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EXECUTIVE COUNCIL
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REPORT OF THE PRCSUB-COMMITTEE
ON AUDIT MATTERS

LIST OF ABBREVIATIONS

ACHPR	African Commission on Human and Peoples' Rights (Banjul)
AfCHPR	African Court on Human and Peoples' Rights (Arusha)
AHRM	Administration and Human Resource Management
AMERT	African Union Monitoring, Evaluation and Reporting Tool
APROB	Appointment and Promotion Board
AUABC	African Union Advisory Board on Anti-Corruption
AUC	African Union Commission
BCP	Bureau of the Chairperson
BoEA	AU Board of External Auditors
CIDO	Civil Society and Diaspora
COM	Information and Communication
CON	Conference Management and Publications
DCP	Bureau of the Deputy Chairperson
DREA	Department of Rural Economy and Agriculture
EAD	Economic Affairs Department
EU	European Union
HRST	Human Resource, Science and Technology
IBAR	Inter Africa Bureau for Animal Resources
IED	Infrastructure and Energy Department
MIS	Management Information Systems Division
NEPAD	New Partnership for Africa's Development
OIA	Office of Internal Audit
OLC	Office of the Legal Counsel
OSGC	Office of the Secretary General of the Commission
PAD	Political Affairs Department
PAP	Pan African Parliament
PBFA	Programming, Budgeting, Finance and Accounting
PRC	Permanent Representatives Committee
PSD	Peace and Security Department
SAD	Social Affairs Department
SAP	Systems, Applications and Products in Data Processing.
SPPMERM	Strategic Policy Planning, Monitoring, Evaluation and Resource Mobilization

**REPORT OF THE 14th MEETING OF THE SUB-COMMITTEE
ON AUDIT MATTERS**

HELD ON 14 MAY 2018

I. INTRODUCTION

1. The fourteenth meeting of the Sub-Committee on Audit Matters was held in Addis Ababa, Ethiopia on 14 May 2018. The meeting started at 10:30 hours.

II. ATTENDANCE

2. The meeting was chaired by H.E. James Pitia Morgan, the Ambassador of the Republic of South Sudan and the Chairperson of the Sub-Committee. It was attended by representatives from the following Member States:

1. Burundi
2. Cote D'Ivoire
3. Gabon
4. Kenya
5. Malawi
6. Mauritius
7. Namibia
8. South Sudan
9. The Gambia
10. Togo
11. Tunisia
12. Zimbabwe

III. OPENING REMARKS

3. The Chairperson opened the meeting and welcomed all the members present as well as the representatives of AU Commission. The Chairperson further indicated that he was contemplating to resign from chairing meetings of the Subcommittee on Audit Matters due to a number of reasons including non-implementation of audit recommendations especially those which keep on appearing in all audits and the comments that were made in Cairo Retreat implying that the Chair of the Sub-Committee should have a CPA or an Accounting knowledge/background.

4. Members of the Subcommittee as well as representatives of the AU Commission pleaded with the Chairperson to continue chairing this august body and pledged their full support to the Chairperson. The meeting was also reminded that, according to AU rules of procedures, there is no requirement for a professional qualification/background in order to Chair any Subcommittee of the PRC. Therefore, when a Member State is

elected, its Ambassador would become the Chair of the Subcommittee regardless of qualifications.

5. The Chairperson thanked the members for their comments and the reassurance of the full support during his chairmanship. In this regard, the Chairperson accepted to continue chairing the meetings of the Subcommittee on Audit Matters until the end of his tenure.

6. The Chairperson concluded his remarks by urging both the Subcommittee and AU Commission to continue working towards the interest and betterment of the African Union.

IV. ADOPTION OF AGENDA

7. The Chairperson presented the agenda which was adopted with amendments as shown below:

1. Opening Remarks;
2. Adoption of Agenda;
3. Consideration of Budget Performance for the Year Ended 31 December 2017;
4. Consideration of Internal Audit Report on Implementation Matrix of Audit Recommendations as at 28 February 2018;
5. Consideration of the Office of Internal Audit (OIA) Activity Report for the Year 2017;
6. Consideration of OIA Investigation Report on PAP Recruitment as per Executive Council Decision No. EX.CL. 979 (XXX);
7. Consideration of Previous Report of the Sub-Committee on Audit Matters Ref. EX.CL/1073(XXX)iv;
8. Any Other Business (AOB).

V. CONSIDERATION OF BUDGET PERFORMANCE FOR THE YEAR 2017

A. Presentation

8. The Chairperson of the Sub-Committee invited the Director, Office of Internal Audit (OIA) to present the Audit Report on Budget Performance for the year ended 31 December 2017.

9. The Director of OIA informed the meeting that the audit was done in accordance with Article 3 and 4 of the African Union Internal Audit Regulations. The Director went on to state the following:

- i) The AUC's budget for the year 2017 (excluding Pass-through, Technical assistance and Special Projects Projects) was USD 298,198,903 (i.e. Original budget of USD 231,877,963 plus supplementary budget of USD

66,320,940). This was composed of USD 186,721,934 for programs budget and USD 111,476,970 for the operating budget.

- ii) The overall execution rate for the period was 55% of the total budget and 72% of the available funds. The execution of Program Budget was USD 115,218,312 representing an execution rate of 43% on the budget and 69% on the available funds. The execution of the Operational Budget was USD 83,573,934 representing an execution rate of 75% on the funds available.
- iii) An analysis of the funding sources for the program budget revealed that funds amounting to USD 115,039,829 out of a pledged amount of USD 186,721,934, were released representing a percentage rate of 61%. It was noted that no funds had been received from nine partners for funds pledged.
- iv) Further as reflected in the AMERT system, 226 outputs were planned out of which only 52 (23%) were fully achieved (completed) by the end of the year. Activities on 162 (72%) had been started and were still in progress while activities on 12 (5%) had not started by the end of the year 2017.
- v) The OIA is of the opinion that the overall performance for the period under review was “*unsatisfactory*” on program outputs and “*needs further improvement*” on budget execution.
- vi) The OIA also noted some internal control weaknesses in the budget planning and execution, which included cases of unused tickets that were not refunded by the airlines, missing financial documents on some procurements, program budgets for some offices not uploaded into the SAP system for utilization as well as non-incorporation of program budgets into the main budget of the AUC for some offices.

10. The Director of OIA then summarised some of the recommendations on internal control system including the following:

- i) AHRM (Directorate of Administration and Human Resource) should ensure claims for refunds of all un-used tickets is made and follow-up is done on the airlines concerned.
- ii) PBFA (Directorate of Programming, Budgeting, Finance and Accounting) should strengthen their filing system to ensure that financial transaction documents are not missed and are availed for audit when needed. Further PBFA should consider utilizing an electronic filing system solution.
- iii) PBFA should ensure that the approved program budget for the Pan African Institute of Education for Development (IPED) is uploaded into the SAP system and released for the implementation of program activities.

- iv) The HRST (Directorate of Human Resources, Science & Technology) should ensure that the budget for program activities for the African Union Science, Technical and Research Commission in Abuja is included in the main budget of the African Union Commission to enable the office to carry out its program activities in furtherance of its objectives.
- v) The Directorate of Social Affairs (DSA) in collaboration with the Directorate of PBFA should ensure that the operational and program budgets for the African Union Sports Council is incorporated into the main budget of the AUC to enable the smooth functioning of the Council.

B. Deliberations

11. Following the presentation of the Internal Audit report on Budget Performance for the year ended 31 December 2017, the Chairperson invited the Members for deliberations. The deliberations of the members are summarised below:

- i) Members wanted to get clarification on how financial documents can go missing since to the best of their knowledge, supporting documents are supposed to be uploaded in the Accounting system which is being used. A further explanation was requested on the difference between SAP and AMERT and whether they are interfaced.
- ii) Members requested that in order to create accountability, relevant departments should be called upon and attend the Sub-Committee in order to listen and respond to the Members' questions/concerns. The reports should also list the departments concerned.
- iii) Members sought to know the reasons for low budget executions and why there would be cases of budget not being uploaded in the SAP system as was the case in IPED.
- iv) Members enquired about the timeline for the roll-out of SAP to all AU Organs and AUC offices.
- v) Members sought to know the measures put in place by the Commission to address the deficiencies of poor budget performance.
- vi) Members stated that for better understanding of issues in the reports, Sub-Committee has to be given ample time to read and consider the reports with consideration of a retreat setup for meetings. The short time allocated makes it a challenge to read, review and critique all the documents in the pack.

- vii) Members suggested that information about Budget Performance be shared with the Sub-Committee on General Supervision on Financial, Administrative and Budgetary Matters.

C. Responses

12. The representatives from AU Commission made the responses as summarized below:

- i) The Director OIA stated that the departments with cases of missing documents had been mentioned in Annex 6 of the report. In this case, all the missing documents were related to procurement of travel tickets from the Travel Unit.
- ii) The Director OIA stated that PBFA had been requested to ensure that all approved budgets are uploaded into the SAP system and released for implementation of program activities.
- iii) The Director OIA also explained that the pack containing the documents to be discussed in the Sub-Committee had been circulated to the Members one week before the meeting.
- iv) She also indicated that the Commission has started implementing measures to address the deficiencies of poor budget performance including blocking of funds for non-reporting, reallocation of funds from low performance departments, scientifically calculated ceiling being used for 2019 budget proposals.
- v) The Advisor to the Deputy Chairperson explained the difference between the two systems stating that SAP was an accounting system and AMERT was used as a monitoring and evaluation tool. The two systems are separate and not interfaced. He went on to state that SAP had not been rolled out in all AU Regional Offices due to a number of challenges including the human capacity with regard to low number of personnel and lack of funding.
- vi) On the issue of low budget execution, he explained that late receipt of Member States contributions also affect budget execution.
- vii) He also explained that to bring the relevant departments' representatives to respond to the questions from the Members would require more time. Management responses were however requested from the respective departments and compiled as part of the report submitted.

D. Conclusions of the Subcommittee

13. Based on the deliberations as well as responses made, the Sub-Committee adopted the report and made specific recommendations as follows:

- i) The AUC and its relevant Offices should work to fully implement the recommendations contained in the audit report of Budget Performance for the Year 2017.
- ii) The OIA should ensure that relevant departments (listed in the reports) are invited to attend the Subcommittee meetings in order to respond to the Members' questions/concerns.
- iii) The Bureau of the Deputy Chairperson (DCP) should follow up and ensure that SAP system is rolled out to all AU Offices.
- iv) The Commission should enhance the mechanisms put in place to address the deficiencies of poor budget performance.
- v) The OIA should ensure that the Audit Report on Budget Performance which is being considered by the Subcommittee on Audit Matters is also shared with the Sub-Committee dealing with Financial, Administrative and Budgetary Matters.

VI. CONSIDERATION OF IMPLEMENTATION MATRIX OF AUDIT RECOMMENDATIONS AS AT 28 FEBRUARY 2018

A. Presentation

14. The Chairperson of the Sub-Committee invited the Director of OIA to present the implementation matrix for audit recommendations.

15. The Director OIA indicated that the implementation matrix report is meant to provide the PRC Sub-committee on Audit Matters with a summary of the implementation status of recommendations as at 28 February 2018, and the status is provided based on:

- i) AU Board of External Auditors (BoEA) Reports on AUC and other AU Organs (*for reports issued from 2013 to 2015*) and the Office of Internal Audit (OIA) Reports on AUC Budget Performance (*for reports issued from 2013 to 2015*).
- ii) The implementation matrix review for 2016 BoEA audited financial reports which were analysed separately.

16. The Director OIA also explained about the four categories of implementation status indicators of "Implemented", "In progress", "Not implemented" and "No Longer

Relevant” and further noted that the meaning and explanation for each indicator is included in the report.

17. Overall, as of February 2018, there were a total of 319 recommendations tracked by OIA for audit reports that were issued for the period from 2013 to 2015 and deliberated by the PRC Sub-Committee on Audit Matters. Out of these, 261 of recommendations have been implemented and 48 are in progress while 3 recommendations were not yet implemented and 7 were no longer relevant.

18. In summary, the overall implementation rate was 82% as at 28th February 2018 based on the audit reports that were issued for the period from 2013 to 2015. Therefore, the OIA is of the opinion that the implementation rate of recommendations was generally satisfactory.

19. The overall analysis of the 2016 BoEA reports indicated that 55% of the recommendations were implemented and 38% were still in progress. Since the report had been issued in year 2017, the Organs are still working on the audit recommendations. The implementation rates for each organ are as shown below:

Organ	Implemented	In Progress	Not Implemented	Disagreed	Total
AUC	30	20	0	0	50
African Court	2	4	0	4	10
PAP	8	8	0	0	16
ACHPR	6	0	0	0	6
NEPAD	6	2	3	0	11
AU-ABC	7	6	0	0	13
Total	59	40	3	4	106
Percentage	55%	38%	3%	4%	100%

20. Otherwise, the AUC which has the majority of audit recommendations had already implemented 60% and 40% were in progress and the Commission in Banjul (ACHPR) had achieved 100% implementation by the end of February 2018.

B. Deliberations

21. Following the presentation of the implementation matrix report, the Chairperson invited the Members for deliberations on the report. The deliberations of the members are summarised below:

- i) Members requested clarification on some percentage values of the implementation matrix; and the simultaneous use of “Partially implemented” and “In progress” recommendation status indicators in the report which have similar meanings.

- ii) Members requested for clarity on the different rates between the audit recommendations for reports of the AU Board of External Auditors (BOEA) and Internal Audit Reports on Budget Performance.
- iii) Members wondered whether it was wrong to have similar text and content in the reports of this Sub-Committee submitted to the PRC year in year out especially when the findings brought by auditors were same each year.
- iv) Members also requested for the clarification as to why some of the recommendations of the AU Board of External Auditors were rejected/disagreed by some of the AU Organs.
- v) Members requested for the inclusion of some explanatory notes in order to make the Sub-Committee report to be submitted to the PRC much clearer.
- vi) Members also reiterated the need to have either joint meeting or information sharing mechanism between the PRC Sub-Committee on Audit Matters and PRC Sub - Committee on General Supervision on Administrative, Budgetary and Financial Matters.

C. Responses

22. The representatives from AUC made the responses as summarized below:

- i) The Director OIA clarified that the percentage values and made apologies for reading some of them wrongly. She also indicated that terms “In Progress” and “Partially Implemented” mean the same status. Therefore for consistence, the OIA will use “In progress” status in reporting.
- ii) The Director OIA also explained the differences in scope and areas reviewed by the AU Board of External Auditors and the Office of Internal Audit on Budget Performance resulting in non-similarity in the number of the recommendations and implementation rates given by the two offices.
- iii) She also indicated that the similarity of some text and content of the report is due to the fact that similar findings and observations were noted year in year out without remedial action. Both the Internal and External Auditors have professional responsibility to include those issues and follow up for appropriate remedial actions.
- iv) She further explained that the rejected findings and recommendations may arise sometimes when auditees disagree on the findings. However, recommendations that are of high risk on the issues raised would still appear in the audit report.
- v) The Advisor to the Deputy Chairperson indicated that normally one PRC Sub-Committee is not required to report to another PRC Sub – Committee.

But, there is an agreement to organize joint meetings or establish an information sharing mechanism between PRC Sub – Committees.

D. Conclusions of the Subcommittee

23. Based on the deliberations as well as responses made, the Sub-Committee adopted the report on Implementation Matrix and made the following specific recommendations:

- i) The Office of Internal Audit (OIA) should continue to monitor the implementation of all pending audit recommendations and report back as appropriate.
- ii) The AU Commission should establish a modality and mechanism for sharing the reports of PRC Sub – Committee on Audit Matters to the PRC Sub - Committee on Administrative, Budgetary and Financial Matters.

VII. CONSIDERATION OF OIA ACTIVITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

A. Presentation

24. The Chairperson of the Sub-Committee invited the Director, Office of Internal Audit (OIA) to present the OIA Activity Report for the year ended 31 December 2017. The report is attached as **ANNEX I**.

25. The OIA Director indicated that OIA planned 43 internal audit projects in its 2017 annual plan out of which 31 of them were undertaken. Two external quality assessment of internal audit functions of PAP and IBAR were also completed. Furthermore, 7 audit projects (which were not in the annual plan) and 3 investigations were conducted, as requested by management of the AUC. The overall execution rate stood at 72% based on the planned activities only.

26. The OIA Director further indicated that OIA has maintained its Independence in performing its functions, OIA follows relevant professional standards while performing its work. The OIA has 21 audit professionals of which 9 are funded by AU and 12 are funded by partners. There were two vacant positions for which recruitments were still underway by the end of the year 2017.

27. The Director also presented some of the major audit observations and findings noted during the year 2017 based on the completed audit projects in the areas of Governance, Risk Management and Internal Control Activities. In this regard she highlighted some of the observations as follows:

a) On Governance

- i) The mandate of some Peace and Security Liaison Offices were outdated and had not been revised.
- ii) The administrative roles and responsibilities of the elected officials of some Organs remain unclear, hence causing some challenges in the operations of their secretariats.
- iii) The standard policies and guidelines on the operations of the Pan-African University (PAU) institutions are not yet finalized.
- iv) PAU Institutions do not have full time academic personnel.
- v) The AU Advisory Board on Corruption reviewed and amended its Rules of Procedures including issues that have financial implications without seeking approval from the Executive Council.
- vi) There has been an increasing number of pending cases at the African Court despite the increase in the duration of sessions to four weeks as approved by the Executive Council.

b) On Risk Management

The AU Risk Management Policy was approved in 2017 but has not yet been operationalised. This means a risk management function is not yet in place.

c) On Internal Control Activities

- i) Some AUC regional offices continued to operate with different accounting software than that used at the Headquarters (i.e. SAP).
- ii) Issues of missing support documentation and unused tickets which may result in ineligible expenditures on Partner funds.
- iii) Low budget execution on Partner funded projects both at Headquarters (AUC) and some of the Outstation Offices.
- iv) Delays in recovering outstanding advances from staff who left the organisation at the AUC.
- v) Unfilled vacant positions at various Offices and Organs.
- vi) NEPAD did not include Member States' contributions in the approved budget nor did they bring it for approval under the supplementary

budget when received as per requirements of the AU Financial Rules and Regulations.

- vii) Failure to claim value added tax (VAT) from the host governments by some offices and Organs like PAP, PAUWESS, AU-ABC, and African Court.
- viii) Payment of pre-session honorarium for Board Members at the AU-ABC.
- ix) Deteriorating conditions of the AU properties in Lagos, which needs urgent attention before it worsens.

B. Deliberations

28. Following the presentation of the OIA Activity Report for the year ended 31 December 2017, the Chairperson invited the Members for deliberations on the report. The deliberations of the members are summarised below:

- i) Members were concerned about the independence of OIA in performing its functions freely and without significant challenges and mechanisms to ensure its Independence.
- ii) Members requested for clarification and explanation on the missing documents, handling of missing documents and the causes for it. Furthermore, some members needed to get clarification on whether there is any deliberate act of hiding documents from the audit review.
- iii) Members requested whether audit projects which were in the year 2017 annual plan but not undertaken were included in subsequent year audit plan (year 2018).
- iv) Members indicated their concerns on issues of outstanding advances from staff specially those who left AUC and mechanism to discontinue similar instances to happen in the future.
- v) Members requested OIA to always indicate the responsible offices that should take actions on pending audit recommendations.

C. Responses

29. The representatives of the AU Commission responded as summarized below:

- i) The OIA Director explained that the independence of OIA in performing its functions is satisfactory and the AU rules and regulations provide OIA the mechanism to maintain its independence. Furthermore, the OIA has not

experienced deliberate obstruction and objection to carry out reviews and in the performance of audits from any AU Organ or office. However, in the audit review process, the OIA came across some missing documents for review. In principle this issue does not imply impairment of independence.

- ii) The representative from PBFA indicated that some of the causes for missing documentation could be attributed to misplacement of documents or documents could be taken by some other offices for review and they could not locate them when needed.
- iii) OIA Director indicated that audit report identifies and addresses the audit recommendations to the responsible department/office that should take appropriate remedial action on audit findings.

D. Conclusions of the Subcommittee

30. Based on the deliberations as well as responses made, the Sub-Committee adopted the report and made recommendations as follows:

- i) All AU Offices and Departments should make necessary efforts to implement the audit recommendations as contained in the audit report.
- ii) All AU Offices and Departments should make available without any delays all the required supporting documents for audit review and verification during the audit process as required.

VIII. CONSIDERATION OF OIA INVESTIGATION REPORT AS REQUESTED BY EXECUTIVE COUNCIL DECISION (EX.CL.979/(XXX)

A. Presentation

31. The Chairperson of the Sub-Committee invited the Director of OIA to present the investigation report on the alleged recruitment process in the PAP. The report is attached as **ANNEX II**.

32. The Director started by indicating that the investigation was based on Executive Council Decision No. EX. CL.979 (XXX) Titled "Decision on the Activity Report of the Pan African Parliament (PAP) Doc. Ex. CL/1028 (XXX)" whereby the Commission was requested to conduct an investigation on the recent recruitment process of the Clerk, Deputy Clerk and other staff, and then report back to the Executive Council. In this regard, the OIA grouped the allegations as shown below:

- i) Allegations concerning the recruitment process of the Clerk and Deputy Clerk.
- ii) Alleged wrongful separation and recruitment of other staff.
- iii) Alleged recruitment of Staff who scored below 60% of the pass mark.

- iv) Other Related Allegations (Alleged managerial issues and Alleged Disclosure of Confidential Information).

33. The Director OIA further stated that based on the analysis of the evidence collected, the OIA concluded as follows:

- i) On Allegations concerning the recruitment process of the Clerk and Deputy Clerk:

The OIA confirmed some weaknesses including the following:-

- a) Failure by the PAP Consultant (Dr. Genevesi Ogiogio) to apply the AU Recruitment Policy/Guidelines during the recruitment process;
- b) The AU Commission attempted to play an oversight role, however, the PAP Consultant and PAP President did not take on board most of the advice provided by the Director of AHRM (AUC);
- c) The presentation of candidates was done as per Rule 17(f), however, the candidates presented during the plenary session were not approved by some of the Bureau Members;
- d) Failure to apply Rule 47 on “Motion for closure of debate”, Members of Parliament were not given the opportunity to debate on the merits and demerits of the two candidates;
- e) Failure to Apply Rules 56 & 59 of the Rules of Procedure on “Voting”. There was no consensus within the circumstances from Members of Parliament and neither was there voting by show of hands or electronic ballot or secret ballot as provided for in Rules 56 and 59 of the Rules of Procedure.

- ii) On Alleged wrongful separation and recruitment of other staff:

The OIA observed that there were some injustices perpetrated during the recruitment process concerning some staff. The staff concerned are: i) Mr. Njekwa Simankando ii) Mr. James Odero iii) Mr. Nector Mbilima iv) Mr. Kennedy Emeana and v) Mr. Tebogo Mhlongo

- iii) On Alleged recruitment of Staff who scored below 60% of the pass mark:

The OIA observed that the positions of Senior Assistant Clerk (P3), Senior Procurement, Travel and Stores Officer (P3), and Assistant Clerk (P2) were filled by candidates who scored below 60% pass mark. The appointment of staff who

have scored below pass mark (i.e. 60%) is in violation of AU Staff Regulations and Rules.

iv) On Other Related Allegations:

The OIA confirmed weaknesses in the process including the following:-

- a) The President of PAP and the Bureau do not often work as a Team because some decisions are taken by the President without consulting the Bureau.
- b) The President of PAP is involved in the day-to-day management of PAP and basically in charge of selecting and appointing those to travel on official missions thereby interfering with the responsibilities of the Clerk of Parliament.
- c) Some Members of the Appointment and Promotion Board (APROB) and Staff who have access to confidential information have been communicating or divulging confidential information without permission. This is in violation of Rule 5.1 of the Staff Regulations and Rules and it's a misconduct under Rule 58.

34. Therefore, based on the conclusions ascertained from the findings, the OIA made the following recommendations:

- i) For consistency of application of the Staff Regulations and Rules, Recruitment Policy and other Administrative Policies, the recruitment process within the Union should be centralized within the AU Commission. This should be coordinated by the Commission in collaboration with the relevant Organs for an effective and proper implementation of the Regulations, Rules and Policies.
- ii) The President of PAP and the Bureau should ensure that during the recruitment of the Clerk and Deputy Clerks, the AU Staff Regulations and Rules, Recruitment Policy and other Policies dealing with recruitment are properly implemented taking into consideration issues of transparency and accountability.
- iii) The President, APROB and Clerk of Parliament should ensure that the injustices perpetrated during the recruitment process concerning certain staff is corrected forthwith. The staff concerned are i) Mr. Njekwa Simankando ii) Mr. James Odero iii) Mr. Nector Mbilima iv) Mr. Kennedy Emeana and v) Mr. Tebogo Mhlongo.
- iv) The Bureau of PAP in collaboration with the Clerk of PAP should ensure that there is clear demarcation of duties and Responsibilities between the President and the Clerk to avoid conflicts and tension within PAP for a smooth working environment.

- v) The President of PAP and the Clerk of Parliament should ensure that an effective and proper disciplinary Board is created in accordance with the relevant provisions in the Staff Regulations and Rules.

B. Deliberations

35. Following the presentation of the investigation Report, the Chairperson invited the Members for deliberations on the report. The deliberations of the members are summarised below:

- i) Members welcomed the investigation report and observed that for a long time the Subcommittee has been looking at financial reports only. Hence, members made a request that in future the OIA should conduct an audit of recruitment processes, human resource management and career management within the African Union Organs, including the AUC.
- ii) Members indicated that despite the fact that the OIA investigation team had confirmed the alleged recruitment anomalies at PAP, however the recommendations made did not clearly state that those irregular appointments should be made null and void so that the whole recruitment process could be started afresh.
- iii) On the other hand, some members raised concerns against starting the recruitment process afresh because of the additional costs involved and double tragedy to the disadvantaged candidates who made it in the assessments of the recruitment process but were deprived of the opportunity to be appointed.
- iv) Members also raised concerns that repeating the recruitment exercise of the same positions may result in delays in filling the posts and possible impact on the smooth running of the organization's operations.
- v) Members requested an explanation on the extent to which the AHRM Directorate was involved in the investigation of recruitment process.

C. Responses

36. The representatives of the AU Commission responded as summarized below:

- i) The Director OIA explained that the department of AHRM (including the Director of AHRM) was also interviewed during the investigation exercise of PAP the recruitment process.
- ii) The Director OIA also indicated that as requested, the OIA will carry out audits of Human Resource/Recruitment processes of the AU Organs including the AUC and then report back accordingly.
- iii) The Advisor to the Deputy Chairperson reminded the meeting that it would be fair that the Auditee (i.e. PAP) should also be given the chance to react

to the investigation report especially when the report is being further considered at the PRC.

D. Conclusions of the Subcommittee

37. Based on the deliberations as well as the responses made, the Sub-Committee agreed to adopt the report and forward the report to PRC for further consideration. Furthermore, the Subcommittee made the following specific recommendations;

- i) It is recommended that the injustices perpetrated during the recruitment process concerning certain staff should be corrected forthwith, and the disadvantaged applicants who qualified for the positions and successfully went through the recruitment process should be installed.
- ii) Additionally, since the alleged recruitments were confirmed to be in contravention with AU rules and regulations, it should therefore be considered as null and void.
- iii) Furthermore, AUC and PAP should ensure that all other recommendations contained in the investigation report are implemented accordingly.
- iv) Requests the OIA to carry out audits of Human Resource recruitment processes of the AU Organs including the AUC and then report back accordingly.

IX. CONSIDERATION OF PREVIOUS REPORT OF THE SUBCOMMITTEE ON AUDIT MATTERS Ref. EX.CL./1073 (XXX)iv.

A. Presentation

38. The Chairperson of the Sub-Committee invited the Director of OIA to brief the members on the issues relating to the previous report of the Subcommittee on Audit Matters. The Director OIA explained that the Agenda items that were covered in the previous report included (i) 2016 AU Audited Financial Reports by BoEA, (ii) Implementation Matrix of Audit Recommendations, (iii) Budget Performance for the period ending June 2017, and (iv) OIA activity report for the year 2016.

39. The Director OIA also indicated that, since the last summit in January 2018 to date, there have been some new developments that have taken place and issues discussed under the above items have been updated or overtaken by events. Moreover, the Agenda items of the current meeting have given an update on each of these items.

40. The Director OIA went on to state that, on the 2016 AU Financial Reports, the status of 2016 Implementation Matrix was updated as at 28th February and indicated good progress on implementation. On the Budget Performance for the period ending June 2017, another report covering the full year of 2017 has been presented. On the OIA activity report for the year 2016, there is a new report for the external audit of the financial year 2017 that would also be considered.

41. The Director OIA then suggested to the members that they take time and study the previous report and raise any additional or outstanding issues that should be part of the new recommendations.

B. Deliberations

42. Following the presentation by Director OIA, the Chairperson invited the Members for comments on the way forward and how to proceed on this matter.

43. Members of the Subcommittee agreed to reconsider its previous report and reflect any outstanding issues in the current report.

44. The outstanding issues on the previous sub-committee report included the following:-

- i) Challenges on accessing foreign currency in some Member States during AU meetings.
- ii) The need to have some training on accounting/auditing terminologies for the members of the Sub-Committee on Audit Matters.
- iii) Low-implementation of audit recommendations.
- iv) The need to align the name of the AU Advisory Board on Corruption to its mandate of Anti-Corruption.
- v) The weaknesses in air ticket management and reconciliation.
- vi) Lack of human capacity as the recurring reason for low budget execution by departments.

C. Conclusions of the Subcommittee

45. Based on the outstanding issues upon the review of the previous report, the Sub-Committee made the following specific recommendations to the PRC;

- i) Member States hosting AU meetings should be requested to make undertakings that AU will have access to foreign currencies before the meeting is hosted in that country.
- ii) The Commission (AUC) should organise a training to enable members of the Sub-Committee on Audit Matters to understand the basic accounting/auditing terminologies that are used in audit and financial reports.

- iii) The sanctions on non-implementation of audit recommendations should be implemented as per Executive Council Decision reference EX.CL/Dec.967 (XXXI) par. 28(i & ii).
- iv) The Policy Organs should make a recommendation to the State Parties on the AU Convention on Preventing and Combating Corruption to consider the change of name from Advisory Board on Corruption to Advisory Board on Anti-Corruption as the nomenclature is wrong.
- v) A report should be written on the issue of tickets showing the Airlines involved, the departments and people involved, any reconciliations made and refunds that have not been received from the Airlines, which should be presented, to the Sub-Committee.
- vi) A Human Resources audit should be carried out at the AUC as a measure to determine the cause of the low performance of the Program Budget.

X. ANY OTHER BUSINESS (A.O.B)

46. The Director OIA informed the Sub-Committee members on the proposed meeting dates with BoEA. She indicated the following proposed dates:

- i) 5th June 2018, for an informal closed meeting between the Sub-Committee on Audit Matters and BoEA.
- ii) 6th June 2018, for a presentation of the 2016 Audited Financial Statements by the BoEA to the Subcommittee on Audit Matters.

47. The Chairperson of the Subcommittee, however, indicated that all PRC members have a joint retreat on the 4th and 5th June 2018 in Nairobi, Kenya with the African Commission on Human and People's Rights and could not meet on the proposed dates. The OIA was requested to consult the BoEA for revised dates for the meeting.

48. The meeting was adjourned at 18:40 hours.



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Annex 1

**OFFICE OF INTERNAL AUDIT ACTIVITY REPORT
FOR THE YEAR 2017**

TO

PRC SUB-COMMITTEE ON AUDIT MATTERS

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1. EXECUTIVE SUMMARY

1. The Office of Internal Audit (OIA) provides independent and objective assurance as well as advisory services to the Commission and the AU Organs. The Office also supports Top Management in the effective discharge of their responsibilities by furnishing them with analyses, appraisal, counsel and recommendations on the activities reviewed/audited. Internal audits performed by OIA help AU to improve its programs and other activities, to increase transparency and to strengthen accountability for the efficient and effective use of resources to achieve intended results.

2. In 2017, OIA annual plan included 43 internal audit projects (See Annex I). As at 31 December 2017, 31 audit projects had been undertaken, two external quality assessment of internal audit functions at PAP and IBAR. Furthermore, 7 other projects (not in the OIA annual plan) and 3 investigations projects were conducted. Overall, the execution rate of audit projects undertaken based on the annual audit plan stood at 72%.

3. Based on the completed audit projects conducted during the year, OIA made recommendations as appropriate. Some of the major observations noted during the year included the following:

- a) The mandate of some Liaison Offices were outdated and had not been revised accordingly.
- b) Lack of standard guidelines in PAU Institutions.
- c) Amendments of rules of procedures with financial implications without Executive Council approval.
- d) The AU Risk Management Policy was approved in 2017 but has not yet been operationalised.
- e) Instances of failure to comply with AU rules and regulations as well as Partners' financing agreements.
- f) Cases of weak internal control systems in some offices/units/organs as well as lack of appropriate accounting software in some Regional Offices and Organs.

4. OIA appreciates the continued support it has received during the year 2017 from management and the audit committees. As ever, OIA's impact as an effective oversight function to assist the AU in achieving its goals depends ultimately on the support received from the top management and the audit committees. OIA will continue its best efforts to fulfil its mandate and continuously improve its ability to provide services that lead to enhancing AU's governance and accountability.

2. MANDATE

5. The role of the Office of Internal Audit (OIA) is to provide assurance and advisory services mainly to the management of the AU Commission and other AU organs. The Office also supports Top Management in the effective discharge of their responsibilities by furnishing them with analyses, appraisal, counsel and recommendations on the activities reviewed/audited.

6. In accordance with Article 3 of the AU Internal Audit Regulations, the OIA is mandated to carry out review of transactions/activities of the Commission and other AU organs in order to determine whether they are in compliance with the AU Rules and Regulations, Resolutions of the Executive Council and Assembly as well as administrative instructions issued from time to time.

3. INDEPENDENCE OF OIA

7. The Office of Internal Audit (OIA) hereby confirms its organizational independence. In 2017, OIA was free from management interference in determining its internal audits and investigations scope, performing its work and communicating its results.

4. PROFESSIONAL STANDARDS

8. The work of OIA follows relevant professional standards. Internal audit work is conducted in line with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA). The OIA also conducts investigations in accordance with the approved SOP (Standard of Procedures).

9. The OIA maintains a quality assurance which includes internal quality assessments that involve on-going performance monitoring and periodic reviews, and external quality assessments conducted at least every five years by a qualified independent external reviewer. In an effort to comply with the requirement of Standard 1312 of the Institute of Internal Auditors (IIA) requiring the conduct of a quality assessment of its activity, the OIA established a unit on Quality Assurance within the directorate.

5. RESOURCES

10. During the year 2017, the OIA structure had 21 audit professional positions, out of which 9 were under Member-States regular budget while the remaining 12 were financed by the International Development Partners. There were two vacancies at the start of the year i.e. Senior Auditor under regular structure and Senior Auditor under Partner Funds. The position of Senior Auditor under Partner Funds was filled during the year. However, the IT Auditor resigned and left the organisation in July 2017, hence the position also became vacant during the year. The recruitment for vacant positions (Senior Auditor and IT Auditor) were still underway by the end of the year 2017.

11. The OIA has qualified professional staff with the combination of academic degrees and masters in various relevant fields, as well as professional qualifications in various fields of accounting, auditing, information technology and investigations as shown in the table below.

Summary of Staff Qualifications in the OIA	Quantity - 19
ACCA, CIMA, CPA	13
MBA, MSc	13
B.Com, BA, BAcc	11
CIA, CISA, CGAP, IPSAS	11
Barrister-in-Law	1

12. In order to comply with the Continuous Professional Education (CPE) requirements of the Institute of Internal Auditors (IIA) aimed at enhancing staff knowledge and skills, and improve the overall performance of the Directorate, three auditors concluded SAP certification training, and also three auditors got IPSAS certification.

6. ANNUAL INTERNAL AUDIT PLAN

13. The OIA annual audit plan is designed to identify the most significant risk areas to the achievement of AU objectives, and to identify audit engagements and needed resources to help to address those risk areas. Effective annual planning, thus enables the OIA add value to AU operations and provides assurance to the management and other stakeholders on the adequacy of the AU framework of governance, risk management and control.

14. The OIA uses a formal risk assessment methodology of the Audit Management System (MKInsight) as well as inputs received from management to draft its annual work plan. The plan includes internal audits of regional offices, departments, processes, programmes and other organs' activities.

15. The 2017 Internal Audit Plan included 43 internal audit projects (See Annex I). As at 31 December 2017, 31 audit projects had been undertaken. The OIA carried out all the two (2) planned External Quality Assessment of the Internal Audit functions at AU Organ and Regional Office. Furthermore, 7 audit requests (not in the original plan) and 3 investigations projects were conducted. Overall, the execution rate of the audit projects undertaken based on the annual audit plan stood at 72% (See table below):

Audit Area	Audit Sub Area	Planned audits	Achievements	Percentage
Headquarters	Administration	6	2	33%
	Finance	5	2	40%
	Management Information System (MIS)	2	1	50%
	Performance Audit	3	1	33%
	Partner Funds-Certification	6	6	100%
	AU Organs at HQ	2	2	100%
Outstation Offices	AU Organs	5	5	100%
	Regional & Representational Offices	10	8	80%
	Field Missions and Liaison Offices	4	4	100%
Total		43	31	72%

7. MAJOR OBSERVATIONS - GOVERNANCE, RISK & CONTROL ISSUES

16. The following Governance, Risk and Control issues were identified by the OIA during the course of delivering the programme of assurance activity for the year 2017:

a) Governance

17. The mandate of some Peace and Security Liaison Offices such as at MISCA in Central Africa Republic and Cote D'Ivoire Liaison Offices were outdated and had not been revised to reflect changes in the political / war situation of the respective countries. Hence, the effectiveness to discharge the mandates of the respective offices were negatively affected.

18. The administrative roles and responsibilities of the elected officials of some Organs remains unclear, hence causing some challenges in the operations of the secretariat as well as hindering full accomplishment of core responsibilities of these organs such as the African Court on Human and People's Rights, the African Commission on Human and Peoples' Rights, and the AU Advisory Board on Corruption.

19. The standard policies and guidelines on the operations of the Pan-African University institutions were not yet finalised, causing the institutes to operate differently using individual host universities guidelines.

20. PAU Institutions (e.g the Institute of Water & Science (PAUWES), Institute of Governance, Humanities & Social Sciences (PAUGHSS) and Institute for Basic Sciences, Technology and Innovation (PAUISTI) do not have full time academic personnel.

21. The Review and amendments of the Rules of Procedures with financial implications by the AU Advisory Board on Corruption without seeking approval from the Executive Council.

22. The increasing number of pending cases at the Court despite the increase in the duration of sessions to four weeks by the Executive Council.

b) Risk Management

23. The OIA notes that the AU Risk Management Policy was approved in 2017 but has not yet been operationalised. This means a risk management function is not yet in place, which is needed for effective operation of the organisation. Under this circumstance, the OIA also was forced to continue using its own risk assessment criteria as guided by MKInsight - Audit Management Software in preparing the annual audit plan.

c) Internal Control Activities

24. The findings relating to the internal control activities included the following:-

24.1 OIA observed instances of failure by the AUC, AU Offices and Organs to comply with some of the existing provisions of the AU Procurement Rules and Regulations. Examples include failure of collecting required quotations, splitting transactions to circumvent rules as well as lack of transparency in maintaining and use of suppliers' databases.

24.2 OIA observed that some AUC regional offices (e.g. Southern Africa Region Office, Lilongwe and African Union Permanent Delegation to League of Arab States (AUPD LAS), Cairo) and AU Organs (e.g. AUABC, ACPHR) continued to operate with different accounting

software (like Quick books) than that used at the Headquarters (i.e. SAP).

- 24.3 OIA observed the issues of missing support documentation, unused tickets and wrong calculation of DSA, which may result in ineligible expenditures on Partner funds. These findings were noted on certification audit of the Partner funded projects namely JPA – Capacity Building, Governance and Elections and JFA – Joint Salary Agreement.
- 24.4 OIA observed late reporting to Partners on project implementation by AUC as well as late reporting by Regional Economic Communities to AUC on projects funded by Partners through the AUC.
- 24.5 OIA observed delays in recovering outstanding advances from staff who left the organisation at the AUC.
- 24.6 OIA noted a large accumulated amounts payable to suppliers which have not been paid.
- 24.7 OIA observed low budget execution on Partner funded projects both at Headquarters (AUC) and some of the Outstation Offices such as African Commission on Human & Peoples' Right-ACHPR (Banjul), NEPAD (Johannesburg) and IBAR (Nairobi).
- 24.8 OIA observed the unfilled vacant positions at various Offices including Economic, Social & Cultural Council (ECOSOCC), ACHPR (Banjul), and African Court for Human & Peoples' Right – AfCHPR (Arusha).
- 24.9 OIA observed the absence of Strategic Plan for some offices such as Africa Remittances Institute (ARI), AU Liaison Office in Cote d' Ivoire (AULOI), Abidjan *and* MISCA in Central Africa Republic and Outdated Strategic Plan for PAP.
- 24.10 The OIA also observed that NEPAD Planning and Coordinating Agency does not either include Member States contributions in the approved budget or bring it for approval under supplementary when received as per requirements of the AU Financial Rules and Regulations.
- 24.11 The OIA observed none claiming of value added tax (VAT) from the host governments by some offices and Organs like PAP, PAUWESS, AU-ABC, and African Court.
- 24.12 The OIA observed payment of pre-session honorarium for Board Members at the AU-ABC.
- 24.13 The OIA also observed the deteriorating conditions of the AU properties in Lagos, which needs urgent attention before it worsens.

d) Monitoring Activities

25. The OIA continues to note that some of the audit recommendations are still pending both at the AUC and the Outstations (Organs, Liaison and Regional Offices).

However with the enhancement of the operations of the Audit Committees, this situation is expected to improve.

8. WAY FORWARD / RECOMMENDATIONS

26. The Office of Internal Audit (OIA) wishes to make the following suggestions and recommendations as a way forward:

a) Governance

- i) There is need for the mandates of the affected Peace and Security Liaison Offices to be reviewed and their structures also revised accordingly to reflect the changes in their operating environment.
- ii) There is need to separate and clarify the roles and responsibilities of elected officials for AU Organs on administrative and operational matters which are sole responsibilities of the Heads of the Secretariat.
- iii) The review of the rules of procedures with financial by the AU Advisory Board on Corruption should be submitted for approval by the Executive Council.
- iv) PAU Rectorate should speed up the development of standard policies and guidelines on the operations of the Pan-African University institutions and also develop a proposal to have a minimum number of full time academic staff which should be submitted for the consideration of the PRC.
- v) The African Court should develop a system on how to handle cases so as not to let them pend for a long time.

b) Risk Management Function

OIA acknowledges the approval of the Risk Management policy but there is still a need for the Risk Management Unit to be operationalised to ensure all major risks are identified and measures put in place to mitigate them.

c) Internal Control Activities

Ensure the following:

- i) The AU Offices concerned should ensure compliance with AU Procurement rules and regulations to improve on transparency;
- ii) AUC should expedite the roll out SAP to all AU Offices to ensure uniformity in the accounting software;
- iii) AU Offices, Departments and Directorates should comply with AU rules and regulations as well as Partners Agreements to avoid ineligible expenditure;
- iv) Improve on the Budget Execution and reporting on Partner funded

projects by identifying the bottle necks and resolving them;

- v) AHRM and offices in charge of recruitment should expedite the process of filling the vacant positions at various AU Offices; and
- vi) As a matter of urgency, each and every AU Office should develop a relevant Strategic Plan in line with the AU Agenda.
- vii) NEPAD Planning and Coordinating Agency should include expected Member States contributions in its budget proposals for approved by the Executive Council.
- viii) The PAP, PAUWESS, AU-ABC, African Court and other AU offices/Organs with outstanding VAT should in corroboration with respective host governments' revenue authorities, put in effective systems to claim the tax.
- ix) The Commission should urgently attend to the deteriorating condition of the AU properties in Lagos to avoid any further loss to the properties.
- x) The Management of AU-ABC should ensure that the payment of honorarium to the Board Members is made during sessions as per requirements of AU rules and procedures.

d) Monitoring Activities

Ensure further improvements in the implementation of all pending audit recommendations issued by both OIA and BoEA (Board of External Auditors).

9. CONCLUSION AND APPRECIATION

27. OIA appreciates the continued support it had received during the year 2017 from management and the audit committees. As ever, OIA's impact as an effective oversight function to assist the AU in achieving its goals depends ultimately on the support received from the top management and the audit committees. OIA will continue its best efforts to fulfil its mandate and continuously improve its ability to provide services that lead to enhancing AU's governance and accountability.

OIA AUDIT PLAN 2017- Audit Projects with Status

	Name of Audit Projects	Risk Factor	Other Factor	Estimate Man-days	Status
	HEADQUARTERS				
(a)	ADMINISTRATION, HUMAN RESOURCE & MATERIALS MANAGEMENT (AHRM)				
1	Payroll and Related Allowances	5.0	-	45	<i>Rescheduled</i>
2	Procurement and Contract Management(including all those above US\$100,000)	6.5	-	45	<i>Undertaken</i>
3	Fixed Assets Management (Property and Equipment)	6.2	-	45	<i>Rescheduled</i>
4	Document Management and Personnel Records	5.9	-	45	<i>Rescheduled</i>
5	Stores Management and Inventory Control (Main, Medical & Military)	5.2	-	45	<i>Rescheduled</i>
6	Year End Stock Count	4.0	-	30	<i>Undertaken</i>
(b)	ACCOUNTING & FINANCE (PBFA)				
7	Budget Execution and Expenditure Control (Year 2016)	6.6	-	80	<i>Undertaken</i>
8	AU General and Reserve Funds (Year 2016)	6.0	-	35	<i>Undertaken</i>
9	Spot cash (Quarterly) and Year End Cash Count	6.5	-	20	<i>Undertaken</i>
10	Cash and Cash Management	6.5	-	45	<i>Rescheduled</i>
11	Programs/Projects Financed by AU Member States	6.5	-	45	<i>Rescheduled</i>
(c)	MANAGEMENT INFORMATION SYSTEMS (MIS)				
12	Systems and Applications Audit (incl. SAP system) - HR and BASIS	6.2	-	45	<i>Undertaken</i>
13	Client/Server, Telecommunication, Intranets and Extranets Audit	5.4	-	45	<i>Rescheduled</i>
(d)	PARTNER FUNDS (Regular Audits and Certification)				
14	EC 51m Support Program (Certification audits) – Semi Annually July - Dec 2016	6.1	<i>Mandatory</i>	50	<i>Undertaken</i>
15	JFA – Joint Salary Agreement (Certification audits) – Semi Annually	6.1	<i>Mandatory</i>	90	<i>Undertaken</i>
16	JPA – Capacity Building & Shared Values (Certification) 2016	6.8	<i>Mandatory</i>	90	<i>Undertaken</i>
17	World Bank Programs - Regular Audit	6.8	<i>Mandatory</i>	45	<i>Undertaken</i>
18	ACBF Programs – Semi Annual Certification	6.8	<i>Mandatory</i>	45	<i>Undertaken</i>
19	Multilateral Environmental Agreements (MEA) - Certification	6.8	<i>Mandatory</i>	45	<i>Undertaken</i>
(e)	PROGRAM OFFICES - Performance Audits (PA)				
20	AUC Strategic Planning Process (SPPMERM)	6.1	-	90	<i>Rescheduled</i>
21	Directorate of Women, Gender & Development (WGDD)	6.1	-	90	<i>Rescheduled</i>
22	Conference Directorate - Stand Alone Follow-Up Audit	6.1	-	60	<i>Undertaken</i>
(f)	ORGANS AT HEADQUARTERS				
23	Economic, Social & Cultural Council (ECOSOCC)	5.0	<i>Statutory</i>	45	<i>Undertaken</i>

24	African Union Commission on International Law (AUCIL)	5.0	Statutory	45	Rescheduled
Sub-Total Headquarters				1265	
OUTSTATION OFFICES					
(a) AU ORGANS – Certification & Regular					
25	African Commission on Human & Peoples' Right - Banjul	6.2	Statutory	45	Undertaken
26	African Court for Human & Peoples' Right (AfCHPR), Arusha	6.4	Statutory	45	Undertaken
27	NEPAD Agency (NPCA), Johannesburg	6.7	Statutory	45	Undertaken
28	Pan African Parliament (PAP), Johannesburg	7.2	Statutory	45	Undertaken
29	Advisory Board on Corruption (AUABC), Arusha	6.2	Statutory	45	Undertaken
(b) FIELD MISSIONS AND LIAISON OFFICES					
30	African Union Mission in Somalia (AMISOM), Mogadishu	8.1	Management	80	Undertaken
31	AU Liaison Office in Cote d' Ivoire, Abidjan	7.0	Management	35	Undertaken
32	AU Mission in Central Africa Republic, MISCA, Bangui	8.1	Management	40	Undertaken
33	MNJTf to fight Boko-Haram, Njamena	8.1	Management	80	Undertaken
(c) REGIONAL, REPRESENTATIONAL & SPECIALIZED OFFICES					
34	AU-IBAR – Certification, Regular Audits, Nairobi	6.2	-	80	Undertaken
35	Scientific, Technical and Research Commission, AU-STRC, Abuja	8.0	-	35	Undertaken
36	Institute for Education for Development (IPED), Kinshasa	8.0	-	35	Undertaken
37	Centre for Girls and Women Education in Africa (CIEFFA), Ouagadougou	8.0	-	35	Undertaken
38	Africa Remittances Institute (ARI), Nairobi	8.0	-	35	Undertaken
39	Pan African Postal Union (PAPU), Arusha	8.0	-	35	Cancelled
40	Africa Energy Commission (AFREC), Algiers	6.7	-	40	Undertaken
41	Union of African Railways (UAR), Brazzaville	8.0	-	40	Cancelled
42	Pan African University - PAUISTI, Nairobi	5.9	Management	35	Undertaken
43	Pan African University - PAUGHSS, Yaoundé	5.7	Management	35	Undertaken

NOTES:

(i) Risk Factor (Based on Audit Software)

Risk Group	Corresponding range of values
High	8.10 - 10.00
Sensitive	5.00 – 8.00
Medium	3.10 – 4.90
Low	00 – 3.00

(ii) Other Factors

Mandatory	Requirement from MOUs with Development Partners
Statutory	Requirement by AU Policy Organs
Management Input	Input from management requiring the audit exercise

OIA Projects Based on Requests / Special Reports

No.	Name of Project	Risk Factor	Status
1	APSA III - Certification and control report for 8 RECs / RMs and AUC	<i>Management Request</i>	<i>Undertaken</i>
2	Spanish Fund Certification 2015 and 2016	<i>Management Request</i>	<i>Undertaken</i>
3	South Korea Fund	<i>Management Request</i>	<i>Undertaken</i>
4	Audit of the Closure AU Liaison Office in Comoros (AULOC)	<i>Management Request</i>	<i>Undertaken</i>
5	Audit of (Pan African Programme (PANAF) at the African Commission on Human and People's Rights, Banjul	<i>Management Request</i>	<i>Undertaken</i>
6	Special Report on AU-STRC Properties in Lagos, Nigeria	<i>Management Request</i>	<i>Undertaken</i>
7	Ex-Post Audit on Burundi Government for EC Funds	<i>Management Request</i>	<i>Undertaken</i>
8	Investigation Report: On Alleged Collusive Practices in ACSRT	<i>Management Request</i>	<i>Undertaken</i>
9	Investigation Report: Following a Petition by AU Advisory Board on Corruption Board Members Against the Executive Secretary and other Pertinent Issues	<i>Management Request</i>	<i>Undertaken</i>
10	Investigation Report: On Alleged Possession and Fraudulently adding a Sentence on APROB Report.	<i>Management Request</i>	<i>Undertaken</i>

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EX.CL/1077(XXXIII)ii

ANNEX 2

Office of Internal Audit Investigation Report To PRC Sub-Committee on Audit Matters

**Allegations on the recent Recruitment Process of the Clerk,
Deputy Clerk and Other Staff at the Pan-African Parliament (PAP),
Based on the Request of
Executive Council Decision No. EX. CL.979 (XXX)**

April 2018

Status: Draft

Ref: OIA/Case/2017/005

INTRODUCTION

1. This investigation is based on a request from AU Executive Council Decision No. EX. CL.979 (XXX) Titled “Decision on the Activity Report of the Pan African Parliament (PAP) Doc. Ex. CL/1028 (XXX) whereby the said august body “*Requests the Commission to conduct an investigation on the recent recruitment process of the Clerk, Deputy Clerk and other staff, and submit concrete recommendations including the oversight role of the Commission on recruitment by Organs and report to the Executive Council*”. The Office of Internal Audit (OIA) reviewed the said Executive Council Decision and in accordance with the provisions of Article 3 of the Standard Operating Procedure (SOP) on the Conduct of Investigations, a triage was conducted by the Investigations Intake Committee of the Office of Internal Audit with a decision that “*there are reasonable grounds for such an investigation to be conducted*”.
2. In response, the Director of OIA assigned an Investigation Team to conduct a thorough and comprehensive investigation to review the file to ascertain the issues concerning the recruitment process of the Clerk, Deputy Clerk and other Staff recruited from January 2014 to May 2017 in PAP.

ALLEGATIONS

3. The Investigation Team reviewed the documentary evidence and interviewed the relevant personnel with the aim to obtain evidence to substantiate the allegations made. Article 57 of the SOP states that the standard of proof for OIA investigations is based on the preponderance of evidence (balance of probability). This is based on the more convincing evidence and its probable truth or accuracy. The investigation team grouped the allegations as summarized below:

3.1. Allegations concerning the recruitment process of the Clerk and Deputy Clerk:

- a) Alleged failure by the Consultant & the President of PAP to Apply AU Recruitment Policy/Guidelines during the recruitment process;
- b) The Alleged Oversight Role of the AU Commission on Recruitments conducted by AU Organs;
- c) Alleged Violation of criteria agreed Upon By Bureau Members for the Selection of the Current Clerk and Deputy Clerk by the President of PAP;
- d) Alleged Conflict of Interest of some Bureau Members in sitting as Panelists;
- e) Alleged Failure by the Bureau to Apply Rule 17(f) of PAP Rules of Procedure on “Functions of the Bureau”;
- f) Alleged failure to apply Rule 47 on “*Motion for closure of debate*” during plenary;

- g) Alleged Failure to Apply Rule 56, 57 & 59 of the Rules of Procedure on “Voting” during the plenary;

3.2. Alleged wrongful separation and recruitment of other staff

- a) The Case of Mr. Njekwa Simakando (former Editor of Debates (P3) allegedly separated from PAP even though ranked 1st during the recruitment process.
- b) The case of Mr. James Odero (Internal staff allegedly denied Position of Cashier even though ranked 1st during the recruitment process).
- c) The case Mr. Nector Mbilima (Internal candidate allegedly denied Position of Documentation Officer (P1) in preference for external candidate even though ranked 3rd in the recruitment process)
- d) The case of Ms. Muyoyeta Siame, (Cataloguist) for alleged unfairness during the recruitment process.
- e) The Case of Mr. Kennedy Emeana (internal staff allegedly denied position of Protocol Officer (P1) in favor of external candidate even though ranked 1st in the recruitment process.
- f) Alleged failure to apply “*procedural due process*” on issues of staff misconduct (Regulation 12 (b) & rule 58) in accordance with Rule 57 “Disciplinary Board & 59 “Disciplinary Procedure) of AU Staff Regulations and Rules.

3.3. Alleged recruitment of Staff who scored below 60% of the pass mark:

- a) Alleged recruitment of Ms. Josiane Wawa Dahab as Senior Assistant Clerk (P3) who scored below the pass mark and did not possess the required Master’s degree at the time.
- b) Alleged recruitment of Mr. Rodin Makani Mvindu Mayengo as Senior Procurement, Travel and Stores Officer (P3) without the required pass mark and a Master’s degree for the position at the time.
- c) Alleged recruitment of Mr. Bumedian Mohamed-Lamin Ahmed as Assistant Clerk (P2) without the required pass mark.

3.4. Other Related Allegations

- a) Alleged managerial issues affecting the proper functioning of PAP.
- b) Alleged Disclosure of Confidential Information by some APROB Members.

ANALYSIS AND CONCLUSIONS

- 4. Based on the analysis of the evidence collected and the findings, the OIA concluded as follows:

4.1. Allegations Concerning the Recruitment Process of the Clerk and Deputy Clerk:

a) *Alleged failure by the Consultant & President of PAP to Apply AU Recruitment Policy/Guidelines during the recruitment process:*

- i) The Consultant Dr. Genevesi Ogiogio who was in charge of the recruitment of all professional staff did not fully comply with the AU Recruitment Policy and Guidelines. This is because the procedure for shortlisting of Candidates for Clerk and Deputy Clerk of Parliament was preceded with interview which is not provided for in the AU Recruitment Policy or guidelines.
- ii) The Consultant Dr. Ogiogio failed to shortlist Mr. Yusupha Jobe for the vacant position of Clerk even though he was Acting Clerk of PAP for close to two years. This was in violation of the provisions of Rule 35.1(d) of the Staff Regulations and Rules and Article 9.4 of the AU Administrative Policy on Advancement, Upgrading, Promotion and Mobility which states that “*A staff member who acted in a position shall be eligible to compete during the recruitment for the vacant substantive position*”.
- iii) Dr. Ogiogio violated the Recruitment Policy by using two interview results with one year apart from two different panels by merging them together during the recruitment process of the former Clerk leading to the recruitment of Prof. Mourad Mokhtari as the Clerk of Parliament who later resigned within a year of being appointed.
- iv) Dr. Ogiogio failed to follow the guidance provided by the Director of Administration and Human Resources (AHRM) who is legally mandated to provide oversight in the recruitment process within the AU Commission and the Organs of the African Union.

b) *The Oversight Role of the AU Commission*

- i) The Executive Council in its Decision on the Report of the Structure **DOC. EX. CL/720(XXI) iii of 9-13 July 2012**: “*Requests the Commission to oversee and supervise the recruitment process of all Organs of the Union including PAP and the NEPAD Planning and Coordination Agency (NPCA) with the view to ensuring compliance with the recruitment process as spelt out in the AU Staff Regulations and Rules*”.
- ii) In accordance with the provisions of Regulation 1.0 of the Staff Regulations and Rules, and the Statutes of the Commission, the AU Commission as the Administrative Body of AU has “*the responsibility among other things to implement the collective decisions of the Organs*”.

- iii) In accordance with the provisions of Article 1(i) and (xvi) of the AU Financial Regulations and Rules, “*the Heads of Organs and Institutions of the Union have accounting authority for resources of their respective Organs and Institutions and shall be accountable to the Accounting Officer (AUC Chairperson)*”.
 - iv) The AU commission attempted to play an oversight role through AHRM, however, the Consultant and the PAP President did not take on board most of the advices provided by AHRM.
- c) *Alleged criteria agreed by the Bureau for the Recruitment of Clerk and Deputy*
- i) Prior to the recruitment of the Clerk and Deputy Clerk, the Bureau agreed that following the challenges faced in the recruitment of previous Clerks using regional balance as the main criteria, the current recruitment of the Clerk and Deputy Clerk should be based on qualification, experience and competence. However, after the verification process by Appointment Promotion and Recruitment Board (APROB) of PAP, the President H. E. Nkodo Dang stated that the Bureau’s decision was in error and used regional balance as the criteria for nominating the final candidates for Clerk and Deputy Clerk of PAP.
 - ii) During the Bureau Meeting of 2nd to 3rd March 2017, the President acknowledged that his decision to nominate Prof Mourad Mokhtari as Clerk was erroneous and was not in accordance with the advice of the Consultant who discouraged him from nominating Prof. Mourad as Clerk of PAP because he “cannot be a good Clerk”.
 - iii) However, the AU Staff Regulations and Rules provide that the principle of regional distribution and country quota should be given priority after the interview process.
- d) *Alleged conflict of interest of some Bureau Members as Interview Panelists*
- i) The fact that Hon. Dr. Bernadette Lahai (Vice President (VP) from Sierra Leone) and Hon. Suilma Emhamed (VP from Saharawi Arab Republic) were part of the interview panel for Clerk and Deputy Clerk involving candidates from their respective countries was not a conflict of interest. This is because the interview records show that both Vice Presidents did not score the candidates from their respective countries but asked questions in compliance with the Recruitment Policy and Guidelines.

e) Alleged Failure by the Bureau to Apply Rule 17(f) of PAP Rules of Procedure – Functions of the Bureau:

- i) During the 12th Bureau Meeting of 3rd March 2017, due to the inability of the Bureau Members to arrive at a consensus, the Bureau conducted a vote which led to Bureau Members voting for Mr. Vipya Harawa (Malawi) as Clerk and Mr. Ahmed Mohamed Aly (Saharawi Arab Republic) as Deputy Clerk. The resolution was signed by four out of five Bureau Members recommending both of them to Parliament for appointment. However, Hon. Dr. Bernadette Lahai refused to sign the resolution because the candidate from Sierra Leone who was ranked 1st in the recruitment process was not selected by the Bureau.
- ii) Due to the inability of the Bureau Members to arrive at a consensus following the dissenting opinion of Hon. Lahai, the matter was referred to the Joint Bureau Meeting of Committees and Caucuses for a final decision on the matter. However, the Joint Bureau requested the Bureau to come up with consensus candidates approved by all the Bureau Members.
- iii) During the final Bureau Meeting on the same day, the President H. E. Nkodo Dang nominated Mr. Vipya Harawa (Malawi) as Clerk and replaced Mr. Ahmed Mohamed Aly (Saharawi Arab Republic) with Mr. Gali Harou (Chad) as Deputy Clerk despite the disapproval of some Bureau members. These were the candidates presented during the Joint Bureau Meeting and subsequently to the Plenary of Parliament as provided for in Rule 17(f) for appointment by the Members of Parliament.
- iv) Therefore, the presentation of candidates was done as per Rule 17(f), even though the candidates presented during the plenary session were not approved by some Bureau Members.

f) Alleged failure to apply Rule 47 on “Motion for closure of debate”:

- i) Taking into consideration the totality of the evidence gathered, the Members of Parliament were not given the opportunity by the President of PAP to debate on the merits and demerits of the two candidates before the President unilaterally put the question “*that the nominees be duly approved for appointment*”. Therefore the provisions of rule 47 were not applied as provided for in the Rules of Procedures of PAP.

g) Alleged Failure to Apply Rules 56 & 59 of the Rules of Procedure on “Voting”:

- i) Rule 56 of the Rules of Procedure states that “*decisions of the House shall be made by consensus; c) where there is no consensus, decisions of the House shall be made by a two-thirds majority of the Members present and voting*”. Rule 59 (1) (Manner of Voting on a specific Question) states that “*Parliament shall apply the following methods when voting is required: a) by show of hands; or b) by electronic voting; or c) by secret ballot*”.
- ii) Taking into consideration the documentary evidence gathered, the interviews conducted with the Bureau Members and the Chairperson of various Committees/Caucuses the plenary session was chaotic after candidates’ names i.e. Mr. Vipya Harawa (Malawi) and Mr. Gali Harou (Chad) were presented as Clerk and Deputy Clerk respectively. There was no consensus within the circumstances from Members of Parliament and neither was there voting by show of hands or electronic ballot or secret ballot as provided for in Rules 56 and 59 of the Rules of Procedure.
- iii) The new Clerk of Parliament Mr. Vipya Harawa and Deputy Clerk of Parliament Mr. Gali Massa Harou took their oath of Office before the Bureau in August 2017 despite disapproval from two out of five Bureau Members, based on the fact that there was a pending petition filed by 23 members of parliament.

4.2. Alleged Wrongful Separation and Recruitment of Other Staff:

- a) *The Case of Mr. Njekwa Simakando (former of Editor of Debates (P3)*
 - i) Mr. Simakando was the incumbent for the Position of Editor of Debates who applied for the position when it was re-advertised. During the interview and written test, he ranked first in the overall recruitment process but was not recommended by APROB for the position.
 - ii) APROB did not recommend Mr. Simakando because of his alleged “*lackadaisical [careless] attitude to his work and failure to perform. This was buttressed by the report submitted by his supervisor Ms. Hountondji which showed that he has not produced and published any Hansard Report for PAP Plenary sessions since 2007*”. However, Ms. Lisette Hountondji refuted those allegations contained in APROB report by stating categorically that she never wrote any report to APROB about Mr. Simakando, secondly his performance appraisal is good.
 - iii) However, the letter of separation signed by the then Acting Clerk of Parliament Mr. Yusupha Jobe, states that “*you were not successful in the interviews you attended for the position of Editor of Debates. As such, you will be separated from the service of the Pan African Parliament at the expiry of your current contract*”. The content of the letter of separation is therefore inconsistent with APROB report.

- iv) The Separation of Mr. Njekwa Simakando from PAP after 10 years of service as a regular staff was unlawful and not based on any substantiated facts.

- b) The case of Mr. James Odero (Not recommended for Position of Cashier)
 - i) Mr. James Odero is an internal staff who applied for the position of Cashier (GSA5) who ranked first in the overall interview process but was not offered the position. The APROB Report states that “*Mr. James Odero, an internal Candidate, was in the first position. However, the Deputy Clerk in charge of Finance Division said James’ attitude to work in his current position as a driver was unsatisfactory to him. He has queries and warnings in his file as evidence concerning lateness to work, insubordination and reluctance in carrying out his duties satisfactorily*”.
 - ii) However, these allegations were not substantiated and were prejudicial having been made for a specific purpose of ensuring that Mr. Odero is not offered the position even though his performance appraisal is good. It was wrong for APROB to act on the unsubstantiated allegations of Mr. Jobe without any disciplinary process.

- c) The Case of Mr. Nector Mbilima (Not recommended for Documentation Officer (P1))
 - i) Mr. Nector Mbilima is an internal candidate currently working as Documentation Assistant who applied for the Position of Documentation Officer (P1). The APROB Report states that “*Mr. Nector Mbilima who came third was not considered for the position because he is reported to be quite disruptive in his attitude to the smooth running of the Documentation Unit*”. APROB recommended that an external candidate who came second in the overall recruitment process should be recruited for the position since the external candidate who came first turned down the offer of appointment.
 - ii) The allegations used to disqualify Mr. Mbilima for the Position of Documentation Officer were not substantiated because there was no disciplinary process set in motion to notify him and secondly, to give him the opportunity to defend himself in accordance with the Staff Regulations and Rules.

- d) The case of Ms. Muyoyeta Siume, (Applied for Library and Documentation Officer P.3)

- i) There is no evidence to establish that the recruitment process for the Position of Senior Library and Documentation Officer (P3) was not done in accordance with the Recruitment Policy/guidelines.
- e) The Case of Mr. Tebogo Mhlongo (Former Cashier in PAP)
- i) The APROB report concluded that “*the internal staff Mr. Tebogo Mhlongo who is currently the Cashier in PAP came 4th [score of 76] with a difference of 6% between him and the 1st position. However, the Committee members weighed his positive evaluations, his institutional knowledge and being a pioneer staff of PAP, his deep knowledge and skills in SAP and his dedication to his work beyond the call of duty against the difference in score and considered him an asset*”. The members of APROB recommended him for the position, however the President of PAP Hon. Nkodo Dang decided to appoint an international external candidate at the expense of an internal staff who is also a local staff thereby terminating his contract with PAP. In this regard, the President of PAP did not follow the guidance provided in Rule 28.5 of the AU Staff Regulations and Rules which gives priority to internal staff who have passed the interview.
- f) The Case of Mr. Kennedy Emeana (Denied Protocol Officer (P1))
- i) The interview Report to the President concluded that “*for this position two candidates qualified for possible appointment. These are Mr. Kennedy Emeana (76.28%) and Mr. Ndi Essissima (63.34)*”. However, Mr. Emeana as an internal candidate has worked in PAP for about 10 years in various capacities including Protocol services, should have been appointed by the President of PAP instead of appointing an external candidate at the expense of the internal candidate.
- g) Alleged failure to apply “procedural due process” on issues of Staff Misconduct (Regulation 12 (b) & Rule 58) in accordance with Rule 57 “Disciplinary Board” & 59 “Disciplinary Procedure” of AU Staff Regulations and Rules:
- i) APROB acted on the allegations about Mr. James Odero and Mr. Nector Mbilima and Mr. Njekwa Simakando which were not substantiated and without the necessary “*due process*” of the staff being informed about the allegations neither were they given the opportunity to defend themselves or comment on the said allegations. This is a violation of the “*right to due process*” as provided for in Regulation 12 (b), Rules 57 and 59 of the Staff Regulations and Rules.

4.3. Alleged Recruitment of Staff who Scored Below 60% of the Legal Pass Mark:

- i) For the **Position of Senior Assistant Clerk (P3)** three candidates were interviewed including Ms. Josiane Wawa Dahab who scored 57.07%. Secondly, the Memo to the President H. E Amadi stated that *“the candidate does not possess the required Master’s degree for the position”*. The report concluded that *“based on the forgoing scores, none of the candidates is qualified for consideration for the position of Senior Assistant Clerk”*. As a result the panel recommended that the position should be re-advertised. However, President Amadi appointed Ms. Josiane Wawa Dahab for the position.
- ii) For the position of **Senior Procurement, Travel and Stores Officer (P3)**, three candidates were shortlisted and only two took part in the process including Mr. Rodin Makani Mvindu Mayengo. Based on the scores awarded by the oral interview panel and the results of the written test, none of the two candidates got a score of 60% and above whereby Mr. Mayengo scored 53.50% and the other candidate scored 56.13%. Secondly, Mr. Mayengo did not possess the required Master’s degree for the position. However, despite the poor scores, the President H. E. Nkodo Dang appointed Mr. Rodin Mayengo with a score of less than 60%.
- iii) For the position of **Assistant Clerk (P2)** three candidates were shortlisted for the position including Mr. Bumedian Mohamed-Lamin Ahmed. Among the three candidates none of them scored 60% including Mr. Mohamed-Lamin Ahmed who scored 57.20%. However, despite the poor scores, the President H.E. Hon. Nkodo Dang appointed Mr. Mohamed-Lamin Ahmed with a score of below 60%.
- iv) The appointment of staff who have scored below pas mark (i.e. 60%) is in violation of AU Staff Regulations and Rules.

4.4. Other Related Allegations

- a) *Alleged Managerial Issues Affecting the Proper Functioning of PAP*
 - i) The President of PAP and the Bureau do not often work as a Team because some decisions are taken by the President without consultation of the Bureau and at times the Bureau Members are merely invited to official functions organized by PAP like the Conference of PAP organized in Yaoundé, Cameroon in August 2017.
 - ii) The President of PAP is involved in the day-to-day management of PAP and basically in charge of selecting and appointing those to travel on official missions thereby interfering with the responsibilities of the Clerk of Parliament.
 - iii) There are leadership challenges frustrating the proper functioning of PAP as an Organ. PAP needs an effective Bureau and Clerk/Deputy

Clerks that can monitor the performance of the senior management team more dispassionately and professionally to insists on results.

b) *Alleged Disclosure of Confidential Information by some APROB Members*

- i) Some Members of APROB and Staff who have access to confidential information have been communicating or divulging confidential information, documents and facts, coming to their knowledge in the course of their official duties without the permission of the competent authority which is affecting the smooth functioning of PAP. This is in violation of Rule 5.1 of the Staff Regulations and Rules and it's a misconduct under Rule 58.

RECOMMENDATIONS

5. Based on the conclusions ascertained from the fact finding exercise, the OIA has made recommendations for consideration as summarized below:

(a) **Recruitment within the AU**

- I. For consistency of application of the Staff Regulations and Rules, Recruitment Policy and other Administrative Policies, the recruitment process within the Union should be centralized within the AU Commission. This should be coordinated by the Commission in collaboration with the relevant Organs for an effective and proper implementation of the Regulations, Rules and Policies.
- II. Where it is absolutely necessary for a Consultant to be recruited by an Organ to coordinate the recruitment process, the said Consultant should work under the supervision of the Directorate in charge of Human Resources at the AU Commission.
- III. The Clerk and Head of Human Resources of PAP should ensure that during the advertisement of vacancies underrepresented countries/regions should be clearly stated in the vacancy announcement and only eligible candidates should be shortlisted for the positions.
- IV. The AU Commission should ensure that a proper roster of approved candidates who succeeded during the recruitment process is kept for subsequent employment when the need arises to save time and resources.
- V. The PAP and other Organs should ensure that "*regret letters*" are issued to the candidates who did not succeed during the recruitment process and those who have been put on the roster should be notified accordingly.

(b) **Recruitment of the Clerk and Deputy Clerk of Parliament**

- i) The President of PAP and the Bureau should ensure that during the recruitment of the Clerk and Deputy Clerks, the AU Staff Regulations and Rules, Recruitment Policy and other Policies dealing with recruitment are properly implemented taking into consideration issues of transparency and accountability.
- ii) The President of PAP and the Bureau should ensure that the provisions of Rule 17(f) on proposal for appointment of Clerk/Deputy Clerks, Rule 47 on Motion for Closure of Debate, Rules 59 on voting and Rules 59 on manner of voting are properly applied and implemented at all material times during the recruitment of the Clerk and Deputy Clerks of Parliament.

(c) **Recruitment of other Staff in PAP**

- i) The President, APROB and Clerk of Parliament should ensure that the injustices perpetrated during the recruitment process concerning certain staff is corrected forthwith. The staff concerned are i) Mr. Njekwa Simankando ii) Mr. James Odero iii) Mr. Nector Mbilima iv) Mr. Kennedy Emeana and v) Mr. Tebogo Mhlongo.
- ii) The President of PAP, APROB and the Clerk of Parliament should ensure that during the recruitment of candidates, internal staff are given priority in accordance with the provisions of Rule 28.5 of the Staff Regulations and Rules.

(d) **Managerial Issues of PAP**

- i) The Bureau of PAP in collaboration with the Clerk of PAP should ensure that there is clear demarcation of duties and Responsibilities between the President and the Clerk to avoid conflicts and tension within PAP for a smooth working environment.

(e) **Creation of a Disciplinary Board**

- i) The President of PAP and the Clerk of Parliament should ensure that an effective and proper disciplinary Board is created in accordance with the relevant provisions in the Staff Regulations and Rules.

(f) **Disclosure of Confidential Information**

- i) The Clerk of PAP should ensure that the Members of APROB sign a certificate of confidentiality during every APROB meeting.

APPRECIATION

6. The OIA wishes to record its appreciation to the President of PAP, Bureau, Members of Parliament, Members of Staff and Management at both PAP and AUC for the co-operation and assistance extended to the OIA Investigation Team during the course of the fact-finding exercise.

DRAFT
DECISION ON AUDIT MATTERS
Doc. EX.CL/1077(XXXIII)ii

The Executive Council,

1. **TAKES NOTE** of the Report of the PRC Sub-Committee on Audit Matters and, **ENDORSES** the recommendations contained therein;
2. **CALLS UPON** the Commission and AU organs to address the issues raised by the PRC Sub-Committee on Audit Matters including the following:
 - (i) The relevant African Union Commission (AUC) Departments and Offices should work to fully implement the recommendations contained in the audit report of Budget Performance for the Year 2017.
 - (ii) The AUC should enhance the mechanisms put in place to address the deficiencies of poor budget performance.
 - (iii) All AUC Departments and Offices should also implement recommendations as contained in various audit reports.
 - (iv) All AU Organs should submit proposed change in their Rules of Procedures that have financial implications for the approval of the Executive Council.
 - (v) The AU Commission and the other AU organs should ensure that there is both separation and clarity of the roles and responsibilities of elected officials versus heads of secretariats on administrative and operational matters.
 - (vi) The relevant AUC departments are requested to attend the Sub-Committee meetings in order to respond to the Members' questions and concerns.
 - (vii) All AUC Departments and Offices should make available all required supporting documents for audit review and verification during the audit process as required.
 - (viii) The AUC through the Bureau of the Deputy Chairperson (DCP) should follow up and ensure that the SAP accounting system is rolled out to all AUC Offices and AU Organs.
 - (ix) The AUC to organize a training to enable members of the Sub-committee to understand the basic accounting/auditing terminologies that are usually used in the audit and financial reports.
 - (x) A recommendation should be made to the State Parties on the AU Convention on Preventing and Combating Corruption to consider the change of name from Advisory Board on Corruption to Advisory Board on Anti-Corruption.
 - (xi) The Commission should put in place an effective system to ensure timely reconciliation of unused tickets to enable claiming refunds from airlines early.

Furthermore, a special report should be prepared and presented to the Subcommittee on the issue of tickets indicating the airlines involved, the departments/staff involved, reconciliations made and refunds that have not been received from the airlines.

(xii) An Audit Review on Human Resources should be carried out at the AUC as a measure to determine the cause of the low performance of the Program Budget.

(xiii) OIA should continue monitoring the implementation of all pending audit recommendations and report back as appropriate.

3. **FURTHER CALLS UPON** the AU Commission to establish a modality and mechanism for sharing the reports of PRC Sub – Committee on Audit Matters to the PRC Sub - Committee on General Supervision on Administrative, Budgetary and Financial Matters;
4. **REQUESTS** the Commission to report on the implementation of this decision during the AU January 2019 Summit.

DRAFT
DECISION ON THE INVESTIGATION REPORT ON
PAN-AFRICAN PARLIAMENT RECRUITMENTS
Doc. EX.CL/1077(XXXIII)ii

The Executive Council,

1. **RECALLS** Decision **EX.CL/Dec.979/(XXX)** that requested an investigation to be carried out on recent recruitments, at the Pan-African Parliament (PAP);
2. **TAKES** note of the investigation report by the Office of Internal Audit (OIA) and **ADOPTS** the recommendations contained therein;
3. **EXPRESSES** concern about the irregularities raised in the investigation report on the recruitment process at the PAP;
4. **DECLARES** the appointments made without following the required AU Rules and Regulations null and void, and **INSTRUCTS** the AUC and PAP to take the necessary measures to implement this decision;
5. **INSTRUCTS** the PAP to install the five (5) candidates who successfully went through the recruitment process and qualified for the positions as per AU Rules and Regulations;
6. **CALLS UPON** the AUC and PAP to address and implement all other recommendations contained in the investigation report, and report to the AU Summit in January 2019, accordingly;
7. **FURTHER CALLS UPON** the Office of Internal Audit to also carry out audits on Human Resources recruitment processes within the AU Commission with its Offices, and all AU Organs and report back to the Executive Council in January 2020 Summit.

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