



منظمة الوحدة الأفريقية  
السكرتارية  
ب. ب. 3243

ORGANIZATION DE L'UNITE  
AFRICAINNE  
Secretariat  
B. P. 3243

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Addis Ababa أديس ابابا

COUNCIL OF MINISTERS

Thirty-eighth Ordinary Session

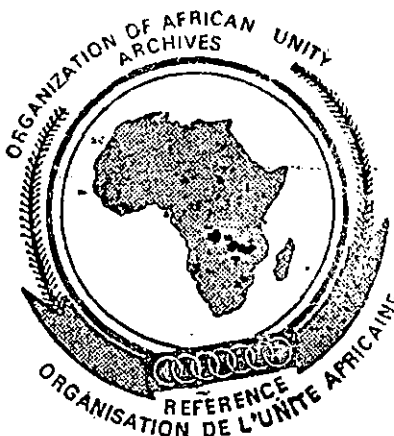
Addis Ababa, Ethiopia

22 February - 1 March 1982

CM/1159 (XXXVIII)

ANNEXES 1 - 15

Original: French



COMMENTS OF THE GENERAL SECRETARIAT ON THE REPORT OF THE  
BOARD OF EXTERNAL AUDITORS ON THE BUDGET OF THE GENERAL SEC-  
RETARIAT REGIONAL AND SUB-REGIONAL OFFICES FOR THE 1980/81  
FINANCIAL YEAR

1. General Secretariat	CM/1159 (XXXVIII)
2. Dar -es-Salaam Office	CM/1159 (XXXVIII) Annex I
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COMMENTS OF THE GENERAL SECRETARIAT ON THE REPORT OF THE BOARD  
OF EXTERNAL AUDITORS ON THE GENERAL SECRETARIAT -- DOCUMENT  
CM/1159(XXXVIII)

Paragraph 5: Expenditure

The Secretariat has taken note of the recommendations of the Board of External Auditors and will do everything possible to ensure their implementation.

We are fully aware of the existence in our books of the Credit Notes totalling US\$ 92,000, since we usually return the unutilised portions of the air tickets and MCOs to the airlines for reimbursement. But the adjustment cannot be effected in our books as long as we have not received the letters of credit from the airlines. This takes some time, but we always receive them. This enables us to make the necessary adjustments.

Paragraph 7: Mechanisation of the Accounting System

The normal operations of the machine as far as the preparation of salary vouchers is concerned was interrupted following the abolition of the dollar devaluation allowance.

However, the programmes have been readjusted by the NCR and as from November, 1981, salaries will once again be processed by the machine.

Paragraph 8: Pension (American Life Insurance Company)

The relationship between the Organization and the Company is governed by a contract binding the two parties and all the transactions are done in accordance with the provisions of this contract. Admittedly, the conditions which prevailed nearly a decade ago are not necessarily the same to-day. That is why the Secretariat has already taken the initiative to renegotiate another contract on a new basis. These negotiations will be finalised within the next few months.

**Paragraph 9: Examination of the Disbursement Vouchers**

The Secretariat has already undertaken the necessary negotiations and is only awaiting their outcome so as to re-deploy the two staff members concerned.

**Paragraph 11: Film: "Liberty in Unity"**

A sum of US\$ 20,000 will be paid to the producer as soon as the French and Arabic versions of the Film are delivered to the Secretariat in conformity with the decision taken by the Programmes Committee on 3 July 1981, and communicated to the producer on 6 July 1981.

**Paragraph 12: Commemorative Coins**

The sum of US\$ 464,793.59 which was borrowed from the Commercial Bank of Ethiopia for producing commemorative coins has already been repaid to the Bank. There is, however, a balance of US\$ 85,695.80 representing a profit to the Organization. Steps have been taken to sell the remaining coins, namely:

Silver coins	:	14,223
Bronze coins	:	14,492
Bullion	:	0,789,782 kg.

The proceeds will be added to the US\$ 85,695.80 profit already made by the Organization.

**Paragraph 14: Extension to the Secretary-General's Residence**

Discussions are still underway between the Secretariat and the Ethiopian Government for the release of the title deed.

**Paragraph 15: Code 500 - Communications**

The main difficulty here is the long interval between the date on which the services were rendered and the date on which the bills were sent by the Posts and Telecommunications Services for payment. Nonetheless, the Secretariat will do everything possible to conform to the Board of External Auditors recommendations.

**Paragraph 16: Librarians**

The Secretariat has taken good note of the Board of External

Auditors' recommendations and will do everything possible to implement them.

Paragraph 17: Erroneous payment of Installation Allowance

The staff member in question has left the Organization. He thought that his contract was irregularly terminated. He, therefore, referred the matter to the OAU Administrative Tribunal.

Consequently, the payment of all his benefits has been withheld pending the Tribunal's decision.

The US\$ 2,700 erroneously paid to him will be recovered as soon as the Administrative Tribunal takes a decision on the matter.

Paragraph 18: Transport Fleet

The damage caused to the vehicle in question as a result of the accident is so serious that, given the age of the vehicle, it was considered more beneficial to sell it. Unfortunately, however, no one has as yet made any offer so far.

Paragraph 19: Balance Sheet

The Secretariat has taken good note of the observations of the External Auditors and will ensure that all the entries are passed in all the books of the Organization to facilitate the preparation of a correct balance sheet.

CM/1159 (XXXVIII)  
Annex I

COMMENTS OF THE GENERAL SECRETARIAT ON THE REPORT OF THE BOARD OF  
EXTERNAL AUDITORS ON THE DAR-ES-SALAAM OFFICE: DOCUMENT CM/1159  
(XXXVIII)

Paragraph 5: Unauthorised Disbursements

Measures will be taken to avoid the recurrence of such cases in future.

Paragraph 6: Unpaid Travellers Cheques

Despite the difficulties that are involved, the Secretariat will endeavour to rectify the situation at the Bank.

Paragraph 8: Purchase of Equipment

The two unserviceable Olivetti machines will be returned to the suppliers and the US\$ 1,424.37, representing their cost refunded to the Office.

Paragraph 10: Resident Internal Auditor

In spite of the advertisements made through Member States, no qualified candidate has so far applied for this post. However, the General Secretariat will continue looking for one and as soon as an application is forthcoming from a suitable candidate, the post will be filled.

Paragraph 12: Over-expenditures

All the over-expenditures under the different codes had been taken into account in an application for virement submitted for consideration in April 1981 and approved by the Advisory Committee. (See Document FBM/8(XXXV)).

Paragraph 15: Over-payment of Post Adjustment Allowance

This over-expenditure was included in an application for virement approved by the Advisory Committee in April 1981.

(See Document FBM/8(XXXV)).

Paragraphs 16 and 17: Advances Outstanding

Instructions have been issued for the recovery of these advances from the Member States and the companies concerned.

CM/1159 (XXXVIII)

Annex 1

Page 2

Advances made to Staff Members are within the framework of the advances normally granted them in accordance with the existing regulations and are deducted on monthly basis from their salaries.

The expenses made by the Dar-es-Salaam Office on behalf of the Secretariat will, however, be met as soon as the supporting documents are received at the Headquarters. Steps have already been taken in this direction.

Paragraph 23: Other Matters

Instructions have already been issued to the Dar-es-Salaam Office for these recommendations to be implemented.

COMMENTS OF THE GENERAL SECRETARIAT ON THE REPORT OF THE BOARD OF  
EXTERNAL AUDITORS ON MAPUTO OFFICE -- DOCUMENT CM/1159(XXXVIII)

Paragraph 8: Advances

Instructions have been issued to the Lar-es-Salaam and Lusaka Offices to refund the advances given to them by the Maputo Office.

As far as the advances to the Staff Members are concerned they fall within the framework of advances normally granted to Staff Members and deducted from their monthly salaries.

Paragraph 9: Payment Vouchers

The Secretariat has taken good note of these remarks and will ensure their implementation.

Paragraph 10: Dishonoured Drafts

It is true that the bank drafts amounting to US\$ 39,682.34 have been dishonoured on the grounds that the signature did not compare with the specimen pages, as our bankers have in the meantime changed signatories. However, the situation has since been regularized and the drafts concerned honoured.

Paragraph 11: Transfer of Funds

The Secretariat has taken note of this remark and will ensure its implementation.

Paragraph 15: Cheques signed in advance

The Head of the Office has been requested to put a stop to this practice.

CM/1159 (XXXV(11))  
Annex IV

COMMENTS OF THE GENERAL SECRETARIAT ON THE REPORT OF THE BOARD  
OF EXTERNAL AUDITORS ON THE LUANDA OFFICE - DOCUMENT CM/1159  
(XXXVIII)

Paragraph 2: Budget Performance 1980/81

Code 202: Transfer of Travel Costs

The over-expenditure under this code amounting to US Dollars 281.55 is the result of the expenses incurred during the transfer of the accountant to another office.

Code 203: Installation Allowance

The expenses of US\$ 5,542 made under this code concern the installation grant paid to the new accountant and the members of his family.

It should be recalled that all the over-expenditures made during the financial year under review have been covered by an application for virement approved by the Advisory Committee in April 1981 (See Document FBM/14(XXXV)).



COMMENTS OF THE GENERAL SECRETARIAT ON THE REPORT OF THE BOARD OF  
EXTERNAL AUDITORS ON THE KAMPALA OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraph 8: Unpresented Stale Cheques

The Office has already taken the necessary measures to regularize this situation.

Paragraph 10: Advances recoverable

The General Secretariat has already refunded to this office the expenses it made on its behalf. However, the advances to Staff Members form part of the advances normally granted them and are deducted from their monthly salaries.

Paragraph 11: Refund of Duty on Petrol

The necessary measures have already been taken with the Uganda authorities for the refund of these taxes.

Paragraph 12: Staff Payroll and Disbursement Vouchers

The forms recommended for the payment of salaries have already been ordered and will be used as soon as they are received.

Paragraph 13: Education Allowance

The amounts wrongly paid are now being deducted from the salaries of the Staff Members concerned.

Paragraph 14: Maintenance of Vehicles

Good note has been taken of these remarks which will be implemented.

Paragraph 15: Drivers' Log Books

In future, log books will be kept for all vehicles. The Fiat 2000 whose maintenance cost has become too high will be sold.

Paragraph 16: Telephone

All private international calls are paid by the staff members concerned as soon as the bills are received from the Uganda Telecommunications Services.

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
LAGOS OFFICE: DOCUMENT CM/1159 (XXXVIII)

Paragraph 1: Audit of Revenue

The Lagos Office has been requested to keep a monthly statement of deductions in respect of housing.

We confirm that entries regarding certain incomes have been properly made in accordance with the Organization's accounting system under the heading: "Miscellaneous Incomes."

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
BANGUI OFFICE

Paragraphs 12 and 13: Accounting Position at the Treasury

The 61.189 CFA (About US\$204) deficit detected by the External Auditors is due to the upward fluctuation of the Dollar.

Until then, the exchange rate utilized by the offices situated in countries of the Franc Zone was US\$1 = 221 CFA Francs.

In fact although the dollar rose up to 300 CFA Francs, the offices concerned kept using the rate of 221 CFA to the dollar.

It was in the bid to rectify this situation that we asked those offices to use a monthly average rate for their accounts rather than the fixed rate of US\$1 = 221 CFA Francs.

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Annex VIII

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
YAOUNDE OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraph 12

The monthly totals do not tally with the totals in the Cash Journal as a result of the upward fluctuations of the value of the Dollar during the financial year.

That is why, the Yaounde Office has been asked to use the monthly average rates for their invoices.

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Annex IX.

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
NAIROBI OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraph II: Receipt Control

The entries in connection with the cheque No. 55096462 covering an amount of US\$70,000 has been deleted from the books. In this way, the situation has been regularized.

Paragraph IV: The Banking Situation at the Nairobi  
Office as of 30/5/81

The office has opened a cash book in which all the bank transactions are recorded regularly.

The following account for the excess revenue noted in this office:

The Kenyan Government has paid its US\$619,718.79 contribution to the Nairobi Office. However, the Lagos Office, on which this office depends structurally, had sent to the Nairobi Office a sum of US\$70,000.00, thus bringing the total amount received by this office to US\$689,718.79. Since the budget at the Nairobi Office for the 1980/81 financial year was only US\$467,458.00, the sum of US\$222,560.79 constituted a surplus which the Lagos Office has asked the Nairobi Office to consider as an advance against the 1981/82 grants.

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Annex X

COMMENTS OF THE GENERAL SECRETARIAT ON

THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE

NEW YORK OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraph 6: Justification for the use of MCO

Steps have been taken to ensure that the staff members concerned conform to the existing regulation in default, they will have to refund the amount of unutilized MCOs.

Paragraph 7: Control over telephone usage

The Telecommunications Department has been requested to furnish henceforth detailed information regarding telephone calls.

Paragraph 8: Rank Xerox Machines

To regularize the situation, an authorization has been given to the New York Office to hire this machine at a monthly rent of US\$875.00.

Paragraph 9: Transport Control

The New York Office has been asked to regularize the situation as soon as possible by introducing a log book system for the official cars.

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
GENEVA OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraphs 5 and 9: Losses on Foreign Exchange Conversions  
and Advances Outstanding

The amounts representing a total of US\$55,133.38 due under these two headings have already been refunded to the Geneva Office.

Paragraph 10: Telephones

Instructions have been issued to the Geneva Office to block direct dialling facilities to prevent the staff from having access to the switchboard.

Furthermore, the Executive Secretary was informed that only official international calls whether in the office or at the residence are paid by the Organization. Private local and international calls made at the residence must be paid by the Executive Secretary as is the case in all the regional and sub-regional offices.

Paragraph 11: Transport control

The Secretariat has taken good note of the recommendation and has already instructed the Geneva Office to implement it.

Paragraph 12: Medical Insurance Scheme

This matter will be discussed during future negotiations with the "American Life Insurance Company."

Paragraph 13: Irregular Salary Payment

The former Deputy Executive Secretary in charge of Economic Affairs at the Geneva Office died early December 1980 after serving the OAU for over five years, leaving behind a large family which, compelled by circumstances, had to accompany the corpse to his home country, Zimbabwe. It was for this reason that the widow requested that the Organization should at least pay her transport fare. The request was however turned down because in the Staff Rules and Regulations, no provision is made for the payment of the transport cost of the spouse in the case of death of the staff member. It was for this reason that, extrapolating the principle whereby any day already started is paid for in full and for humanitarian reasons, the Secretariat thought that the December salary could be paid to the widow. The Secretariat therefore accepts the recommendation of the External Auditors that the amount in question be written off since all the benefits of the deceased have already been paid to the eligible parties.

Postage Franking Machine

The Secretariat has taken good note of the recommendation of the Auditors and will ensure its implementation.



CONFIDENTIAL  
ACCRA OFFICE  
CM/1159 (XXXVII)

Annex XII  
CM/1159 (XXXVII)

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
ACCRA OFFICE - DOCUMENT CM/1159 (XXXVII)

Paragraph 3: Material accounting, commitment accounting  
and payment accounting

The Accra Office has been requested to keep material, commitment and payment accounting. Instructions have also been issued for account entries to be made in account-books as is the case at Headquarters and in other regional offices.

Furthermore measures have been taken to regularize the administrative situation of the staff members concerned.

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
NIAMEY OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraph B: Inventory of the Fixed Assets.

The Secretariat has taken good note of the observations made and has already issued instructions to the Niamey Office for their implementation.

Paragraph D: Remarks and Suggestions

The system of budget control as it exists in the Niamey Office is consistent with the Financial Rules and Regulations of the Organization which are the same at the Headquarters and in the all regional and sub-regional offices.

It is simple and in reading it, one gets a clear picture of the money voted, the real expenditures, the commitments and the balance.

This new system is the result of the structural reform which became operative only on 1 June 1979.

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
TUNIS OFFICE - DOCUMENT CM/1159 (XXXVI(1))

Paragraph 4: Control of Expenses in Dinar

3) Entry of the accounts

Since this office is new the structures are gradually being set up.

The necessary readjustments will be made taking into account the conditions prevailing in the country.

The newly recruited accountant has just spent one month here at Addis Ababa to acquaint himself with the Organization's accounting system.

All the necessary assistance will be given to this Office to ensure its good start financial and accounting wise.

COMMENTS OF THE GENERAL SECRETARIAT ON  
THE REPORT OF THE BOARD OF EXTERNAL AUDITORS ON THE  
BRUSSELS OFFICE - DOCUMENT CM/1159 (XXXVIII)

Paragraph 5: Status of the Office

Measures have been taken for the signing of the Headquarters agreements between the Government of Belgium and the Organization.

Paragraph 10: Overpayments of Post-Adjustments  
Irregular Advances Granted to the  
Director

Instructions have been issued for the refund of the irregular payments made to the staff members concerned.

Paragraphs 14 and 15: Telephone calls and Transport Register

The Secretariat has taken good note of the recommendations made and will ensure their implementation.

Paragraph 16: Table Lamp

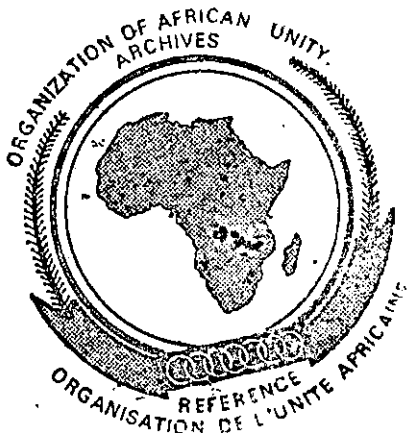
The table lamp has been taken from the Director's residence back to the Office.

Paragraph 17: Advance Payment for OAU Day Reception

This situation has been regularized.

Paragraph 18: Ordinary Hospitality

Instructions have been issued to ensure that the appropriations made under this code are used for that purpose only.



Code du compte	Titres	Crédits courants 1980/81	DEPENSES		Total	Solde	Engagements	Solde net	Revenu
			Dépenses antérieures	Dépenses courantes					
	<u>CHAPITRE VI-FOURNITURES ET SERVICES DIVERS</u>								
600	Lapeterie et matériel de bureau	3,000	2,976.37	13.87	2,990.24	9.76	-	9.76	
601	Commissions bancaires	500	1,855.88	-	1,855.88	(1,355.88)	-	(1,355.88)	
603i	Réception Ordinaire	1,000	1,870.53	9.73	1,881.26	(381.26)	-	(881.26)	
603ii	Reception - Journée de l'O.U.A.	5,000	5,000.00	-	5,000.00	-	-	-	
604	Bien-être du personnel	300	26.67	-	26.67	273.33	-	273.33	
605	Ouvrages de bibliothèques	800	1,121.67	-	1,121.67	321.67	-	(321.67)	
606	Journaux et périodiques	500	956.93	33.67	990.60	(490.60)	-	(490.60)	
607	autres fournitures et services	1,500	747.91	12.73	760.64	739.36	-	739.36	
608	Impression des documents	500	-	-	-	500.00	500.00	500.00	
	<b>Total Chapitre VI</b>	<b>13,100</b>	<b>14,556.96</b>	<b>70.00</b>	<b>14,626.96</b>	<b>(1,526.96)</b>	<b>500.00</b>	<b>(2,026.96)</b>	
	<u>CHAPITRE VII DEPENSES D'EQUIPEMENT</u>								
702	Mobilier et agencement	7,000	6,787.17	-	6,787.17	212.83	-	212.83	
703	Matériel de bureau	500	1,430.00	-	1,430.00	(930.00)	-	(930.00)	
707	Achat d'une voiture officielle	8,000	-	500.00	500.00	7,500.00	7,500.00	-	
	<b>Total Chapitre VII</b>	<b>15,500</b>	<b>8,217.17</b>	<b>500.00</b>	<b>8,717.17</b>	<b>6,782.83</b>	<b>7,500.00</b>	<b>(717.17)</b>	
	<b>Grand Total</b>	<b>228,720</b>	<b>189,117.80</b>	<b>10,521.33</b>	<b>209,639.13</b>	<b>28,680.87</b>	<b>13,534.59</b>	<b>15,146.28</b>	

1982-02

# Comments of the General Secretariat on the Report of the Board of External Auditors on the Budget of the General Secretariat Regional and Sub-Regional Offices for the 1980/1981 Financial Year

Organization of African Unity

Organization of African Unity

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