial Matters be henceforth assisted by experts from Member States, particularly, during the December Session. The Advisory Committee shall examine in detail the budgetary and financial proposals and shall submit its recommendations to the February Ordinary Session of the Council."

In accordance with this decision, the composition of the Advisory Committee on Budgetary and Financial Matters is now as follows:-

Cameroon	Liberia	Somalia
Egypt	Libya	Sudan
Ethiopia	Malawi	Tanzania
Equatorial Guinea	Morocco	Uganda
Gabon	Nigeria	Zaire
Ghana	Rwanda	Zambia
Guinea	Senegal	
Kenya	Sierra Leone	

4. Election of the Bureau:- With the re-assignment and departure from Ethiopia of Her Excellency, Mrs. Shirley Y. Gbujama, former Ambassador of the Republic of Sierra Leone, the office of Rapporteur became vacant. At the Committee's Twenty-Sixth Session, the Ambassadors of Zambia and of the Arab Republic of Egypt were elected Vice Chairman and Rapporteur. Again with the re-assignment and departure of the former Ambassador of Egypt, the Ambassador of the Royal Kingdom of Morocco was elected Rapporteur at the Twenty-Eighth Session of the Committee.

5. Sessions of the Committee and Organization of Work:- The Committee's Sessions were fully participated in by the Committee's membership. A number of African Missions in Addis Ababa who are not Members of the Advisory Committee were admitted at different sessions at their requests as observers. The Committee agreed on the following hours of work:-

Morning Sessions	1000 hrs. - 1300 hrs.
Afternoon Sessions	1600 hrs. - 1900 hrs.

6. The Committee held two sessions since the Twenty-Eighth Ordinary Session of the Council of Ministers, i.e. the Twenty-Seventh Session in May 1977 and the Twenty-Eighth Session in December 1977-January 1978, the last Session being devoted to the consideration of the Financial Report of the Organization, the Report of the Board of External Auditors on the Organization's Accounts for the Budgetary Year 1976/77 and the Draft Budget and Programme for the Year 1978/79.

7. The Administrative Secretary-General of the Organization was present during sessions of the Committee whenever he was available in Addis Ababa. The General Secretariat serviced the various sessions of the Committee and provided the necessary facilities and assistance.

#### ISSUES DEALT WITH DURING THE TWENTY-SEVENTH

#### SESSION OF THE ADVISORY COMMITTEE - 12-13 MAY, 1977

8. The Twenty-Seventh Session of the Advisory Committee on Budgetary and Financial Matters convened from 12th to 13th May, 1977, under the Chairmanship of H. E. El Hadj Mahmoudou Haman Dicko, Ambassador of the United Republic of Cameroon, who took the opportunity to welcome the new member states who were participating in the Advisory Committee as full members following the decision of the Council of Ministers admitting all Plenipotentiaries of African Missions in Addis Ababa to the full membership of the Advisory Committee.

9. The meeting then adopted the Report of the 26th Session.

**DECISION:** THE COMMITTEE TOOK NOTE OF THE REPORT OF THE TWENTY-SIXTH SESSION OF THE ADVISORY COMMITTEE WHICH HAD ALREADY BEEN ADOPTED BY THE COUNCIL OF MINISTERS.

#### Matters Arising from the Report of the 26th Session of the Advisory Committee on Budgetary and Financial

10. Matters arising from the report of the 26th Session of the Advisory Committee was introduced by the Assistant Secretary-General in charge of Administration and Finance, who informed the Committee that its recommendations which were adopted by the 28th Session of the Council of Ministers in Lomé, were being implemented by the General Secretariat.

and that the results of such implementation will appear in the Financial Report at the end of the financial year. He recalled that the Committee adopted a Budget amounting to nearly US\$ 9,396,000.00, but the Council of Ministers in Lome decided to adopt new salary scales and other allowances for the staff and also decided to increase the salaries of the Administrative Secretary General and his Assistants. He further informed the Committee that the Council did not take a decision on the financial implications of the Kinshasa Extraordinary Session pending the adoption of the resolutions and decisions of the Extraordinary Session by the Assembly of Heads of State and Government. He concluded by stating that the approved total Budget for 1977/78, incorporating increased salary and allowances as decided by the Council of Ministers was US\$ 9,727,258.10.

11. The Committee requested that in future the Secretariat should prepare a report on the implementation of the Council's decisions with its financial implications. In respect of other additional expenditures approved by the Council of Ministers, the Secretariat informed the Committee that the Council took a decision to exempt some member states from paying their contribution to 1977/78 Budget, and as such, their share would be distributed among other member states as recommended by the Council.

#### Residence of the Administrative Secretary General

##### General

12. The Chairman of the Sub-Committee, on the Residence of the Administrative Secretary-General, informed the Committee that although his sub-committee had not met as was decided by the 26th Session of the Committee, he was happy to inform the Committee that the Provisional Military Government of Socialist Ethiopia had informed the Administrative Secretary General in writing that the present house which the Administrative Secretary-General is occupying has been made available to the Organization as an official residence for the present OAU Secretary-General and the successive Secretaries-General of the OAU, free of charge (rent) except maintenance and repairs which shall be borne by the OAU. The Committee thanked the Chairman of the Sub-Committee on the Residence of the Administrative Secretary-General for the very useful information he gave to the Committee, but felt that the Committee should not discuss the matter as the letter was addressed to the Administrative Secretary-General who should, when the time comes, report to the committee after obtaining all necessary details and conditions attached to the House so made available to the Organization of African Unity.

- DECISION: (a) THE COMMITTEE DECIDED TO TAKE NOTE THAT THE RECOMMENDATIONS OF THE 26TH SESSION WERE BEING IMPLEMENTED BY THE GENERAL SECRETARIAT.
- (b) ON THE QUESTION OF THE ADMINISTRATIVE SECRETARY-GENERAL'S RESIDENCE, THE COMMITTEE DECIDED TO POSTPONE THE DISCUSSION ON THE MATTER UNTIL THE ADMINISTRATIVE SECRETARY-GENERAL WILL PRESENT HIS REPORT WITH THE NECESSARY DETAILS TO THE COMMITTEE.

Report of the Administrative Secretary-General on the Review of the OAU Scale of Assessment.

13. The Secretariat informed the Committee that as it was requested by the Committee, the figures as contained in the document had been updated basing them on 1975 Gross Domestic Products and population figures of member states and included OAU Member States which gained independence after 1968 when the last assessment was made. The Secretariat further informed the Committee that in view of the fact that this document had been presented to the Council of Ministers in Lome, it was therefore being presented merely for the information of the Committee and that it was going to be presented to the 29th Ordinary Session of the Council of Ministers for adoption.

DECISION: THE COMMITTEE DECIDED TO TAKE NOTE OF THE DOCUMENT CM/780 (XXVIII) Rev. 1.

Implementation of Resolutions - Conference of Aeronautic Experts

14. The Secretariat requested the committee to approve funds to enable the Secretariat to organize the Conference of Aeronautic Experts before the next Summit to be held in Libreville, Gabon. Some members of the Committee expressed the view that it would not be possible to have a quorum for the Conference before the end of the fiscal year. They also stressed that the Secretariat should always inform the Member States on good time when there was no quorum for a meeting. Other members noted the lack of supporting documents or proper explanation in the document presented by the Secretariat and drew the attention of the Secretariat that the Council's resolutions should be spelt out in documents of this kind or be attached to it.

15. The Committee also deplored the way the Secretariat presented the estimates for the said meeting. It was noted by surprise that for the first time the Secretariat was giving estimate of holding a meeting to include even stationery for the amount of US\$1,500.00 and local transport for the amount of US\$10,000.00. The Secretariat was requested to give explanation regarding this rather abnormal way of presenting estimates for convening a meeting. The Secretariat on its part regretted the mistakes detected in the presentation of the estimates and agreed that items 1 and 4 (materials and salary for local translators) be deleted and that item 5 (local transport) be reduced from US\$10,000.00 to US\$500.00 and to retain item 3 as it was normal that OAU interpreters are paid salary differentials, but suggested that it should also be reduced to US\$700.00. The Committee wondered how it could have confidence in the Secretariat in future if the later could present an inflated and unrealistic estimates in that manner.

**DECISION: THE COMMITTEE DECIDED:**

- (a) TO DELETE ITEMS 1 AND 4 AND REDUCE ITEM 3 FROM US\$1,260.00 TO US\$720.00 AND ITEM 5 FROM US\$10,000.00 TO US\$500.00.
- (b) TO ADOPT THE ESTIMATED COST OF THE CONFERENCE OF AERONAUTIC EXPERTS AS AMENDED TO BRING THE GRAND TOTAL TO US\$5,434.00.

Implementation of Resolutions - Establishment of  
OAU Liaison Office, Maputo - Mozambique

16. The General Secretariat in introducing the agenda, said that the item did not need to be debated as decision to establish a Sub-Regional Office in Maputo was a Council of Ministers recommendation. The Committee noted that in the document there was a proposal that the post of the Deputy Director in Lusaka was to be transferred to Maputo, in that case the Committee did not see the reason why a separate appropriation was being requested as the budget for Lusaka office had this provision already. It was also observed that the Government of Mozambique had nominated a candidate for the post and the Secretariat therefore should have just carried out the recruitment in the normal way since the Secretariat had indicated also that the post of a Deputy Director in Lusaka was vacant. In view of this the Committee decided as follows:-

**DECISION: THE COMMITTEE DECIDED TO REJECT DOCUMENT FBM/4(XXVII) AND ASKED THE SECRETARIAT TO RECRUIT THE LIAISON OFFICER IN ACCORDANCE WITH THE OAU RULES GOVERNING APPOINTMENT AND RECRUITMENT.**



Consideration of Request for Funds to Meet Rising Cost  
of Communication (Telex and Cables) General Secretariat

17. The Secretariat requested the Committee to consider this item: - Document FBM/5(XXVII) - in conjunction with or as part of document FBM/10(XXVII) agenda item 7. The Secretariat explained that document FBM/5(XXVII) was prepared for the Advisory Committee meeting which was postponed in April before the document on virement was prepared. The Committee reiterated its previous warning to the Secretariat to exercise control on the use of cables and try to shorten messages sent by cable. The Committee observed that messages transmitted by Member States through the Secretariat tend to be too long, but conceded after a long discussion, that the Secretariat cannot edit such messages without due authority. Some Members felt that it was necessary to recommend that the Secretariat be authorized to shorten or edit messages transmitted through the General Secretariat to other Member States for reasons of economy, without changing the essential parts of the message thus transmitted. Other Members proposed that as far as possible Member States should endeavour to send messages direct to other Member States without channeling them through OAU General Secretariat. As document FBM/10(XXVII) was not ready in all languages, the Chairman moved the adjournment of the meeting until the following day when the document was expected to be ready. The Committee continued the consideration of the request for funds to meet the rising cost of cables and the request for virement for the General Secretariat. The Committee observed that it seemed as if there was an over-budgeting as so many Codes had huge balances which meant that the Secretariat had asked for too much money than it needed. It was explained to the Committee that the General Secretariat had tried to operate the 1976/77 budget within the approved appropriation and what the Secretariat was requesting the Committee to approve was the sum of US\$206,150.05 against savings of US\$707,700.65.

**DECISION:**

- THE COMMITTEE DECIDED (a) TO APPROVE THE VIREMENT OF US\$206,150.00 WHICH INCLUDED THE SUM OF US\$162,000.00 REQUESTED TO MEET THE COST OF CABLES AND TELEPHONES.
- (b) THE SECRETARIAT TO OBSERVE STRICT USE OF CABLES AND TO THAT END ENSURE THAT MESSAGES SENT BY CABLE ARE AS BRIEF AS POSSIBLE TO REDUCE COST.
- (c) TO RECOMMEND THAT MEMBERS STATES ENDEAVOUR TO SHORTEN THIS MESSAGES AS FAR AS POSSIBLE.

Request for Funds to Meet the Cost of Manufacture of  
OAU and Member States Flags

18. The Committee considered the request for funds to enable the General Secretariat to purchase new flags of OAU and Member States and observed that the request should have been made on the basis of proforma invoice giving the details of the cost and the number of flags required. The Committee further stressed that the Secretariat should always ensure that flags borrowed by Member States were returned, and in this connection, it was suggested that Member States wishing to borrow flags from the Secretariat must deposit money against the number of flags borrowed, so that if the Member States concerned failed to return the flags the money thus deposited should be forfeited.

**DECISION: THE COMMITTEE DECIDED:-**

- (a) TO APPROVE US\$2,500.00 TO BE USED FOR PURCHASING OAU AND MEMBER STATES FLAGS;
- (b) THAT ANY MEMBER STATE WISHING TO BORROW FLAGS FROM THE SECRETARIAT MUST DEPOSIT MONEY AGAINST THE FLAGS BORROWED AND IN THE EVENT OF FAILURE TO RETURN ALL OR PART OF THE FLAGS, THE MONEY DEPOSITED SHOULD BE FORFEITED TO THE OAU.

Request for Funds: Aviation Training Institute

19. The Committee considered a request for US\$15,000.00 to enable the Secretariat to participate in convening of the Donors' Conference with AFCAC in which UNDP Experts would undertake the preparation of necessary documentation at stage one and at stage two, OAU/AFCAC special meeting to consider UNDP experts' findings and at stage three, the Plenary Session of AFCAC would consider final document to be presented to the General Secretariat of OAU. The Committee requested the Secretariat to produce the Council of Ministers resolution on this matter, together with a copy of agreement between OAU and AFCAC. The Assistant Secretary-General in charge of Administration and Finance confirmed on behalf of the Secretariat that there was a Council's resolution giving AFCAC status of specialized agency of OAU. Resolutions CM/Res. 440(XXV), CM/Res. 367(XXV) and CM/Res. 439 were read to the Committee.

20. Some representatives were still not satisfied with the procedure followed in presenting the matter. They felt that the request to establish the Aviation Training Institute should have been referred to the Council of Ministers for adoption and after that the Advisory Committee could then take necessary steps to allocate funds. The Committee exhaustively discussed the matter and then approved the principle of participation until the Secretariat presents a breakdown of the use of the requested sum of US\$15,000.00.

**DECISION:** THE COMMITTEE DECIDED THAT THE SECRETARIAT SHOULD PARTICIPATE IN THE PROGRAMME OF AFCAC IN THE SETTING UP OF AVIATION TRAINING INSTITUTES IN PRINCIPLE AND REQUESTED THE SECRETARIAT TO GIVE DETAILED BREAKDOWN OF THE REQUESTED SUM OF US\$15,000.00.

Request for Funds for the Meeting of the Committee of 12 and 24 on Afro-Arab Co-operation

21. The Committee noted that the meetings of the Committee of 12 and 24 had taken place and expenses had been incurred and as such decided to approve the expenditure thereof.

**DECISION:** THE ADVISORY COMMITTEE APPROVED THE SUM OF US\$31,657.36 TO COVER THE EXPENSES ARISING FROM HOLDING OF THE MEETINGS OF THE COMMITTEE OF 12 AND 24 ON AFRO-ARAB CO-OPERATION.

Request For Funds for the Meeting of the OAU Committee of Legal Experts on the Draft Convention on Mercenaries

22. The Assistant Secretary-General in charge of Administration and Finance introduced the agenda and explained that this matter was to be discussed at the Advisory Committee meeting which was postponed in April, but due to shortage of time the Secretariat found it absolutely necessary to convene the meeting on 3rd-10th May, 1977 so as to enable the Legal Experts to prepare the report in time for the 29th Ordinary Session of the Council of Ministers to be held in Libreville. In the circumstances, the Assistant Secretary-General added, the estimated cost of the meeting of US\$28,273.00 requested had been superseded by the actual expenditure of US\$12,103.52.

**DECISION:** THE COMMITTEE DECIDED TO APPROVE THE SUM OF US\$12,103.52 EXPENDED IN CONVENING THE MEETING OF THE OAU COMMITTEE OF LEGAL EXPERTS ON DRAFT CONVENTION ON MERCENARIES, SUBJECT TO THE BOARD OF EXTERNAL AUDITORS' REPORT.

Request for Virements - STRC Offices

23. The Assistant Secretary-General responsible for Administration and Finance introduced the item to the Committee and explained that the documents from STRC Offices were received late to allow translation into Arabic and French in time and therefore requested the Committee to consider this virement requested in view of the considerable savings that each STRC Office has made.

DECISION: THE COMMITTEE DECIDED TO APPROVE VIREMENTS FOR THE STRC OFFICES AS FOLLOWS:-

LAGOS	US\$21,843.94
YAGUNDE	13,006.85
BANGUI	5,493.00
NAIROBI	12,739.58

Request for Virements - Co-ordinating Committee for The Liberation of Africa - Dar-es-Salaam

24. The Secretariat introduced the item and expressed the hope that this request should not pose any problem since out of a total allocation of US\$463,219.00, the office had spent US\$293,303.30 as at 1st March 1977, and is therefore expecting savings of US\$87,115.00. In view of this the Secretariat appealed to the Committee to approve the virement of US\$5,000.00 requested. The Committee had no objection but directed that the Regional and Sub-Regional Offices should be advised that they should use the same format in presenting virements.

DECISION: THE COMMITTEE DECIDED TO APPROVE A VIREMENT OF US\$5,000.00 FOR THE CO-ORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA IN DAR-es-SALAAM.

Request for Virements - OAU Co-ordinating Office, Malabo

25. The Secretariat recalled that the 28th Ordinary Session of the Council of Ministers decided that the Co-ordinating Office in Malabo should be closed and that the Secretariat is already studying the question with the Government of the Equatorial Guinea, and would prepare a report to the forthcoming 29th Ordinary Session of the Council of Ministers. It requested the Committee to approve the virement of US\$550.00. The Committee observed some obvious mistakes in the presentation of the document regarding figures and format, and asked the Secretariat for explanation. The Assistant Secretary-General conceded that most of those mistakes were due to typographical errors and would be corrected accordingly.

The Committee decided that the Secretariat should take the necessary steps to close properly the accounts of the office and present its report to it.

**DECISION:** THE COMMITTEE DECIDED TO REJECT DOCUMENT FBM/13 (XXVII) AND REQUESTED THE SECRETARIAT TO CLOSE THE ACCOUNTS OF THE OFFICE IN A PROPER FORM AND PRESENT ITS FINDINGS AND REPORT TO THE COMMITTEE.

Request for Virements - Geneva Office

26. The Committee considered a request for virement of US\$20,151.00 in respect of OAU office in Geneva and suggested that in view of the difficulty being faced regarding the financial management of the Geneva Office, the Secretariat should inform the Committee of the exact amount needed by that office to complete its obligations for the current financial year. The Committee also requested the Secretariat to send an Accountant or Internal Auditor to audit and close the accounts of the Geneva Office for 1976/77. The Secretariat informed the Committee that a lot of money was being spent on Geneva Office and even after the Advisory Committee decided to allocate more funds from the savings of the General Secretariat, the financial position of the Office had not improved. The Secretariat appealed to the Committee to approve the sum requested and promised to submit a report at the end of the Financial Year.

**DECISION:** (a) THE COMMITTEE DECIDED TO APPROVE THE VIREMENT OF US\$20,151.00 AND THAT THE GENERAL SECRETARIAT SHOULD MEET IT FROM ITS OWN SAVINGS.

(b) THE COMMITTEE DECIDED THAT THE GENERAL SECRETARIAT SHOULD SEND AN ACCOUNTANT OR INTERNAL AUDITOR TO CLOSE THE ACCOUNTS OF THE GENEVA OFFICE FOR 1976/77.

Request for Virements - OAU Inter-African Bureau of Languages - Kampala

27. The Committee considered and approved a request for virement in respect of the sum of US\$1,852.00 for the OAU Inter-African Bureau of Languages - Kampala.

**DECISION:** THE COMMITTEE DECIDED TO APPROVE VIREMENT OF US\$1,852.00 FOR INTER-AFRICAN BUREAU OF LANGUAGES, KAMPALA.

Request for Virements - Centre for Linguistic and  
Historical Studies by Oral Tradition - Niamey

28. The Committee considered and approved virement sought on behalf of the Niamey Office and commended the presentation and the clarity of the document.

DECISION: THE COMMITTEE DECIDED TO APPROVE THE  
VIREMENT OF US\$4,300.00 FOR NIAMEY  
OFFICE.

Request for Virements - New York Office

29. The Committee considered and approved the virement requested by New York Office.

DECISION: THE COMMITTEE DECIDED TO APPROVE THE  
THE VIREMENT OF US\$11,468.40 FOR NEW YORK  
OFFICE.

Request for Funds for Travel Expenses of the Film Experts

30. The agenda was introduced by a member of the Programme Committee on the 10th Anniversary of the OAU, H. E. Mr. S. Bassiouny, Ambassador of Egypt to Ethiopia, who informed the Committee that Mr. B. Adjali had informed the Chairman of the Programme Committee that he had completed the film, but that he was not disposed to accept any censor by experts. He further explained that according to the Legal Adviser of the Secretariat, the contract gives Mr. Adjali all rights while the Secretariat had none. In view of this the Programme Committee felt that it could not judge the film alone and therefore decided to invite experts from Algeria, Egypt, Senegal and Ethiopia to examine the film with the Programme Committee and give their opinion.

31. The Secretariat in its explanation gave a short historical background of the case. It was explained briefly, that the Council of Ministers decided, on the basis of the recommendation of the Programme Committee on the OAU 10th Anniversary, that a film in two parts, depicting events before and after the creation of the OAU, should be made and Mr. B. Adjali, a national of Algeria was awarded the contract. But when Mr. Adjali presented the first part, the Programme Committee was not satisfied as the production did not conform to the directives given to the producer. The Committee then decided to approve the request for funds:-

**DECISION:** THE COMMITTEE DECIDED TO APPROVE THE SUM OF US\$3,476.00 TO MEET THE TRAVEL EXPENSES OF THREE FILM EXPERTS AS FOLLOWS:-

(a) AIRTICKETS:

ALGIERS/ADDIS/ALGIERS	US\$ 1,084.00
CAIRO/ADDIS/CAIRO	616.00
DAKAR/ADDIS/DAKAR	1,156.00

(b) PER DIEM IN ADDIS ABABA  
@ US\$28 (28 x 3 x 5) 420.00

(c) TRANSPORT (CAR HIRE) FOR  
FIVE DAYS 200.00

TOTAL . US\$ 3,476.00  
=====

Request for Funds for the Meeting of Afro-Arab  
Co-operation Standing Committee

32. The Committee considered and approved a request for funds for the meeting of Afro-Arab Co-operation Standing Commission to be held in Yaounde - Cameroun from 30th May to 1st June 1977, to meet the travel, per diem and terminal expenses of the OAU Officials and the Technical Staff.

**DECISION:** THE COMMITTEE DECIDED TO APPROVE THE SUM OF US\$27,777.59 TO MEET EXPENSES CONTAINED IN DOCUMENT FBM/19 (XXVII).

Any Other Business

(a) Request for Funds to meet the Travel Expenses of  
the Chairman of the Commission of Mediation  
Conciliation and Arbitration

33. Under any other Business the Assistant Secretary-General in charge of Administration and Finance requested the Committee to approve the expenditure of US\$1,100.00 to enable the Chairman of the Commission of Mediation, Conciliation and Arbitration to travel to Addis Ababa for consultation with the Administrative Secretary-General on the work of the Commission.

**DECISION:** THE COMMITTEE APPROVED THE SUM OF US\$1,100.00 TO MEET THE COST OF FIRST CLASS AIRTICKET - LUSAKA/ADDIS/LUSAKA, PER DIEM, TERMINAL EXPENSES AND CAR HIRE FOR THE CHAIRMAN OF CMCA FOR FIVE DAYS IN ADDIS ABABA.

(b) Arabic Language

34. The representative of Egypt, under any other business deplored the lack of simultaneous interpretation in Arabic and requested the Secretariat to ensure that the Arabic simultaneous interpretation is always provided for during the meetings of the Advisory Committee on Financial and Budgetary Matters. The Assistant Secretary-General in charge of Administration, on behalf of the General Secretariat, assured the Committee that the General Secretariat has taken note of the matter and will ensure the presence of Arabic Interpreters at all meetings.

(c) Gratuity for Non-Statutory Staff

35. The representative of Ethiopia raised a question of gratuity which he said was payable to non-statutory staff and wondered whether those non-statutory Staff who left the services of OAU will be paid. He was informed that the non-statutory staff do not receive gratuity upon separation from the service of OAU, but rather receive their pension contribution. The representative of Ethiopia said that he would raise this matter next time when he has all the necessary facts.

ISSUES DEALT WITH BY THE TWENTY-EIGHTH SESSION  
OF THE ADVISORY COMMITTEE ON BUDGETARY AND  
FINANCIAL MATTERS - - 27 DECEMBER, 1977 TO 17  
JANUARY, 1978

36. The Twenty-eighth Session of the Advisory Committee on Budgetary and Financial Matters was opened on Wednesday 28 December 1977 at 10.30 a.m. by the Chairman, His Excellency El Hadj Mahmoud Haman Disko, Ambassador of the United Republic of Cameroon. As proposed by the Chairman, the Committee



observed one minute silence in memory of the late Ibrahim Abu Sara, whose untimely death was a loss to the OAU.

37. The provisional agenda introduced by the Assistant Secretary-General in charge of Administration and Finance was adopted. The latter requested the Members of the Committee to add sub-paragraph - d - to item 5 of the original agenda FBM/1 (XXVIII). The said sub-paragraph which concerned the appointment of an OAU delegation to the Arab League was already contained in the revised agenda.

DECISION: THE ADOPTED AGENDA FBM/1 (XXVIII) REV.1 WITHOUT AMENDMENT IS ANNEXED HERETO. ORGANIZATION OF WORK: AGENDA ITEM 1 (b)

38. The Committee decided to hold two sessions a day as follows:-

DECISION: MORNING SESSION 10.00 a.m. - 1 p.m.  
AFTERNOON SESSION 4 p.m. - 7 p.m.

APPOINTMENT OF A RAPPORTEUR : AGENDA ITEM 1 (c)

39. The Chairman informed the Committee members that after consultations, it was agreed that the Rapporteur should come from an Arab speaking country; he nominated the Ambassador of Morocco.

DECISION: THE CHAIRMAN'S PROPOSAL WAS APPROVED BY ACCLAMATION.

40. The Chairman reminded the Committee that since Tunisia was no longer represented in Addis Ababa, it had ceased to be a member of the Advisory Committee, in accordance with the resolution adopted in Lome (Res. N.4(XXVIII) (CM. Plen.)

ADOPTION OF THE REPORT OF THE TWENTY-SEVENTH SESSION OF THE ADVISORY COMMITTEE (DOCUMENT FBM/2(XXVIII) AGENDA ITEMS 1 (d) AND 1 (e) DEALING WITH MATTERS RAISED IN THE REPORT OF THE TWENTY-SEVENTH SESSION OF THE ADVISORY COMMITTEE (DOCUMENT FBM/2 (XXVIII)).

41 These two reports were submitted to the Committee by the Assistant Secretary General in charge of Administration and Finance.

DECISION: BOTH REPORTS WERE ADOPTED BY THE COMMITTEE AFTER TWO LITTLE CORRECTIONS AS FOLLOWS:-

a) Contrary to what was stated in the report Rwanda was present at the Twenty-Seventh Session.

b) It should not be said that Niger was absent since in its capacity as a member of the Board of External Auditors it could only participate as an observer in the meetings of the Advisory Committee.

42. CONSIDERATION OF THE 1976 FINANCIAL REPORT (DOC/CM/842 (XXX) AGENDA ITEM 2.

1) After the Assistant Secretary-General in-charge of Administration and Finance had introduced the report some delegates intimated that they had paid their contributions for 1976/77. The Secretary-General announced that the list of outstanding contributions was prepared in September and that an up-to-date list would be distributed to the delegates.

43. Some representatives protested against what they called the "Discrimination" practised by the Secretariat since the latter informed some Member States of African Candidatures by telegrams and others by notes verbale. The assistant Secretary-General stated that the practice was not deliberate and that it was not the intention of the Secretariat to favour some states at the expense of the others. He added that the Secretariat would give a greater attention to this question in future.

44. Referring to a remark made by a representative on further over expenditure under the items dealing with "telephone and telegrams", the OAU Secretary-General explained that the over expenditure was due to prevailing circumstances and was the result of the difficulties experienced in communicating with Member States and to increasing number of Meetings and Conferences.

DECISION: THE COMMITTEE DECIDED TO ADOPT THE 1976/77 FINANCIAL REPORT AS PRESENTED IN DOCUMENT CM/842 (XXX) AND TAKE NOTE OF THE OBSERVATIONS MADE ON THE VARIOUS PARAGRAPHS.

STATEMENT OF UNPAID CONTRIBUTIONS AS AT 10 DECEMBER 1977 (DOCUMENT CM/843 (XXX) AGENDA ITEM 3.

45. The report was introduced by the Assistant Secretary-General in charge of Administration and Finance who reiterated his appeal to all Member States to pay their contributions in time enable the Secretariat to fulfil its obligations. Some delegates suggested that a memorandum on the situation be prepared by the General Secretariat for submission to the Assembly of Heads of State and Government after the Council of Ministers had approved of it.

DECISION: THE ADVISORY COMMITTEE DECIDED AS FOLLOWS:

A) THE SECRETARIAT IN COLLABORATION WITH THE RAPPORTEUR SHOULD PREPARE A MEMORANDUM TO BE SENT TO MEMBER STATES WHICH HAD NOT PAID YO THEIR CONTRIBUTIONS.

B) THE REPORT ON THE STATE OF CONTRIBUTIONS, AS PRESENTED IN DOCUMENT CM/843 (XXX) SHOULD BE ADOPTED.

CONSIDERATION OF THE EXTERNAL AUDITORS' REPORT  
AND OBSERVATIONS OF THE GENERAL SECRETARIAT (DOCUMENT  
CM/844 (XXX) ADD. 1 AND ANNEX 1 AGENDA ITEM 4.

46 The Chairman of the Board of External Auditors took the floor and apologized for coming late due to communication problems and as a result he would not present his report. Before asking the Committee to postpone the consideration of the External Auditor's reports, he emphasised that it was impossible for him to endorse all the reports because he did not audit the accounts of all the Regional Offices.

47 . The Chairman pointed out with regret the delay in submitting documents to the Committee Members. Thus preventing them to make progress in their deliberations. He added that the same delay was noticed every year despite the frequent appeals by the Committee. The Assistant Secretary General in charge of Administration and Finance then took the floor and stated that all the documents were ready except a few namely, the Arabic version of the Draft Budget which was almost ready. Another representative suggested that the meeting be adjourned until the afternoon of the next day so as to enable the Chairman of the Board of External Auditors to have a rest, study the comments of the Secretariat and prepare the documents which were still not available.

The Chairman suggested that the meeting be adjourned until 4 p.m. the next day.

48. The Chairman of the Board of External Auditors presented Document CM/844 and the Annexes. He said that he refused to check the accounts of the BPEAR because they were submitted to him only two days to the end of the assignment of the External Auditors. He explained that they wanted to avoid mistakes occasioned by a hasty auditing.

He then divided his report into three parts:-

- a) Funds of the Organization;
- b) 1976/1977 budget;
- c) Irregular advances.

He stated inter alia:

- a) Part I dealt with the financial situation and the available funds, interests on the reserve funds and appeals made to Member States to pay their portion of the advance granted from the working capital fund to the office of the African Group charged with negotiations with EEC in Brussels.
- b) Part II concerned the 1976/1977 Budget namely, the expenditure, income, contributions from Member States, State of arrears and recoverable advances. He explained that the Budget approved by the Council of Ministers for the 1976/1977 financial year amounted to US\$5,070,783 and that the expenditure including the unpaid bills stood at US\$4,313,617.16 i.e. a theoretical saving of US\$757,111.84 as all the budgetary contributions had not yet been received. As regards the latter, he stated that up to the time of the audit exercise, an amount of US\$5,406,654.12 was yet to be recovered (1965 to 1977 arrears).

c) Part III concerned the observations on payment vouchers and regularities resulting from the absence of up-to-date staff files. He cited the example of an official, Dhlamini, who received the sum of 2,484.00 birr i.e. US\$1,200.00 as a refund of his children's educational expenses for the 1976/1977 academic year which had not yet begun. This same official, a few days later, on 21 June 1976, claimed an amount of US\$1,617.00 representing his severance grant. Under these conditions, this official who leaves the Organization could not claim to be able to repay his children's educational expenses.

49. After expressing his thanks to the Chairman of the External Auditors for the eloquent manner in which he had presented the External Auditors' report, the Chairman invited the Assistant Secretary-General in charge of Administration and Finance to make a general observation on the audit report. The Assistant Secretary General then took the floor. He first expressed his thanks to the Chairman of the External Auditors for his exhaustive report and precluded the observations of the General Secretariat on the External Audit report "express their appreciation for the excellent way the accounts of the OAU were kept and the progress made in this area during the past two years." He went on however that many irregularities could have been avoided. He said that was the problem because the said irregularities kept on repeating every year and the basic reasons for this state of affair should be found out.

50. According to the Assistant Secretary General there were two types of irregularities:

- Superficial irregularities: those irregularities mentioned in the reports
- Substantive irregularities: those irregularities people sometimes try to shelve.

There were therefore irregularities explaining other irregularities. The root causes of these must therefore be found. "In fact the importance of a financial control has nothing to do with men or their quality, it rather lies in its presence and permanence". He insisted on the power given to the Senior Internal Auditor who is directly responsible to the Administrative Secretary General, on the strength of the financial regulations of the OAU to make a prior check of the accounts of the Organization. He went on to expose the various tasks of the Office of Internal Auditor whose duty it was to ensure the regularity of transactions before they were undertaken. He then regretted the lack of check and the absence of monthly and quarterly reports. He said the check should take place during the budget administration and not at the end of the fiscal year. This, he said, accounted for serious mistakes noticed in the Bureau for Refugees and in the Geneva Office.

51. He said that if no report was submitted on the accounts of the BPEAR, it was simply because the accounts of this Bureau have not been audited for the past two years. The funds of the Bureau were embezzled by the accountant who was not recruited under normal conditions. He added that, to embezzle the funds, the official in question resorted to the forging the signatures of some high officials of the Secretariat. An enquiry was being conducted so as to find out the facts of the matter and a report would be submitted to the Committee which in turn would find out those responsible for appropriate measures to be taken. With regard to the Geneva Office, he told the Committee that the situation was discouraging for decisions taken by the later

to solve the problems had not been implemented and the dramatic situation was still persisting, because the yearly allocation of the Bureau had been exhausted within four months. It was the first time, this happened in the history of the OAU Regional Offices. This state of affair, observed, the Assistant Secretary-General in-charge of Administration and Finance was due to the non respect of administrative rules and procedures and the lack of authority necessary for the healthy conduct of the Organization's affairs. He went on to say that this state of affair could also be attributed to the way administrative and financial decisions were taken. Sometimes these decisions were taken without consulting the one in charge of Administration or even without his knowledge. He wanted to know the kind of authority the Assistant Secretary General could exert on the officials of the Secretariat.

52. It should not be said that the accounts in the Geneva Office were poorly kept. One should also ask why they have been poorly kept for the past three years. That situation would have been avoided if the Secretariat were consulted at the time the accountant was being recruited. At the end of these observations which he described as substantive observations, the Assistant Secretary General in-charge of Administration and Finance took up specific issues raised by the Chairman of the Board of External auditors and gave the following explanations:-

- A) Theoretical savings do not translate a will to constitute a "financial means" as the Board of External Auditors had put it;



- B) Appropriations remain available during the twelve months following the financial year;
- C) The fact that the cards of staff members were up-to-date was due to the shortage of officials. He suggested the recruitment of two additional staff members.
- D) It was impossible to have competitive bidding in the various Member States.
- E) The Secretariat had done its best to limit over-expenditure on telegrams. It was the duty of the Committee to persuade their respective states to reduce their messages or to foot their transmission bills.
- F) The Secretariat promised to recruit a librarian soon to fill the vacant post.

53. A delegate took up the substantive question raised by the Assistant Secretary General. He was of the opinion that responsibilities should be allotted to avoid deception and deceiving African Governments. He was supported by other representatives who suggested the preparation of a special memorandum to be presented together with the Committee's report to the Council of Ministers. The Chairman suggested that the Assistant Secretary General in charge of Administration and Finance to submit the full report of the meeting to the Committee to enable the latter to discuss the issue.

#### DECISION

THE COMMITTEE CALLED UPON THE ASSISTANT SECRETARY GENERAL IN CHARGE OF ADMINISTRATION AND FINANCE TO SUBMIT THE FULL REPORT ON HIS STATEMENT FOR CONSIDERATION BY THE COMMITTEE AFTER THE ITEMS ON THE AGENDA HAD BEEN EXHAUSTED.

54. A delegate took the floor to speak on the question of the absence of some members of the Board of External Auditors at the Boards meetings. Attention was drawn to the fact that the said Board was composed of a limited member of countries. Consequently States should ensure that their representatives refrain from absenteeing themselves or arriving late.

55. Some representatives asked for the consideration of the situation in the Refugees Bureau and a report on the investigations into the embezzlement of funds presented before the end of the deliberations. The Assistant Secretary General replied that he was in possession of only one interim report which he did not consider fit to be presented to the Committee because it did not contain the necessary facts likely to help them have a clear view on the affair.

56. The Secretary-General was further requested to refrain from making too much expenses during the month of May being the last month of the financial year.

The Committee appealed to the Secretariat to check over-expenditure of appropriations and to convene the Advisory Committee to ask for supplementary appropriations if it became necessary before engaging in over-expenditure or virement of funds.

57. The problem of outstanding contributions was discussed at length and the members of the Committee unanimously agreed on its solution.

Speaking about the advances recoverable, many representatives appealed to the Secretariat so that the latter might respect the rules governing these advances. The Secretariat intervened to explain the rules in force and observed that all the advances mentioned under the item concerned had been reimbursements. In conclusion, the Committee made the following recommendations:-

- a) All advances should be recovered as quickly as possible;

- b) No advance should be granted before the reimbursement of a previous one;

58. Answering the numerous questions on the funds to be collected in order to combat the drought, the Secretariat explained that according to Resolution CM/336, contributions were to be made voluntarily but according to Resolution CM/540 adopted in Mauritius, the contributions were made compulsory and fixed at one fifteenth of the quota of Member States to the ordinary budget of the OAU from January 1976 to January 1980.

59. The failure of bringing the files of staff members up-to-date was discussed by the Committee at length. The Committee then broadened with much interest over Dhlamini's case and its moral aspect. Various opinions were expressed on the responsibility of the Secretariat on the matter and the following was unanimously recommended.

- a) The Secretariat should not show such a neglect in future;
- b) If such cases should occur again, the official who made the payment will be held responsible;
- c) The Secretariat should ask the schools concerned to submit the details of the educational expenses;
- d) The Secretariat should recover within the shortest possible time the family allowances unduly paid to some officials and the recovery of the educational grant advanced to Mr. Dhlamini.

60. The explanations given by the Secretariat about the "difficulties" encountered in applying the rules on Competitive bidding did not satisfy the members of the Committee who appealed for a strict respect of the rules.

61. With regard to the OAU Medical Expense Assistance Plan the Committee discussed the various cases mentioned in the paragraph, particularly the case of officials who undergo medical treatments abroad (Europe) at exorbitant fees when on leave. Mention was also made of the case of accompanying a sick official who should be evacuated. Since the regulations were silent on this issue, the Secretariat was urged to study it.

Besides, the Committee discussed at length the problem of insurance policy signed by the Secretariat with the "American Life Insurance Company". Since speakers were of the opinion that the rate of interest on the amount deposited was too low, a committee was then set up to study the contract in question.

62. Various proposals were made with a view to strengthening supervision and financial control in the Regional Offices. Some representatives recommended the suspension of the funds allotted to these offices in case they failed to respect the financial regulations of the Organization or send the statements of their accounts in time. A certain number of

delegates refused to accept this proposal because they saw in this a punishment to the whole staff particularly the staff members recruited locally. The Secretariat saw in this a risk of soiling the reputation of the Organization in such towns as Geneva if subvention was not sent. But all the members of the Committee expressed their grave concern and asked the General Secretariat to take the necessary measures so as the financial regulations might be respected and the financial control strengthened. These measures included among others the restructuring and the strengthening of the Accounts services, a regular monthly despatch of supporting vouchers and administrative and disciplinary measures against those who failed to respect scrupulously the provisions of the financial regulations.

63. The Committee accepted the proposal made by the Board of External Auditors to the effect that store keepers should be allowed to take refresher courses and asked the General Secretariat to make the necessary estimates based on seminars and the transfer of storekeepers from Headquarters to Regional Offices so that the colleagues in these offices might benefit from their experience.

Furthermore with regard to the abusive consumption of motor fuel, the representative of the Secretariat pointed out that some economy was realized. The Secretariat was urged to take note of the observations made by the Committee on this point more particularly with regard to the use of coupons.

The Committee finally took formal note of the recommendation made by the Board of External Auditors with regard to the library and asked the Secretariat to take an inventory of existing books and reorganize the library. The latter should submit to Diplomatic Missions in Addis Ababa and Member States the list of books at its disposal.

64. The Committee adopted the report of the Board of External Auditors with the observations and recommendations mentioned decisions above and took the following decisions:

- a) To urge the Council of Ministers to make clearer the resolution relating to the composition of the Advisory Committee and members of the External Auditors; It recommended equitability in the composition of the Board of External Auditors among the English speaking the French speaking and the Arabic speaking countries. Henceforth the composition of the Board will be 7 members: 3 English speaking countries 3 French speaking countries and 1 Arabic speaking country.
- b) To adopt the recommendation made by the Board of External Auditors with refund to the expenses to be incurred during the last days of the financial year which will henceforth exclude all last minute orders.
- c) To endorse the recommendation made by the Secretariat concerning the payment of contributions and to submit the latter to the Council of Ministers, namely the preparation of a memorandum on the question and forwarding same to Member States.
- d) To approve the recommendation made by the Board of External Auditors concerning the respect of the rules relating to tenders.
- e) To set up a Committee composed of Nigeria (Chairman), Libya, Ghana and Cameroon to study the contract signed by the Secretariat with the American Life Insurance Company. This Committee will report its findings to the next Session of the Advisory Committee.

EXTERNAL AUDITORS' REPORT ON ANNUAL ACCOUNTS OF  
THE COORDINATING COMMITTEE FOR THE LIBERATION OF  
AFRICA (DAR ES SALAAM) FOR THE FINANCIAL YEAR  
ENDING ON 31 MAY 1977 - DOCUMENT CM/844 ADD. THE  
AGENDA ITEM 2.

65. The Advisory Committee on Budgetary and Financial Matters considered in detail the report of the Board of External Auditors on the financial situation of the Coordinating Committee for the Liberation of Africa in Dar-es-Salaam during the fiscal year which ended on 31 May 1977 (Document CM/844/Add. 2). The members of the Committee noted with deep concern, among others, observations made by the Board of External Auditors, observations according to which the expenses made from the funds allotted to the General budget and from the special fund were not checked. The stores of the Dar-es-Salaam Office were not checked also. The Committee asked the Executive Secretary, the Internal Auditor, the General Secretariat and the staff at Headquarters to shed light on the issue. Consequently the Committee came to the conclusion that the resident Internal Auditor for the period under consideration did his best in the performance of his duty while the vouchers mentioned on page 3 document CM/844/Add.2 have not been subjected, as stipulated by the regulations in force, to a prior check or to a requisition on the part of the person entitled to make the payment. It then appealed to the Executive Secretariat to observe strictly all the financial rules and regulations of the Organization which stipulate that all disbursement vouchers should be endorsed by the Internal Auditor or bear the latter's remarks. When the Internal Auditor is against any expenditure which the Executive Secretary deems indispensable for one reason or the other, he should write a requisition to be attached to the disbursement voucher as provided for by regulations XIV relating to the office of the Internal Auditor under the functions and rules governing the Coordinating Committee for

the Liberation of Africa. It also appealed to the General Secretariat of the Organization and to its staff urging them to endeavour to implement every decision and recommendation of the Advisory Committee on Budgetary and Financial Matters.

66. With regard to the paragraphs relating to the implementation or the non-implementation of the decisions taken by the last but one Session of the Advisory Committee, the Executive Secretary told the Committee that he did all he could so as to recover the advances and arrears mentioned but there was no reaction from those states or individuals, concerned. A speaker indicated that advances given to delegates in transit should not be drawn from the funds of the Committee but rather from the personal funds of the Executive Secretary.

67. Having considered the huge sum of money paid to the technical staff recruited by the Executive Secretariat for the Twenty-Seventh Session of the Liberation Committee and meeting the wish expressed by some delegates and that of the Executive Secretary concerning the use, for political reasons only of the OAU technical staff for the proceedings of the Coordinating Committee for the Liberation of Africa, the Committee made the following recommendations:-

- a) All meetings of the Liberation Committee should be serviced by the technical staff of the OAU;
- b) Any person belonging to the account section or the accountant himself should reimburse any irregular payments they would make.



68. The Executive Secretary then intervened to cool the apprehensions of some representatives on the question of loans for the purchase of cars and explained that the relevant regulations were observed. But the Committee was not satisfied by the explanations given particularly those concerning Mr. Kusi who obtained a loan and left on course. It took the following decision:

DECISION: THE GENERAL SECRETARIAT WILL HENCEFORTH CENTRALIZE APPLICATIONS FOR LOAN FOR THE PURCHASE OF CARS.

69. With regard to the allowances improperly paid to an account clerk, the Committee maintained its recommendation made at the Twenty-Session and recommended the recovery of the said allowances. It deemed it essential that all necessary measures should be taken by the Executive Secretary to recover the amounts under consideration.

Besides, the recommendation made by the Board of External Auditors was adopted by the Committee thus prohibiting the use of CAU accounts for personal needs. After a long discussion, the Committee noted that Bank commissions were too high and the following decision was taken in order to amortize them and lighten the burden on the accounts of the office:

DECISION: THE COMMITTEE DECIDED THAT ACCOUNT NO.2 WILL BE DIVIDED INTO FOREIGN AND LOCAL CURRENCIES ACCOUNTS SO AS TO LESSEN THE NUMBER OF ACCOUNTING PROBLEMS.

70. The Committee endorsed the recommendation made by the Board of External Auditors requesting the Executive Secretariat to abide by the rules of the office of lenders. The Committee, on the other hand, took note of the problem concerning payments made to individuals and recommended that no payment should be made to individuals in the future on the account of the Office. The following was decided by the Committee with regard to the over-payment made to drivers on official missions:

DECISION: THE COMMITTEE DECIDED THAT THE AMOUNT OVERPAID SHOULD BE REIMBURSED BY THE DRIVERS.

REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS OF THE SUB-REGIONAL OFFICE OF THE COORDINATING COMMITTEE FOR THE LIBERATION OF AFRICA IN LUSAKA DURING THE FINANCIAL YEAR ENDING ON 31 MAY 1977 - DOCUMENT CM/844/ADD 4) AGENDA ITEM 4 CONTINUED.

71. The Executive Secretary told the Committee that observations made by the Director of Lusaka were received in the morning and would be distributed later. Connecting on the External Auditors' report and particularly the part dealing with the decisions taken by the Advisory Committee, he said that so far as decision - i - was concerned he had asked the Director of the Office to refund the amount owed but since the latter received his subvention directly, it was difficult to deduct the amount involved. With regard to decision - ii - concerning an over payment made to the former Deputy Director, he said he wrote to the latter on the issue but there was no reaction, the Deputy Director is now employed by the United Nations Economic Commission for Africa. He concluded that by saying that reference was made to decision - iii - in the observations of the Dar-es-Salaam Office.

72. A discussion then followed and all those who took the floor stressed the need that the decisions taken by the Committee should be implemented so as to recover the amounts involved. Some speakers even suggested that rules should be laid down by the Secretariat with a view to recovering the amounts improperly collected by staff members.

73. The Committee discussed the other problems raised by the External Auditors report and went on to criticize the deficit left behind by a substitute accounting clerk, the situation in the store and the sale of useless articles, the accident made by an official vehicle and the large sums of money spent for the maintenance of the lorries. On the latter point, the Executive Secretary explained that the lorries of the office were used to transport the equipment of the Liberation Movements, not only in Zambia, but also in Tanzania. That explained the very high cost of their maintenance. The members of the Committee were not satisfied with these explanations and urged the Secretariat to provide more detailed explanations when the Liberation Committee will be questioned on this matter at its next Session.

THE following decisions were taken by the Committee:

DECISIONS:

A - THE SECRETARIAT SHOULD IMPLEMENT THE DECISIONS AND THE RECOMMENDATIONS OF THE COMMITTEE AND WHICH HAD NOT BEEN IMPLEMENTED, ESPECIALLY WITH REGARD TO OVER-EXPENDITURE, UNAUTHORIZED EXPENSES, RECOVERABLE ADVANCES ETC.

B - THE SECRETARIAT SHOULD ISSUE A WARNING LETTER TO THE PERSON IN CHARGE OF THE OFFICE FOR OVER-SPENDING UNDER SIX ITEMS WITHOUT AUTHORIZATION OR WITHOUT APPLICATION FOR TRANSFER.

C - THE AMOUNT OF US.\$ 53.18 OWNED BY THE SUBSTITUTE ACCOUNTING CLERK AND PAID FROM THE OAU FUNDS SHOULD BE DEDUCTED FROM THE SALARY OF THE DIRECTOR OF THE LUSAKA OFFICE.

D - THE SUM OF K 60.00 PAID BY THE DRIVER OF THE CAR NO. 34 CD IZ AS FAR AS THE SUM OF K. 245.00 PAID BY ANOTHER DRIVER INVOLVED IN ANOTHER ACCIDENT SHOULD BE REFUNDED TO THEM WITHOUT THIS CONSTITUTING PRECEDENT. THE EXECUTIVE SECRETARIAT SHOULD ISSUE A WARNING TO THE PARTIES CONCERNED.

E - BEFORE OFFERING UNSERVICABLE ARTICLES FOR SALE THEY SHOULD BE RECONDITIONED.

F - REJECTION OF THE RECOMMENDATION OF THE EXTERNAL AUDITORS TO THE FACT THAT THE EXECUTIVE SECRETARY SHOULD BE ACCOMPANIED BY A REPRESENTATIVE OF THE LUSAKA OFFICE DURING THE MEETINGS OF THE ADVISORY COMMITTEE

REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE ACCOUNTS OF THE SECRETARIAT OF THE AFRICAN GROUP AT THE UNITED NATIONS IN NEW YORK FOR THE PERIOD BETWEEN 1 JUNE, 1976 AND 31 MAY, 1977 DOC. CM/844(XXX) ADD. 8(AGENDA ITEM 4 CONTINUED)

74. The following irregularities were pointed out on the New York office in this report.

- a) The journal and the situation of the budget administration on 31 May, 1977 were not attached to the accounts.
- b) A total of over-expenditure of US.\$ 27,092.15 was noticed.
- c) The cealing of educational grant of US.\$1,500.00 was not respected.

- d) No justification was given for the payment of an amount of US.\$330.00 spent in buying office equipment;
- e) No justification was given for the payment of drinks bought for the reception held on 31 May, 1977;

75. The Committee wanted to know from the Secretariat why the accounts of the New York Office were audited at the Headquarters. The Secretariat replied that the External Auditors stopped going to New York since the past four years because of lack of funds and heavy programme. Besides, the Committee found the over expenditure alarming and as a result requested the General Secretariat to refrain from over-spending. If necessary, arrangements should be made in advance to obtain supplementary funds.

76. With regard to the repayment of the educational grant, the Secretariat observed that the Twenty-fourth Session of the Advisory Committee fixed this grant at US.\$1,500 and that the Executive Secretariat misinterpreted the decision. The Committee maintained therefore the rate of US.\$1,500 and approved an audit proposal regarding the refund of the excess.

EXTERNAL AUDITOR'S REPORT ON THE ACCOUNTS OF THE EXECUTIVE SECRETARIAT OF THE OAU IN GENEVA FOR THE PERIOD FROM 1 JUNE, 1976 TO 31 MAY, 1977 AGENDA ITEM 4 CONTINUED.

77. Owing the important number of financial irregularities noticed on several occasions in this Office, the disorder in which the accounts were and, finally, the problem posed by the financial administration of the Geneva Office because of an accountant who has shown a gross incompetence, the Committee took the following decision:



DECISION: THE COMMITTEE DECIDED THAT A MISSION COMPOSED OF THE HEAD OF THE ADMINISTRATION, THE CHIEF ACCOUNTANT AND THE EXTERNAL AUDITOR WHO CHECKED THE ACCOUNT OF THIS OFFICE BE SENT TO GENEVA TO CHECK THE ACCOUNTS OF THE OFFICE ON THE SPOT. THIS MISSION WOULD PROCEED TO GENEVA SOON AT THE END OF THE ADVISORY COMMITTEE'S WORK. FURTHERMORE THE COMMITTEE REQUESTED THE GENERAL-SECRETARIAT TO TAKE THE APPROPRIATE ADMINISTRATIVE MEASURES IN THE LIGHT OF THE SAID MISSION'S REPORT AND POSSIBLY REPLACE THE SAID ACCOUNTANT.

REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE ACCOUNTS OF THE SCIENTIFIC, TECHNICAL AND RESEARCH COMMISSION (STRC) LAGOS - FOR THE PERIOD FROM JUNE 1, 1976 TO MAY 31, 1977, DOC. CM/844/ADD.1 (AGENDA ITEM I CONTINUED).

78. The Assistant Secretary General in charge of Administration and Finance informed the Committee that the Executive Secretary was indisposed and was being represented at the meeting by his accountant Mr. ASHILBOR.

79. With regard to the situation of the accounts, the representative of Kenya stated that his country paid its contribution to the Nairobi Office in local currency. The Secretariat pointed out that the Committee decided that 50 per cent of the contribution to be paid by the host Government to the OAU Office should be in convertible currency. After this observation by the Secretariat, the representative of Kenya explained that his country's contribution was paid in local convertible currency. And, as proposed by the Chairman, the Committee took the following decision :-

DECISION: THIS SITUATION SHOULD BE RESOLVED BETWEEN THE SECRETARIAT AND KENYA IN ACCORDANCE WITH PREVIOUS DECISIONS.

80. The Committee decided to send a delegation to Lagos to enquire into the low rent paid for OAU houses in Lagos as mentioned by the Board of External Auditors in its report.

DECISION: THE COMMITTEE DECIDED TO SEND A DELEGATION COMPOSED OF THE CHAIRMAN OF THE BOARD OF EXTERNAL AUDITORS AND A MEMBER OF THE SECRETARIAT TO MAKE AN EXPERT APPRAISAL OF OAU HOUSES IN LAGOS AND TO EVALUATE THEIR RENOVATION.

81. In answer to the criticisms by several representatives against the over-expenditure by this Office, a representative of the Secretariat told the Committee that instructions would be given not only to the Lagos Office but to all OAU Offices so that they refrain from indulging in over-expenditure without prior authorisation from the Advisory Committee.

82. The Committee protested against the unconstraint shown by the Secretariat by continuing to pay officials on courses for months, and sometimes, for years and decided to fix the duration for such courses.

DECISION: THE COURSE SHOULD LAST ONLY SIX MONTHS.

AFTER THAT PERIOD, THE OFFICIAL WOULD NO LONGER BE PAID HIS SALARY WHICH IN ANY CASE IS PAID MONTHLY.

IN THE CASE WHERE THE OFFICIAL DESIRES TO DO A

COURSE DIFFERENT FROM HIS ASSIGNMENT WITHIN THE

ORGANISATION, THE SECRETARIAT SHOULD RELEASE HIM.

FURTHERMORE, A YEARLY PROGRAMME OF COURSES SHOULD BE PREPARED BY THE SECRETARIAT WHICH WOULD DECIDE AT

THE SAME TIME THE CONDITIONS SO AS TO ENSURE THAT THE OFFICIALS RETURN TO THE SECRETARIAT AFTER THEIR COURSES.

83. The Committee took a decision on certain unauthorised expenses made by the Lagos Office.

DECISION: THE COMMITTEE REQUESTED THE EXECUTIVE

SECRETARY THE SUMS OF MONEY IMPROPERLY PAID TO

CERTAIN OFFICIALS OF THE OFFICE.

REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU FOR ANIMAL RESOURCES (IBAR) IN NAIROBI (DOC. CM/844(XXX) ADD.6 (AGENDA ITEM 4 CONTINUED))



84. The Committee noticed with satisfaction that the External Auditors' report did not mention financial irregularities, especially in the expenses, except some little over-expenditure on which the Committee made the same recommendations as in the case of other Offices. The Committee regretted however the accident in which the official car was involved and for which a senior official of the General Secretariat was held responsible. The office was asked to collect the advances recoverable and to inform the General Secretariat sending of trainees to the office. Apart from the above, the Committee took the following decisions.

DECISIONS: a) THE COMMITTEE REQUESTED THE GENERAL SECRETARIAT TO REMIND ITS OFFICES OF THE CONTENT OF A CIRCULAR ON THE USE OF CAR DURING OFFICIAL MISSIONS.

b) THE BALANCE OF THE DEPOSIT MADE TO THE KENYA EXPRESS COMPANY FOR THE PAYMENT OF THE TRANSPORT EXPENSES OF DR. SALL'S LUGGAGE SHOULD BE RECOVERED.

c) THE INCOME SHOULD BE PRESENTED SEPARATELY FROM THE APPROPRIATIONS OF THE GENERAL BUDGETS.

AUDIT REPORT ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU FOR SOILS (BIS) BANGUI DOC CM/844(XXX)  
ADD (AGENDA ITEM 4 CONTINUED)

85. The attention of the members of the Committee was drawn to two problems raised in the report: first, the disappearance of the accounting officer of the Bureau, whom the Committee had urged the Secretariat to look for in collaboration with the Government of the Central African Empire.

The second problem concerned the irregularities noticed in the behaviour of the Bureau's Director who had his air tickets refunded to him so as to buy less expensive ones. Most of those who took the floor were of the opinion that this procedure was illegal and even immoral. Members of the Committee regretted this and urged the Secretariat to take appropriate measures. Finally, the Committee requested the Secretariat to write to the Government of Senegal to ask the latter's help in recovering the sum of US.\$1,811.00 owed by the former Director of the Office, Mr. BARETTO. To this end, it requested the collaboration of the Senegalese Embassy in Ethiopia.

REPORT OF THE OAU BOARD OF EXTERNAL AUDITORS ON THE ACCOUNTS OF THE YAOUNDE OFFICE DOC. CM/844 (XXX) ADD.5  
(AGENDA ITEM 4 CONTINUED)

86. The Committee expressed surprise at the very high loss in exchange rate during the transfer of funds from Lagos to Yaounde, an amount which stood at US.\$22,352.99. The Secretariat has been requested to investigate the matter.

Appeal was made to the Office to recover all the recoverable advances and for all such advances to be justified in the future. The Committee finally made the same recommendation as those formulated in the case of other offices with regard to over-expenditure.

DECISION: THE COMMITTEE CHARGED WHICH INVESTIGATING THE QUESTION OF RENTS ON OAU HOUSES IN AGOS SHOULD ALSO PROCEED TO YAOUNDE TO STUDY THE QUESTION OF LOSS IN EXCHANGE SUFFERED BY THE OFFICE.

REPORT OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE COORDINATING OFFICE OF MALABO (EQUATORIAL GUINEA)  
DOC. CM/844 (XXX) ADD.4.

87. Since the Twenty-Ninth Session of the Council of Ministers held in Lome decided to close this Office, the Committee simply took note of the report written on the latter.

REPORT OF THE EXTERNAL AUDITORS ON THE ACCOUNTS OF THE INTER-AFRICAN BUREAU OF LANGUAGES IN KAMPALA FOR THE PERIOD ENDED AT 31 MAY 1977 - DOC. CM/844 (XXX)  
ADD.II (AGENDA ITEM 4 CONTINUED)

88. Since the accounts for a period of two months were not sent for external auditing five months after the financial year, the Committee decided not to audit the accounts of this office covering the two months. The Committee recommended that the said accounts be submitted to the auditors for examination as early as possible.

REPORT OF THE EXTERNAL AUDITORS ON THE ACCOUNTS OF ACCRA OFFICE (GHANA) DOC.844 (XXX) ADD.12 (AGENDA ITEM 4 CONTINUED)

89. After considering the irregularities identified by the External Auditors, the Committee adopted 4 recommendations and took one decision:-

A. RECOMMENDATIONS:

- i) THE SECRETARIAT SHOULD SEND THE BUDGET APPROPRIATIONS IN TIME.
- ii) THE OFFICE SHOULD SUBMIT ITS ACCOUNTS EVERY MONTH.
- iii) AFTER VERIFYING THE ACCOUNTS, THE SECRETARIAT SHOULD DRAW THE OFFICE'S ATTENTION TO THE IRREGULARITIES IDENTIFIED.
- iv) THE SECRETARIAT SHOULD PENALISE THOSE RESPONSIBLE FOR THE IRREGULARITIES.

B. DECISION: ALL THE ADVANCES GRANTED MR. DIOUF SHOULD BE REGULARISED BY THE SECRETARIAT AND REFUNDED BY THE OFFICER CONCERNED

REPORT OF THE EXTERNAL AUDITORS ON THE ACCOUNTS OF THE NIAMEY OFFICE DOC. CM/844(XXX) ADD.7 (AGENDA ITEM 4 CONTINUED)

90. Since the accounts of this Office had been properly kept, the Committee only had to consider the rates of exchange which the Secretariat has been requested to investigate so as to find a solution. It congratulated the Office on its excellent financial administration.

CONSIDERATION OF THE DRAFT PROGRAM AND THE BUDGET FOR  
THE 1978/1979 FINANCIAL YEAR DOC.CM/845(XXX)

AGENDA ITEM 5 (a)

91. The Assistant Secretary General in charge of Administration and Finance presented the draft budget for the 1978/1979 Financial Year to the Committee. This budget stood at US.\$ 10,852,835.00 broken down as follows:

a) General Secretariat	US.\$7,071,902.00
b) Regional and Sub-regional Offices	<u>US.\$3,810,933.00</u>
Total	10,882,835.00
c) To be deducted: estimated income	<u>US.\$ 30,000.00</u>
d) Net Draft Budget	<u>US.\$10,852,835.00</u>

The net increase as compared with the appropriations for the 1977/1978 Financial Year stood at US.\$ 466,822.00 i.e. 4.5%. This is a very small increase thanks to theoretical savings of US.\$961,783.00. The Assistant Secretary General concluded by stating that these estimates did not include either the subventions demanded by thirteen African Organizations or the cost of new posts.

92. Discussions then began on the draft budget. Some delegates observed that the theoretical savings referred to by the Secretariat were due to the fact that most of the vacant posts had not yet been filled and certain conferences not held.

93. Appeal was made to the Secretariat to fill the vacant posts as early as possible. To this, the Secretariat replied that it was doing its best. But rather states delay in submitting candidatures or some times the Secretariat did not consider the candidatures satisfactory, this causing the present situation. Regarding the Economic and Social Affairs Department, the Committee accepted certain posts proposed and urged the Secretariat to undertake recruitment exercises as and when the need was felt. However, a delegation expressed reservations on posts to be filled within the Economic Department.

After these observations and a careful consideration of the proposals made by the General Secretariat, the Committee finally approved the budget appropriations of US. \$ 11,894,391.00 for the 1978/1979 Financial Year or an increase of 14.52% as against the budget of the current Financial Year.

These appropriations have been broken down as follows

- Operations of the General Secretariat (including the Regional and Sub-regional Offices).....	
- Subventions to African Organizations	US. \$500,000.00
- Creation of new posts	US. \$ 178,808.00
TOTAL	US. \$ 11,894,391.00

The Committee approved without any amendment the General Secretariat's proposals regarding staff enrolments.

94. With regard to Code 100(a) the Committee was of the opinion that much funds <sup>were</sup> requested for salary adjustment and various allowances were too high. The following decision was then taken.

DECISION: THREE FUNDS REQUESTED UNDER CODE 100 (a) ADJUSTMENT OF BASIC SALARY, DEPENDENCY AND POST ADJUSTMENT ALLOWANCE SHOULD AMOUNT TO US.\$400,000.00 INSTEAD OF US.\$498,823.00.

95. With regard to Code 101 relating to studies and consultation fees, some representatives wanted to know why the Secretariat failed to undertake studies like the ECA especially in the fields of economic and cooperation. The representative of the Secretariat attributed this failure to the lack of funds. Since the members of the Committee could not agree on the number of consultants to be recruited and on the funds to be allotted the following decision was taken.

DECISION: TO WRITE BEFORE THIS CODE PM-PRO A MEMORIA - SO AS TO ALLOTT THE NECESSARY FUNDS IN CASE OF NEED .

96. The members of the Committee were of the opinion that the funds allotted to Code 200 were too much and decided to reduce them.

DECISIONS: THE COMMITTEE DECIDED TO:-

- A. - REDUCE THE FUNDS REQUESTED FOR CODE 200 TRAVEL ON INITIAL RECRUITMENT TO US.\$30,000.00 INSTEAD OF US.\$42,400.00
- B. TO ALLOW THE FUNDS ALLOTTED LAST YEAR TO CODE 205 HOUSING ALLOWANCE FOR HEADQUARTERS STAFF EITHER US.\$ 311,520.00
- C. TO DECREASE THE FUNDS REQUESTED UNDER CODE 215 REVIEW FOR NEW APPOINTMENTS TO US.\$ 5,000.00 INSTEAD OF US.\$ 6,120.00.

97. The Committee considered the list of Conferences submitted to it and took the following decision:-

DECISION: THE COMMITTEE APPROVED A LUMP SUM OF US.\$ 200,000.00 FOR CODES 300 TO 310 FOR TRAVELS ON OFFICIAL MISSIONS. THE SECRETARY GENERAL, WOULD PREPARE A FINAL LIST OF CONFERENCES AND MEETINGS TO BE ATTENDED BY THE OAU. THE SECRETARY GENERAL WOULD ALSO DECIDE PERSONALLY THE NEED FOR AN OAU OFFICIAL TO PARTICIPATE IN CONFERENCES AND MEETINGS.

98. The Committee adopted Code 400 relating to the Rental and Maintenance of Equipment and Premises after the following amendments:

DECISIONS: THE COMMITTEE DECIDED THAT:

- a) US.\$22,000 SHOULD BE ALLOTTED TO CODE 401 CONCERNING THE MAINTENANCE AND RUNNING OF VEHICLES;
- b) AN AMOUNT OF US.\$ 10,000 INSTEAD OF US.\$13,000 SHOULD BE ALLOTTED TO CODE 402 MAINTENANCE OF EQUIPMENT;
- c) AN AMOUNT OF US.\$ 10,000 INSTEAD OF US.\$13,500 SHOULD BE ALLOTTED TO CODE 406. INSURANCE OF VEHICLES AND EQUIPMENT.



99. The Committee reiterated to the Secretariat its criticisms on the over-expenditure note under Codes 500 to 504 relating to Communications and appealed to the latter to reduce the number of telegrams and have a firmer control over telephone calls. All the Codes were adopted with the exception of Code 500 under which the funds were reduced.

DECISION: THE COMMITTEE DECIDED TO ALLOTT AN AMOUNT OF US.\$150,000 INSTEAD OF US.\$240,000 TO CODE 500 RELATING TO CABLES.

100. The funds requested for Codes 600 to 616. Miscellaneous supplies and services were discussed at length, particularly the subventions to African Organization. It was noted that these Organizations have the tendency to depend solely, for their budgets, on the subventions granted by the OAU instead of resorting to their own sources of income. Little time was spent on the subventions to the operational budget of the Bureau for Refugees -BPEAR - pending the distribution of the Secretary General's report on the embezzlement of funds which took place in that Bureau.

DECISIONS: THE COMMITTEE DECIDED THAT:-

- A - THE BUDGET ESTIMATES FOR CODE 600 - STATIONARY AND OFFICE SUPPLIES SHOULD BE REDUCED TO US.\$45,000.
- B - A SYMBOLIC AMOUNT OF US.\$ 1 WOULD BE ALLOTTED TO CODE 605 PENDING RECRUITMENT OF THE LIBRARIAN AND ORGANIZATION OF THE NEW LIBRARY.

C - A LUMP SUM OF ABOUT US.\$500,000.00 WOULD BE ALLOTTED TO CODE 616 - SUBVENTION TO AFRICAN ORGANIZATIONS - THIS WOULD EVENTUALLY BE DIVIDED AMONG THESE ORGANIZATIONS WHILE CONSIDERING THEIR APPLICATION FOR SUBVENTIONS AFTER A STUDY OF THEIR BUDGETS.

D - THESE ORGANIZATIONS SHOULD BE ABLE TO FINANCE THEIR ACTIVITIES AFTER THREE TO FIVE YEARS. AT THE END OF THIS PERIOD, THE OAU WOULD NO LONGER GRANT THEM ANY SUBVENTIONS.

E - THE AMOUNT PREVIOUSLY GRANTED THE BUREAU FOR REFUGEES (BPEAR) SHOULD BE CARRIED FORWARD.

AN AMOUNT OF US.\$40,000 MIGHT BE CONSIDERED IN THE LIGHT OF THE SECRETARIAT'S REPORT.

101. The budget estimates under Codes 700 to 710 did not raise any problem. However, the amounts allotted, to Codes 703 and 707 were reduced. With regard to Code 710 for the acquisition of residence for the Secretary General, the latter officially informed the Committee that the Ethiopian Government made a gift of his present residence to the OAU. He went on to explain that the gift was the result of the correspondence exchanged with the Ethiopian Ministry of Housing for the purchase of the residence in question, for a while an amount of US.\$ 100,000 was initially provided.

The letter by which the Ethiopian Minister decided to give this residence to the OAU as an official residence of the Administrative Secretary General and to allow modifications in the plan of the house was read to the members of the Committee.

The Committee took note of this information and asked the Secretariat to report this to the next Session of the Council of Ministers so that the latter might take a decision.

DECISION: THE FOLLOWING DECISION WAS TAKEN BY THE COMMITTEE:-

A - REDUCE THE FUNDS REQUESTED UNDER CODE 703 OFFICE EQUIPMENT - TO US. \$ 6,000.00;

B - ALLOT US. \$ 7,000.00 INSTEAD OF US. \$ 7,500.00 TO THE BUDGET ESTIMATES UNDER CODE 707 - PURCHASE OF VEHICLES.

The funds requested under Codes 800 to 830 for Conferences and Meetings were discussed at length. It was noted that the ceiling of US. \$ 54,000 set for the meetings of the Commissions was not respected and a decision was taken by the Committee to alter the Codes concerning these Commissions. In order to reduce the amount allotted to Code 823, the Committee recommended that the meeting of the Administrative Tribunal should be convened in Addis Ababa instead of Khartoum.

DECISION: THE COMMITTEE DECIDED THAT AN AMOUNT OF ABOUT US. \$ 54,000 SHOULD BE ALLOTTED TO EACH OF THE CODES 802, 803 AND 804 RESPECTIVELY.

103. The Advisory Committee considered Code 824 entitled: "Budget for special fund for the running of the executive bodies of the Afro-Arab Cooperation". Members noted that the principles guiding the Committee in estimating and calculating the cost of the meetings organized by the OAU, were not always taken into consideration; that applied particularly to the Sessions of the joint Afro-Arab Council of Ministers on the one hand, and to the sessions of the Standing Committee, on the other. Thus, for the Ordinary Session of the Council of Ministers of the OAU which usually brought together 49 Ministers and lasted ten days including the travelling days. An amount of US.\$105,000 was allotted while US.\$ 168,266 was allotted to the Afro-Arab Ministerial Council which usually brought together 61 ministers for a period of seven days including travelling days.

Some expenses provided for the Afro-Arab meetings had never been taken into account by the OAU, these applied, for instance, to the hiring of vehicles for delegates and the payment of the services of the security staff.

Without prejudice to the principle of the equal participation of both Organizations (the League of Arab States and the Organization of African Unity) the Committee would wish, in the interest of Afro-Arab Cooperation, that the financial contribution to be made by both parties take into account their possibilities. This could only sustain and help strengthen this cooperation. The Advisory Committee was therefore of the opinion that the estimates under Code 824 were above those usually made from the considerations and norms guiding the cost of similar meetings organized by the OAU.

For these reasons and owing to the fact that the project was drawn by the joint Afro-Arab Standing Committee which is not responsible to the OAU alone the Advisory Committee did not give any opinion on Code 824 under which the OAU was to contribute a total amount of US.\$350,000. The Advisory Committee then urged the Chairman of the OAU groups in the Afro-Arab Standing Committee to include the budget proposals in his general report on Afro-Arab Cooperation to the OAU Council of Ministers. The latter could then give its opinion on the approval of these proposals before taking into account the amount to be allotted to them in the ordinary budget of the OAU.

104. It was unanimously agreed that the Secretariat should reduce as much as possible the financial implications due to the implementation of the resolutions under Codes 900 to 907. The Representative of the Secretariat told the members of the Committee since contributions were paid in late, the funds of the Organization were nearly exhausted and that the revolving fund was only half what it should be. Codes 900, 901, 902, 903 and 907 were adopted and the remaining three were altered.

DECISION:

- A - CODE 904 - SPECIAL RESOLUTIONS OF THE SUMMIT AND COUNCIL OF MINISTERS WAS NOT DEALT SINCE THE COMMITTEE WAS EXPECTING RELEVANT PROPOSALS FROM THE SECRETARIAT.
- B - THE COMMITTEE DECIDED TO PUT DOWN PM - PROMEMORIA - BEFORE CODES 905 AND 906 DEALING RESPECTIVELY WITH THE REPLENISHMENT OF WORKING CAPITAL FUND AND THE FUND FOR ASSISTANCE AND COOPERATION.

105. In order to allow those in charge of the Co-ordinating Committee for the Liberation of Africa (Dar-es-Salaam) to prepare the 30th Session of the Liberation Committee, the budget of their Bureau was adopted without amendment.

106. The budgets of the sub-regional offices of Lusaka, Maputo and Luanda were also adopted without any amendment. The Committee insisted that the Luanda Office starts operation from the next Financial Year.

107. Two codes were amended in the budget of the Lagos Office.

#### DECISION

A. IT WAS DECIDED THAT THE FUNDS ALLOTTED LAST YEAR TO CODE 608(A AND B) RELATING TO THE PRINTING OF THE BULLETINS OF THE INTER-AFRICAN BUREAU FOR SOILS (BIS) AND TO THAT OF THE BULLETIN OF THE INTER-AFRICAN BUREAU OF ANIMAL RESOURCES (IBAR) AND THE HANDBOOK FOR PHYTO-SANITARY INSPECTORS IN AFRICA SHOULD BE BROUGHT FORWARD THIS YEAR (US.\$40,000 INSTEAD OF US.\$50,000.00).

B. THE FUNDS ALLOTTED LAST YEAR TO CODE 610 FOR TRAINING AND RESEARCH PROGRAMME SHOULD AGAIN BE ALLOTTED; US.\$30,600.00 INSTEAD OF US.\$40,000.00.

108. The funds requested for the Budget of the Yaounde Office were adopted without amendment. The Committee then asked the Bureau to send copies of the bulletin and of other publications to all Member States so as to enable them to follow its activities closely.

109. The Representative of the Secretariat told the members of the Committee that a local secretary was sent automatically to the Bureau of Bangui by the authorities of the host country. The Committee unanimously protested against this illegal procedure and took the following decision.

DECISION

- A. THE NECESSARY STEPS SHOULD BE TAKEN BY THE SECRETARIAT SO AS TO EXPLAIN TO THE UNDERSTANDING OF THE AUTHORITIES OF BANGUI, THE OAU RULES AND PROCEDURES GOVERNING THE RECRUITMENT AND ADMISSION OF OFFICIALS.
- B. THE SECRETARIAT SHOULD REFUSE TO PAY THIS FEMALE SECRETARY AUTOMATICALLY SENT TO THE BUREAU.
- C. THE SECRETARIAT SHOULD CONTINUE IN ITS EFFORT TO LOCATE THE OFFICIAL WHO HAD VACATED HIS POST.

110. With regard to the budget estimates, it was decided that the Secretariat should take the necessary steps so as to send funds to this Bureau and to regional and sub-regional offices at the opportune time. With the exception of one code all the other codes had been adopted.

DECISION: THE COMMITTEE DECIDED TO ALLOT TO CODE 605 ONLY US.\$1,000, THE SAME AMOUNT ALLOTTED LAST YEAR.

111. The Committee approved every fund requested by the Nairobi Office except those under Code 707. This code led to a discussion on the amount to be allotted for the purchase of a car which would replace the former car damaged by a senior official of the General Secretariat in an accident. The following decision was taken by the Committee:

DECISION: AN AMOUNT OF US.\$1,200.00 WAS THEN ALLOTTED BY THE COMMITTEE TO CODE 707 FOR THE PURCHASE OF A MOTOR-CYCLE.

112. Two codes of the budget of the Executive Secretariat of the OAU at the United Nations in New York, were then discussed at length. The first code that is code 262 dealt with education grant. The Committee endorsed the recommendation made by the Board of External Auditors with a view to increasing the education grant from US.\$1,500.00 to US.\$2,000.00. Code 40 funds for the Maintenance of the Premises was then discussed. No decision was taken since this item was to be considered in conjunction with the document to be presented by the Secretariat on the purchase of premises for this office. The following decisions were taken on the New York Office.

DECISION: THE COMMITTEE DECIDED TO:

- A) FIX THE CEILING OF THE EDUCATION GRANT AT US.\$2,000.00.
- B) REFUSED THE INCREASE REQUESTED UNDER CODES 500 TO 503 - COMMUNICATIONS AND ALLOTTED US.\$15,000 THE SAME AMOUNT ALLOTTED LAST YEAR.
- C) REFUSED THE FUNDS REQUESTED UNDER CODE 707 FOR THE PURCHASE OF A CAR SO AS TO REPLACE THE FORMER OFFICIAL CAR WHICH WAS HARDLY TWO YEARS OLD.

113. The Committee wanted to know from the General Secretariat the reasons why funds granted to the Commission of Mediation, Conciliation and Arbitration under code 1005 were increased since the activities of the latter were reduced for several years. Since the Committee was not convinced by the explanations given by the Secretariat, it refused to allot all the funds requested.

DECISION: THE COMMITTEE DECIDED TO REDUCE BY ONE THIRD THE AMOUNT REQUESTED UNDER CODE 1005 - COMMISSION OF MEDIATION, CONCILIATION AND ARBITRATION. US.\$10,000 WERE ALLOTTED INSTEAD OF US.\$15,000.



114. Two amendments were made on the budget of the Inter African Bureau of Languages (Kampala), in the opinion of the Committee, the amount requested for the publication of two handbooks was too much. The Committee refused also to accept the explanations given by the Bureau for the sale of the present car and the purchase of an official car and a service car. The following decisions were taken on the two codes:

DECISIONS: THE COMMITTEE DECIDED:

- A) TO ALLOT TO CODE 608 ONLY AN AMOUNT OF US. \$10,000 FOR THE PUBLICATION OF TWO HANDBOOKS.
- B) TO ALLOT TO CODE 707 ONLY AN AMOUNT OF US. \$7,500.00 FOR THE PURCHASE OF A SINGLE VEHICLE "PEUGEOT 504" TO BE USED AS AN OFFICIAL CAR.

115. The programme and the budget of the Executive Secretariat in Geneva were discussed at length. The Committee paid much attention to code 100(a) relating to the devaluation of US dollars. An agreement was reached on the way the problems should be solved, more specially the problem of fixing the exchange rate and the Secretariat was asked to avoid such problems in future. The Secretariat then urged the Committee to increase the education grant as it was done in the case of the New York Office and the following decisions were taken:

DECISIONS: THE COMMITTEE DECIDED THE FOLLOWING:

- A) TO ASK THE SECRETARIAT TO UNDERTAKE STUDIES ON THE PROBLEM RAISED BY THE LOSS INCURRED IN EXCHANGE THROUGH THE PAYMENT OF THE PROFESSIONAL STAFF AND ON THE FLUCTUATIONS OF THE US DOLLAR AND ITS IMPLICATIONS ON THE BUDGET OF THE OFFICE.

- B) IN ORDER TO ALLOW THE OFFICE TO FACE IN THE MEANTIME THE EXPENSES ACCRUING FROM THE DEVALUATION OF THE AMERICAN DOLLAR, THE ITEMS UNDER CODE 100(a) WILL BE MANAGED FROM HEADQUARTERS. THIS DECISION ALSO APPLIES TO ALL REGIONAL AND SUB-REGIONAL OFFICES OF THE OAU;
- C) TO FIX THE EXCHANGE RATE OF THE AMERICAN DOLLAR IN RELATION TO THE SWISS FRANCS AT 1.95 FRANCS. THIS NEW RATE WILL COME INTO FORCE ON 1 FEBRUARY 1978;
- D) TO ASK THE OFFICE TO OPEN AN ACCOUNT IN LOCAL CURRENCY SO AS TO PROVIDE FOR THE PAYMENT OF THE LOCAL STAFF;
- E) TO INCREASE THE EDUCATION GRANT UNDER CODE 212 TO US \$2,000. THE SECRETARIAT WAS CONSEQUENTLY URGED TO READJUST THE FIGURES UNDER THIS CODE;
- F) TO DECREASE THE FUNDS REQUESTED FOR CODES 300, 703 AND 707 AS FOLLOWS:

CODE 300 - US. \$150,000.00 IN OTHER WORDS, THE ACCOUNT ALLOTTED PREVIOUSLY

CODE 703 - US. \$ 200,000.00 INSTEAD OF US. \$4,000.00

CODE 707 - US. \$1,500 INSTEAD OF US. \$6,000.00.

116. The programme and the budget of the office of the OAU/FAO/WHO Joint Nutrition Commission for Africa was adopted without amendment.

117. The Committee amended Code 305 - Travelling expenses of the budget estimates of the Centre for Linguistic and Historic Studies by Oral Traditions (Niamey).

DECISION: THE COMMITTEE DECIDED TO ALLOT US.\$3,000.00 THE SAME AMOUNT ALLOTTED LAST YEAR TO CODE 305 TRAVEL OF STAFF ON OFFICIAL MISSIONS.

118. Some representatives asked for the deletion of the credits requested under code 403 an ordinary hospitality while discussing the draft budget of the OAU Bureau for technical and medical assistance in the Comoros. Others were opposed to this because they saw in this action the manifestation of the presence and image of the OAU. In conclusion, the following decisions were taken:

DECISIONS:

- A) THE CREDIT ALLOTTED TO CODE 600 OFFICE SUPPLIES SHOULD BE IN THE REGION OF US.\$5,000.00 INSTEAD OF US.\$10,000.00.
- B) THE FUNDS ALLOTTED TO CODE 603 - ORDINARY HOSPITALITY SHOULD BE DELETED.

CREATION OF NEW POSTS FOR THE 1978/79 FINANCIAL YEAR DOC. CM/845(XXX)

Add. 1 - AGENDA ITEM 4(a)

119. The item was presented by the Assistant Secretary General in charge of Administration and Finance who urged the members of the Committee to make certain corrections. These corrections follow:

Department of Administration and Finance:

- 1 Co-ordinator.
- 6 Interpreters - two for each working languages of the OAU.
- Secretary General's Cabinet.
- Division of Information: recruitment of two editors, producers, producers and a varytyper operator.
- Audit Section: recruitment of an internal auditor.

New York Office: a) - to take a decision about the purchase of the OAU premises,

- b) - increase of housing allowances.

120. During the discussions which ensued, many representatives criticized the Secretariat for having proposed posts during discussions. The latter was then urged to draw up documents as quickly as possible and study the financial implications of the recruitments planned. It was also noticed that provisions were made to recruit a larger number of staff members, examples: Secretaries, and the Committee made an objection to this. Some delegates suggested an upgrading of wages in the Department of Economic and Social Affairs so as to enable the recruitment of competent people. The Chairman then pointed out that the upgrading of wages were recommended in the Reform of the Structures of the OAU.

The Secretariat did not see in this any problems since candidates were available for the posts listed. The following decisions were taken by the Committee:

DECISIONS:

- A) RECRUITMENT OF THE COORDINATOR REQUESTED BY THE DEPARTMENT OF ADMINISTRATION AND FINANCE AND RECRUITMENT OF THE INTERNAL AUDITOR REQUESTED BY THE SAME DEPARTMENT;
- B) RECRUITMENT OF THE ARCHIVIST REQUESTED BY THE LEGAL DIVISION;
- C) RECRUITMENT OF A COORDINATOR FOR THE DIVISION OF AFRO-ARAB COOPERATION;
- D) ACCEPTANCE OF THE PROPOSAL MADE BY THE PROTOCOL SECTION FOR THE RECRUITMENT OF A SENIOR CLERK;
- E) RECRUITMENT OF ONLY ONE GARDENER INSTEAD OF TWO FOR THE GENERAL SERVICES SECTION AND TRANSFER OF TWO GARDENERS TO THE RESIDENCE OF THE SECRETARY GENERAL;
- F) INCREASE OF THE PRESENT NUMBER OF MACHINE OPERATORS; GATHERERS IN THE CONFERENCE THROUGH THE RECRUITMENT OF TWO OPERATORS;

- G) AGREEMENT IN PRINCIPLE TO INCREASE THE NUMBER OF TRANSLATORS AND INTERPRETERS. THE COMMITTEE WILL TAKE A FINAL DECISION AT THE COMING SESSION IN THE LIGHT OF THE STUDY UNDERTAKEN BY THE SECRETARIAT ON THE ISSUE. THIS STUDY SHOULD BE UNDERTAKEN IN COLLABORATION WITH THE INTERPRETERS THEMSELVES AND A FORMULA SHOULD BE PROPOSED FOR THE ADMINISTRATIVE SITUATION AND THE STATUS OF THE INTERPRETERS;
- H) RECRUITMENT OF A HEAD NURSE FOR THE CLINIC OF THE ORGANIZATION;
- I) REGARDING THE RECRUITMENT OF A FULL-TIME PHYSICIAN THE COMMITTEE REQUESTED THE SECRETARIAT TO PREPARE COMPREHENSIVE REPORT ON THE ISSUE;
- J) TO PUT PM- PRO MEMORIA - AGAINST THE CODES CONCERNING THE PROPOSAL MADE FOR THE RECRUITMENT OF TWO ECONOMISTS LISTED FOR THE NEW YORK AND GENEVA OFFICES;
- K) TO REJECT: 1) THE RECRUITMENT OF THE ENGLISH SPEAKING SECRETARY FOR THE OFFICE OF THE LIBERATION COMMITTEE IN DAR-ES-SALAAM;
- 2) RECRUITMENT OF THE PUBLICATION/INFORMATION OFFICER AND THE AUDIT CLERK PROPOSED BY THE EXECUTIVE SECRETARIAT IN LAGOS;
- L) ACCEPT THE RECRUITMENT OF:
- 1) AN ARAB SPEAKING TRANSLATOR FOR THE YAOUNDE OFFICE;
  - 2) A GARDNER REQUESTED BY THE BANGUI OFFICE;
  - 3) A TRANSLATOR, AN ASSISTANT ADMINISTRATIVE OFFICER AND AN OFFICE CLEANER FOR THE NAIROBI- SUB-REGIONAL OFFICE;

M) REJECT THE TWO POSTS OF STENOGRAPHERS PROPOSED BY NAIROBI OFFICE;

N) ACCEPT THE RECRUITMENT OF:

1) AN ASSISTANT PRINTER FOR THE NLAEMEY OFFICE:

2) A DRIVER AND A GARDNER FOR THE KAMPALA OFFICE:

O) ACCEPT THE RECRUITMENT OF TWO EDITORS, PRODUCERS FOR THE RADIO OF THE ORGANISATION, THE PROGRAMMES OF WHICH WILL BE BROADCASTED IN THE WORKING LANGUAGES OF THE OAU.

121. With regard to the proposal made about the New York Office in document CM/845(XXX) Add.5 Annex 1 and on the strength of the arguments put forth, the Committee took the following decisions:

DECISIONS:

A) MAINTENANCE OF 80% OF THE HOUSING ALLOWANCE.

B) RAISING THE CEILING OF THESE ALLOWANCES AS FOLLOWS:

EXECUTIVE SECRETARY	US\$850 INSTEAD OF US\$745
ASST. EXECUTIVE SECRETARY	US\$750 INSTEAD OF US\$650
TRANSLATOR	US\$700 INSTEAD OF US\$600
ECONOMIST - HEAD OF SECTION	US\$600 INSTEAD OF US\$500
BIL. SECRETARY	US\$400 INSTEAD OF US\$306

C) AUTHORIZATION OF FORMALITIES SO AS TO PURCHASE THE PREMISES IN 48TH STREET AT A COST OF US\$750,000.00

D) THE PAYMENT SHOULD BE MADE AS FOLLOWS:

1. THE SECRETARIAT SHOULD FIND US\$350,000 FROM THE REST OF THE 1976/77 BUDGET.

2. THE SECRETARIAT SHOULD BORROW THE REMAINING US\$400,000.00 FROM A BANK, THE AMOUNT BORROWED SHOULD BE INCLUDED IN THE NEXT BUDGET:

CREATION OF AN EXECUTIVE SECRETARIAT AT THE LEAGUE OF ARAB STATES DOC. CM/845(XXX) ADD.14 (AGENDA ITEM 5-D)

122. The Administrative Secretary-General presented this document and stated that the decision to set up this delegation was due to implementation of Resolution CM/576 adopted by the Council of Ministers in Libreville. Besides it was in conformity with the principle of reciprocity since the League of Arab States had already accredited a representative to the OAU. Many delegates then took the floor and stressed the need of reducing the number of the staff members to work in this Bureau so as not to be heavy to its budget. It was unanimously agreed to reduce the estimates under certain codes. The following decisions were then taken by the Committee:

DECISIONS:

- A) MAINTAIN UNDER THE STAFF CODE ONLY THE FOLLOWING OFFICIALS:
1. AN EXECUTIVE SECRETARY WHO, TO A VERY GREAT EXTENT, SHOULD BE TO A TRAINED ECONOMIST;
  2. A LOCALLY RECRUITED ACCOUNTANT;
  3. A TRANSLATOR;
  4. TWO BILINGUAL SECRETARIES ARABIC/FRENCH; ARABIC/ENGLISH;
  5. A DRIVER;
  6. A TELEPHONIST - RECEPTIONIST;
  7. A MAINTENANCE AGENT WHO SHOULD BE AT THE SAME TIME A MESSENGER;
  8. A CARETAKER.

THE POSTS OF DEPUTY EXECUTIVE SECRETARY, A SENIOR ECONOMIST, AN OFFICIAL IN CHARGE OF PROTOCOL, TWO SECRETARIES, A SECOND DRIVER AND A MESSENGER WERE CONSEQUENTLY CANCELLED.

B. THE SECRETARY SHOULD BE ASKED TO READJUST THE FIGURES RELATING TO CODES 200 TO 213 AND TO CODE 300 IN THE LIGHT OF THE SMALLER NUMBER OF STAFF MEMBERS DECIDED BY THE BUREAU;

C. THE AMOUNT ALLOTTED TO CODE 300 CONCERNING THE TRAVEL OF STAFF MEMBERS ON OFFICIAL MISSIONS AS WELL AS ITS APPROPRIATION SHOULD BE REDUCED FROM US.\$10,000 TO ABOUT US.\$5,000.

D. THE AMOUNT ALLOTTED TO CODES 401, 402 AND 406 CONCERNING THE MAINTENANCE OF THE PREMISES SHOULD BE REDUCED AS FOLLOWS:

CODE 401 WAS ALLOTTED US.\$ 500 INSTEAD OF US.\$1,000

CODE 406 WAS ALLOTTED US.\$200 INSTEAD OF US.\$3,000

E. CODES 500 AND 504 CONCERNING COMMUNICATIONS SHOULD FIRST BE ALLOTTED US.\$2,000

F. THE AMOUNTS ALLOTTED TO CODES 600, 606 AND 607 RELATING TO MISCELLANEOUS SUPPLIES AND SERVICES WERE ALSO DECREASED AS FOLLOWS:

CODE 600 WAS ALLOTTED US.\$2,000 INSTEAD OF US.\$4,000

CODE 606 WAS ALLOTTED US.\$ 500 INSTEAD OF US.\$1,000

CODE 607 WAS ALLOTTED US.\$ 500 INSTEAD OF US.\$1,500

G. WITH REGARD TO THE CODES RANGING FROM 700-705 AND DEALING WITH FIXED ASSETS, ONLY CODE 705 WAS NOT AMENDED THE AMOUNTS ALLOTTED TO THE REMAINING CODES WERE REDUCED



CODE 702 WAS ALLOTTED US.\$8,000 INSTEAD OF US.\$15,000

CODE 703 WAS ALLOTTED US.\$5,000, INSTEAD OF US.\$10,000

CODE 707 WAS ALLOTTED US.\$9,200 INSTEAD OF US.\$13,000

THE FUNDS ALLOTTED TO THE LATTER CODE ARE DIVIDED AS FOLLOWS:

- US.\$8,000 FOR THE PURCHASE OF ONLY ONE VEHICLE
- US.\$1,200 FOR THE PURCHASE OF A MOTOR-CYCLE.

CONSIDERATION OF THE APPLICATION MADE BY THIRTEEN  
AFRICAN ORGANIZATIONS FOR SUBVENTIONS DOC. CM/847(XXX) &  
CM/859(XXX) (AGENDA ITEM 6)

123. These applications were introduced by the Assistant Secretary General in charge of Administration and Finance. He pointed out that an amount of US.\$3,000.00 was required to meet these subventions. Among the Organizations which applied for subventions, some of them were applying for the first time, others did not apply for more than one year and there was a third category which applied only last year. He went on to make mention of the criteria governing the grant of these subventions, and added that unfortunately a good number of the criteria were not respected, especially those criteria asking these Organizations to send their accounts to the Secretariat for auditing. In conclusion the Assistant Secretary General in charge of Administration and Finance laid an emphasis on what he called "double budgetization", for, apart from their own budgets, these Organizations resort to the OAU for additional funds. He wanted to know to which use are put the subventions. The representative of Morocco was the first to take the floor. He drew the attention of the Committee to the application made by one Organization for subvention and to which was appended a progress report containing vehement attacks against two Member States of the OAU. The grant of subventions, he said should first be subjected to the extent to which the Organizations applying respect the criteria of the non interference in the internal affairs of Member States.

124. Before the delicate problem raised by the distribution of the US.\$500,000 allotted by the Committee among the various Organizations, it was decided to set up a sub-Committee headed by the Chairman of the Committee and including the representatives of Liberia, Libya, Rwanda and Tanzania. This sub-Committee would be entrusted with the distribution of the above mentioned sum, among the thirteen organizations. To facilitate the task of this sub-Committee, the Secretariat was asked to draw a table summing up the financial situation of these Organizations and the extent to which the organizations respect their own mentioned criteria.

125. The sub-Committee met and proposed the following distribution:

- |  |                 |
|--|-----------------|
| a - Encyclopaedia Africana Project   | US.\$35,000.00  |
| b - African Committee of Trade Union<br>Coordination and Action against<br>Apartheid and Colonisation      | US.\$15,000.00  |
| c - Association for the Advancement of<br>Agricultural Sciences in Africa                                  | US.\$55,000.00  |
| d - Association for Social Work<br>Education in Africa   | US.\$25,000.00  |
| e - International Relations Institute<br>of Cameroon   | US.\$35,000.00  |
| f - Pan-African Women's Organization   | US.\$10,000.00  |
| g - Association of African Universities  | US.\$45,000.00  |
| h - Organization of African Trade<br>Union Unity   | US.\$100,000.00 |
| i - International Association for the<br>Development of Documentation,<br>Libraries and Archives in Africa | US.\$ 20,000.00 |

J - Centre for Coordination and Research and Documentation in Social Science for Sub-Sahara Africa (CERDAS)	US.\$ 20,000.00
k - Pan African Youth Movement	US.\$ 30,000.00
l - Union of National Radio and T.V. Organization of Africa	US.\$ 20,000.00
m - Supreme Council for Sports in Africa	US.\$ 90,000.00

126. During the presentation, the Committee approved a recommendation made by the sub-Committee a recommendation according to which the Centre for Coordination of Research and Documentation in Social Sciences for Sub-Saharan Africa (CERDAS) should delete Sub-Saharan from its appellation. The representative of Morocco then took the floor and protested vehemently against the of even a symbolic subvention to the Pan-African Women's Organization which, in the progress report appended to the application for subvention attacked two Member States. He explained that the Secretary-General of this Organization deviated it from its noble objective which is the emancipation of the African Woman. The Secretary-General was knowingly manipulated by some people who were using the rostrum of this Organization for the purpose of propaganda. He added that the Moroccan Government would not give any subvention to an Organization which scuffed at Member States. He urged the Committee to refuse granting the subvention as a punishment, for other state members could be attacked tomorrow. He explained however that the refusal to grant a subvention this year would be considered as the last penalty the Committee could impose, for that same Organization was penalized last year for sending in late its application for subvention since applications sent in late were not considered. He wanted to know whether the respect of the procedure concerning the sending of applications for subventions was considered more important by the honourable Members of the Committee than the respect for Member States and

for the principle of the Charter of the Organization. The Moroccan Government, he concluded, reserved its right to take the necessary measures in the light of the decision the Committee would take on this point. The delegates of Egypt, Gabon and Zaire were also opposed to the grant of a subvention to this Organization which manifestly interfered in the internal affairs of Member States. This he said was contrary to the spirit and letter of the Charter of the Organization of African Unity.

127. On the question raised by the representative of Morocco, some delegates affirmed that such attacks from organizations enjoying observer status were not acceptable. Others were of the opinion that a circular should be sent to all African Associations and organizations enjoying observer status of the OAU informing them that if their behaviour did not conform to the principles of the OAU and if they interfered in the affairs of Member States, they would be deprived of subventions. Those who spoke on the same point were unanimous in stigmatising the scandalous attitude of the Secretary of the Organization and urged the representative of Morocco not to penalise the Organization because of the biased stand of its Secretary-General who admittedly was not the official position of the Pan-African Women Organization. They called on the Secretary General to withdraw the report in question attached to the application for subvention and to address a letter to this Association to stigmatise the stand of that person and to warn her against further interference in the internal affairs of Member States. After this the Chairman drew conclusion on this point. This conclusion was adopted by the Committee with a reservation from Morocco, Egypt, Zaire and Gabon. The representative of Gabon explained his reservation by stating that considering the proliferation of applications for subvention every year, applications which very often do not respect any more the required conditions, as confirmed here by the tendentious disrespectful and irresponsible stand which does not conform to that of the OAU by that person, her country would not pay its part of the US.\$500.00 fixed by the Committee under Code 616 if this stand is mentioned in Tripoli in the report of the activities of the said Association.

DECISIONS: THE COMMITTEE DECIDED:

- A) MAINTENANCE OF THE SYMBOLIC AMOUNT PROPOSED BY THE SUB COMMITTEE FOR THE SUBVENTION OF THE PAN-AFRICAN WOMEN'S ORGANIZATION;
- B) THE ANNEX DEALING WITH THE PROGRESS REPORT OF THE ORGANIZATION AND ATTACHED TO THE APPLICATION FOR SUBVENTION SHOULD BE TRANSMITTED BY THE SECRETARIAT TO THE COUNCIL OF MINISTERS;
- C) THE SECRETARY-GENERAL IS URGED TO ADDRESS A LETTER TO THE ORGANIZATION IN ORDER TO STIGMATIZE THE POLITICAL STAND OF ITS SECRETARY-GENERAL, A STAND WHICH IS CONTRARY TO THE VERY OBJECTIVE OF THE WOMEN'S ORGANIZATION, AND IMPAIRS THE STIPULATIONS OF THE CHARTER OF THE ORGANIZATION OF AFRICAN UNITY THE ORGANIZATION SHOULD BE MADE TO UNDERSTAND IF A SYMBOLIC SUBVENTION IS GRANTED, IT IS BECAUSE THE ORGANIZATION SHOULD NOT BE PENALIZED FOR ITS SECRETARY GENERAL'S MISTAKES.

128. In conformity with the decision taken when adopting the funds to be allotted to the Bureau for Refugees, a decision recommending a separate discussion of the deplorable and chaotic situation of the Bureau for Refugees and of the embezzlement for which its accounting clerk Moussa was responsible, the Committee tackled this item which was respectively introduced by the Assistant Secretary-General in charge of the Department of Political Affairs, the Assistant Secretary-General in charge of Administration and Finance, and the Internal Auditor. In the absence of the final report, from the Assistant Secretary-General in charge of Administration and Finance and to avoid impairing the smooth running of the enquiry and to facilitate the task of the various Ethiopian Authorities who were entrusted with the

matter, the Committee avoided going into the details of the contents of the reports distributed to its members and took the following decisions:

DECISIONS:

1. THE SECRETARY-GENERAL IS INSTRUCTED IN THE MEANTIME, PENDING THE FINDINGS OF THE POLICE ENQUIRIES AND THE COURT VERDICT, TO SUSPEND THE OFFICIALS OF THE BPER ON WHOM WEIGH CERTAIN PRESUMPTIONS;
2. THE COMMITTEE URGES THE SECRETARY-GENERAL TO REPLACE PROVISIONALLY ALL THE OFFICIALS SUSPENDED;
3. THE SECRETARY-GENERAL IS INSTRUCTED TO LEND EVERY ASSISTANCE TO THE ETHIOPIAN AUTHORITIES SO AS TO FACILITATE THE ENQUIRIES AND ACHIEVE RESULTS WITHIN THE SHORTEST POSSIBLE TIME;
4. THE SECRETARY-GENERAL IS INSTRUCTED TO RECONSIDER AND REORGANIZE THE STRUCTURE AND WORK OF THE BUREAU FOR REFUGEES SO AS TO AVOID THE SAME SCANDALOUS SITUATION, AND TO DEFINE THE TITLE AND RESPONSIBILITIES OF THE HEAD OF THE BPEAR WITH RESPECT TO THE ASSISTANT SECRETARY GENERAL IN CHARGE OF POLITICAL AFFAIRS AND THE HEAD OF THE DIVISION OF POLITICAL AFFAIRS;
5. THE SECRETARY-GENERAL INSTRUCTED, WHEN THE CASE WOULD BE CLOSED, TO FIND OUT THOSE OFFICIALS OF THE GENERAL SECRETARIAT ADMINISTRATIVELY RESPONSIBLE AND TO REPORT TO THE COUNCIL OF MINISTERS;
6. THE SECRETARY-GENERAL WILL MAKE AN OVERALL REPORT ON THIS ISSUE, A REPORT TO WHICH WOULD BE APPENDED ALL THE DOCUMENTS SUBMITTED TO THE COMMITTEE AND, EVENTUALLY, THE COMMENTS MADE BY THE MEMBERS OF THE COMMITTEE ON THE CONTENTS OF THESE DOCUMENTS;

7. THE SECRETARY-GENERAL WILL, IN COLLABORATION WITH THE LEGAL ADVISER OF THE OAU, REVISE THE LIST OF THE REFUGEES.

ANY OTHER MATTERS (AGENDA ITEM 7)

129. Within the framework of this last item on the agenda, three questions were raised. The first one was by the Representative of Ethiopia who wanted to know from the Secretariat why a resolution adopted in Lome by the Council of Ministers giving the same right to the locally recruited staff like the expatriate staff to enjoy the same education grant and family allowance (wife and child) has not been implemented. The Secretariat replied that in Lome it was not decided to grant them the same amount as the one given the expatriates, but only 50% of the said amount. The Chairman explained that from the Sub-Committee which studied the question, it was clear that the said resolution applied to the "Staff" of the Organization. And considering the different interpretations given to this resolution, the Committee decided as follows:

DECISION:

THE COMMITTEE REQUESTED THE SECRETARIAT TO PREPARE SOONEST A COMPREHENSIVE DOCUMENT ON THE QUESTION OF GRANTING EDUCATIONAL AND OTHER ALLOWANCES TO THE LOCALLY RECRUITED STAFF TOGETHER WITH THE INTERPRETATION OF THE TEXTS ADOPTED BY THE COUNCIL OF MINISTERS IN LOME AND TO SUBMIT A PAPER ON THE RESULTANT FINANCIAL IMPLICATIONS FOR ITS CONSIDERATION.

130. The second point was raised by the representative of Liberia. It related to the consolidation of the wages of the statutory and local staff as from January 1972, in accordance with a decision of the Council of Ministers. The Secretariat took the floor to emphasise that some officials locally recruited based themselves on the Adu report or wrongly interpreted it to ask for the consolidation of their salary with retrospective

effect from January 1972. On this point the Committee took the following decision:

DECISION:

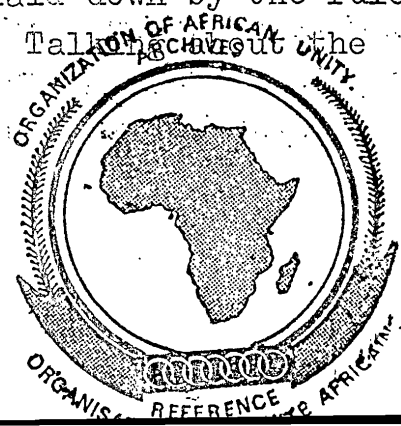
IT REQUESTED THE SECRETARIAT TO PREPARE A REPORT ON THE INTERPRETATION OF THE ADU REPORT ON THE CONSOLIDATION OF THE BASIC WAGES OF THE OAU STAFF.

131. The representative of Nigeria submitted a proposal to the Committee on the revision of the system of allocation of Post Adjustment Allowance. He was of the opinion that the payment of this allowance together with the one resulting from the devaluation of the American dollar was a duplication. The Committee decided as follows:

DECISION:

THE STUDY MADE BY THE NIGERIAN AMBASSADOR TOGETHER WITH THE COMMENTS AND OBSERVATIONS OF THE GENERAL SECRETARIAT SHOULD BE SUBMITTED TO THE NEXT SESSION OF THE COUNCIL OF MINISTERS FOR CONSIDERATION.

132. Finally, the last point was raised concerning the decision of observations made previously by the Assistant-Secretary-General in charge of Administration and Finance on the substantive problem of the evils facing the Secretariat. The Secretary General made a declaration on this point. He said he was surprised by comments made, their vehemence as well as the various insinuations, for he was not informed before these were exposed to the Committee as laid down by the rules of procedure governing the Secretariat. Talk of





various irregularities, he said that t. he had always faced his responsibilities. He mentioned his attitude to the embezzlement which took place in the Bureau for Refugees and the drug traffic at the Department of Science and Culture. He added that the real problem raised was the problem of authority, hierarchy and their respect from which spring every motion of discipline which, unfortunately, was not taken seriously. He concluded by paying tribute to the Committee and to its collaboration with the Secretariat through its constructive criticisms, criticisms which only aimed at improving the work of the administration.

133. All those speakers who took the floor thanked the Administrative Secretary-General for his interesting statement, and stressed the point that the Committee could not go to the root of the issue. They asked that the statement be reproduced in stenail and addressed to Member States. This was unanimously agreed upon by members of and the following decisions were taken:

DECISIONS:

- A. THE COMMITTEE TOOK NOTE OF THE ADMINISTRATIVE SECRETARY GENERAL'S STATEMENT.
- B. THE COMMITTEE URGED THE SECRETARY GENERAL TO APPEND THE STATEMENT OF THE ASSISTANT SECRETARY-GENERAL IN CHARGE OF ADMINISTRATION AND FINANCE TO THIS AND SEND THEM TO THE MEMBER STATES OF THE ORGANIZATION.

134. This report was unanimously adopted by the Members of the Advisory Committee with reservations from Sudan on paragraph 33 and from Morocco, Egypt, Zaire and Gabon regarding the granting of subventions to African Organizations (para 94).



**ORGANIZATION OF  
AFRICAN UNITY**

Secretariat  
P. O. Box 3243

منظمة الوحدة الافريقية  
السكرتاريه  
ص. ب. ٣٢٤٣

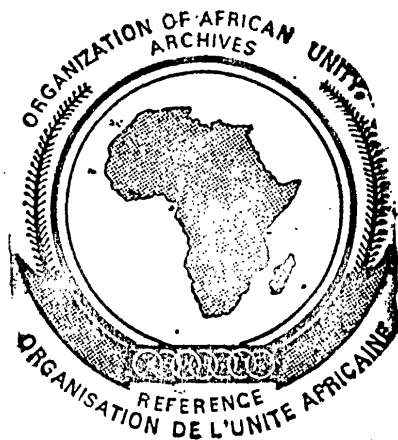
**ORGANISATION DE L'UNITE  
AFRICAINNE**

Annex I  
Secretariat  
B. P. 3243

اديس ابابا \* \* Addis Ababa

COMMENTS OF THE ADMINISTRATIVE SECRETARY GENERAL ON  
SPECIFIC QUESTIONS

BASIC SALARY OF NON-STATUTORY PROFESSIONAL STAFF



COMMENTS OF THE ADMINISTRATIVE SECRETARY GENERAL ON SOME  
SPECIFIC QUESTIONS

BASIC SALARY OF NON-STATUTORY PROFESSIONAL STAFF

While examining the salaries of non-statutory staff it is necessary to bear in mind the fact that none of the administrative and financial rules and regulations governing the classification and the remuneration of OAU staff establishes a distinct salary scale for professional staff recruited locally.

In the absence of such a distinct salary scales, the non-statutory professional staff who are as qualified in their respective fields as their statutory counterparts were put on the same basic salary scale as the latter. This was the practice until 1972.

In 1972 after the adoption of the recommendations of the Administrative Report on the salaries of the statutory staff, the housing allowance to which they were entitled was incorporated into their basic salary. Thus these two consolidated sums became as from June 1972 the new basic salary of statutory officials.

Consequently, non-statutory staff members who previously earned the same basic salary as their statutory colleagues, insisted on drawing the new basic salary as the latter. The Administration opposed this because it interpreted the recommendation on this matter differently. This recommendation reads as follows:

"The Housing Allowance or Non-resident Allowance of all statutory staff should be incorporated in the basic salary to constitute the new basic salary. The recent decision that all locally recruited general service officers should enjoy the conditions laid down for this type of employees, should facilitate the implementation of this measure. Where it is decided that some of these officers should be retained as statutory staff, they should then be entitled fully to this basic salary".

If we examine the foregoing recommendation in the light of the actual practice which has been going on for years whereby non-statutory professionals were put on the same basic salary scale as their statutory colleagues it should be evident that the

limitation imposed by the word "statutory" could not be applied to non-statutory professionals all the more so since Mr. Adu insisted on making his point clear in his recommendation regarding the category of general service officers, including secretaries, clerks, administrative assistants etc... of which non-statutory professionals are not and could certainly not be members.

Moreover, if Mr. Adu, in 1972, recommended a reduction in the basic salary of statutory staff members who, as stated above, were till then drawing the same basic salary as the former, would have been subjected to that reduction like their statutory colleagues. Consequently, it would evidently be unfair to exclude these same staff members from benefiting from the increment to the basic salary of professionals.

It is in the light of the above, and on the basis of the views of the Head of Administration, the Legal Adviser, and the Chief Internal Auditor that the Administrative Secretary General decided that non-statutory professionals be paid, as in the past, the same basic salary as their statutory counterparts. The following are the pertinent views of the officials in question on the matter.

#### Head of Administration and Finance

"...After adoption of the Adu Report, the consolidated salary of the professional category became revised salary scales and the housing allowance ceased to exist since June 1st 1972. However, local recruitments into the professional category were determined by the salary situation based on the practice as existed prior to June 1st, 1972. This approach has now proved to be incorrect given that the question of housing allowance based on revised salary scales: which came into force on 1st June, 1972 seems irrelevant when it comes to determining salary scales. To raise difficulties and deduct housing allowance which has ceased to exist after adoption of salary scales of June 1st, 1972, cannot have any justification".

#### The Legal Adviser

"It is true that when consolidated salary scales were introduced in 1972, an element of housing allowance was incorporated in the salaries, but the consolidation would have no meaning if the intention was to effect a payment separate from the housing allowance. It was certainly because of the rise in the cost of living that

the consolidation was effected, a situation which may or may not affect the house rent of some staff members. Consequently it matters little whether or not a staff member who earns a consolidated salary uses part of his money to pay for his rent since he may occupy his own house; all the same he receives the consolidated salary. This is the reason why the consolidation was described as a consolidated salary with a 10% increment. It has not been described as a salary - plus - housing allowance!

Taking in account the views expressed in the preceding paragraph and the need to pay housing allowance after the consolidation effected in 1975, the Council of Ministers approved the separate provisions for the housing allowance for the statutory staff, and this clearly indicates that there was no specific intention that the statutory staff had to pay their house rent from the consolidated salary. There is also a legal point involved. A salary is a remuneration for services rendered whereas allowances are not presented as salaries. It is simply a question of a form of payment made in view of certain difficulties or for a special purpose. When an element of housing allowance is integrated into the salary, it loses its character as an allowance and assumes the form and role of salary which should be paid. It ceases to be allowance and becomes a payment for services rendered.

Hence, when a non-statutory official who in normal conditions, should not be paid housing allowance, is recruited for a professional post, the intention is not that he should be paid less, which would be illegal, but what his salary scale stipulates. Besides, it is highly illegal to offer a recruit a given salary scale and not to pay him accordingly later. If there is a difference between salary scales for non-statutory (professional) officials and those for professional statutory officials, this must be made clear. But if there is none, it would be incorrect and an abuse of power on the part of the staff to establish their own salary scale for non-statutory professional staff. If a candidate recruited for a professional post with a salary less than that laid down in the present scale of salaries and accepts it, he is not only bound by the amount but also by the acceptance of the said salary. If later he finds out that there is a difference between the salary he receives and the actual figures, he has the right legally speaking to ask for an explanation and if not satisfied, to ask for the situation to be righted. As for the officials who are affected by the above argument, they have the right legally to ask for a rectification!

The Chief Internal Auditor

"My comment was that the question of housing allowance based on the revised salary scale that came into force on 1st June, 1972 is irrelevant in view of the fact that the salary scales have been consolidated. The non-statutory (professional) staff should be put on the same salary scales as the professionals without, of course, being entitled to the other allowances to which only the statutory staff is entitled to".

Correct interpretation of the decision of the 28th Ordinary Session of the Council of Ministers concerning conditions of service of non-statutory staff and the allowances to which they are entitled.

The 28th Ordinary Session of the Council of Ministers held in Lome decided to grant a salary increase to members of staff of the OAU and to adopt the recommendation contained in the report of the Ad-Hoc Committee exclusively devoted to conditions of service of non-statutory staff, that is to say, locally recruited staff.

To that end, the posts and staff of the OAU were classified in two groups I and II. The first category of group II includes posts corresponding to either high level executive functions, or subordinate executive duties such as those of office assistants, clerks or stenographer secretaries, or typists, etc... This first category of group II includes foreign as well as locally recruited staff. But this is not clearly presented in the texts.

The locally recruited staff gets half of the allowances that expatriate staff is entitled to regardless of whether they are auxiliary staff (orderlies, messengers etc...) or locally recruited secretaries and clerks.

The General Secretariat is of the opinion that this should be clearly stated in the OAU texts, that is to say, the Lome Resolution should be amended accordingly - CM/Res.531(XXVIII).

Furthermore, the problem of payment of educational allowance to locally recruited staff was raised. According to the rules and regulations of the Organization, educational allowance is not given to official who works in a country to which he belongs. Indeed, the text stipulates:

Any official considered to have been recruited internationally or on the basis of document CM/39 (OAU Staff Rules and Regulations) whose duty station is not in his native country is entitled to an educational allowance for each child attending regularly a school or a university. However, this allowance is not paid in the case of children:

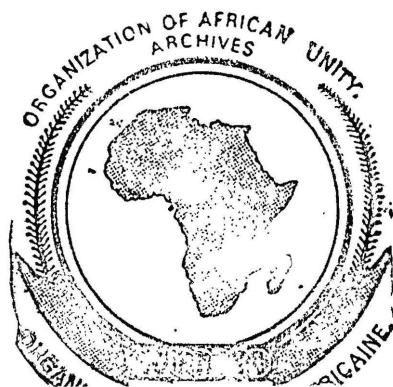
- "(i) who attend a kindergarten or a nursery school.
- (ii) who attend at the duty station, an institution where education is free.
- (iii) who are married.
- (iv) who are above 18.
- (v) who reside in the country of origin of the official.

The allowance is paid up to the end of the school year in which the child reaches 18 years".

Now, the 28th Ordinary Session of the Council of Ministers in adopting paragraph (d) of Article 21 of the Draft Staff Rules and Regulations, decided that:

"In conformity with the provisions of the texts, and conditions and practices prevailing in the organization, an educational allowance is paid for each dependent child who regularly attends an educational institution, to staff members as well as to elected and special officials.

The allowances enumerated in Article 21 - para. 3 b(i) and b(ii) and d, above, are paid to officials of group I (first and second categories) to employees of group II (first category) as well as elective and special officials. The employees of group II, second category would be entitled to 50% of the allowances laid down in Article 21 paragraphs 3(b) i, b(ii) and d)!"



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1978-02

# Report on the Activities of the Advisory Committee on Budgetary and Financial Matters for the Period February 1977 to January 1978

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