



ORGANIZATION OF AFRICAN UNITY

ADVISORY COMMITTEE ON ADMINISTRATIVE,
BUDGETARY AND FINANCIAL MATTERS

FBM/4 (LVII)

Fifty-seventh Ordinary Session

16-30 November, 1992

Addis Ababa, Ethiopia

ACCOUNTING MANUAL

OF

THE ORGANIZATION OF AFRICAN UNITY

FIRST EDITION

OCTOBER 1992

**ADVISORY COMMITTEE ON ADMINISTRATIVE,
BUDGETARY AND FINANCIAL MATTERS**

Fifty-seventh Ordinary Session

16-30 November, 1992

Addis Ababa, Ethiopia

FBM/4 (LVII)

ACCOUNTING MANUAL

OF

THE ORGANIZATION OF AFRICAN UNITY

FIRST EDITION

OCTOBER 1992

TABLE OF CONTENTS

<u>CHAPTER</u>	<u>T I T L E</u>	<u>PAGE</u>
	Organization Chart of Finance Department	(i)
	Index of Forms and Illustrations	(ii)
	Introduction	(iii)
	General and Special Functions & Responsibilities of the Finance Department	(iv)
	Accounting Policies and Basis	(vi)
	List of Account Codes by Departments and Programme	(viii)
	List of Budgetary Codes	(x)
1	OUTLINE OF THE ORGANIZATION & FUNCTIONS OF THE ACCOUNTING SERVICE	1
	Responsibilities of Finance Officers, Programme Managers, Heads of Departments, Heads of Regional & Sub-Regional Offices, Supervisors of Divisions and Sections.	2
	Role of Director of Finance	3
	Functions of Treasury and Accounting Units	3
	Functions of Regional & Sub-Regional Offices	5
	Functions of Data Processing & Financial Information Unit	7
2	PRIMARY ACCOUNTING VOUCHERS AND THEIR COMPLETION	8
	Disbursement Vouchers and their completion	10
	Receipt Vouchers and their completion	13
	Adjustment Vouchers and their completion	14
3	TREASURY UNIT PROCEDURES	18
	Income Collection and Accounting	18
	Voucher Preparation and Checking	26
	Accounting for Disbursements	26
	Filing Control	27
	Payroll - Salaries & Wages	28

	<u>PAGE</u>
Payroll Preparation and Maintenance	32
Accounting for Salaries & Wages	50
4 ACCOUNTING UNIT! PROCEDURES	51
Operating Costs Accounts - Nominal Accounts, Debtors, Creditors, etc..	53
Advances, Deposits, Special & Trust Funds, Imprest	54
Investments	60
Imprest	63
Final Accounts and Reports	66
Banking	67
Bank Reconciliation	69
5 ACCOUNTING PROCEDURES OF REGIONAL AND SUB-REGIONAL OFFICES	72
Income Collection and Income Register	72
Procurement, Issue and Control of Receipt Vouchers and other Controllable Accounting Records	74
Procurement & Payment Procedures, Budget Control Book	76
Control Over Expenditure	80
Payment of Allowances	88
Accounting for Stores and Assets	90
6 PROCEDURES FOR ACCOUNTING OF REMITTANCES TO REGIONAL AND SUB-REGIONAL OFFICES	93
Remittance of Subvention to Regional and Sub-Regional Offices	94
Procedure when monthly accounts are sent to Finance Department Headquarters	96
7 DATA PROCESSING & FINANCIAL INFORMATION UNIT PROCEDURES	98
Input Control	98

The same fund is utilised to cover expenses for farewell parties organised in honour of Political Appointees and Staff Members separating from the Organization. Such expenses will include the Organization of cocktails, receptions, buying of token gifts, funeral bouquets and recreational equipment.

605 LIBRARY BOOKS AND SERVICES

This code is aimed at covering costs of purchase of library books, as well as the expense related to library services such as re-binding of worn-out books, binding of periodicals and reviews..

606 SUBSCRIPTIONS TO NEWSPAPERS AND PERIODICALS

As the title indicates this code provides funds to cover the subscriptions to various news papers and periodicals for the use of the Staff Members of the General Secretariat in the performance of their duties.

607 OTHER SUPPLIES AND SERVICES

Under this code funds are provided for uniforms for Guards, Messengers, Cleaners, Gardeners, Drivers and Maintenance Staff, Reproduction Unit Staff, Information Printing Unit Staff, Recording Technicians, Maintenance Technicians such as Electricians, Carpenters and Plumbers.

608 PRINTING OF DOCUMENTS

Under this code are to be covered all expenses related to printing of OAU documents for the Headquarters and Regional and Sub-Regional Offices. This covers expenses for printing materials, binding materials, automatic collators, finger wraps, staplers, staples, glue, etc..

609

PUBLICATION OF OAU REVIEWS AND OTHER NEWS BULLETINS

This code covers the publication of OAU reviews and news bulletin (press Release) as well as OAU in a Month, ECHO, whose objective is to publicise the activities of the Organization.

612

OAU AND MEMBER STATES FLAGS FOR OFFICE USE

This code covers the expenses for purchase of national flags for new OAU Member States or for the replacement of the old ones as well as the OAU emblem, conference desk flags for Conference Hall and car penants.

616

SUBVENTIONS TO AFRICAN ORGANIZATIONS

Under this code is made a budgetary provision for assistance to African, non-Governmental Pan-African Organizations whose aims and objectives are consistent with those of the OAU and have observer status with the OAU such as the Pan-African Youth Movement, Pan-African Women's Association, ASWEA, Supreme Council for Sports in Africa, Anti-Apartheid Committee, Organization of African Trade Union Unity, Association of African Universities, Encyclopedia Africana; African Association for Agricultural Sciences.

617

SUBVENTION TO THE OPERATIONAL BUDGET OF THE BUREAU FOR REFUGEES

This code comprises funds which constitute the contribution of the OAU to the operational activities of the Bureau in favour of African Refugees. This contribution is complementary to the voluntary contribution received from countries and International Organizations.

705

TELECOMMUNICATIONS SERVICE AND EQUIPMENT

This code covers expenses related to repairs of telephone apparatus and PBX, telex machines, franking machine, computer terminals.

706

PRESS AND INFORMATION EQUIPMENT

Under this code it is meant to cover the expenses for the purchase and servicing of Press and Information equipment such as Recording Studio equipment, Printing equipment, Photographic equipment, portable tape recorders and microphones, Video camera, Video cassettes.

707

PURCHASE OF MOTOR VEHICLES

The funds provided for under this code are used to purchase new vehicles for the usage of the Secretariat either in addition to the existing ones or in replacement of the old ones.

708

INTERPRETATION EQUIPMENT

This code covers expenses for purchasing interpretation and recording equipment as well as the tapes for recordings for the OAU Conference Hall, microphones, control switch, earphones, etc..

709

OTHER EQUIPMENT

Funds allocated under this code are used for the purchase of mowers, vacuum cleaners, sickles, slashers, saws, axes, hammers, chisels, locks and keys, door handles, accessories for ablution blocks, etc..

705 TELECOMMUNICATIONS SERVICE AND EQUIPMENT

This code covers expenses related to repairs of telephone apparatus and PBX, telex machines, franking machine, computer terminals.

706 PRESS AND INFORMATION EQUIPMENT

Under this code it is meant to cover the expenses for the purchase and servicing of Press and Information equipment such as Recording Studio equipment, Printing equipment, Photographic equipment, portable tape recorders and microphones, Video camera, Video cassettes.

707 PURCHASE OF MOTOR VEHICLES

The funds provided for under this code are used to purchase new vehicles for the usage of the Secretariat either in addition to the existing ones or in replacement of the old ones.

708 INTERPRETATION EQUIPMENT

This code covers expenses for purchasing interpretation and recording equipment as well as the tapes for recordings for the OAU Conference Hall, microphones, control switch, earphones, etc..

709 OTHER EQUIPMENT

Funds allocated under this code are used for the purchase of mowers, vacuum cleaners, sickles, slashers, saws, axes, hammers, chisels, locks and keys, door handles, accessories for ablution blocks, etc..

712

MEDICAL EQUIPMENT

The funds provided for under this code are used for the purchase of medical equipment and materials.

800

MEETINGS

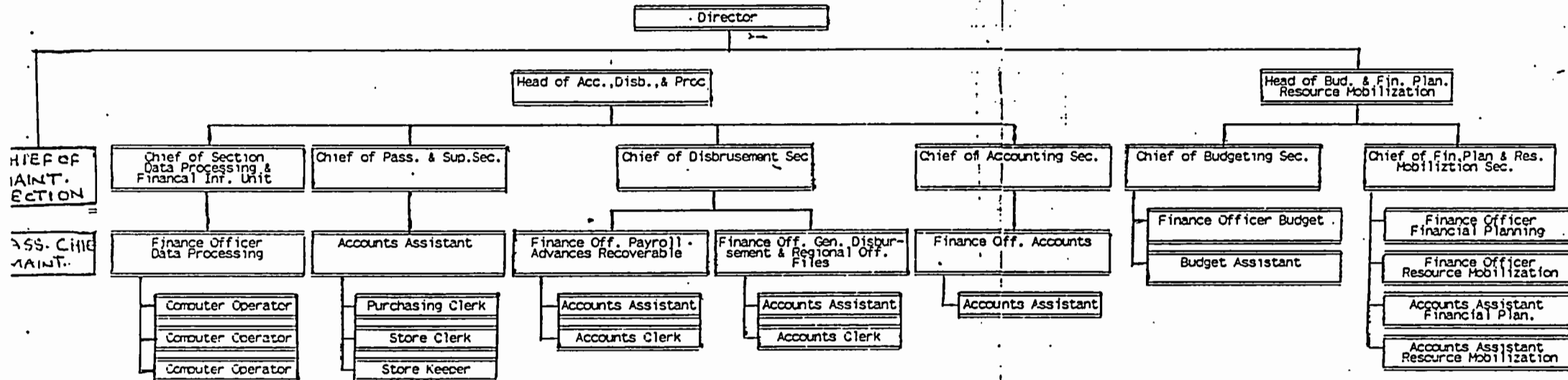
IMPLEMENTATION OF RESOLUTIONS

900-911

These codes cover expenses resulting from the responsibilities entrusted to the Secretariat to implement the resolutions and decisions of the policy-making bodies of the Organization especially within the framework of the Lagos Plan of Action and the Final Act of Lagos. The amount involved in each case depends on the number of resolutions and decisions to be implemented by each Department or service.

	Output Control	102
	Financial Information and Filing	104
	Computer Processing	106
8	INTERNAL AUDIT DIVISION	108
	Definition	108
	Responsibilities and Functions	109
	Definition of External Audit	111
	Responsibilities and Functions of the Board of External Auditors	112
	Scope of Audit	114
	ANNEXES - GLOSSARY OF TERMS	116

ORGANIZATION CHART
O.A.U FINANCE DEPARTMENT



INDEX OF FORMS AND ILLUSTRATIONS

<u>FIGURE</u>	<u>I T E M</u>	<u>PAGE</u>
1/1A	Routing of Accounting Information	6
2/1	Disbursement Voucher	9
2/2	Receipt Voucher	12
2/3	Adjustment Voucher (Journal Voucher)	15
3/1	Written Receipt Order	19
3/2	Individual Salary Advice Slip	44
3/3	Input Salary Data Form A - Employee Standing Data	34
3/4	Input Salary Data Form B - Employee Permanent Earnings/Deductions	40
3/5	Input Salary Data Form C - Employee Temporary Earnings/Deductions	42
5/1	Income Register	73
5/2	Counterfoil Receipt Book Register	75
5/3	Budget Control Book	78
5/4	Purchase Order (PO)	81
5/5	Personal Advances Recoverable Register	83
5/6	Petty Cash Voucher	84
5/7	Travel Authorization Form (Order de Mission)	85
5/8	Travel Request Form	86
5/9	Travel Claim Form	87
5/10	Register of Vehicles	91
7/1	Batch Control Form	99
7/2	Batch Log Book	101

INTRODUCTION

The Organization of African Unity was founded on 25 May, 1963 by the then 32 Independent Sovereign States of Africa. It is now comprised of 51 Member States.

The Finance Department of the Organization operating on a manual system of accounting is now being gradually converted to computerized system. The Finance Department has two Divisions with five Sections.

The objective of the Finance Department is to provide accurate and prompt accounting of transactions as well as the control of the funds of the Organization. The Department maintains proper books of Accounts for the recording of all the financial transactions of the Organization. The processing of receipt of income due the Organization as well as the authorization of the payment of salaries, benefits and other administrative expenses, etc..

The purposes of this manual are:

- (i) To serve as procedural guideline.
- (ii) To be used as a reference document by Finance Officers and Programme Managers.
- (iii) To facilitate the execution of the functions and responsibilities delegated to the Finance Department.

The manual consists of 8 Chapters including a chapter on the Internal Audit Division of the Organization and another on Data Processing and Financial Information Unit. The chapters of the manual deal with the duties, procedures to be followed by officers of units, responsibilities of officers of the department, accounting of transactions and as well as their accounting entries in the books.

GENERAL AND SPECIAL FUNCTIONS

& RESPONSIBILITIES OF THE

FINANCE DEPARTMENT

1. General Functional Statement

The Finance Department is responsible for:

- 1) Carrying out financial plans and ensuring the mobilization and collection of Member State contributions and other funds for the activities of the OAU.
- 2) Developing, proposing and maintaining guidelines to all Departments and Offices of the Organization for preparing and executing the Budget on Programmes and Administrative support services, evaluating and reporting on their implementation.
- 3) Maintaining accounts of all financial Transactions of the Organization and prepare financial statements.
- 4) Processing and authorizing payments of salaries benefits and all programmes and administrative support services expenditures; and also effect payment on maintenance of OAU premises, furniture and equipment, etc..

2. Specific Functions and Responsibilities

The specific functions and responsibilities of the Finance Department are:

- (a) Develop and manage the accounting system of the Organization and maintain all necessary records and accounts of assets, liabilities, revenue and expenditures of all funds (including the pension fund).

- (b) Maintain separate and detailed accounts of all funds as authorized by the Charter, Financial Rules and Regulations and any other instrument, and authorize all payments relating to them and effect their reconciliation.
- (c) Process for payment all orders concerning programme and Administrative support services.
- (d) Establish accounting procedures for financial activities of Regional, Sub-Regional and Representative offices and ensure their application and process monthly statements of accounts from their supporting documents.
- (e) Compile, analyse and present draft Budget of Programmes and Administrative support services of the Organization and publish the approved version.
- (f) Carry out programmes and Budget implementation in collaboration with other Department and units of the Organization and prepare and present periodic budget execution reports.
- (g) Plan and propose short, medium and long term resource mobilization policies and strategies of the organization and follow up their implementation.
- (h) Propose and implement approved policies and directives for investing funds.
- (i) Open and operate current and deposit accounts with authorized banks and manage all cash-holding; invest after consultation with the relevant Financial Institutions, Regional & Sub-Regional Offices, funds which are not required for immediate disbursement.

- (j) Apply generally accepted standards of accounting system and practices in the management of records of the Organization's financial transactions.
- (k) Supervise and release funds for the maintenance of the Organization's premises, furniture and equipment, vehicles and other Capital Assets.
- (l) Prepare for the annual auditing of the Organization.

ACCOUNTING POLICIES AND BASIS

The accounting Policies used by the Organization are as follows:

(i) Monetary Unit of the Financial Statements

The Financial Statements are expressed in the United States Dollar in terms with Article 13 of the Organization's Financial Rules and Regulations. The rates of exchange at the ruling rate is applied between the United States Dollar and local currencies used for transaction.

(ii) Fixed Assets

The treatment of Fixed Assets of the Organization in the accounts is as follows:-

- (a) The fixed assets are not reported in the Balance Sheet.
- (b) The fixed assets purchased are written off from revenues during the year of purchase.
- (c) Inventory or list of assets of the Organization is made.

In effect the major assets are not featured in the Balance Sheet and depreciated annually to amortise costs.

(iii) Gain or Loss in Exchange

In the Regional and Sub-Regional Offices except in the New York Office Gain or Loss in currency accounts are held whereas at the General Secretariat the rate of exchange is fixed at Birr 2.07 = US\$1.00.

(iv) Accounting Basis

ACCRUALS

Financial transactions are recorded in the accounts on the modified Accrual Basis of Accounting as follows:

- (a) Income is recognized and an asset (debtor) account is recorded in the time period when the Income is due not when the Income is received.
- (b) Expenses are recognized and a liability (Creditor) account is recorded in the time period when the services are received based on commitments Purchase Orders, agreements or other undertakings recognized by the Organization which are supported by appropriate documents.

2. Prepayments - Prepaid Expenses

Advance payments of expenses or services not consumed during the accounting period are recorded in the accounts as current assets.

LIST OF ACCOUNT CODES BY DEPARTMENTS
AND PROGRAMMES

<u>PROGRAMME</u>	<u>DEPARTMENT</u>
	01 Policy Making Bodies and Advisory Organs of the Council of Minister
01	Assembly of Heads of State & Government
02	Council of Ministers
03	Advisory Committee on Administrative, Budgetary and Financial Matters.
04	Board of External Auditors
05	African Commission on Human & Peoples' Rights
	02 - Overall Administrative Direction
01	Office of the Secretary General
02	Assistant Secretaries General
03	Inspectorate
04	Office of the Legal Advisor
05	Policy and Programme Coordinating Unit
06	Internal Audit
07	Office of Afro-Arab Cooperation
08	OAU Permanent Delegation to the League of Arab States - Cairo Office
09	Information Services
10	Protocol Services
	03 Political Department
01	Inter-African Cooperation and Policy Harmonization
02	Conflict Management
03	Humanitarian Affairs Refugees & Displaced Persons
04	Liberation Committee Dar-es-Salaam
05	Sub-Regional Office-Lusaka
06	Mission to UN
	04 ESCAS Department
01	Edu. Cul. Science & Tech,
02	Health Activities
03	Environmental and Conservation of National Resources
04	Labour Employment, Human Resources Development and Social Affairs

- 05 Oral Tradition and African Languages - Naimey Office
- 06 ~~Integrated Development of the Fouta Djallon Highlands~~
- Conakry Office.
- 07 Scientific, Technical and Research
- Lagos Office
- 08 Animal Resources - IBAR Nairobi.
- 09 Phytosanitary Services - Yaounde Office.

05 EDECO Department

- 01 Research & Planning
- 02 Commerce Tourism Customs Money & Finance
- 03 Agriculture and Rural Development
- 04 Economic Cooperation
- 05 Transport & Communications
- 06 Industry, Energy & Mineral Resources
- 07 Mission to the UN in Geneva
- 08 Mission to the EEC in Brussels

06 Common Support Services

- 01 Personnel Division
- 02 Library Services
- 03 Maintenance Services
- 04 Clinic
- 05 Supplies and Travel Services
- 06 Registry Services
- 07 Security Services
- 08 Financial Services
- 09 Conferences Services
- 10 Translation and Interpretation Services
- 11 Documents and Archives Services
- 12 Printing Services
- 13 Construction, Improvements, etc..

07 Special Grants & Subventions

- 01 Subventions
- 02 Assistance to Member States, etc...
- 03 Special Emergency Fund for Draught and Famine in Africa.

OAU BUDGETARY CODES

CODE

PERSONAL EMOLUMENTS

100

SALARIES

- This code comprises the basic salaries of all Staff Members of the Organization in the three Groups, namely, Political Appointees, Professional and Technical Staff and General Services Staff.

101

POST ADJUSTMENT

This code relates to funds to cover the payment of post adjustment allowance to Staff Members in Groups I and II and III who are internationally recruited irrespective of their being nationals or not of the duty station. It is calculated on the basis of the cost of living indices established from time to time by the United Nations. Hence it differs from one duty station to another.

102

TEMPORARY ASSISTANCE

This code relates to salaries to be paid to staff engaged by the OAU on a temporary basis, such as temporary Collators, Temporary Translators during the preparation of Conference documents, temporary Secretaries, Messengers, etc.. These would normally be employed during peak periods of the preparation of documents for the Council of Ministers and the Assembly of Heads of State and Government or for a short period replacement for staff who proceed on leave.

103

OVERTIME AND NIGHT DIFFERENTIAL

Funds provided for under this code are utilised for the payment of Staff Members of Group III Category II who are called upon to work beyond normal working hours in accordance with Article 19 Paragraph 6 of the Staff Regulations.

104

CONSULTANTS AND EXPERTS PERSONAL EMOLUMENTS

This code relates to personal emoluments (basic salaries) of Consultants and Experts hired by the OAU for a fixed period of time as defined in the contracts offered to them by the Secretary General.

COMMON STAFF COSTS

200

TRAVEL ON INITIAL RECRUITMENT

This code covers expenses incurred by the Organization for the travel of newly recruited Staff Members and their eligible dependants from their place of residence to their duty station by the direct and most economic route, with related entitlements (Excess baggage and unaccompanied baggage - Article 26 of Staff Regulations).

201

TRAVEL ON HOME LEAVE

This code covers the expenses, namely, the cost of tickets, MCOs and Subsistence Allowance borne by the Organization on the occasion of home leave of Staff Members and their eligible dependants between their duty station and their home town in accordance with Article 26 of the Staff Regulations.

TRAVEL ON TRANSFER

Under this code are met the expenses resulting from transfers of Staff Members from one duty station to another. It covers the airfares, excess baggage, unaccompanied baggage and terminal expenses for Staff Members and their eligible dependants (Article 26 of Staff Regulations).

INSTALLATION ALLOWANCE

This code enables the Secretariat to pay to Staff Members newly recruited or those on transfer and their eligible dependents an Installation Allowance to meet extraordinary living expenses upon arrival at their duty station provided that the Staff Members are not recruited from the country where the duty station is located in accordance with Article 19 of Staff Regulations.

DEPENDENCY ALLOWANCE

This code, which tallies with the provisions of Articles 3 and 19 of the Staff Regulations, relates to funds to be utilised for the payment of an allowance to Staff Members in respect of their eligible spouse and legitimate children up to a maximum of six (6) children under the age of eighteen (18) except if they are permanently disabled or attending secondary school in which case the age limit shall be twenty-one (21).

HOUSING ALLOWANCE

Under this code is provided an allowance to be paid to Staff Members in Groups I and II and those in Group III recruited outside the duty station in accordance with Article 19 of the Staff Regulations.

OAU PENSION FUND

This code comprises the OAU contribution (14% of the annual basic salary) to the pension scheme as established by the Organization (Article 24 of the Staff Regulations).

OAU GROUP INSURANCE SCHEME

This code covers funds to be paid to Life Insurance Company on behalf of all Staff Members of the Organization with the exception of those on short term contract (Article 24 of the Staff Regulations).

OAU MEDICAL SCHEME

This code provide funds for refund of medical expenses (90%) incurred by Staff Members for themselves or their eligible dependents at the duty station, on authorized mission, on home leave or outside the duty station provided that the presence of the Staff Member in a particular locality at the time of his indisposition was approved. Eligible dependents are not covered if they are not with the Staff Member at the duty station or in a particular locality (Article 24 of the Staff Regulations). Besides, the code caters for the cost of tickets and of medical treatment abroad provided that such medical treatment recommended by the OAU Medical Panel or in the absence of a Medical Panel by a group of not less than two doctors appointed or recognised by the Secretary General. The code also covers Subsistence Allowance to Staff Members treated abroad as out-patients.

GRATUITY ON COMPLETION OF SERVICE

Under this code is budgeted for the payment of gratuity (15% of the basic annual salary) to a contractual Staff who has satisfactorily completed his contract or period of service in accordance with the terms and conditions of his contract (Article 25 of the Staff Regulations).

EDUCATION ALLOWANCE

This code provides funds for payments of an education grant (75% of the tuition fees up to the approved ceiling) per child per year for each dependent child regularly attending a school for Staff Members in Groups I and II and those in Group II recruited outside their duty station. However, dependent children of Staff Members working in their home country are not covered (Articles 3 and 19 of Staff Regulations).

TRAINING SCHEME

Funds provided for in this code are meant to cover the expenses relating to the training of Staff Members in order to enhance their value to the Organization. The budgetary provision covers the running of workshops, seminars, course, salaries of teachers, air fares, per diem, terminal expenses for Staff Members to be trained outside their duty station, teaching aids and bursaries and scholarships (Article 23 of Staff Regulations).

INTERVIEW FOR RECRUITMENT EXPENSES

This code provides funds to meet expenses related to travel and Subsistence Allowances of candidates called for interview before a firm offer of employment is made to them by the Secretariat as well as travel

expenses and Subsistence Allowances for members of the Recruitment Board in instances where interviews are conducted outside Headquarters.

217 TRAVEL ON SEPARATION

The budgetary provisions under this code are meant to cover the travel expenses and related entitlements (MCOs and unaccompanied baggage, per diem, Terminal Expenses) of Staff Members and their eligible dependent when separating from the services of the OAU.

218 ACTING ALLOWANCE

Under this code is made a provision for payment of salary differential to Staff Members called upon to act in a post immediately higher than their statutory post from the 31st day of the acting period. This said differential is equivalent to 1/12 of the difference between the basic annual salary of the higher post and the basic annual salary of the acting Staff Member's (Article 19 of the Staff Regulations).

300 TRAVEL ON OFFICIAL MISSIONS

This code covers the cost of tickets and per diem and terminal expenses, excess baggage, in respect of approved official missions undertaken by Staff Members on the authority of the Secretary General in the execution of official duties and the related costs in respect of the annual inspection of the OAU Offices by the Inspectorate General. It likewise includes unforeseen travel costs in respect of the Secretary general, or in respect of Assistant Secretaries General and other Officers designated by him on special missions which he would normally undertake, as well as expenses related to the travel of representative of the Secretary General while accompanying the remains of Staff Members.

The amount of budgetary provision varies from one Department to another depending on the number of resolutions and decisions to be implemented.

RENTAL AND MAINTENANCE OF EQUIPMENT AND PREMISES

400

RENTAL OF PREMISES

This code provides for funds to cover the rent of OAU Offices where the host country does not provide Office accommodation free of charge or OAU has no Offices of its own.

401

MAINTENANCE OF VEHICLES

Under this code is made a budgetary provision to cover costs of servicing of vehicles.

402

MAINTENANCE OF EQUIPMENT

The provision under this code covers the expenses resulting from servicing of equipment to ensure they are in proper working conditions (Typewriters, photocopy machines, duplicating machines, interpretation equipment, telex machines, telephones, lifts, calculating machine, etc.)

403

MAINTENANCE OF PREMISES

By maintenance of premises is meant that the daily care of the existing premises to ensure that each and every part is in good condition: The budgetary provision under this code covers any expenses resulting from activities undertaken for repairs, re-painting, ablution blocks, retention wall, etc...

404

UTILITIES, ELECTRICITY AND WATER

Under this code are covered expenses for the water and electricity consumption related to OAU premises, official residence of the OAU Secretary General and the 75% of receipted bills submitted by the Assistant Secretaries General.

406

INSURANCE OF VEHICLES AND EQUIPMENT

This code relates to funds to meet the expenses resulting from the insurance of vehicles and equipment.

410

FUEL AND LUBRICANTS

Under this code is made a budgetary provision to cover the daily running cost of vehicles (Fuel and Lubricants).

411

HIRE OF VEHICLES

Under this code is made a budgetary provision to cover the hire of vehicles where the Regional or Sub-Regional Offices vehicles do not suit the Secretary General's category.

COMMUNICATIONS

500

CABLES

Under this code is covered the costs of various telex and telegramme messages sent out by the General Secretariat to Member States, the International Community, OAU Regional and Sub-Regional Offices and to freelance technical Staff required to service OAU meetings.

501

TELEPHONE SERVICE

This code provides funds for payment of telephone bills for official local and international calls.

502

POSTAGE

This code concerns the expenses of the purchase of stamps for the correspondences between the General Secretariat and Member States, Regional and Sub-Regional Offices and the International Community.

503

POUCHES

The funds under this code cover the freight costs of pouches between the General Secretariat Headquarters and the Regional and Sub-Regional Offices.

504

FREIGHT AND TRANSPORTATION OF DOCUMENTS

The budgetary provision under this code covers the expenses for freight and transportation of documents of the OAU forwarded to Member States, OAU Regional and Sub-Regional Offices and to International Organizations and Institutions and individuals with whom OAU has relations.

MISCELLANEOUS SUPPLIES AND SERVICES

600

STATIONERY AND OFFICE SUPPLIES

The provision under this code covers the cost of stationery and Office supplies needed by the various Department as well as during the OAU meetings at all levels. This includes duplicating paper, duplicating ink, pencils, pens, envelopes of all sizes, note books, ribbons for typewriters, paper clips, pins, staples, erasers, stencils, stencil kit, etc..

601

BANK CHARGES AND COMMISSIONS

This code relates to expenses representing the bank charges to be paid by the Secretariat for any bank transaction concerning withdrawal of cash, bank drafts, Travellers Cheques, stamp duty, telex transfers, cheque books and any related operation affecting the OAU Bank Accounts.

603

ORDINARY HOSPITALITY

603

OAU DAY

This code is provided for to cover the ordinary hospitality expenses incurred by the Secretary General for the Headquarters and the Heads of Regional and Sub-Regional 'Offices' within the context of their official responsibilities such as coffee and tea, drinks and meals. In addition, this same code is also meant to meet all expenses for the celebration of the OAU Day to which are invited Staff Members of OAU, Members of the Diplomatic Corps, International Organizations and dignitaries, personalities of the host Government as well as other individuals from Africa and other countries who have relations with the OAU.

604

STAFF WELFARE

Under this code funds are provided for the welfare of the Staff Members of the Organization. This includes the acquisition of equipment and entertainment materials as well as creation and maintenance of recreational facilities such as tennis court, volley ball, football, basket ball, swimming, in-door games and maintenance of the Cafeteria premises and furniture. Funds are also provided under this code to enable the Secretariat and the Staff Association to organise gettogethers during major festive occasions for children of Staff Members in the interest of Staff Welfare.

CHAPTER 1

OUTLINE OF THE ORGANIZATION AND FUNCTIONS OF THE ORGANIZATION OF AFRICAN UNITY ACCOUNTING SERVICE

1.1 Introduction

The Accounting Manual is designed for the internal use of the Accounting Service in order to explain the working of the systems design and completion of the various accounting forms, ledgers, journal registers and other records.

1.2 Authority

The authority for the procedures laid down in this manual stems from the Financial Rules and Regulations.

- (1) The accounting procedures as laid down in the Accounting Manual and in so far as they are not incompatible with the Financial Rules and Regulations, must be followed at all times.
- (2) The Accounting Manual provides detailed information and instructions of all accounting procedures including the following:
 - (a) The Headquarters, Regional and Sub-Regional Offices accounting systems which embrace all accounting for receipts, Disbursements, journal transfers, ledgers, etc..
 - (b) The payroll under the computerised system.
 - (c) The accounting and control procedures for Regional and Sub-Regional Offices.

- (d) Details of the design and operation of receipt forms, cash journal, ledgers, budget control book.

1.3 Responsibility of Finance Officers

In addition to their responsibilities laid down in Part IV Section IV of the Financial Rules and Regulations, Finance Officers in the Accounting Service are expected to fully acquaint themselves with all the procedures laid down in this manual. They are further required to instruct their Assistant Accountants, Accounts Clerks, etc.. in the correct procedures relevant to their duties.

1.4 Responsibility of Programme Managers, Heads of Department Heads of Regional and Sub-Regional Offices and Supervisors of Sections and Divisions:

The Managers of the Organization's Programmes, Heads of Department, Heads of Regional and Sub-Regional Offices and the Supervisors of Section and Divisions shall be held personally and pecuniarily responsible for:

- (a) The implementation of the measures and decisions they take in the execution of their functions.
- (b) Their negligence resulting in financial loss.
- (c) Violation of the Financial Rules and Regulations.
- (d) Commitments on a service which cannot be completed with the funds authorized for the service in the programme budget resulting in excess expenditure and losses.

A surcharge will be imposed on the staff member for the whole amount or part thereof.

1.5 The Role of the Director of Finance

The Director of Finance is the head of the Accounting Service. As such he has two main functions:

- (1) The Receiver and Paymaster of the Organization; and
- (2) The Financial Controller of the Organization.

The Function of Receiver and paymaster is exercised through the Treasury Unit of the Finance Department and the Regional and Sub-Regional Offices.

The Function of Financial Controller is exercised through the accounting and book keeping unit of the Finance Department and the various Regional and Sub-Regional Offices. The Regional and Sub-Regional Offices Units are under the heads of these offices.

1.6 Functions of the Treasury Unit

- (1) To receive and control all income collected.
- (2) To make and control all payments.
- (3) Supervision of the OAU Payroll which embodies all established staff, calculation of pension due to staff.

The functions of the Unit are further exemplified in Chapter 3 of this Manual.

1.7 Functions of the Accounting Unit

- (1) To receive and control all virements authorizing expenditures and produce all accounting statements and final accounts including the following:
 - (a) Statement of Income and Expenditure Account.
 - (b) Balance Sheet

- (c) Statement of Revenue
 - (d) Statement of Contribution Received
 - (e) Status of allotments and expenditure
 - (f) Statement of contributions
 - (g) Statement of Arrears of Contributions to the Regular Budget
 - (h) Detailed Statement of Outstanding Contribution due to the Regular Budget
 - (i) Statement of Advances
 - (J) Statement of Accounts Receivable
 - (k) Statement of prepaid Accounts
 - (l) Statement of money due to Donation, Trust and Special Funds
 - (m) Statement of Revenue and Expenditure, Donations, Trust and other Funds held in the General Fund Account
 - (n) Statement of Accounts Payable
 - (o) Statement of Accrued Accounts
 - (p) Summary of Inventories of the General Secretariat, Regional and Sub-Regional Offices.
- (2) To maintain the accounts including all advances, deposit and special funds.
- (3) To control all bank accounts and carry out bank reconciliations.
- (4) To control the various stores, fuel and transport, passages and supplies, maintenance.
- (5) To receive and issue controllable Accounting Records.

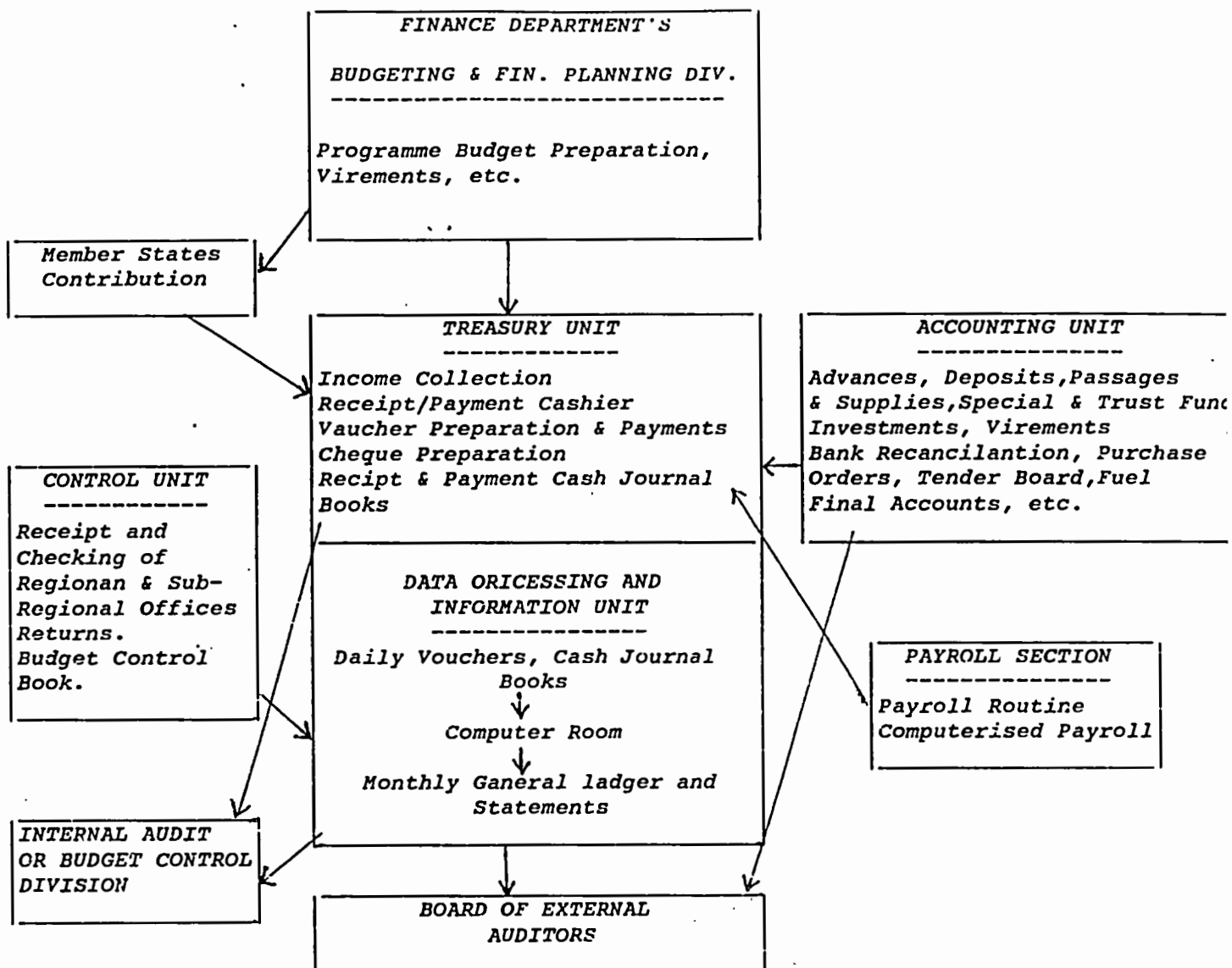
The functions of the Unit are further exemplified in Chapter 4 of this Manual.

1.8 Functions of Regional and Sub-Regional Offices

Accounting Units

- (1) To receive, control and record all income and account for all income and expenditure incurred by the Treasury Unit of the Organization at its Headquarters by sending returns.
- (2) To carry out procurement and payment procedures in accordance with Article 47 of the Financial Rules & Regulations and maintain budget control books which must be reconciled with the ledger accounts kept.
- (3) Maintain the following:
 - i. Advances Ledger Cards
 - ii. Stores Control Account Cards
 - iii. Inventory of vehicles - vehicle register
 - iv. Inventory of office furniture and equipment
 - v. Land and building register.
- (4) Make and control the payment of personal emoluments to the staff of the Regional and Sub-Regional Offices.
- (5) Ensure the proper maintenance of financial control over projects including the keeping of records and accounts.

The functions of Regional and Sub-Regional Offices are further exemplified in Chapter 5 of this Manual.



Routing of Accounting Information

1.9 Routing of Accounting Information

Figure 1/1 shows in diagrammatic form the routing of accounting information in the form of income, disbursements and accounting transfers, the processing of data, and the distribution of monthly ledger and control statements.

1.10 Functions of the Data Processing and Financial Information Unit

- (i) To make up into batches and send them to the computer room for processing:
 - (a) Monthly Statements of stores, fuel and transport transactions.
 - (b) Monthly returns of Regional and Sub-Regional Offices.
- (ii) To record all variations in the approved programme budget due to virements and pass them to the Computer Room for processing.
- (iii) To receive from the Computer Room the monthly print out of the General Ledger.
- (iv) To liase with the Accounting Unit to provide information for accounting statements.
- (v) To liase with the Budgeting and Financial Planning Division to provide budgetary control information.
- (vi) To carry out computer operations.

The functions of the unit are further exemplified in Chapter 7 of this Manual.

CHAPTER 2

PRIMARY ACCOUNTING VOUCHERS & THEIR COMPLETION

2.1 The accounting system is founded on three primary vouchers as follows:

- Disbursement vouchers in 4 copies of white, blue, green and yellow colours.
- Receipt vouchers in quadruplicate copies of white, blue, green, and pink colours.
- Adjustment vouchers in quadruplicate copies of green, Blue, yellow and pink colours.

Vouchers of these colours will be accepted as authentic and the white copies are the original. Specimen copies of these vouchers appear as figures 2/1, 2/2 and 2/3 within the text.

2.2 Numbering of Vouchers

(a) Receipt Vouchers

These are properly identified from a standard numbering system that is the uninterrupted serial number beginning from 1 June to 31 May the following i.e. the first day of the financial year to the last day of the financial year in accordance with Article 42 of the Financial Rules and Regulations.

(b) Disbursement and Adjustment Vouchers

These are also identified from a numbering system which is the serial number and month beginning from the first day to the last day of each month in the financial year e.g. 1/6 (1 in the month of June).

The numbering system above enable the following:

- (i) The filing of vouchers in numerical order
- (ii) The identification of receipt and disbursement vouchers in the cash journal.

2.3 Disbursement Vouchers and Their Completion

The disbursement voucher is used to record all disbursements made from the Organization's funds in settlement of claims made to the Organization.

The disbursement voucher is prepared in quadruplicate, original to box file for filing. One copy for the file of the individual concern one copy held in the accounts section for postings into the ledger accounts.

In the Regional and Sub-Regional offices one copy is to accompany the monthly accounts sent to the Director of Finance at the General Secretariat for incorporation into the main accounts of the Organization.

The voucher is completed as follows:

- (a) Date: The date the voucher is prepared and the date is recorded in the box e.g. 21.01.1991 (21 January, 1991).
- (b) Voucher No.: The number of the voucher which is the serial number and the month e.g. 1/6 (1 in the month of June).
- (c) Payee: The name of the person who supplied the service and should receive the amount.

- (d) **Description:** The description of the service received or the reasons for the payment.
- (e) **Prepared by:** The initial of the officer authorised to prepare the disbursement voucher.
- (f) **Checked by:** the initial of the officer who checks the details of the disbursement voucher as correct.
- (g) **Amount:** The amount or total amount of the supporting documents to be paid in US Dollar or local currency.
- (h) **Cheque No.:** The number of the cheque and date of the cheque corresponding to the amount paid.
- (i) **Amount (Dr. or Cr.) Local Currency:** The amount to be posted (debited or credited) in the individual ledger account in local currency.
- (j) **Rate:** The rate of exchange applied as per the monetary unit of the Organization of African Unity that is the United States Dollar e.g. Birr 2.07 = 1 US\$.
- (k) **Amount US \$ (Dr. or Cr.):** The amount to be posted (debited or credited) in the individual ledger account in United States Dollars.
- (l) **Allotment Account Code:** The budgetary code of the organization up to 13 different account codes can be used on each voucher.
- (m) **Explanation:** To state the details of calculations.
- (n) **Approved for Payment:** The signature of the Director of Finance or the designated officer who approved the payment to be effected.



ORGANIZATION OF AFRICAN UNITY

RECEIPT VOUCHER

Date _____	Cheque No. _____	Receipt No. 1808
------------	------------------	------------------

Payer's Name _____

Address _____

DESCRIPTION	{	_____

Account No. _____

Amount In Local Currency	In figures	_____
	In words	_____
Amount In U. S. Dollars	In figures	_____
	In words	_____

Recipient's Signature _____

AUTHORIZED SIGNATURES

(o) **Head of Division Accounting, Disbursement & Procurement:** The signature of the head of division on Accounting, Disbursement and Procurement as a second signature.

(p) **Payment Received:** The signature of the person who received the amount paid.

2.4 Receipt Vouchers and Their Completion

The receipt voucher is used to record the receipt of all income from payers due to the Organization in terms of Article 23 of the Financial Rules and Regulations of the Organization.

This receipt voucher is the standard quadruplicate book and is completed in ball-point pen and carbon paper shall be used to make the duplicate, triplicate and quadruplicate copies.

The original shall be delivered to the payer.

Duplicate copy is filed in a box file to be used to support accounting entries.

Triplicate copy is held in the Accounts Section for postings into the ledger account and the quadruplicate is retained in the book.

In the Regional and Sub-Regional Offices one copy is to accompany the monthly accounts sent to the Director of Finance Department at the General Secretariat to support accounting entries for incorporation into the main accounts of the Organization.

The Receipt Voucher is completed as follows:

- (a) **Date:** The date the voucher is prepared which is recorded in the box e.g. 13.06.1991. (13 June, 1991)
- (b) **Cheque:** The number of the cheque issued by the payer to the Organization and the currency. e.g. 000101.US\$.
- (c) **Payers Name, Address:** The name of the payer and its address.
- (d) **Description:** The description of the income received.
- (e) **Account No.** The Account Code to identify the income collected e.g. 00 01001 contributions received towards 19__/_ Budget.
- (f) **Amount in Local Currency:** The amount received from the payer in local currency in figures and in words shall be inserted in the appropriate boxes.
- (g) **Amount in US Dollars:** The amount received from the payer in United States Dollars in figures and words shall be inserted in the appropriate boxes.
- (h) **Recipients Signature:** The signature of the Officer authorized to receive the amount paid to the Organization.
- (i) **Director of Finance Department:** The signature of the Director of Finance Department to validate the receipt.
- (j) **Head of Accounting, Disbursement & Procurement Division:** The signature of the officer heading the Division.

2.5 Adjustment Vouchers and their Completion

The adjustment voucher is an adjustment document. The voucher can contain several entries, but the total debits and credits must be equal.

The purposes of the voucher are as follows:

- (i) Correction of accounting errors
- (ii) To cancel cheque
- (iii) For treatment of virements - amendments to budget allocations.
- (iv) Regional and Sub-Regional Offices accounts.
- (v) To regularise entries in order to charge proper codes.

2.6 The adjustment voucher is prepared in triplicate:

- Original to box file for filing
- One copy to the file of the individual concern
- The remaining copy is held in the Accounting Section for postings in the ledger.

2.7 The adjustment voucher is completed as follows:

- (a) **Date of Voucher:** The date the voucher is prepared. The date is recorded in the box as e.g. 01.01.1991.
- (b) **Adjustment Voucher Number:** The number of the voucher is the serial number and the month e.g. 1/6 (1 in the month of June).
- (c) **Description:** The reasons for the adjustment
- (d) **Prepared by:** Being the initial of the officer authorized to prepare the adjustment voucher.
- (e) **Checked by:** Being the initial of the officer who checks the details of the adjustment voucher as correct.
- (f) **Amount (Dr. or Cr.) Local Currency:** The amount of the debit or credit to be posted in the individual account in local currency e.g. Birr.

- (g) **Rate:** The rate of exchange applied as per the monetary unit of the Organization of African Unity that is the United States Dollar e.g. Birr 2.07 = 1.00 US\$.
- (h) **Amount US\$ (Dr. or Cr.):** The amount of the debit and credit to be posted in the individual account in United States Dollars.
- (i) **Allotment Account Code:** The budgetary code of the Organization of African Unity up to 13 different account codes can be used on each voucher.
- (j) **Explanation:** To state the details of calculations.
- (k) **Adjustment Certified:** Being the initial of the officer who certified that the adjustment is correct.
- (l) **Chief Finance Officer.**

CHAPTER 3

TREASURY UNIT PROCEDURE

3.1 The Treasury Unit Comprises the Following Sub Units

- (a) Income Collection and Accounting
- (b) Voucher preparation, checking and Payment Accounting
- (c) Filing Control Unit
- (c) Payroll - Salaries and Wages and Gratuity

3.1.1 Income Collection and Accounting

In terms of Article 23 of the Financial Rules and Regulations of the Organization the following constitute the Income of the Organization.

- (a) Member States Statutory Contributions.
- (b) Subventions, Donations and Bequests accepted by the Council of Ministers.
- (c) Advances made to the Organization.
- (d) Remunerations for any Services rendered by the Organization.
- (e) Deductions from Reserves or working capital Fund.

Member States statutory contributions are payable from the first day of the financial year i.e. 1st June.

3.1.2 Duties

The duties of the Officers are as follows:

**ORGANIZATION OF AFRICAN UNITY**

QUADRUPLICATE

RECEIPT ORDER

No. :

Date :

THE GOVERNMENT OF.....
OWES TO THE ORGANIZATION OF AFRICAN UNITY (OAU) ASSESSED CONTRIBUTIONS TO
THE REGULAR BUDGET(S) THE FOLLOWING AMOUNT(S):

FINANCIAL YEAR(S)

<i>BUDGET YEAR</i>	<i>AMOUNT IN US\$</i>	<i>BUDGET YEAR</i>	<i>AMOUNT IN US\$</i>
1.....	6.....
2.....	7.....
3.....	8.....
4.....	9.....
5.....	10.....

**TOTAL AMOUNT
PAYABLE**

in figures :

in words :

RÉCIPIENT'S ACCOUNTS :

1. New York : Account No. 015 0082 82 at CHEMICAL BANK - UN BRANCH, OR
2. Addis Ababa : Account No. 485 0009 6 at COMMÉRCIAL BANK OF ETHIOPIA

For further information, please contact :

DIRECTOR OF FINANCE DEPARTMENT
P.O. BOX 3243
TEL. 517700
TLX 21046
FAX 51 26 22
ADDIS ABABA
Ethiopia

.....
(Signature)

Assistant Secretary General
Finance Department

- (i) The officers are responsible for the collection of the income in accordance with the procedures below:
- (ii) The maintenance of and recording of income in the cash journal of all receipt vouchers actioned.
- (iii) Submission of the receipt vouchers for filing at the filing control office.
- (iv) Custody of used receipt voucher books.

3.1.3 Procedures

- (i) Article 42 of the Financial Rules and Regulations of the Organization requires the issue of a written Receipt order which forms the basis of the collection of Income of the Organization particularly Member States Statutory Contributions to the Regular Budget,
- (ii) The written receipt order is in quadruplicate copies signed by the Secretary general or his Deputy with the following particulars:

Serial number

Financial Year

Name of the payer of the Income

The amount of the Income payable to the Organization in figures and words.

Description of the Income.

- (iii) The original copy is delivered to the Accountant of the Organization.

The Duplicate copy is delivered to the debtor of the organization as notification of the amount payable to the Organization.

- (iv) The Accountant of the Organization shall debit the account of the debtor with the amount on the written receipt order.
- (v) A receipt is issued to the payer in respect of either full or part settlement of the debt.
- (vi) The original copy of the issued receipt shall be delivered to the payer and the duplicate shall be used to support accounting entries.
- (vii) An Income register will be maintained to record all income. Due, received and brought forward and carried forward balances. The format of the Income register is illustrated in figure 5/1 in this Manual.
- (viii) The chasing of overdue statutory Contributions from Member States is laid down in Article 41 of the Financial Rules and Regulations of the Organization.

3.1.4 Accounting Arrangements for Income Collection

The following accounting arrangements will apply to Income collection accounts kept in the General Secretariat as well as in the Regional and Sub-Regional Offices in terms with Rule 22 of the Charter & Rules of Procedures on the Functions and Regulations of the General Secretariat and Article 14 of the Financial Rules and Regulations of the Organization.

3.1.5 (A) Contribution of Member States

- (i) On 1st June the Member States account is debited with assessed contribution

approved and the General Fund Account credited with the same amount. The Receipt Order issued by the Assistant Secretary General Finance to the Member State should be the supporting document.

(ii) When payment of contribution is received from the Member States the bank account of the Organization is debited and the Member State's ledger account is credited correspondingly. The receipt voucher issued to the Member State should be supporting document. On the receipt voucher issued the distinction between current and previous years contributions will be detailed.

(iii) On 31 May the total contribution received in respect of current and previous years will be transferred to the Income and expenditure account by debiting the General Fund Account and the Income and Expenditure Account is credited correspondingly by adjustment voucher. The receipt voucher should be supporting document.

(vi) When an unpaid contribution is to be written off, the amount involved is debited from the General Fund Account and the Member State's contribution Account credited thereby clearing the debt.

3.1.6 (B) Interest From Investments

(i) When Interest is paid by the depositor bank, the bank current account of the Organization is debited with the amount received and the Interest on Investment account correspondingly credited.

- (ii) On 31 May the total amount received will be transferred to the Income and Expenditure account.

3.1.7 (C) Interest on Car Loan

- (i) The total deductions made from the salaries of Staff members will be credited to the Interest on Car Loan Account.
- (ii) On 31 May the total amount will be transferred to the Income & Expenditure account.

3.1.8 (D) Miscellaneous and Other Income Items

- (i) When cash is received or bank transfer made in respect of miscellaneous or other income items, the bank account is debited with the amount received and the Miscellaneous and Other Income Items Account credited correspondingly.
- (ii) On 31 May the amounts are transferred to the Income & Expenditure Account.

3.1.9 Accounting Entries

The following accounting entries will be made in respect of income collection accounts.

3.1.10 (A) Contribution of Member States

When the Programme Budget is approved. The assessed amount due from the Member State is:

(i) Treated as follows:

	<u>Ledger Account</u> <u>Code</u>
Dr. Member State's Account	xx xx xxx
Cr. General Fund Account	xx xx xxx

(ii) When the Member State
paid her contribution:

Dr. Bank Account	xx xx xxx
Cr. Member States Account	xx xx xxx

(iii) On 31 May the following
adjusting entries will
be made to transfer the
amounts received to Income
& Expenditure Account:

Dr. General Fund Account	xx xx xxx
Cr. Income & Expenditure Account	xx xx xxx

3.1.11 (B) Interest on Investment

(i) When notification of
the credited interest
amount is received:

	<u>Ledger Account</u> <u>Code</u>
Dr. Bank Account	xx xx xxx
Cr. General Fund Account	xx xx xxx

(ii) On 31 May the amount
of interest received
is transferred to the
Income & Expenditure
Account:

Dr. General Fund	
Account	xx xx xxx
Cr. Income & Expenditure	
Account	xx xx xxx

3.1.12 (C) Interest on Car Loan

- (i) At the end of each pay period (month) when the total deductions made from Staff salaries in respect of interest on Car Loan:

Dr. Payroll (Cash Account)	xx xx xxx
Cr. Interest on Car Loan	
Account	xx xx xxx

- (ii) On 31 May the total amount of interest received is transferred to Income

& Expenditure Account by:

Dr. Interest on Car Loan	
Account	xx xx xxx
Cr. Income & Expenditure	xx xx xxx

3.1.13 (D) Miscellaneous and Other Income Items

- (i) When cash is received or notification of bank transfer is received then:

Dr. Bank Account	xx xx xxx
Cr. General Fund	
Account	xx xx xxx

- (ii) On 31 May the total amount received is transferred to Income and Expenditure Account as follows:

Dr. Miscellaneous & Other	
Income Items Account	xx xx xxx

3.2 Voucher Preparation and Checking - Duties and Procedure

The duties of the Sub Unit are as follows:

- (i) The Sub-unit is responsible for preparation of Vouchers and supporting documents.
- (ii) Distribution of Copies of Vouchers to user units of the Finance Department.
- (iii) Checked that all vouchers are in accordance with the following procedure:
 - 1. All vouchers are delivered under cover of way-book;
 - 2. Correct number of copies and required supporting documents are attached;
 - 3. The required pre-audit has been completed;
 - 4. That funds are available under the budgetary code.

3.3 Payment Accounting for Disbursements

3.3.1 Duties

The duties of the sub unit are as follows:

- (a) The sub unit is responsible for paying all vouchers in accordance with the procedure below.
- (b) The maintenance of and the recording in, the cash journal of all payments actioned by the unit.
- (c) Submission of paid vouchers to the Filing Control Unit.

(d) Custody of used cheque books.

3.3.2 Procedures

The procedures to be followed in the execution of the unit's duties:

- (a) The Unit will maintain cash journal.
- (b) These cash journals are to be totalled and balanced daily to the vouchers paid for the day.
- (c) Payments are to be recorded in the cash journal at time of payment of cash or preparation of cheques.
- (d) Cheques are signed by authorised signatories.
- (e) The officers who sign cheques are required to initial the cheque stub.
- (f) The officers distributing uncrossed cheques should satisfy themselves that the payee is properly identified.

3.4 Filing Control Unit

3.4.1. Duties

The Unit is responsible for receiving and filing all actioned documents of the Finance Department. This should be done daily as the documents are passed to the Unit in accordance with the procedures laid down below.

3.4.2 Procedures

The procedures to be followed in the execution of the duties of the Unit.

1. All documents received for filing will be filed in serial number order in lever arch files.
2. The Files and documents should not be removed from their storage in the files by any body without authorised written authority for named individual.
3. Separate files will be maintained for each months numerical sequence of voucher number.
4. The Unit may also be responsible for the storage of other units files that may require storage.

3.5 Payroll - Salaries and Wages Section

3.5.1 Introduction

- (a) A large proportion of the Organization's expenditure is allotted to salaries. The preparation of the Payroll in the General Secretariat is done on a computerised system. The methods of payment are transfer to bank and cheques. Salaries are paid monthly.
- (b) Staff of the Organization is recruited through the Committee on Recruitment, Advancement, Promotion and Staff Development at the General Secretariat. Letters of appointment and termination are issued from the Personnel Division. The Personnel Division prepares the Establishment list of current employees with details of salary, Post held, Nationality and nature of appointment.

3.5.2 Organization

Salaries paid by the Organization to member of staff of the different departments of the Organization at the General Secretariat is centralised in the payroll section in collaboration with the computer section of the Finance Department. In the Regional and Sub-Regional Offices, Finance Officers, Accountants, etc.. pay salaries on manual payroll prepared in their offices.

3.5.3 Duties

The duties of the Section are as follows:

(a) Receive copies of sources of data documents relating to the change of status of officers:

- (i) Letters of appointment
- (ii) Letters of Termination
- (iii) Letters of Promotion. etc...

(b) Prepare the payroll of the General Secretariat.

(c) Prepare Input Data Forms.

(d) To prepare disbursement vouchers for payment of wages of temporary employees.

(e) To ensure that correct cost centres are charged.

(f) To keep a register of employees with details of Salary Scale, Allowances, Increment date, Deductions, Date of Birth, Date of Retirement, Nature of Appointment, etc...

(g) To prepare last pay certificate for officers transferred from the General Secretariat to Regional and Sub-Regional Offices.

3.5.4 Procedure

The procedure to be followed in the execution of the duties of the Section:

- (a) The Section will maintain Input Data Forms.
- (b) These Input Data Forms will be completed by and signed by the Accounts Clerk and authorised by the Head of Section or Division for computer processing. Unauthorised input data forms should not be processed by the computer section.
- (c) Check the print out of the payroll note any errors and to ensure that all errors are corrected.
- (d) Preparation of Disbursement Voucher for salary payments.
- (e) Preparation of the Schedule for bank transfers and cheques.
- (f) Preparation of payments to third parties in respect of salary deductions.
- (g) Reconciliation of the payroll of the previous month with the current month.

3.5.5 Payment Procedure

Officers should be careful that a large proportion of the Organization's employees are paid through the bank by transfer and cheques. since the computer processing is done at the General Secretariat for all employees at the same time errors have to be promptly dealt with in the next period in order to avoid the recurrence of further errors and omissions.

3.5.6 Method of Payment

(a) Computerised Payroll

- (i) The system produces the payroll in one mode based on two pay types i.e. by bank and with transfers and cheques.
- (ii) Net pay list of employees paid in local currency are prepared indicating name of employees, net pay.
- (iii) Net pay list of employees paid in foreign currency are prepared indicating name of employee, net pay.

(b) Manual Payment

Manual payment could be made to employees due to particular reasons and circumstances such as:

- (i) A new employee joining the Organization after the processing of the Payroll.
 - (ii) Special circumstances for an employee to leave the services of the Organization part way through the month.
 - (iii) Payment of unclaimed salary already computerised and returned to cash.
- (c) All payroll payments should be done by the computerised payroll system. Officers in the computerised payroll section must ensure that the Computer preparation of salary for an employee who leaves the services of the Organization is stopped.

3.5.7 The Payroll Preparation and Maintenance

The employees Standing and Permanent Earnings Data Form the basis of calculation of the basic salary and allowances of the employee. Information on temporary and long term deductions also affect the payroll.

The type of Standing and Permanent Earnings Data for an employee is as follows:

(a) Standing Data

- (i) Name of Employee
- (ii) Employee Number
- (iii) Sex
- (iv) Period Pay
- (v) Mode of Payment
- (vi) Type of Payment
- (vii) Cost Centre
- (viii) ALICO Certificate of Participation Number
- (ix) Date of Birth
- (x) Date joined the Services of the Organization
- (xi) Date of Retirement/Termination
- (xii) Category of Employment
- (xiii) Salary Scale
- (xiv) Increment Date
- (xv) Increment Scale Number
- (xvi) Bank Details

(b) Permanent Earnings Data

- (i) Salary Scale
- (ii) Post Adjustment Allowance
- (iii) Dependency Allowance

- (iv) Housing Allowance
- (v) Entertainment Allowance

The type of temporary earnings and deductions data for an employee are as follows:-

(a) Allowances

- (i) Acting Allowance
- (ii) Overtime Allowance
- (iii) Driving Allowance
- (iv) Others

(b) Deductions

- (i) Salary Advance
- (ii) Refunds
- (iii) Credit Union Loans/Interest
- (iv) Travel Advance
- (v) Telephone and Cable
- (vi) Education Allowance Advance
- (vii) Medical Advance
- (viii) Miscellaneous Order Coupons (MCOs)
- (xi) Car Loan/Interest
- (x) Other Short Term Deductions.
- (xi) Pension Contribution

3.5.8 Preparation

For purposes of the payroll, where a new employee joins the services of the Organization; the status of an officer changes consequent upon promotion, the granting of incremental credits, etc.. or for other reasons affecting the officers permanent or temporary earnings/deductions, notification from the Personnel Division should reach the payroll

ORGANIZATION OF AFRICAN UNITY
GENERAL SECRETARIAT, ADDIS ABABA
EMPLOYEE STANDING DATA

INPUT SALARY DATA FORM A.

DATE
PERIOD NO.....
SERIAL NO.....

DEPARTMENT/DIVISION.....

EMPLOYEE NO: EMPLOYEE NAME MODE OF PAYMENT COST CENTRE
(Sure Name First) (Bank,T=Transfer, C=Cheque) (Programme/Sub Programme/Item)
SEX PAY PERIOD
(M=Male, F=Female) (Monthly)

ALCO CERT. No. DATE OF BIRTH DATE JOINED SERVICE CATEGORY OF EMPLOYMENT
(Identification No.) (dd/mm/yyyy) (dd/mm/yyyy) P=Permanent, T=Temporary
C=Contract

SALARY SCALE INCREMENT DATE..... INCREMENT SCALE No. MONTHLY INCREMENT US\$
(dd/mm) (1 to 13)

BANK BRANCH CODE BANK ACCOUNT NO. BANK ACCOUNT TYPE..... ACCOUNT NAME
(C=Curent, S=Savings) (where account name differ from employee name)

PERMANENT EARNINGS/DEDUCTIONS

To be entered at time of setting up new employee

	E/D CODE	DESCRIPTION	PERIOD VALUE		TOTAL VALUE	
01						
02						
03						
04						
05						

	E/D CODE	DESCRIPTION	PERIOD VALUE		TOTAL VALUE	
06						
07						
08						
09						
10						

Reference & Date Authority

Form Checked by & Date

Form Prepared by & Date

Posted on Computer by & Date

From Authorised by & Date

section on a sufficiently timely basis to facilitate the necessary calculations to be made.

3.5.9 Details of Standing and Permanent Earnings Data

The Standing and Permanent Earnings Data for each employee is kept in the Master file for payroll calculation purposes. The data are also kept in the employee's personal file with the Personnel Division. When notification is received in respect of a new employee joining the services of the Organization, input form for salary is prepared from the Payroll Section of the Finance Department with the details of the employee Standing and Permanent earnings data and sent to the Computer Room for processing and update the master file for payroll calculations.

(i) Name of Employee

The name of the employee should be entered with much details to differentiate between persons of similar names.

(a) Family Surname in full

(b) First name followed by initials

(c) Title and honorary Status e.g. H. E., Amb., Dr., etc..

(d) Security officers rank e.g.: CPT., LT., etc...

(ii) Employee Number

Each employee of the Organization is assigned a number which remains unchanged throughout his/her period of service with the Organization.

(iii) Sex

The sex of the employee i.e. male or female.

(iv) Pay Period

This indicates whether the employee is paid monthly or half monthly. The data held in the computer is split into monthly or half monthly paid.

(v) Mode of Payment

This indicates whether the employee is paid by bank or by cash.

(vi) Type of Payment

This indicates how the salary of the employee is paid.

(a) Transfer of the employee's net salary to his/her bank account.

(b) Payment of the employee's net salary by cheque which he signs for on the payroll.

(vii) Cost Centre

Each employee of the Organization is paid salary from a cost centre which is Programme/Sub-Programme/Account item Code, this is the cost centre. e.g.: An employee in the Office of The Secretary General will have a cost centre of 02/01/100 if the employee is paid from established posts.

- 02 - Overall Administrative Direction
- 01 - Office of the Secretary General
- 100 - Salaries

(viii) ALICO Certificate of Participation Number

The employee is required to contribute to the pension fund with ALICO under policy No.5694. The identification Number of the employee issued by ALICO e.g.: 000034.

(ix) Date of Birth

The date of birth of the employee is given to enable the system to list employees attaining the retirement age.

(x) Date Joined the Services of the Organization

The effective date on the first letter of appointment for commencement of services.

(xi) Retirement/Termination Date

This is the expected date of the end of the services of the employee in the case of a permanent employee attaining the retirement age. In the case of Temporary or employee on contract, it is the date of expiry of terms of appointment.

(xii) Category of Employment

The category of employment for each employee is permanent, temporary contract, etc.. will be recorded in the computer. The following indicators could be used:

P = Permanent
T = Temporary
C = Contract

(xiii) Salary Scale

The scale of the employee in the pay structure of the Organization e.g.: P4.

(xiv) Increment Date

The date is the day and month the employee's annual increment is due i.e..if the appointment date is 1st November the date is 01/11.

(xv) Increment Scale Number

The Steps between 1 and 13 being the level of annual increment of the employee.

(xvi) Bank Details

Unless the employee opts for his salary be paid by cash, salaries are paid through the bank. The details of payment through the bank are as follows:

- (a) Name of Officer
- (b) Employee Number
- (c) Name of Bank
- (d) Account Number
- (e) Current or Savings Account.

3.5.10 Input Salary Data Forms

The computerised payroll system operates by using Input Salary Data Forms. These forms are completed by officers in the salary section and controlled

in the Section. All Input Salary Data Forms require the following control features to be completed on each of them.

(a) Programme Number

The number of the programme in the approved programme budget.

(b) Period

The month in the financial year the employee is being paid

(c) Date of Form

The date the form is prepared.

(d) Serial Number

The sequential number of the form in Series completed by the Salaries Section for computer processing.

(e) Department

The name of the Department the employee is serving.

(f) Reference & Date of Authority

Being letter and date.

(g) Form Prepared by & Date

The officer who prepared the form and the date.

(h) Form Authorised by & Date

The officer who supervises the Salary Section and the date he/she signs the form. An Input Salary Data Form should not be completed by an officer and authorised by the same officer.

ORGANIZATION OF AFRICAN UNITY
GENERAL SECRETARIAT, ADDIS ABABA

INPUT SALARY DATA FORM B.

EMPLOYEE PERMENENT EARNINGS/DEDUCTION

DEPARTMENT/DIVISION.....

DATE
PERIOD NO.....
SERIAL NO.....

	EMPLOYEE NUMBER	EMPLOYEE NAME	E/D CODE	PERIOD VALUE		NO MTH	TOTAL VALUE	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
21.								
22.								

Reference & Date Authority..... Form Checked by & Date
Form Prepared by & Date..... Posted on Computer by & Date
Form Authorised by & Date

The Input Salary Data Form is used directly for processing by the Computer Room.

The following Input Salary Data Forms could be used:

- (a) Employee Standing Data
- (b) Permanent Earnings/Deductions Data
- (c) Employee Temporary Earnings/Deductions Data

Specimen copies of each form appears as figures 3/1, 3/2, 3/3 within the text.

3.5.11 Completion of Input Salary Data Forms

(a) Employees Standing Data

The Employees Standing Data Input Salary Data Form is completed by filling in the details of Standing Data given in paragraph 3.5.9 (i) (xvi) of this text.

(b) Permanent Earnings/Deductions Data

Where an employee has permanent earnings in addition to his basic salary or deduction from his basic salary the permanent earnings/deductions data input salary data form is completed as follows:

(i) Name of Employee

The name of the employee.

(ii) Employee Number

The employee number of the officer.

(iii) Earnings/Deductions Code

The code which identifies the type of earnings/deductions given from the list of earnings/deductions codes given in the text.

ORGANIZATION OF AFRICAN UNITY
GENERAL SECRETARIAT, ADDIS ABABA

INPUT SALARY DATA FORM C.

EMPLOYEE TEMPORARY EARNINGS/DEDUCTIONS

DEPARTMENT/DIVISION.....

DATE
PERIOD NO.....
SERIAL NO.....

	EMPLOYEE NUMBER	EMPLOYEE NAME	E/D CODE	PERIOD VALUE		NO MTH	TOTAL VALUE	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
0.								
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
0.								
1.								
2.								

Reference & Date Authority..... Form Checked by & Date
 Form Prepared by & Date..... Posted on Computer by & Date
 Form Authorised by & Date

(iv) The Amount of Earnings/Deductions

The amount to be paid or to be deducted

(v) The Total Value

(c) Temporary Earnings/Deductions Data

The temporary earnings/ deductions data input salary data form is used for one period as an adjustment to permanent earnings/deductions.

3.5.12 The Payroll Earnings/Deductions Codes

The following codes are used for payroll earnings/deductions for payroll computer processing.

**EARNINGS
CODE**

	<u>DESCRIPTION</u>	<u>LEDGER ACCOUNT CODE</u>
05	Basic Salary monthly	xx xx 100
	Basic Salary Arrears of Pay	xx xx 100
06	Allowance: Post Adjustment	xx xx 213
07	Dependency	xx xx 204
	Housing	xx xx 205
09	Acting	xx xx 218
10	Overtime/Driving	xx xx 103
12	Entertainment	

**DEDUCTIONS
CODE**

	<u>DESCRIPTION</u>	<u>LEDGER ACCOUNT CODE</u>
xx	Advances: Salary Advance	xx xx xxx
xx	Travel Advance	xx xx xxx
xx	Medical	xx xx xxx
xx	Miscellaneous: MCOs	xx xx xxx
xx	Telephone & Cable	xx xx xxx
xx	Union: Credit Union	xx xx xxx
xx	Interest: Credit Union	xx xx xxx
xx	" Car Loan	xx xx xxx
xx	Pension	xx xx xxx

ORGANIZATION OF AFRICAN UNITY INDIVIDUAL SALARY ADVICE SLIP

NAME : xxxxxxxxxxxxxxxxx EMPLOYEE NO. xxxxxxx PAY POINT xxxxx

CODE	EARNINGS	AMOUNT	CODE	DEDUCTIONS	AMOUNT
xxx	Basic Salary	xxxx	xxx	Salary Adv.Rep.	xxxx
xxx	Post Adjustment	xxxx	xxx	Pension Fund	xxxx
xxx	Dependancy	xxxx	xxx	Staff Assn.	xxxx
xxx	Acting	xxxx	xxx	Credit Union	xxxx
xxx	Others	xxxx	xxx	Car Loan	xxxx
TOTAL EARNINGS US\$ xxxx			TOTAL DEDUCTIONS US\$ xxxx		
=====					
ADVANCES/LOANS BALANCE			NET PAY Month 1992 US\$ xxxx		
			=====		
Car Loan		xxxx			
Salary Advance		xxxx			
Credit Union Loan		xxxx			

Total US\$		xxxx			
		=====			
DEPARTMENT xxxxxxxxxxx			COST CENTRE xx xx xxx		

3.5.13 The Format and Uses of Printouts

(a) The following printouts - output documents are produced by the computer:

- (i) Individual Salary Advice Slip
- (ii) Net pay list by bank
- (iii) Net pay list by cheque
- (iv) Gross Pay to net pay
- (v) Earnings Analysis
- (vi) Deduction Analysis

(b) The Directory for printouts is as follows:

- (i) List of pay points - Bank branches and codes
- (ii) List of Departments and Programme Codes
- (iii) List of cost centres by Departments and Description
- (iv) List of earnings and deductions Codes.

(c) The format of the printouts is as follows:

(i) Individual Salary Advice Slip

The salary advice slip gives the details of the salary for the employee which is prepared for each employee with the following information:

(a) Pay Point:

The branch of the bank where the employee's salary is paid.

(b) Mode of Payment:

This indicates how payment is made:

- (i) Transfer
- (ii) Cheques

(c) The Employee's name and number:

All individual salary advice slips are produced in Pay Point, Department, and employee number order.

(d) Earnings and Deductions

These are shown in tabular format with the code, description and amount for each item of the employees earnings/deductions.

(e) Totals of Earnings and Deductions:

The totals of earnings and deductions are at the end of each table.

(f) Balances of Advances

The total of all the advances granted by the Organization to the employee less total amounts repaid by the employee.

(g) Cost Centre

The Programme charged

(h) Net Pay

The amount payable to the employee that is total earnings less total deductions.

The Individual Salary Advice Slip is produced in one copy for the employee and is prepared for all employees and is produced in Department and employee number order.

(ii) Net Pay List by Bank Branches

- (a) The net pay list sets out the details of net pay analysed for salary payment to bank - Head Office and Branches current accounts of employees on department basis.

(i) Account Number

The list is produced in bank account number order for the bank .

(ii) The employee number and name, the bank account name together with the type of account.

(iii) Bank Branches

The list is produced in bank branches code order with totals for each branch.

(iv) Payment Details

The details of payment have to be completed on a disbursement voucher with DV number and date, cheque number, etc.. at the end of each branch.

(b) Net Pay List by the Bank Branches:

(i) One copy is sent to the Bank Branch with the Organization's cheques for payment.

(ii) One copy is attached to the Disbursement Voucher as supporting documents.

(iii) One copy is kept in the Salary Section for reference.

(c) The total of the net pay is used for reconciliation of salaries.

(d) No alteration of the net pay should be made except to stop the entire net pay of an employee. In such circumstances the name of the employee will be crossed out and the totals adjusted.

(e) Bank advice for each paid employee showing the amount payable to the bank account is produced which accompanies the bank list sent to the bank.

(iii) Net Pay List by Cheque

- (a) This list consists of employees who receive their net salary over the Counter by cheque. The list is produced by employee number and name.

(i) Employee Number and Name

The employees are listed in employee number order.

(ii) Total

At the end of the list the total amount is given.

(iii) Payment details

The details of payment have to be completed on a disbursement voucher with DV Number and Date.

- (iv) The individual cheque number for each employee is written manually on the list besides the employee's net pay.

- (v) The employee signs besides its name to acknowledge receipt of the cheque.

- (b) The Net Pay List by Cheques is Produced in Two Copies:

- (i) One copy which is signed by employees acknowledging receipt of their individual cheques as the execution of payment. This copy is attached to the Disbursement Voucher as supporting document.

- (ii) The remaining copy is kept in the Salary Section for reference.

(c) No alteration of the net pay should be made except to stop the entire net pay of an employee. In such circumstances the name of the employee will be crossed out and the totals adjusted.

(iv) Gross Pay to Net Pay

The format of this printout summaries all the employees by Departments indicating their basic salary. Total Deductions and net pay. This printout is used to examine for any unusual amounts of money being paid to or deducted from an employee. If such items are identified they should be checked to the earnings or deductions analysis printouts.

(v) Earnings Analysis

The printout is produced by Department, Cost Centre (Programme) for each employee's salary and allowances.

The printout indicates a listing by Cost Centre, employee number and Name, the Gross Pay, basic salary plus Allowances.

The totals of Gross Pay and basic salary together with analysis of allowances are shown together.

(vi) Deductions Analysis

The printout is produced by Department, Cost Centre (Programme) for each employee deductions. The printout indicates a listing by Cost Centre, employee number and name, the deductions (e.g.: Advances, totals of deductions at the end of each Cost Centre Programme and analysis of deductions totals are shown.

A copy of the printout could be used by the Advances Section to post in the individual advance accounts of employees.

3.5.15 Accounting for Salaries & Wages

Payments in respect of salaries and wages are made through the Cash Journal of the Treasury Section of the Finance Department on net pay basis. A Disbursement Voucher is prepared in the Salaries Section with copies of net pay lists by bank and cheques as supporting documents. The net pay is credited to the bank account of the Organization and the gross pay debited to different ledger account codes by Cost Centres. All deductions made are credited to the different ledger account codes e.g.: Advances, deposits, etc.. The deductions are made by disbursement vouchers.

3.5.15 Accounting Entries

The following accounting entries are made:

		<u>LEDGER ACCOUNT CODE</u>		
DR.	COST CENTRE			
	(a) Salaries	xx xx	100	
	(b) Post Adjustment Allowance	xx xx	213	
	(c) Dependency Allowance	xx xx	204	
	(d) Housing Allowance	xx xx	205	
CR.	Bank Account Cash Journal			
	Net Amount			
	(a) Salary Advance	xx xx	xxx	
	(b) Credit Union loan	xx xx	xxx	
	(c) Credit Union Interest	xx xx	xxx	
	(d) Telephone & Cables	xx xx	xxx	
	(e) MCOs	xx xx	xxx	
	(f) Car Loan	xx xx	xxx	
	(g) Car Loan Interest	xx xx	xxx	
	(h) Pension Contribution	xx xx	xxx	

ACCOUNTING UNIT PROCEDURES

4.1 The Accounting Unit of the Finance Department comprises the following sub units:

- (i) Operating Costs Accounts - Nominal Accounts, Debtors, Creditors, etc..
- (ii) Advances, Deposits, Special & Trust Funds, Imprest Sub Unit.
- (iii) Final Accounts and Reports Sub Unit.
- (iv) Banking Sub Unit.

4.1.1 Introduction

Operating costs Accounts - Nominal Accounts, Personal Accounts - Debtors, Creditors, Advance, Deposits, Special Funds, etc.. and the Real Accounts comprise the accounts of the Organization. These accounts when summarised make up the Organization's Income and Expenditure Account and Balance Sheet which are illustrated below. Fixed Assets purchased are written off from revenues during the year of purchase. Fixed Assets Registers kept.

4.1.2 Income and Expenditure Account for Financial Year ended 31 May, 19__

<u>INCOME</u>	<u>NOTES</u>	<u>19__</u>	<u>19__</u>
Contributions Received			
towards 19__/_ Budget			
Contribution Received			
as payment of Arrears			
TOTAL CONTRIBUTION RECEIVED			
MISCELLANEOUS INCOME			

Interest on investment
Interest on car loan
Sale of Publications and
Other Assets
Receipts from OAU Clinic
Other Income
TOTAL INCOME
LESS: EXPENDITURE
19__/_ Expenditure

EXCEEDS OF INCOME (EXPENDITURE)
OVER EXPENDITURE (INCOME)

4.1.3 BALANCE SHEET AS AT 31 MAY, 19

ASSETS

CURRENT ASSETS

NOTES

19

19

Investments
Outstanding Contributions
Advances Recoverable
Accounts Receivable
Prepayments
Cash in Bank & in Hand
TOTAL CURRENT ASSETS
LESS: CURRENT LIABILITIES

Contributions Received
in advance
Accounts Payable - Creditors
Accruals
Other liabilities
NET CURRENT ASSETS/CURRENT
LIABILITIES

FINANCED BY:

GENERAL FUND

Surplus/Deficit
Working Capital Fund
Other Funds
Reserves

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

31 MAY 19---

<u>SOURCES OF FUND</u>		<u>19---</u>	<u>19---</u>
Net Surplus/Deficit for the year		xxxxx	xxxxx
Add/Less Adjustments for items not involving the movement of Funds			
• Depreciation	xxxxx	xxxxx	
• Bad Debts	xxxxx	xxxxx	
• Expenses Committed	xxxxx	xxxxx	
Loss/Gain in Sale of Fixed Asset	xxxxx	xxxxx	
	xxxxx	xxxxx	
Less Income derived from Donated Assets	xxxxx	xxxxx	xxxxx
Adjusted net surplus/Deficit of Income for the year		xxxxx	xxxxx
Add: Increase in Member States Participation in construction of Secretary General's residence, Conference Complex	xxxxx	xxxxx	
Advance from Member States	xxxxx	xxxxx	
Proceeds from Sale of Fixed Assets	xxxxx	xxxxx	xxxxx
TOTAL SOURCES OF FUNDS FROM OPERATIONS		xxxxx	xxxxx
<u>APPLICATION OF FUNDS</u>			
Increase in Fixed Assets	xxxxx	xxxxx	xxxxx
INCREASE/DECREASE IN NET CURRENT ASSETS/ LIABILITIES		xxxxx	xxxxx
<u>MOVEMENT IN NET CURRENT ASSETS/LIABILITIES</u>			
<u>Increase</u>			
Increase in cash	xxxxx	xxxxx	
Increase in Other Assets	xxxxx	xxxxx	xxxxx
<u>Decrease</u>			
Increase in Sundry Creditors	xxxxx	xxxxx	
Decrease in Member States indebtedness	xxxxx	xxxxx	xxxxx
NET INCREASE/DECREASE IN NET CURRENT ASSETS/ LIABILITIES		xxxxx	xxxxx

4.1.4 Operating Costs Accounts - Nominal Accounts, Debtors, Creditors and Real Accounts

Duties

The duties of officers in this unit are as follows:

- (i) To maintain ledger accounts containing operating costs accounts according to their classifications in the programme budget.
- (ii) Similar ledger account cards containing debtors and creditors - Personal Accounts.
- (iii) Post the accounts and keep them reconciled with the control accounting records.

4.1.5 Procedures

- (i) It is the duty of ledger keepers to inform the Director of Finance Department of defaulters in the case of Debtors.
- (ii) Also to draw attention to expenditure codes with insufficient provisions.
- (iii) The accounts are balanced monthly by the ledger keepers, yearly balancing will be carried out promptly after the issue of the May Trial Balance.
- (iv) Any adjustments must be processed ready for the final closing of the books.

4.2 Advances, Deposits, Special & Trust Funds Imprest Sub Unit

4.2.1 Duties

The duties of officers in this unit are as follows:

- (i) To maintain the ledgers containing the advances
- (ii) To maintain the ledgers containing the Deposits, Special & Trust Funds, Projects, etc..
- (iii) To post the accounts and keep them reconciled with the control accounting records.

4.2.2 Procedure

- (i) In the case of Advance accounts relating to other Institutions, it is the duty of the ledger keepers to inform the Director of Finance Department to draw the attention of defaulters.
- (ii) Also to report on the status of Deposit Accounts.
- (iii) The accounts are balanced monthly by the ledger keepers, yearly balancing will be carried out promptly after the issue of the May Trial Balance.
- (iv) Any adjustment must be processed ready for the final closing of the books.

4.2.3 Advances

Advance accounts are to record the advances of monies under the authority of the Secretary General. These will mainly represent the advances made to the staff of the Organization which are recovered by salary deductions. The control over individual loans is exercised by the authority at the time of issue and repayment through the payroll.

4.2.4 Procedures

The following procedures will be followed for the payment of advances:

- (i) The application for the advance must be approved.
- (ii) A Disbursement Voucher must be raised for payment of the advance with details of deductions provided on the voucher.
- (iii) The amount paid must be charged to an advance account in the name of the beneficiary.

4.2.5 Accounting Arrangements of Advances

The following arrangements will apply to advance accounts kept at the General Secretariat, Regional or Sub-Regional Officers of the Organizations:

- (i) Disbursements made in respect of advances will be debited to an advance account in the name of the beneficiary.

- (ii) All recoveries made in respect of advances granted will be credited to the respective advance account of the beneficiary.
- (iii) Dormant and irrecoverable advance accounts will only be written off from revenues with proper authority to do so.
- (iv) Advance accounts which carry credit balances if unclaimed for a specific period of time determined by the Director of Finance Department shall be credited to miscellaneous income.

4.2.6 Accounting Entries

The following accounting entries are made in respect of the following types of advances:

- (a) Three months salary advance repayable in six months or three months salary advance in respect of a newly recruited staff repayable in twelve months.

	<u>LEDGER ACCOUNT</u>
	<u>CODE</u>
Dr. Staff member's advance	
Account AR/1	xx xx xxx
Cr. Bank Account	xx xx xxx
At the end of each pay period	
(month) when the deduction is	
effected	xx xx xxx
DR. Cash Account	xx xx xxx
Cr. Staff member's Advance	
Account (AR/1)	xx xx xxx

(b) One month salary paid in advance (AR1/1)

Dr. Staff member's Advance Account	xx xx xxx
CR. Bank Account	xx xx xxx

At the end of the appropriate month the total amount paid to the staff member in advance is deducted.

Dr. Cash Account	xx xx xxx
Cr. Staff Member's Advance Account (AR1/1)	xx xx xxx

(c) Car Loan (AR/2)

Dr. Staff Member's Advance Account AR/2	xx xx xxx
Cr. Bank Account	xx xx xxx

At the end of each pay period (month) when deductions in respect of principal and Interest are made from the staff members salary

Dr. Cash Account	xx xx xxx
Cr. Staff member's Advance Account AR/2 with the amount in respect of the principal	xx xx xxx
Cr. Interest on car loan with the amount in respect of interest	xx xx xxx

(d) Miscellaneous Advances (AR/4)

Dr. Staff Member's Advance Account	xx xx xxx
Cr. Bank Account	xx xx xxx

At the end of each pay period (month) when the deduction is made from the Staff member's salary

Dr. Cash Account	xx xx xxx
Cr. Staff member's Advance Account	
AR/4	xx xx xxx

(e) When miscellaneous order coupons (MCOs) are issued to

(i) Staff members on initial recruitment or transfer from one duty station to another, staff members on official missions and staff members travelling on Home Leave.

(a) By adjustment voucher

Dr. Staff members Advance Account (AR/5)	xx xx xxx
Cr. Creditors	xx xx xxx

(b) When the used MCO together with the receipt issued by the Airline confirming the utilization of the MCO is surrendered in the Finance Department.

By Adjustment Voucher

Dr. the expenditure Code for the MCOs	xx xx xxx
Cr. Staff member's Advance Account AR/5	xx xx xxx

(c) When the invoice is received from the Airline for settlement of the MCO

By Disbursement Voucher

Dr. Creditor Account	xx xx xxx
Cr. Bank Account	xx xx xxx

- (d) When the MCO is not used by the Staff Member and returned to the supplier

By Adjustment Voucher

Dr. Debtors Account	xx xx xxx
Cr. Staff members Advance Account AR/5	xx xx xxx

When the credit note is received from the Airline by Adjustment Voucher.

Dr. Creditors Account	xx xx xxx
Cr. Debtors Account	xx xx xxx

- (ii) Staff members on separation and Members of the Board of External Auditors

By Disbursement Voucher

Dr. Expenditure Account Code	xx xx xxx
Cr. Bank Account	xx xx xxx

4.2.7 Deposits

These consist of monies deposited with the Organization as custodian with the intention that the monies so deposited are paid out at an appropriate time under proper authority. Funds for projects carried out by the Organization and other autonomous aid organizations should be credited to the project deposit account. Monies in respect of Special and Trust Funds should be credited to deposit accounts in respect of these Funds.

4.2.8 Accounting Arrangements for Deposits, Project, Trust and Special Funds:

The following arrangements will apply to project, Trust and Special Fund accounts kept at the General Secretariat, Regional or Sub-Regional Office.

- (i) Monies deposited from external agencies or from the Organization's funds provided for the project will be credited to the project deposit account.
- (ii) Disbursement of funds related to the project will be debited to the project account.
- (iii) At the end of each financial year any balance of unspent funds will be carried forward in the project deposit account to the ensuing year. Any balance of unspent funds remaining at the completion of the project should be returned to the Donor or Credited to Organization's Accumulated Fund (General Fund).

4.2.9 Investments

The Organization's Liquid Resources which are not immediately required for disbursement shall be invested with Financial Institutions.

4.2.10 Procedures

The procedures to be followed are as follows:

- (i) All amounts to be invested on both short term or long term basis should be drawn from the Organization's current Bank account.

(ii) To obtain and file confirmation letters of deposits in respect of the following:

- (a) Initial Deposit;
- (b) renewal of existing deposit;
- (c) rollover interest.

(iii) Maintain a box file for confirmed Certificate Deposits in their numerical order.

(iv) Maintain an investment register with the following details:

- (a) Depository Bank
- (b) Certificate Deposit Number
- (c) Date of Deposit
- (d) Initial Capital
- (e) Rate of Interest
- (f) Total of principal & Interest
- (g) Date of Maturity
- (h) Period of deposit
- (i) withdrawal
- (j) Transfers
- (k) Date of Withdrawal or Transfer
- (l) Authority for Withdrawal or Transfer
- (m) Balance as at 31 May (end of Financial Year).

(v) The Finance Officer in charge of Investments at the end of each month prepares a statement showing the position of each investment including the interest accrued.

(vi) Maintain Ledger accounts for each investment.

4.2.11 The Accounting Arrangements

The following accounting arrangements will apply to investment accounts kept at the General Secretariat, Regional and Sub-Regional Offices of the Organization.

- (i) Monies invested will be debited to an investment ledger account in the General Secretariat, Regional or Sub-Regional Offices and its current bank account (Cash Journal Book) credited.
- (ii) When Investments are recalled the ledger accounts will be credited and the current bank account debited.
- (iii) All the interests accrued will be credited to the interest income ledger account.
- (iv) When the accrued interest on maturity date is capitalised it should be debited to the investment ledger account for a new principal.
- (v) Interest received in respect of Special Funds shall be accounted for in terms of the provisions of the regulations for the administration of the Funds.

4.2.12 Accounting Entries

The following accounting entries are made:

- (i) Whenever monies are paid from the current account for investment.

	Ledger Account <u>Code</u>
Dr. Investments Account	xx xx xxx
Cr. Current Bank Account (Cheque/written Bank Order)	xx xx xxx

(ii) When the accrued interest on maturity date is capitalised

By Adjustment Voucher

Dr. Investment Account	xx xx xxx
Cr. Reserve Fund Account	xx xx xxx

4.2.13 Reconciliation of Advances

A reconciliation of the outstanding balances of advances made to employees with the General Ledger Control Accounts should be made monthly. The Computerised payroll will facilitate the process.

4.2.14 Imprest

Introduction

An imprest is an advance to a staff member to meet cash expenses where the usual pre-authorization procedures cannot apply e.g.:

- (a) Petty Cash floats.
- (b) Imprest to Delegations or officers travelling on official business to defray expenses not covered by other allowances received.
- (c) Imprest to defray excess baggage expenses in lieu of issuing MCOs to staff members.
- (d) Standing imprest to defray unforeseen expenses.

4.2.15 Procedures

The following procedures will be followed for the payment of imprests.

- (i) The Imprest must be authorised by the Secretary General and the Director of Finance Department.
- (ii) The Internal Audit Division must certify that budgeted funds are available in the account code where the eventual expenditure is to be charged.
- (iii) The Imprest must be retired by a specified date which must be before 31 May.
- (iv) When the Imprest is issued (paid)
 - (a) The amount paid must be charged to a Control Imprest Advance Account.
 - (b) The amount so paid is also noted in the Budget Control Book under the account code where the eventual expenditure is to be charged to avoid excess expenditure occurring.
- (v) When the Imprest is retired the amount is cleared from the Control Imprest Advance Account and the appropriate expenditure account code charged.
- (vi) On retirement or replenishment of Imprests full documentation, explanations and receipts evidencing disbursements from the imprest should be provided by the Holder.

(vii) An Imprest Register is maintained to record the following details:

- (a) Imprest number
- (b) Name of Holder
- (c) Department, Division or Section
- (d) Amount
- (e) Purpose of the Imprest
- (f) Retirement Date
- (g) Disbursement Voucher No.
- (h) Adjustment Voucher No.
- (i) Account Code Charged
- (j) Remarks

(viii) The Register should be frequently scrutinised for follow up of retirement of outstanding Imprest.

4.2.16 Accounting Arrangements of Imprests

The following accounting arrangements will apply to imprest accounts kept at the General Secretariat, Regional and Sub-Regional Offices

- (i) Disbursement made in respect of Imprest will be debited to a Control Advance Account (IMPREST).
- (ii) When the Imprest is retired or replenished the Control Imprest Advance Account is credited with the amount expended.
- (iii) The eventual expenditure is debited to the appropriate expenditure account code.

4.2.17 Accounting Entries

The following accounting entries are made

- (i) When the Imprest is paid to the staff member (Holder)

	<u>Ledger Account Code</u>
Dr. Imprest Control Account	xx xx xxx
Cr. Bank Account	xx xx xxx

- (ii) When the Imprest is retired or replenished

Dr. The expenditure Account Code	xx xx xxx
Cr. Imprest Control Account	xx xx xxx

4.3 Final Accounts and Reports

The duties of officers of the unit are as follows:

- (i) To initiate and control all closing journal entries following the preparation of the May ledger accounts. (The end of the financial year).
- (ii) To prepare summaries and statements leading to the preparation of the Financial Report of the Director of Finance.
- (iii) Produce report and statements as may be required from time to time.

4.3.1 Procedure for Closing the Accounts and Preparing the Report of the Director of Finance

The May ledger accounts may not include certain late submitted returns from Regional & Sub-Regional Offices.

- (i) Check the May trial balance for various errors that may need corrections.
- (ii) Check that all Virements have been entered.
- (iii) Bank transactions must be brought up-to-date and the entries, and adjustments included. The bank reconciliation will assist. All closing bank balances will be supplied by the bank.
- (iv) All the ledger accounts are balanced when all the corrections and adjustments have been carried out.

A final detailed trial balance is extracted which forms the basis for the preparation of statements.

- (v) The report of the Director of Finance-Financial statements is prepared.
- (vi) The statements are then submitted to the Board of External Auditors.

4.4 Banking

The duties of officers in this unit are:

- (i) To obtain from the bank the bank statements of the bank accounts and the checking of individual transactions against the corresponding entries in the Cash Journal.
- (ii) Record debits and credits appearing on the statements which were not treated in the Cash Journal.

- (iii) Receipt and payment vouchers be prepared and processed promptly.
- (iv) Prepare monthly comprehensive bank reconciliation statements for all bank accounts.
- (v) Bank certificate of balances are obtained as at 31 May.
- (vi) 31 May a main bank reconciliation statement is prepared.

Balance as per bank statement	X
Unpresented Cheques	(X)
Dishonoured Cheques	X
Lodgements not Credited by Bank	X
Payments not credited in Cash Journal	<u>(X)</u>
Balance as per Cash Journal	X
	=====

4.4.1 Cash Book

In order to verify that all transactions extracted from the cash journal (Receipt and Payments) have been posted, reconciliation on the following lines should be undertaken.

	XX	X
1) Total opening cash journal balance on the 1st of the month	
2) Add total receipts for the month	
3) Total	
4) Deduct total payments	

5) Total (note - this figure must agree with the total cash journal balance at the end of the month)

4.4.2 Bank Reconciliation Statement

	XX	X
1) Balance as per Bank certificate (certificate to be attached)	
2) Add receipts in the cash journal and not in the Bank (schedule)	
3) Total	
4) Deduct payments in the cash journal not in the bank (unpresented Cheques schedules)	
5) Total	
6) Deduct receipt in the bank not in the cash journal (i.e. direct payments to Bank) (schedule 3).	
7) Total	
8) Add payments in the Bank not in cash journal (i.e. Bank debits for cheque books, ledger fees, Bank charges, etc..) (schedule 4)	
9) Balance - Agreeing with cash journal Bank balance	

4.4.3 Sechedules

Supporting Details for Bank Reconciliation

Schedule 1 - Receipts in the Cash Journal not in Bank Statement.

	XX	X
	
	
	
	
TOTAL	

Schedule 2 - Payments in the Cash Journal not in the Bank (i.e. mainly unrepresented cheques).

[illegible]

Schedule 3 - Receipts in the Bank not in the Cash Journal.

	XX	X
	
	
	
TOTAL	=====	

Schedule 4 - Payments in Bank and not in Cash Journal.

	XX	X
	
	
	
	=====	
TOTAL	=====	

CHAPTER 5

ACCOUNTING PROCEDURES OF REGIONAL AND SUB-REGIONAL OFFICES

5.1 This Chapter is designed as a guide to the accounting procedures to be adopted to enable financial Rules and Regulations of the OAU be followed. It also illustrates the forms and registers to be used.

- i) Budget Control Book
- ii) Purchase Order
- iii) Disbursement, Receipt and Adjustment Vouchers as indicated in Chapter 2 of this manual
- iv) Arrears of Contributions returns from the Liberation Committee.

Other registers and forms may be adapted for the differing circumstances and requirement of the Regional and Sub-Regional Offices subject to the approval of the Director of Finance and the Board of External Auditors.

5.2 Collection of Income

As required by Articles 41, 42 and 59 of the Financial Rules and Regulations of the Organization, all the income received should be receipted in the Cash Journal.

5.3 Procedure for Collection of Income

Income Register - Subvention

The income register of Headquarters and each Regional and Sub-Regional Office should be designed to record the following information:

INCOME REGISTER

REGIONAL (SUB REGIONAL OFFICE).....

CODE

DESCRIPTION

[illegible]

- i) All Income Due - This will correspond to the figures shown in the income budget. It should be broken down in detail to show the amounts due from Member States as statutory contributions to the General Funds and other income items.
- ii) Income Received - This is to be confirmed by the receipt number showing date, amount and whether the whole liability has been cleared or excess/payment made.
- iii) Balance Brought Forward and Carried Forward - This will provide the information for completing the arrears of contributions. The format of the income register is illustrated in figure 5/1 in this manual.

The procedures to be followed, accounting arrangements and accounting entries to be made in the ledgers in respect of Income collections are amplified in Chapter 5 of this Manual.

5.4 Procurement, Issue and Control of Receipt Vouchers and other Controllable Accounting Records

The procedure for the control of receipt vouchers and other controllable accounting records is laid down below. The Director of Finance is primarily responsible for the Procurement issue and control of such accounting records.

Regional and Sub-Regional Offices must maintain their own receipt book registers and follow the same issue and control procedures laid down below.

5.5 Procedure

- a) The order for the printing of Receipt Orders from local printers e.g. in Regional and Sub-Regional Offices must be made by means of the purchase order.

REGISTER OF COUNTER-FOIL RECEIPT BOOKS

[illegible]

- b) All stock of unused vouchers, Bank cheque books, Bank pay in slip books, Purchase Order books, etc. should be kept under lock and key.
- c) The stock of these controllable accounting records under (b) above must be entered in the register of counter-foil receipt book.
- d) Issues made to officers for official use should be recorded in the register and the officer initials the register.

The format of the register of counter-foil receipt books is illustrated in figure 5/2 in this manuals.

5.6 Arrears of Contributions

The chasing of overdue contributions from Member States is laid down in Article 41 of the Financial Rules and Regulations of the Organization.

5.7 Procurement and Payment Procedures

This Section of the accounting manual sets out the accounting procedures to be followed in respect of the procurement of goods, services and works, purchase orders, contracts and payment procedures.

5.8 Budget Control Book

Article 43 of the Financial Rules and Regulations requires every Finance Officer to maintain a Budget Control Book. Budget Control Book is the main book recording the budgeted provisions available to officers in charge of disbursement from the funds of the Organization, commitments entered into and payments made.

- i) Each head of Regional and Sub-Regional Office in charge of the budgetary allocation of funds will maintain a Budget Control Book to record commitments and expenditure on all expenditure codes under his control.
- ii) The Budget Control Book will represent the Regional and Sub-Regional Offices comprehensive and up-to-date record of budgetary provision of funds made available and as a result of virements.
- iii) A record of commitment of funds must be kept in the Budget Control Book when purchase orders, contract certificate disbursement vouchers are raised and their ultimate disbursements are made.
- iv) It should be the duty of each Finance Officer to liaise with the Director of Finance to initiate the necessary virement as a result of excess expenditure discovered.
- v) The Financial Rules and Regulations set out the procedure for year end adjustment of accounts and schedule of excesses and virements.

5.2 Details of the Budget Control Book

- a) **Code Name:** The name of the budgetary code e.g. Salaries.
- b) **Allotment Account Code:** The code number for the item of expenditures e.g. 100.
- c) **Budgeted Amount US\$:** The amount approved in the programme budget for the particular item of expenditure.
- d) **Record of Virements, etc.. Date, Authority, Additions, Transfers out, Balance:** The date and number of approved virements, the amount of the virement either increasing the original provision by adding or reducing it by transferring out. The balance after the approved virement as the revised appropriation.

FOLIO

—ALLOTMENT—
ACCOUNT CODE

BUDGETED AMOUNT	US\$
-----------------	------

DATE	AUTHORITY	ADDITIONS	TRANSFERS OUT	BALANCE	
1 JUNE	APPROVED BUDGET				

Figure 5/3. Page 78

- e) Column (1) "date" will show the actual date when the transaction is recorded. Entries should be made at the time transactions occur.
- f) Column (2) "Voucher Number" Refer to column 6 for purposes of commitments the P. O. number is entered.
- g) Column (3) "Payee/Details". Enter as much information here as possible about the transaction which is not contained in other columns. In particular, note the name of the firm or person. Against a payment of a receiving nature, note the period for which the payment is being made e.g. Travel Claim 1/5/89 to 20/5/89, etc.. and when a subsequent payment is made refer to earlier entries as a check against duplication.
- h) Column (4) "Commitments". Commitments are made as soon as a purchase order is placed, a travel advance is issued etc. The amount of the commitment must be estimated as accurately as possible. Once a commitment has been entered as a liability it reduces the provision left available for spending i.e. it reduces the unspent balance.
- i) Column (5) "total liabilities". This column shows the cumulative total liabilities outstanding.
- j) Column (6) "actual payments". In this column is entered actual amount being paid and the disbursement voucher number in column 2. When an actual disbursement entry is made a related commitment previously made will be cancelled by showing in red and consequently reducing the cumulative total of the commitments by the same amount.
- k) Column (7) "total payments". This is the cumulative total of actual payment.
- l) Column (8) "Balance". This is running total of the provision left available against which commitments may be incurred or payments made. It should be noted that:
current unspent balance = budgeted provision - actual payments - outstanding commitments.

m) Column (9) "O.I.C. Initials". The officer who signs the disbursement voucher as the authorizing officer also initials the relevant entry in the Budget Control Book.

The Budget Control Book should be reconciled with the ledger accounts.

5.10 Control Over Expenditure

The authority to incur expenditure is contained in the Programme budget as approved by the Council of Ministers.

Programme Managers and Heads of Department, Regional and Sub-Regional Offices will be held personally and pecuniary responsible for the measures taken and decisions made in the course of their functions, commitment on a service which cannot be completed with the funds authorized for it in the programme budget resulting to excess expenditure and losses. A surcharge may be imposed on the staff member for the whole amount or part thereof.

5.11 Purchase Orders

Article 44 of the Financial Rules and Regulations of the Organization describes format of a Purchase Order. The procedures for issues and progress are as follows:

- i) the purchase order will be completed in six copies and the total amount entered as a commitment, in the Budget Control Book. It will be signed by the officer specifically designated by the Secretary General;
- ii) the Purchase Orders must be submitted to the Internal Audit Division for checking for competitive bidding, tender Board approval, the availability of funds;

ADDIS ABABA

REQUISITION No.

No.

PURCHASE ORDER

Date _____

PLEASE SUPPLY THE FOLLOWING GOODS AND OR SERVICES
TO THE OAU SUBJECT TO THE GENERAL CONDITIONS OF
CONTRACT SHOWN OVERLEAF AND SPECIAL CONDITIONS
HERE BELOW:

IMPORTANT
All shipment, Inv.
Correspondence etc.
Must show the Ref. No.

To Vendor:- MESSRS.	Please deliver to ORGANIZATION OF AFRICAN UNITY
Delivery Date	Terms

ITEM No.	ARTICLES OR SERVICES	QUANTITY ORDERED	UNIT PRICE	AMOUNT

CHIEF OF PASSAGES & SUPPLIES	PURCHASING OFFICER	ACCOUNT No.	TOTAL	LOC CUR _____ U.S. \$ _____
------------------------------	--------------------	-------------	-------	--------------------------------

Litho Printer - 77/41

HEAD OF BUDGET & ACCOUNTS DIV.

FINANCE SECTION
OBLIGATION
RECORDED

AUTHORIZED

DIRECTOR OF FINANCE DEPT.

Date _____

Date _____

Date _____

Copy No. 6 - Extra Copy

- iii) the original and duplicate are sent to the supplier and the triplicate remains in the book;
- iv) care must be taken to receive and account for goods, when they are supplied.

Disbursement Voucher is prepared and the amount entered in the Budget Control Book. The amount so entered supersedes the commitment originally entered.

The format of the local purchase order is illustrated in figure 5/4.

5.12 Other Small Payments

Small petty cash payments may be made from a float. A petty cash voucher should be used to support such payments. A petty cash book should be maintained under the imprest system. All payments should be charged to the correct account code. A specimen of the petty cash voucher is illustrated in this manual.

5.13 Personnel Matters

5.13.1 Establishment Register

An establishment register recording full personal details and rates of pay of all established and contract staff should be maintained at Headquarters, Regional and Sub-Regional Offices. This register should be kept up-to-date with the records kept by the Personnel Department of the Organization at the Headquarters.

5.13.2 Personal Advance Recoverable Register

All loans and advances made to the employees of the Organization and monthly repayments together with brought forward/carried forward balances must

REGISTER OF PERSONAL ADVANCES

ME			TYPE OF ADVANCE	
PARTMENT			AUTHORITY	
SIGNATION ALE			TOTAL AUTHO- RISED & PERIOD	
.			RATE OF INTEREST	

PAYMENT DETAILS

[illegible]

MONTHLY REPAYMENTS

MONTH & YEAR	DEDUCTION	BALANCE o/s	MONTH & YEAR	DEDUCTION	BALANCE o/s

Figure 5/5. Page 83

ORGANIZATION OF AFRICAN UNITY

PETTY CASH VOUCHER No.

PAYEE	VOUCHER No.
	Date
	AMOUNT BIRR

PREPARED BY CHECKED BY

AMOUNT BIRR	RATE	AMOUNT US\$	ACCOUNT CODE

Head of Accounting and Disbursement Division

Signature of Payee



ORGANIZATION OF
AFRICAN UNITY
SECRETARIAT
P. O. Box 3243

منظمة الوحدة الإفريقية

المكتب

ص ب ٣٢٤٣

ADDIS ABABA أديس أبابا

ORGANISATION DE L'UNITÉ
AFRICAIN
SECRETARIAT
B. P. 3243

ORDRE DE MISSION

STAFF MISSION ABROAD

أذن بالسفر في مهام خارج البلاد

رقم

Le Secrétaire Général de l'OUA autorise :
The Secretary General of the OAU authorises :
يسمى الأمين العام لمنظمة الوحدة الإفريقية بـ :

1. NOM / NAME : الاسم :

2. FONCTIONS / FUNCTION : الوظيفة :

3. DEPARTEMENT / DEPARTMENT : الإدارة :

4. A SE RENDRE A / TO GO TO : الوجهة :

en qualité de chef/membre de la délégation de l'OUA
as head/member of the OAU delegation
بصفته رئيس / عضو وفد منظمة الوحدة الإفريقية

5. OBJET DE LA MISSION / PURPOSE OF MISSION : الغرض من المهمة :

6. DATE DE DEPART / DATE OF DEPARTURE : تاريخ المغادرة :

7. DATE DE RETOUR / DATE OF RETURN : تاريخ العودة :

8. Passeport diplomatique/ordinaire No / Diplomatic/Ordinary Passport No : رقم جواز سفر دبلوماسي / عادي :

Imputations de dépenses : Code du Budget pour l'exercice 198 / 8
Source of Funds : Code 198 / 198 Budget
تفيد المصروفات على الحساب رقم ٠٠٠ في ميزانية السنة المالية ١٩٨ / ١٩٨

10. Visa du Département (financier) : تأشيرة إدارة الشؤون المالية :
Visa : finance Department

Visa de l'Organisme/Gouvernement auprès duquel a lieu la mission

a) Arrivée - Date : _____
Arrival - Date

b) Départ - Date : المغادرة / التاريخ

Addis-Abebba, le _____ : ادب، ارایانی :
Addis-Ababa _____

Le Secrétaire Général

The Secretary-General

الاثنين العاشر

A REMPLIR EN 4 EXEMPLAIRES
N. B. TO BE FILLED IN FOUR COPIES

بجلا من اربع مریہ

* Barrer la mention inutile
Delete where inappropriate

ملحوظة: البيانات التي لا حاجة إليها



ADDIS ABABA
TRAVEL REQUEST

TO BE COMPLETED BY TRAVELLER

1) FROM:						
NAME OF TRAVELLER:			DIVISION/SECTION		TITLE & GRADE	
2) PURPOSE OF TRAVEL:						
3) TRAVEL BEGINNING: TRAVEL ENDING			4) NATIONALITY OF TRAVELLER			5) PASSPORT No. or LAISSER PASSER No.
6)	ROUTING	FLIGHT	DATE	HOUR	VISAS	ADDRESS FOR CONTACT
D						
A						
D						
A						
D						
A						
D						
A						
D						
A						
D						
A						
7) Signature of Traveller: _____ Date: _____						
8) REFERENCE AUTHORIZATION LETTER COPY TO BE ATTACHED				9) _____ Signature Head of Division _____ Date _____		
10) TRAVEL OFFICE PROVISIONAL ESTIMATE				11) FINANCE OFFICE CERTIFICATION AVAILABILITY OF FUNDS AND PRELIMINARY OBLIGATION		
FARE U.S.\$ _____				ACCOUNT CODE _____		
EXCESS BAG U.S.\$ _____				Date: _____		
SUBSISTENCE U.S.\$ _____				Signature of Head of Budget & Accounts Div. _____		
TERMINAL U.S.\$ _____						
FREIGHT & MISCELS U.S.\$ _____						
TOTAL _____						
Signature Passages & Supplies _____ Date _____						
12) VERIFICATION DIRECTOR OF FINANCE				13) DECISION SECRETARY GENERAL		
Signature _____ Date _____				Signature _____ Date _____		

To be submitted at least two weeks before departure date- for all information travel entitlements, Visas etc. refer to travel office — Traveller to initiate request for visas as soon as travel request has been approved, — Travel authorization will be issued by travel officer upon approval of this request. No travel may be undertaken without travel authorization.

Original to Chief of Supplies & Passages



ORGANISATION DE L'UNITE
AFRICAIN
SECRETARIAT
B. P. 3243
ADDIS ABABA

Name of Claimant _____
 Title _____
 Entitlement as per Travel Authorization No. _____ Attached
 Date of claim _____

Conference / Meeting: _____
Country Held: _____
Duration: _____

[illegible]

P.S. PLEASE INDICATE IF ACCORDED HOSPITALITY AS GUEST OF HOST GOVERNMENT YES_____/NO_____

TO be filled by Finance Section

Account Code _____

Voucher No.

Signature of Traveller

Total Entitlement U. S. \$_____

Advance prior to travel U. S. \$ _____

Balance due if any U. S. \$_____

Signature of Chief Finance Officer

- (v) Upon return from the mission the staff member must:
 - (a) complete the travel claim form for calculation of his total entitlements less advance paid to him prior to his departure;
 - (b) Submit to the Accounts Section the used Air tickets, MCOs, unused Air tickets, receipts, etc..

- (vi) His total entitlements are calculated less advances paid to him prior to his departure for the mission.

5.13.5 Accounting Entries

The following accounting entries are made:

- (i) Upon payment of travel advance to staff member prior to his departure:

Dr. Provisional Travel Advance Account of
staff member
CR. Bank Account.

- (ii) Upon his return from the mission

(a) If the Organization owes the staff member
Dr. The mission account with total
expenditure
Cr. Provisional Travel Advance Account of
staff member.
Cr. Bank Account with net Amount due staff
member.

be recorded in a Personal Advance Recoverable Register. Each loan or advance should be carefully monitored to ensure compliance with the conditions under which they are granted.

The format of the Personal Advance Recoverable Register is illustrated in figure 5/5.

5.13.3 Payment of Allowance, - Travelling Expenses, etc...

The payment of allowances which are not incorporated in the computerised payroll process of the Organization e.g. Travelling expenses should be made on a disbursement voucher with supporting documents attached.

5.13.4 Procedures

The following procedures will be followed for the payment of travelling allowance:

- (i) The approved Travel authorization from (order de mission) together with the approved travel request form are sent to the Finance Department.
- (ii) The per diem allowance is calculated on the number of nights spent by staff member and paid at a fixed rate.
- (iii) Disbursement voucher is prepared to pay the staff member initially as an advance.
- (iv) The amount paid is charged to a provisional travel advance account in the name of the staff member pending his return from the mission.

ORGANIZATION OF AFRICAN UNITY

REGISTER OF VEHICLES

MAKE _____	REGISTRATION NO _____
MODEL _____	CAPACITY _____
DATE ACQUIRED _____	ENGINE NO _____
DESCRIPTION/USE/ETC _____	CHASIS NO _____
	FUEL USED _____

INSURANCE DETAILS.

TYPE RECORD	1	2	3	4	5	6	SPARE
ORIGINAL SERIAL NO.							
FIRST CHANGED SERIAL NO							
MILES/KMS							
DATE							
SECOND CHANGED							
SERIAL NUMBER							
MILES/KMS							
DATE							

GENERAL HISTORY OF REPAIRS, MAINTENANCE, ACCIDENTS, DAMAGE, ETC.

DATE	MLS/KMS	DETAILS	DATE	MLS/KMS	DETAILS

(b) If the staff member owes the Organization

Dr. (i) The mission account with the actual expenditure.

(ii) Bank with the net amount due from staff member (when cash is received/deduction from next Payroll.

Cr. Provisional Travel Advance Account of staff member.

(iii) If no difference arises between the officers total entitlement and the travel advance paid to him/her prior to his/her departure for the mission and adjustment voucher will be raised.

Dr. Mission Account

Cr. Provisional Travel Advance Account of staff member.

5.14 Accounting for Stores and Assets

5.14.1 All stocks and stores purchased and charged to the funds of the Organization and not for immediate consumption must be adequately and safely stored. Stores records must be kept for these stores. The records may be in the form of bin cards, tally cards or store ledgers. These records are used to record the receipts and issues made.

5.14.2 Registers of Vehicles

Director of Finance will ensure that all items of vehicles owned by the Organization and maintained

PROCEDURES FOR ACCOUNTING OF REMITTANCES TO
REGIONAL & SUB-REGIONAL OFFICES PROCEDURES

**6.1 Regional & Sub-Regional Offices Finance Officers,
Accountants and Assistant Accounts**

Relevant Financial Rules & Regulations

The position and functions of Finance Officers, Accountant and Assistant Accountant of Regional and Sub-Regional Offices and their duties are set out as follows: in terms of Part IV Sections III & IV of the Financial Rules and Regulations of the Organization.

- (i) Regional and Sub-Regional Offices Finance Officers, Accountants and Assistant Accountants are entrusted with receipt, custody and disbursement of the Organization's money within a Regional and Sub-Regional Office.
- (ii) Regional and Sub-Regional Offices Finance Officers, Accountants and Assistant Accountants are under the direct supervision of the Director of Finance. Heads of Regional and Sub-Regional Offices who have queries regarding the financial responsibilities of Finance Officers, Accountants & Assistant Accountants should refer them direct to the Director of Finance for clarification.
- (iii) Finance Officers, Accountants and Assistant Accountants in Regional and Sub-Regional Offices are required to keep proper books of account and promptly enter all moneys received or paid

by Regional and Sub-Regional Offices are recorded in a Register of vehicles showing details as may be required by the Internal Audit Division and the Board of External Auditors.

5.14.3 Inventories of Removable Fittings, Furniture and Equipment

The Director of Finance will ensure that inventories are kept in respect of all Furniture, Equipment and Removable Fittings of the Organization maintained at Headquarters, Regional and Sub-Regional Offices.

5.14.4 Registers of Land & Buildings

The Director of Finance will ensure that registers are kept in respect of all land and buildings owned, rented or occupied. These registers will be kept in such forms as may be prescribed by him.

(iii) At the General Secretariat the subvention remittance account of the Regional or Sub-Regional Office is credited thereby reducing it to zero.

(iv) If the Regional Office or Sub-Regional Office remit's cash to the General Secretariat it reverses the entries.

6.3.2 Regional Office or Sub-Regional Offices

Transactions and Records

- 1) Each Finance Officer, Assistant Accountant or Accountant must ensure that each debit entry in his/her cash journal is supported by a receipt voucher. The receipt voucher should be properly classified. Similarly the credit entries in the cash journal should be supported by Disbursement Vouchers properly classified.
- 2) All transactions should be entered in the cash journal as soon as they are effected on daily basis Disbursement Vouchers should be numbered serially beginning from 1st June to 31st May following. Receipt Vouchers should be issued in serial order number.
- 3) The cash journal will be totalled and balanced on the last working day of each month. A copy of the bank statement, and reconciliation statement together with balanced cash journal sheet, vouchers and supporting documents must be sent, to the OAU Headquarters by the quickest possible means, having regard to security.

by them as officers of the Organization for whatever purpose. Such entries will be supported by receipt or Disbursement vouchers. Cash Journal will be balanced daily and details of transactions sent monthly to the Director of Finance for inclusion in the Organization's accounts as provided in chapter one of this accounting manual.

6.2 Bank Accounts and Petty Cash

In terms of Articles 13, 59 and 66 of the Financial Rules and Regulations of the Organization bank account shall be operated in the monetary unit of the Organization i.e., the United States Dollar and in conjunction with a cash journal showing the banking transactions and cheques.

A petty cash fund will also be maintained under the imprest system.

6.3 Subvention to Regional & Sub-Regional Office

6.3.1 Procedure when a Subvention is Remitted

(i) In the Finance Department of the OAU the cheque or draft is prepared. The Disbursement Voucher is classified with account number of the Regional or Sub-Regional Offices and the OAU Bank Account credited.

(ii) When the Regional Office receives the Draft or Cheque a receipt voucher is prepared and debited in the Regional Office's cash journal.

and other incomes received as well as the payments made, the following accounting procedures should be followed for the incorporation of the Regional or Sub-Regional Offices returns into the main accounts of the Organization.

- (i) The Regional or Sub-Regional Offices subvention remittance account is debited with the amount remitted.
- (ii) The General Secretariat's Bank Account is credited with the same amount remitted.
- (iii) The Regional or Sub-Regional Offices Subvention Remittance Account is credited with the amount of the remittance received from Regional or Sub-Regional Offices thereby reducing it to zero.
- (iv) The Regional or Sub-Regional Offices Cash Clearance Account is debited with the amount received as subvention from the General Secretariat.
- (v) An adjustment Voucher is raised debiting the Regional or Sub-Regional Offices individual account codes with the total payments made on each account code during the month and credit the Regional or Sub-Regional Offices Cash Clearance Account with the total expenditure for the month.
- vi) The balance in the Regional or Sub-Regional Offices Clearance Account represents the balance of Cash held in both the petty cash and bank account of the Regional or Sub-Regional Office.

6.3.3 Procedure when the Regional and Sub-Regional Offices send their monthly Accounts and Cash Book to the Finance Department Headquarters

(a) The officers in Finance Department responsible for Regional Offices will check the vouchers to the cash journal ensuring the correctness of the budgetary codes as follows:

(i) Verify the closing balances of the previous month from the register.

(ii) Verify that receipt vouchers have been prepared and the correct subvention Account credited.

(iii) Verify that the Disbursement and Receipt Vouchers have been correctly entered in the cash journal. The double entry on each voucher is checked to ensure that it is correct.

(iv) To verify the corrections of the Bank Reconciliation.

(v) Balance the cash journal to determine the closing balance.

(vi) All personnel involved in the checking and posting of these returns must ensure that they are accurately carried out.

6.3.4 Procedure:

Having completed the accuracy of the accounting of the receipt of remittances sent to the Regional or Sub-Regional Offices

ORGANIZATION OF AFRICAN UNITY
GENERAL SECRETARIAT, ADDIS ABABA

INPUT BATCH CONTROL FORM

FORM NUMBER

INPUT SECTION SOURCE TOTAL PREPARED BY CHECKED BY COMPUTER SECTION <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">OUT PUT BATCH</td> <td></td> </tr> <tr> <td>PROOF LIST NO.</td> <td></td> </tr> <tr> <td>OPERATOR DATE</td> <td></td> </tr> </table>		OUT PUT BATCH		PROOF LIST NO.		OPERATOR DATE		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>DATE PREPARED</td><td></td></tr> <tr><td>VOUCHER TYPE</td><td></td></tr> <tr><td>START NO.</td><td></td></tr> <tr><td>END NO.</td><td></td></tr> <tr><td>SOURCE</td><td></td></tr> <tr><td>BATCH DATE</td><td></td></tr> <tr><td>HASH TOTAL</td><td></td></tr> <tr><td>NUMBER OF DOCTS.</td><td></td></tr> <tr><td>LOGGED IN DATE</td><td></td></tr> <tr><td>LOGGED OUT DATE</td><td></td></tr> <tr><td>NOTE</td><td></td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">OUTPUT SECTION</td> <td style="width: 40%;">NOTES</td> </tr> <tr> <td style="height: 150px;"></td> <td></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">OUT PUT CHECKED BY & DATE</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> </table>	DATE PREPARED		VOUCHER TYPE		START NO.		END NO.		SOURCE		BATCH DATE		HASH TOTAL		NUMBER OF DOCTS.		LOGGED IN DATE		LOGGED OUT DATE		NOTE		OUTPUT SECTION	NOTES			OUT PUT CHECKED BY & DATE					
OUT PUT BATCH																																								
PROOF LIST NO.																																								
OPERATOR DATE																																								
DATE PREPARED																																								
VOUCHER TYPE																																								
START NO.																																								
END NO.																																								
SOURCE																																								
BATCH DATE																																								
HASH TOTAL																																								
NUMBER OF DOCTS.																																								
LOGGED IN DATE																																								
LOGGED OUT DATE																																								
NOTE																																								
OUTPUT SECTION	NOTES																																							
OUT PUT CHECKED BY & DATE																																								

CORRECTION REFERENCE

CHAPTER 7

DATA PROCESSING AND FINANCIAL INFORMATION

UNIT PROCEDURES

7.1 The Organization's Data Processing and Information Unit comprises the following Sub-units.

- (i) Input Control Sub-unit.
- (ii) Output Control Sub-unit.
- (iii) Financial Information and Filing Sub-unit.
- (iv) Computer Processing Sub-unit.

7.1.1 Input Control Sub-unit

The duties of officers in this Sub-unit are as follows:

- (i) All vouchers - Disbursements, Receipts and Adjustments from the Treasury of the Organization in respect of the Accounting System are received by this Sub-unit.
- (ii) Prepare input batches for computer processing.
- (iii) Other data documents such as virements to be batched for computer processing.

7.1.2 Procedures

The procedures to be followed by officers of the Sub-unit are as follows:

- (i) Original or duplicate copies of vouchers i.e. Disbursement, receipt and adjustment are received.

ORGANIZATION OF AFRICAN UNITY
GENERAL SECRETARIAT, ADDIS ABABA

BATCH LOG BOOK FORM

[illegible]

- (ii) The sequential numbering of vouchers is checked and that none is missing.
- (iii) The amounts on the vouchers are totalled to agree with the totals of the Cash Journal.
- (iv) A hash total value will be provided by adding together the debits and credits on each voucher and the sum divided by 2.
- (v) The number of documents should be added to provide a voucher numbering control total.
- (vi) The totals entered on the batch control document specimen copy appears as fig.7/1 within the text.
- (vii) Other informations required will be entered on the batch control form.
- (viii) The batch control form will be prepared in duplicate copies and will cover each different type or source of daily batch (i.e. Income, Expenditure - cash, salary, cheques, adjustment).
- (ix) The batches are then checked and entered in a batch log book. Specimen copy appears fig.7/2 within the text.
- (x) The checked and entered batches are then despatched to the computer room for computer processing.
- (xi) The duplicate batch control forms are sent to the out-put control unit to await for the return of the processed batches from the computer room.

- (v) To prepare error correction documents for errors discovered on other processed documents returned from the computer room.

7.2.1 Procedures

The procedures to be followed by officers of the Sub-unit are as follows:

- (i) In the batch log book prepared by the Input Control Unit are recorded all batches returned from the computer processing Sub-unit.
- (ii) Batch of documents is checked to the proof list line by line to determine the following:
 - (a) Correctness of batch and documents number and value totals.
 - (b) Correctness of each account code, amount on the line of debit/credit or other data has been processed in the computer.
 - (c) Where account codes or amounts have been wrongly processed.
- (iii) An error correction adjustment voucher should be prepared for the correction of the error.
- (iv) Errors should be noted on the proof lists.
- (v) The checker signs the batch control form after checking the out put form.
- (vi) The errors should be noted on both the original and duplicate copies of the Batch Control Form.

(xii) The Sub-unit will maintain a record of vouchers submitted to the unit to ensure that documents are properly submitted. The officers in the unit shall bring to the attention of the Head of Division in the event of improper submission of documents.

(xiii) Vouchers should be submitted daily, weekly or monthly.

(xiv) Action will be taken on submitted documents daily.

(xv) Other documents not required for computer processing should be filed daily.

(xvi) Other input data documents required for computer processing should be batched for submission to the computer centre.

7.2 Out Put Control Sub-Unit

The duties of officers in this Sub-unit are as follows:

- (i) To receive from the computer room all batches of processed vouchers and supporting documents.
- (ii) to receive also from the computer room the account or batch proof lists.
- (iii) To check that all the documents received are in accordance with the batches.
- (iv) To prepare error correction adjustment vouchers for accounting errors discovered from the returned processed vouchers.

7.3.1 Procedures

The procedures to be followed by the officers of the Sub-unit are as follows:

- (i) The batches of already processed vouchers should be filed by batch numbers in numerical order.
- (ii) The monthly trial balance will be distributed as follows:
 - (a) One copy to the Head of Accounting, Disbursement and procurement Division.
 - (b) One copy to the Head of the Budget Control Division.
 - (c) The third copy for filing in the Sub-unit.
- (iii) The detailed monthly print-outs of the General Ledger in four copies will be distributed as follows:
 - (a) One copy to the Head of Accounting, Disbursement and Procurement Division.
 - (b) One copy to the Head of Budget Control Division.
 - (c) One copy for filing in the Sub-unit.
 - (d) One copy is filed in a separate binder in the unit for general use.
- (iv) The processed documents received for filing will be filed in serial number order in appropriate binders for computer print-outs of lever Arch files.

- (vii) Documents should be kept in batch sequence and numerical order.
- (viii) Original copies of Batch control form, processed vouchers, the account/Batch Proof list and the duplicate copies are filed in the Subunit.
- (ix) Adjustment Vouchers for correction of errors are batched and authorised for computer processing.
- (x) Officers should chase the computer processing unit for the return of Batches and proof lists.
- (xi) Officers should inform the computer processing unit whether all batches for a particular period have been completed at the end of an accounting period.

7.3 Financial Information and Filing Unit

The duties of officers in this Sub-unit are as follows:

- (i) To receive all documents from the out-put unit which have been processed and checked including Print-outs for filing.
- (ii) The filing of all documents and print-outs.
- (iii) To distribute copies of print-outs to the user sections
- (iv) The security of all documents received.
- (v) To provide accounting reports and extracts of accounting information as a result of authorized requests.

- (i) To record in the register (Computer Room log book) all input data documents or batches of documents received.
- (ii) To record out the processed documents in the register.
- (iii) To record the work assigned to the operator.
- (iv) The operator signs off the batch control forms and the Computer Room log book on completion of the processing of the data.
- (v) All batches of files of documents should be kept intact.
- (vi) All the intact files of documents or batches with print-outs from processing will be returned to the user Units.
- (vii) The return of documents or batches must be recorded in the register.

- (v) Files of documents will only be removed from their storage by authorised written authority given by the Director of Finance Department or a delegated officer.
- (iv) A register of computer print-outs will be maintained to record the removal and return of filed documents.

7.4 Computer Processing Sub-unit (Computer Room)

The duties of officers in this sub-unit are as follows:

- (i) To receive all the input data documents from;
 - (a) the Treasury Unit in respect of the Payroll, Pensions and Gratuities.
 - (b) the Data Processing Unit in respect of vouchers
 - Disbursement)
 - Receipt) The Accounting System
 - Adjustment, etc.)
- (ii) The processing of all the Input data documents.
- (iii) Maintain a register of all conducted processing or actioned.
- (iv) To ensure that all data are processed accurately and promptly.
- (v) To ensure the availability of computer stationery and other requirement to facilitate processing.

7.4.1 Procedures

The procedures to be followed by officers in this Sub-unit are as follows:

8.1.3 Functions of Internal Audit Division

The main functions of the Internal Audit Division are to:

- (a) Assure the Secretary General who is the Accounting Officer of the Organization that:
 - (i) the whole system of internal control including internal check is adequate and functioning satisfactorily;
 - (ii) the Financial Rules and Regulations, Stores Regulations and Procedures and Accounting Procedures are complied with;
 - (iii) the Accounting Records form a reliable basis for the production of the Organization's final accounts (Financial Statements).
- (b) Draw the attention of the Secretary General to:
 - (i) Deficiencies and loopholes in the internal check;
 - (ii) inefficiencies, irregularities, duplicated functions and waste where they exist.
- (c) Suggest remedial solutions to these where possible and follow up to enable that correcting action is taken.
- (d) Conduct:

CHAPTER 8

INTERNAL AUDIT DIVISION

INTRODUCTION

8.1 This Chapter is included in the manual for information and to explain that the Internal Audit Unit is an aid to the Management of the Organization. The activities of the Internal Auditor are directed to ensuring that the requirements of the working of the systems designed by management are met; since management requires that:

- (i) Its policies are fulfilled;
- (ii) the information it requires to manage effectively is reliable and complete;
- (iii) the assets of the Organization are safeguarded.

Article 52 of the Financial Rules and Regulations Provided for the Internal Audit Division at the General Secretariat as well as in the Regional and Sub-Regional Offices.

8.1.1 Definition: Internal Auditing is defined as the independent appraisal activity within the Organization for the review of operations as a service to management. It is a managerial control which function by measuring and evaluating the effectiveness of other controls.

8.1.2. Responsibilities

The Internal Auditor is answerable only to management and to ensure that management policies are fulfilled. The information which management requires to manage effectively is reliable and complete and that the assets of the Organization are safeguarded.

- (ii) An External Audit is an audit carried out by an appointed auditor in pursuance of that appointment and in compliance with any relevant statutory obligation in either the public sector or the private sector.

The Person or Persons so appointed to carry out an external audit is or are known as External Auditor or Auditors.

8.2.2 Responsibilities

- (i) The Board of External Auditors is to report on the financial statements as presented by management and that the report is addressed to the body which commissioned the audit. The Council of Ministers.
- (ii) To include in the report statements on the accounts, an opinion on the truth and fairness of the accounts and their compliance with the Charter, Financial and Staff Rules & Regulations, Resolutions of the General Assembly or Council of Ministers.
- (iii) To investigate whether proper books of account have been kept, the Organization's Balance Sheet, Income & Expenditure Account together with Statement of Sources and Application of Funds are in agreement with the books of Account.
- (iv) To include in the report any instances where the investigation showed that proper books of account had not been kept and proper returns not received from the Regional and Sub-Regional Offices.

- (i) A detail examination of the final accounts (Financial Statements) of the Organization when submitted.
- (ii) A constant examination of the books of account thereby facilitating the improvement and modernization of the system of accounting.
- (iii) Special assignments as and when required.
- (e) Make a report to the Secretary general on monthly accounts of the Organization. The report should be concise, factual, clear and to the point. The report should state the nature of the work done, findings, nature of the identified deficiencies, the recommendations and conclusions made.
- (f) Liaise with the Board of External Auditors and make available to them copy of the internal audit reports pertaining to the financial operations of the Organizations.

8.2 Board of External Auditors

Article 87 of the Financial Rules & Regulations of the Organization provided for the establishment of a Board of External Auditors by the Council of Ministers.

8.2.1 Definitions

- (i) An Audit is the independent examination of, and expression of opinion on, the financial statements of an enterprise by an appointed auditor in pursuance of that appointment and in compliance with any relevant statutory obligation.

(c) The Financial transactions reflected in the Statements have been in accordance with the Financial & Staff Rules and Regulations, the budgetary provisions and other applicable directives.

(d) The internal controls, including the internal audit which embraces the following:

(i) Compliance review - i.e. the review of the financial transactions to determine whether they are in compliance with Financial & Staff Rules and Regulations, Resolutions of the Council of Ministers and administrative instructions issued from time to time.

(ii) Economy and Efficiency Appraisals - i.e. appraisal of the operational efficiency and economy which financial, physical and human resources are utilised.

(iii) Effectiveness Review - i.e. review programmes and activities financed from resources both regular and extra budgetary to compare implementation of output with the commitments set out in the programme narratives in the approved programme budget.

are adequate in the light of the extent of reliance placed thereupon.

- (v) To report the fact if the Board of External Auditors fail to obtain the information and explanations it required.

8.2.3 Functions of the Board of External Auditors

The functions of the Board of External Auditors include the following:

- (i) Not to undertake any pre-audit of the accounts of the Organization.
- (ii) Not to be subjected to the direction or control of any person or authority in the exercise of its functions.
- (iii) Shall have access to all books, records, returns, reports and other documents it deems necessary for the audit, seek legal interpretation of the Rules and Regulations of the Organization with its Legal Advisor.
- (iv) Its members shall perform jointly the audit of the accounts of the Organization including the Special & Trust Funds in order to satisfy its self that:
 - (a) The sums provided in the approved programmes budget appropriated by the Council of Ministers and expended have been applied to the purposes for which they were appropriated and conforms to the authority that governs them.
 - (b) The Financial Statements are in agreement with the books of account and the records of the Organization.

GLOSSARY OF TERMS USED IN THE ACCOUNTING MANUAL

ACCOUNT CODE	Code to identify an expenditure charged to a programme or a non-budgetary expenditure code such as advances, deposits or Special Funds.
ACCUMULATED FUND	
GENERAL FUND	The fund established by the organization to which all Member States contribution are paid and all expenditure incurred by the Organization is charged to this fund.
ACCRUALS	These are expenses relating to services which have been received but not paid as at the end of the accounting period. They are given recognition in the balance sheet as current liabilities.
ADJUSTMENT VOUCHER	
JOURNAL VOUCHER	This is an accounting document used for effecting entries in the ledger accounts in respect of errors, reallocation of funds, etc...
ALLOWANCE	A sum payable to the employee as inducement or addition to his salary.
INCREMENT	The normal additional step in the salary of the employee at the due date without attention being drawn for it.
AUTHORITY	The order to effect payment

- (e) Satisfactory procedures have been applied to the recording of all the assets, liabilities, deficits and surpluses.

8.2.4 Scope of Audit

The Board of External Auditors Scope of Audit shall include the following:

- (i) The audit shall be conducted in conformity with generally accepted auditing standards and guidelines, and subject to any special terms of reference given by the Council of Ministers.
- (ii) Make observations in respect with the efficiency of the financial procedures, the accounting system, the internal financial controls and in general the administration and management of the Organization.
- (iii) The Board shall be solely responsible for the audit and therefore completely independent.
- (iv) The Board may be requested by the appropriate body of the Organization to perform certain specific examinations and issue separate reports on the results.

COST CENTRE	A cost Centre is the programme charged for Personnel Emoluments and Other charges laid down in the Programme Budget.
CURRENT ASSETS	Cash or other assets which can be consumed or converted into cash in a year or a shorter period during the normal operation of the Organization.
CURRENT LIABILITIES	These are expenses or debts owed which are due within a year or a shorter time and that are to be paid from current assets.
DEPOSITS	These are monies held by the Organization as custodian with the intention that such monies are paid out at an appropriate time under proper authority. e.g. Special & Trust Funds.
DISHONoured CHEQUE	A cheque which is not met at the bank when presented for encashment.
EARNINGS	Any amount payable to an employee i.e. salary, allowance, etc...
EMPLOYEE NUMBER	A number used to identify an employee and differentiate him/her from other employees.
EMOLUMENTS	The salary and other related allowances payable to an employee.
ESTABLISHMENT LIST	A list of the employees of the Organization with details of salary scale, etc... for each employee in the payroll of the Organization.

ADVANCE	An amount of money the Organization loans to an employee which is repayable for a specific period with or without interest.
BANK RECONCILIATION	The comparison of the bank balance indicated in the bank statement with the balance of the Cash Journal Book for a specific period and agreeing the two.
BATCH	A collection of documents put together for computer processing.
BATCH CONTROL FORM	A form used to record details of batches of documents for data processing.
CASH JOURNAL	The book of original entry for the recording of all receipts and payments made from the funds of the Organization.
CERTIFICATE DEPOSIT	A negotiable interest bearing instrument with a Financial Institution.
CONFIRMATION LETTER	A letter from the bank to the depository stating the terms of the transactions conducted in respect of monies deposited.
CONTRIBUTION	The total amount assessed in respect of each Member State of the Organization to pay towards the General Fund of the Organization.
CONTROLLABLE	
ACCOUNTING RECORDS	These are stationery used by the Finance Department to effect receipt of income and disbursements from the Organization's funds e.g.: Bank cheque books, Purchase Orders.

FINAL ACCOUNTS	The Financial Statements produced at the end of the accounting period.
FINANCIAL CONTROLLER	The officer responsible for the control and accounting of all monies in the books of account of the Organization.
GENERAL FUND	The fund established by the Organization to which all Member States contributions to the regular budget are paid and all expenditure incurred by the Organization is charged.
IMPERSONAL ADVANCE	An amount of money the Organization loans to non-employee, e.g. Member State which is payable for a specific period.
IMPREST	An advance to a staff member to meet cash expenses where the usual pre-authorization procedures cannot apply e.g. Petty cash float.
INCREMENTAL CREDITS	Additional steps in the salary of the employee over the additional step increase in the salary.
INCREMENTAL DATE	The date the salary increment of the employee is due.
INCREMENT SCALE NUMBER	The number in the range of increment for a particular salary scale.

INCOME REGISTER	The register for the recording of income due as well as the income received from payers.
INPUT DATA FORM	A document prepared to change or add to the computer payroll records.
INVESTMENTS	These are monies deposited to an interest bearing bank account with a Financial Institution.
LODGEMENT	An amount of money paid into a bank account.
MODE OF PAY	The method of payment of salary to an employee either by cash over the counter or bank transfer.
NET CURRENT ASSETS	Is the excess of the total current assets over the total current liabilities.
NET CURRENT LIABILITIES	Is the excess of the total current liabilities over the total current assets or Negative Working Capital.
NET PAY	The earnings due to an employee after all deductions.
O. I. C.	The officer in charge
OPERATING COSTS	Amounts of cash or equivalents allocated to operations in the programme budget.

ORGANIZATION	The Organization of African Unity
OUTPUT	A document prepared which contains information processed by the computer.
PAY MASTER	The officer who authorises and effects payments from the accounts of the Organization. This function is exercised through the treasury unit of the Finance Department.
PAY ROLL	The document which contains the details of earnings, deductions and information of employee's emoluments.
PAY PERIOD	The specific period of work for which the employee is paid e.g. monthly, weekly (half monthly).
PROGRAMME CODE	The Code allocated to a programme in the programme budget.
PROOF LIST	An output document containing information processed by the computer.
RECEIVER	The Officer who receives and accounts for all the monies due to the Organization. This function is exercised through the treasury unit of the Finance Department.
REGISTER OF COUNTERFOIL	
RECEIPT BOOKS	This is a register which contains the record of all controllable Accounting Records, e.g. Bank cheque books, Purchase Orders and their issue to subordinate officers.

REMITTANCE

The transfer of cash through the banking system to a beneficiary.

ROLLEDOVER INTEREST Earned interest from an investment which is capitalised.

TRIAL BALANCE

A list of balances extracted from the ledger accounts which confirms the arithmetical accuracy of the books.

**WORKING CAPITAL
FUND**

This is a Contingency Fund established by the Organization for the purpose of enabling advances to be made to meet unforeseen expenses. The Fund could be invested to earn interest income.

AFRICAN UNION UNION AFRICAINE

African Union Common Repository

<http://archives.au.int>

Organs

African Union Commission

1992-11-16

Accounting Manuel of Organization of African Unity

Organization of African unity

Organization of African unity

<http://archives.au.int/handle/123456789/5933>

Downloaded from African Union Common Repository