

**ORGANIZATION OF
AFRICAN UNITY
SECRETARIAT
P. O. Box 3243**

ADDIS ABABA

**ORGANISATION DE L'UNITE
AFRICAINNE
SECRETARIAT
B. P. 3243**

CM/187/Rev.1

COUNCIL OF MINISTERS
Tenth Ordinary Session
ADDIS ABABA, February, 1968.

RAPPORTEUR'S REPORT OF THE FIFTH ORDINARY SESSION
OF THE ADVISORY COMMITTEE ON BUDGETARY AND FINAN-
CIAL MATTERS HELD IN ADDIS ABABA, 18th-22nd DEC.67



LIST OF APPENDICES

- A. Agenda
- B. The list of Questions submitted by the Auditors and Answers by the General Secretariat.
- C. Report of the Board of Auditors CM/178
- D. Draft Budget 1968/69 CM/180 Rev. 1
- E. Draft Budget Commission of Mediation, Conciliation & Arbitration CM/188 - CM/188 Add. 1
- F. Supplementary Budget 1967/68 - CM/181
- G. Retrospective approval for over-expenditure & unauthorized expenditure - CM/189
- H. Scale of Assessment - CM/179
- I. Financial implications of resolutions and decisions - CM/184

DRAFT RAPPORTEUR'S REPORT OF THE FIFTH ORDINARY SESSION OF THE
ADVISORY COMMITTEE ON BUDGETARY AND FINANCIAL MATTERS HELD IN
ADDIS ABABA, 18TH - 22ND DECEMBER, 1967

The Fifth Ordinary Session of the Advisory Committee on Budgetary and Financial Matters met at Africa Hall, Addis Ababa, from 18th to 22nd December, 1967. The five Members of the Committee were represented as follows:-

<u>COUNTRY</u>	<u>DELEGATES</u>
BURUNDI	- H.E. Mr. Baragangana, Ambassador at Addis Ababa. Mr. Ernest Basita, 1st Sec. Burundi Embassy, A/A.
GAMBIA	- H.E. Alhaji A. B. N'Jie, Chairman, Minister of External Affairs. - Mr. E. M. Taal, Assistant Secretary, Ministry of External Affairs.
NIGERIA	- H. E. Mr. Adedokun A. Haastrup, Ambassador at Addis Ababa. Col. O. Olutoye, Under Secretary (Military) Ministry of External Affairs, Lagos. Mr. O. Adeniji, Head of Africa Division, Ministry of External Affairs, Lagos. Mr. A.E.H. Emenyi, Second Secretary, Embassy of Nigeria, Addis Ababa.
UNITED ARAB REPUBLIC	- Mr. A. Fawzi, Charge d'Affaires, a.i. Addis Ababa.
SENEGAL	- Mr. Gaye, Charge d'Affaires, a.i. Addis Ababa.

2. The Fifth Ordinary Session was declared open by the Chairman, H.E. Alhaji A.B. N'Jie, Foreign Minister of the Gambia at 4.30 p.m. on 18th December, 1967. He welcomed members of the Committee and expressed the hope that the spirit of harmony and the peaceful atmosphere which had prevailed in the previous meeting would continue. The Administrative Secretary-General of the Organization of African Unity welcomed the Chairman and members of the Committee to Addis Ababa and stated that the General Secretariat would be at the disposal of the Committee so as to enable it

to complete the important responsibility assigned to it by the Heads of State and Government. He stated that the General Secretariat had made every effort to adopt a better accounting system and practise austerity and economy as recommended by the Council. He hoped that the embarrassing atmosphere which prevailed in the Council last year would not occur.

3. Consideration of the Agenda.

The draft agenda submitted by the General Secretariat was considered and adopted as amended:-

AGENDA FOR THE MEETING OF THE ADVISORY COMMITTEE ON
BUDGETARY AND FINANCIAL MATTERS OF THE O.A.U.

1. Opening Address by the Chairman.
2. Statement by the Administrative Secretary-General.
3. Adoption of the Agenda.
4. Organization of Work.
5. Consideration of the Report of the Board of Auditors.
6. Consideration of the Draft Budget for 1968/69.
7. Consideration of the Draft Budget of the Commission of Mediation, Conciliation and Arbitration.
8. Consideration of Supplementary Budget 1967/68 for
 - (a) Attendance at approved meetings
 - (b) O.A.U. Consultative Committee on Nigeria
 - (c) O.A.U. Committee on Mercenaries.
9. Retrospective approval for over-expenditure and unauthorized expenditure incurred in the 1966/67 financial year.
10. Scale of Assessment of the Contribution of O.A.U. Member States.
11. Report of the financing of the South West Africa Case.
12. Report on the Amortization of the S.T.R.C. buildings in Lagos.
13. Report on the implementation of the financial and budgetary decisions of the Council of Ministers adopted at Kinshasa and based on the recommendations of the Advisory Committee at its Bathurst meeting.
14. Any other business.

4. Consideration of the Report of the Board of Auditors.

The Chairman invited comments on the report of the Board of Auditors as contained in document CM/178. The members of the Committee observed that the report of the Board of Auditors is a very important document in guiding the Committee when studying the draft budget. Therefore, it was decided to consider the report paragraph by paragraph. In this report, only the paragraphs on which discussion took place are mentioned.

The Chairman drew the attention of the Committee to the statement by the Board of Auditors that the General Secretariat was afforded an opportunity to explain all matters which the Board considered necessary for inclusion in its report.

The Assistant Secretary-General in charge of Administration and Finance stated that the Board of Auditors had adopted a rather unorthodox method of work because the majority of the criticisms in their report had not been referred to the General Secretariat for explanation. The Board of Auditors' report of the previous year had been submitted with the comments of the General Secretariat but this year the Auditors informed the General Secretariat that they did not favour such a procedure. They preferred to submit to the Administrative Secretary-General a list of questions on which they required explanations and that the Administrative Secretary-General should provide written answers to these questions. Where the Board of Auditors were in agreement with the Administrative Secretary-General the criticism on those points would be dropped from their report; where they did not agree their criticism would be maintained in the report and the Board would reproduce questions and answers. The Assistant Secretary-General went on to say that a list of questions was submitted by the Board of Auditors to which written answers were given by the General Secretariat but he regretted to observe that some of the criticisms put down in the Board of Auditors' report were not in the list of questions submitted by the Board of Auditors.

Therefore, he submitted that the General Secretariat did not have the opportunity of explaining to the Board of Auditors most of the points of criticism in the report.

At a later stage of the meeting the Ethiopian representative on the Board of Auditors was called in. He informed the Committee that the Accounting staff were available to them for explanations but not the Assistant Secretary-General. The Committee then decided that the explanations of the Assistant Secretary-General be given in the course of the discussions and that where necessary such explanations should be included in the Rapporteur's Report.

5. Financial Statements(Para.6 of the Board of Auditors' Report).

Members of the Committee asked why Regional accounts had not been included in the balance sheet. The Assistant Secretary-General explained that at present contact between the Headquarters and the Regional offices is not adequate. As a result of this situation a number of difficulties exist which had led to the situation observed by the Board of Auditors.

6. Revenue Accruing to Regional Offices(Para.10 of the Board of Auditors' Report).

The Board noted the frequency of reference to the Regional offices in the report and remarked that there was a lack of control by Headquarters over the Regional Offices. The Administrative Secretary-General explained that the difficulties here were the same as had been mentioned by the Assistant Secretary-General. In particular, the O.A.U. Office of the African Group in New York had been in a very bad situation for some time. This is because the Executive Secretary had resigned and there is only a small staff of Secretaries manning the office. Such a situation is not conducive to the proper working of the office.

7. Receipts(Para.11 of the Board of Auditors' Report).

The Administrative Secretary-General was asked to explain why receipts for contributions made by Member States were not issued. The Assistant Secretary-General pointed out that there is an automatic system of acknowledgement of contributions and issue of receipts and that the few exceptions noticed in the Board of Auditors' report must have been due to some clerical oversight on the part of the Accounting staff. He promised to investigate the situation and normalize it.

8. Interest accrued on Deposits(Para.13 of the Board of Auditors' Report)

The Assistant Secretary-General explained to the Committee that the General Secretariat had taken steps to discuss this point with the Bank and had received the answer that the Bank could not change its system of accountancy to suit only one customer. The system as practised by the Bank is applicable to all customers. If the Bank should make an exception on one customer it might find itself having to accommodate more and more customers in this regard. He, however, requested the Committee to consider whether it would be better to authorize the General Secretariat to take the matter up with the Government of Ethiopia in order to obtain special treatment from the Bank for the General Secretariat's accounts. The Committee agreed that the General Secretariat be authorized to discuss the matter with the Ethiopian Government with a view to adjusting the situation revealed by the Board of Auditors.

9. Expenditure under the Budget(Paras.14 and 15 of the Board of Auditors' Report).

The Assistant Secretary-General informed the Committee that the excess payment and unauthorized expenditure mentioned in these paragraphs of the Board of Auditors' report were the same as those discussed by the Committee in Bathurst, the Gambia, and by the Council of Ministers in Kinshasa. It is, therefore, not a new situation which had not come to the notice of either the Committee or the Council of Ministers. With regard

to the supplementary vote for which the Council of Ministers' authority could not be found by the Board of Auditors, the Assistant Secretary-General explained that in November, 1966, the supplementary budget presented by the General Secretariat was first discussed by the Council of Ministers but was later referred to the Assembly of Heads of State and Government as the Council was unable to agree on a decision on the supplementary budget. As a result of this reference of the supplementary budget to the Assembly of Heads of State and Government the approval given by the Assembly could not be found in the Council's records because they had become the records of the Assembly of Heads of State. Had the Board of Auditors looked for the necessary authority in the records of the Assembly of Heads of State they would have found it.

10. Budgetary Account Numbers(Para.16 of the Board of Auditors' Report).

The Committee noted the explanation given by the General Secretariat that the system was changed so as to reflect the budget format approved by the Council of Ministers.

11. Expenditure Adjustments(Para.17 of the Board of Auditors' Report).

The Assistant Secretary-General disagreed with the Board and said that the misposting was not due to the voucher system in use but to the unfamiliarity of the junior clerk with the new system. The accounting staff are now familiar with the system and errors will be minimized. He agreed, however, to adopt the system of Adjustment Vouchers.

12. Per diem Allowances.(Para.20 of the Board of Auditors' Report).

In reply to a question by the Committee, the Assistant Secretary-General explained that the General Secretariat pays a flat per diem rate and said that due to pressure of work no study could be made of the rates applicable in the various capitals. The Committee directed that a study should be made and presented before September, 1968. The Committee also directed that when high ranking officials were invited as guests of a Government, they should not get the full allowance;

The General Secretariat should, therefore, work out an appropriate percentage of the approved rate which should relate to the measure of hospitality offered by the Government.

13. Installation and Housing Allowances(Para.21 of the Board of Auditors' Report).

The Committee agreed that a Staff Member should not earn housing and installation allowances at the same time. Only one of them should be payable to an officer in his first three weeks in office.

14. Travel Outside Headquarters(Para.22 of the Board of Auditors' Report)

The Assistant Secretary-General explained that the particular example given in the Auditors' report in this paragraph was rather unfortunate because the Auditors did not ask the Assistant Secretary-General to explain this point. Had they requested explanation they would have been informed that the official mentioned was authorized to extend his assignment in order to attend an official meeting in Geneva. It is true that the travel papers studied by the Board of Auditors did not include the days spent in Geneva as they stood. But after the official had left the Headquarters on the basis of the travel documents prepared for his journeys he was sent a cable while in Paris to attend another meeting which led to the extension of his journey beyond the originally approved number of days. A copy of this cable could have been shown to the Board of Auditors in support of the extra days claimed by the official had the Board of Auditors requested the explanation. The Committee requested the General Secretariat to exercise very strict and effective control on official travel of the staff of the Secretariat. For this purpose, it recommends to the Secretariat that it should use the forms of "mission orders" and itinerary for all official travels of the staff. A report on these documents, complete with all signatures and seals must be regularly obtained.

15. Expenditure on Communications(Para.23 of the Board of Auditors' Report)

The Committee agreed that there was no way of checking this in detail and that they should just rely on the good faith and sense of responsibility of the officer concerned. The Committee also directed that the General Secretariat should keep a Postage Stamps Register as recommended by the Board of Auditors.

16. Advances(Para.24 of the Board of Auditors' Report).

The Assistant Secretary-General informed the Committee that the interest rate of 3% was the same as the Bank of Ethiopia pays for the O.A.U. deposit account. Therefore, the General Secretariat had fixed the interest on advances at 3% because that would have been what the monies would have earned had they remained in the Bank and not been advanced to the staff. The Committee agreed to maintain the rate of 3% interest as now charged by the General Secretariat on its advances to the staff.

17. Incorrect Charges of Advances(Para.26 of the Board of Auditors' Report).

The Assistant Secretary-General said that this was a clerical mistake and the necessary adjustment has been made.

18. Payment to Mr.Iassu Amde Michael(Para.27 of the Board of Auditors' Report.)

The Assistant Secretary-General said that Mr. Amde Michael was on secondment from the E.C.A. to the O.A.U. and had broken his leg while he was performing the duties of the O.A.U. He had spent some thousands of dallars in hospital charges and the E.C.A. had refused to pay him. The Committee agreed to this payment and said that it should not establish a precedent.

19. Purchases General(Para.28 of the Board of Auditors' Report)

The Assistant Secretary-General said that originally the General Services used to receive requests from the various Departments and made piece-meal purchase. This was a faulty working technique and measures have now been taken to assemble all the requests so that bulk purchases would be subject to tender procedure.

20. Purchases for the Residence of the Administrative Secretary-General. (Para.29 of the Board of Auditors' Report).

The Committee noted the recommendation of the Board and agreed that the house of the Administrative Secretary-General should be fully furnished.

21. Bank Charges(Para.30 of the Board of Auditors' Report).

A number of speakers expressed concern at the Bank charges as revealed in the Auditors' report. The Assistant Secretary-General explained that Bank charges as incurred by the General Secretariat are inevitable because it is the policy of the Bank of Ethiopia to charge the rates paid by the General Secretariat for banking transactions. If the Committee considered it necessary to have an exception made in respect of O.A.U. transactions in Addis Ababa, the matter should be taken up at the political level so as to obtain the co-operation of the Ethiopian Government in this matter. He emphasized that without the co-operation of the Ethiopian Government the Banks in Addis Ababa might not find it possible to treat O.A.U. bank transactions differently from the transactions of other customers. The Committee agreed that the General Secretariat should approach the Ethiopian Government on this question. To avoid the duplication of Bank charges which occurs when money is received from Member States and when transferred to Regional Offices, the Committee decided that Member States be authorized to pay a part of their contribution to the Regional Offices in their countries.

22. Payment of Salaries in Foreign Currency(Para.31 of the Board of Auditors' Report)

With regard to points made under this paragraph in the Auditors' report the Assistant Secretary-General explained that one of the ways by which the General Secretariat succeeds in avoiding the payment of high bank charges is to operate two accounts - one in foreign currency and the other in local currency. Payments made by the General Secretariat in local currencies always involved transfer from foreign currency to local currency for which the General Secretariat had to pay some bank charges. Therefore, the General Secretariat would be saving a lot of money by paying as much as possible to its staff in foreign currency since the transfer to local currency would involve bank charges. The Assistant Secretary-General, therefore, expressed his opposition to the
recommendation of the

Board of Auditors on this matter purely on the basis of economy.

The Committee agreed that no limit should be fixed for the amount paid to the staff in foreign currencies in view of the explanations of the Assistant Secretary-General.

23. Contracts(Para.32 of the Board of Auditors' Report).

The Assistant Secretary-General explained that the asphaltting of the compound of the O.A.U. had been carried out with the co-operation of the Imperial Highway Authority of the Government of Ethiopia.

24. Working Capital Fund(Para.33 of the Board of Auditors' Report).

On the question of the state of the Working Capital Fund, the Assistant Secretary-General informed the Committee of the various payments which could have been made from the Working Capital Fund but were made from the General Fund in order that the Working Capital Fund could continue to earn more interest. Were the payments for the South West Africa Case made directly from the Working Capital Fund as it was decided the fund would have depleted considerably and its interest-earning capacity would have been reduced. In order, therefore, to continue to earn as much interest as possible from the Bank, the General Secretariat would like to make the payments charged to the Working Capital Fund from the General Fund. However, in the General Secretariat's accounting books and records as against the situation in the Bank, the Working Capital Fund is always shown at its right level as if the payments that were to be made from it had been made. After hearing this explanation by the Assistant Secretary-General the Committee agreed that the present system should continue as it was in the best interests of the Organization of African Unity.

25. Special Fund(Para.34 of the Board of Auditors' Report).

The Committee agreed that the sum of US \$ 378.82 be transferred to the General Fund Account as recommended by the Auditors.

26. Comments of the Board of Auditors on the Report of the Internal Auditor on the accounts of the Co-ordinating Committee for the Liberation of Africa (Annex 6) Para.39 of the Board of Auditors' Report)

The Committee felt very strongly about the irregularities revealed on the management of the Executive Secretariat and recommended that the General Secretariat should exercise greater control.

27. General Accounting Office Staff(Para.41 of the Board of Auditors' Report).

The Assistant Secretary-General explained in detail the staffing situation in the Finance Section of the General Secretariat and emphasized the inadequacy of the present strength of staff. The Committee therefore agreed that the recommendations of the Board of Auditors in this regard should be implemented forthwith subject to the budgetary provisions for personnel to the General Secretariat which the Council will approve.

28. Board of Auditors(Para.42 of the Board of Auditors' Report).

The Committee endorsed the views expressed by the Board of Auditors.

29. Board's Comments on the Accounts of the S.T.R.C.

With regard to the comments of the Board of Auditors on the accounts of the S.T.R.C. in Lagos, the Administrative Secretary-General explained that one of the reasons for the difficulties experienced by both the S.T.R.C. office and Headquarters in the control of the Regional Offices attached to the Lagos office is the fact that they are so scattered among five capitals of O.A.U. Member States. He recalled that some of these offices were formerly in London and Paris. The Assembly of Heads of State and Government at the recommendation of the Council of Ministers had rightly decided to transfer them to Africa and to locate them in various capitals of some Member States. This decision was taken at the November meeting of the Assembly of Heads of State. Experience has now shown that it might be advisable to review this decision in the interests of efficiency because one of the problems is not of control but of efficient operation in the capitals in which they have been sited. With regard to the salary advances made to some officials as listed in the Board of Auditors' report at Annex VII para.3, the Executive Secretary of the S.T.R.C. explained that the advances were, in fact, not advances as indicated by the Board of Auditors but were cheque exchanges. In other words, the officers had given their personal cheques in exchange for the sums shown against their names. They were not, therefore, advances as understood in the normal sense. However, the Assistant Secretary-General requested the Committee to allow the General Secretariat to deal with this question administratively in accordance with the Financial Rules and regulations.

With regard to para.10 of Annex VII, the Committee directed that the money involved should be refunded by the officers concerned.

30. Comments of the Board of Auditors on Annex VIII
(The Accounts of the Permanent Secretariat of the O.A.U. office of the African Group in New York).

The Administrative Secretary-General explained to the Committee that the office had been in a bad shape as a result of inadequate remuneration which had led to the resignation of the previous occupant of the Executive Secretary in that office. All efforts of the General Secretariat to obtain the services of another person had not been successful until recently when an officer who was appointed for a post in the Headquarters was seconded temporarily to that office in New York. He appealed to the Committee, therefore, that in order to make the office function properly special consideration should be given to the budget proposals in respect of the United Nations Office of the O.A.U. Until adequate staff could run the office the situation revealed by the Board of Auditors' report could not be changed easily.

With regard to para.4 of Annex VIII, the Committee agreed to write-off the sums involved. With regard to para.5 of Annex VIII the Committee directed that the amount involved be re-imbursed by the officer concerned. With regard to para.10, the Administrative Secretary-General explained that it had been noticed that in the Bank statements submitted by the New York office cheque numbers are not shown. The Committee directed that the situation be looked into and adjusted.

31. Board's Comments on the Accounts of the South West Africa Case.

The Committee agreed to postpone discussion on this item until discussion of item 11 of the Agenda.

Referring to para.6, the Assistant Secretary-General stated that Mali had originally made the contribution to the O.A.U. which had been credited to the General Fund because there were no specific instructions from that Government and said that the necessary adjustments would be made.

12. Consideration of the Draft Budget for 1968/69.

When the Chairman opened the discussion on the draft budget the delegate of Senegal recalled that in the previous year a very embarrassing situation had occurred when both the General Secretariat and the Rapporteur of the Committee found considerable difficulty in defending the budget presented. He appealed to the Members of the Committee and to the General Secretariat to ensure that a similar situation does not occur when the budget is presented at the Tenth Ordinary Session of the Council of Ministers. In this connection, he emphasized that the Rapporteur should be prepared to present the Committee's report and to intervene in order that at the Council meeting the recommendations of the Committee could be properly defended. For the Rapporteur and the Members of the Committee to be able adequately to defend the recommendations of the Committee on the budget it was most essential that the General Secretariat should provide adequate explanations to the Council if required. For the General Secretariat to provide adequate explanation it would be necessary to supply all the facts and figures on which the budget proposals were based. This would enable the Committee not only to make recommendations that it could defend but also recommendations that would appear reasonable to the Council. The Committee agreed with the position taken by the Senegalese delegate and directed that the General Secretariat should provide all the facts and figures to support each item as and when discussed.

The Committee agreed on certain principles based on the decisions of the Council of Ministers in Kinshasa to the effect that there should be no new posts which had not been previously authorized by the Council; that there should be no new up-gradings as this had been rejected by the Council in Kinshasa. Therefore, on the basis of this principle, all new posts and up-gradings proposed in the budget should not be accepted.

The Assistant Secretary-General pointed out that in applying the principles enunciated to the budget, the Committee might wish to recall that in Kinshasa the Council decided that, as far as possible, permanent

interpreters/translators and other technical staff should be appointed. In order to implement this decision of the Council the General Secretariat has proposed new posts in the budget under the Conference Division of the General Secretariat. He also pointed out that with regard to Conference Services it has been necessary to increase the number of technical staff for meetings of the Council of Ministers and the Assembly of Heads of State. This has been necessitated by the fact that the Council now operates in three Committees which were not provided for in the previous budget and by the fact that the Kinshasa experience had shown the need to make provisions for small Committee meetings of private consultations by the Heads of State. He, therefore, appealed to the Committee to consider these provisions in their correct perspective when considering the budget. The Chairman stated that the points made by the Assistant Secretary-General were not in conflict with the principles enunciated since the new posts shown under the Conference Services were not in conflict with several Council decisions.

The Committee then proceeded to examine the draft budget on the basis of the principles enunciated. The budget, as amended by the Committee, is contained in document CM/180 Rev.1. Most of the amendments made by the Committee, were adopted unanimously except the following items which were adopted by general consensus:-

- (a) Account No.600 - Stationery and Supplies
- (b) Account No.708 -- Interpretation Equipment
- (c) Retention of the post of Co-ordinator of the African Group Secretariat in New York at P.2 scale of salary.

With regard to item (c) above, the Committee by general consensus also agreed that

- (i) the General Secretariat should include the New York office in the general study of the salary structure which will be submitted to the Committee before the next Council of Ministers meeting and
- (ii) that for the time being the post should remain at P.2 until sufficient justification for its up-grading can be advanced in the study envisaged.

The Committee directed the General Secretariat to provide facts and figures to support the proposed expenditure under

- (1) Travel on official missions
- (2) Common Staff Costs
- (3) Capital Expenditure,

and that the facts and figures given to the Committee on these items should be incorporated in the budget as explanatory notes.

33. Consideration of the Draft Budget of the Commission of Mediation, Conciliation and Arbitration

When the Chairman invited Members of the Committee to consider the two budgets proposed by the Commission of Mediation, Conciliation and Arbitration, the Assistant Secretary-General took the floor to explain that the General Secretariat had some difficulty in deciding to present these budgets to the Committee. It was the opinion of the General Secretariat that it would be necessary for the Committee to rule that it is competent by its terms of reference to discuss the budget of an O.A.U. body which is not directly responsible to the Council but to the Assembly of Heads of State. The Committee ruled that it can, by virtue of its terms of reference, examine the budget of the Commission of Mediation, Conciliation and Arbitration since it is charged with the responsibility of scrutinizing all financial proposals of the Organization.

However, in considering the budget the Committee agreed that the salaries of the President of the Commission and the Vice-President should be considered by the Council of Ministers directly and that the salaries of all other staff of the Commission should conform to the salary structure of the General Secretariat. The budgets, as adopted by the Committee, are contained in documents CM/188 and CM/188 Add.1.

34. Consideration of the Supplementary Budget for -

- (a) Attendance at approved meetings
- (b) OAU Consultative Committee on Nigeria
- (c) OAU Ad Hoc Committee on Mercenaries.

The Assistant Secretary-General informed the Committee that a supplementary budget had become necessary because of some decisions taken by the Ninth Session of the Council and the Fourth Summit of the Heads of State in Kinshasa. At these meetings the General Secretariat had been authorized to participate in some international organizations meetings. The Heads of State had also set up two important Committees, the

Consultative Committee on Nigeria and the Ad Hoc Committee on Mercenaries. These were not budgeted for and, therefore, a supplementary budget was necessary. The Committee after studying the list of the meetings to be attended by the General Secretariat's officials and after listening to the Administrative Secretary-General who informed the Committee on the generosity of the Government of the Democratic Republic of the Congo relating to the expenditure so far on the Ad Hoc Committee on Mercenaries, approved the supplementary budget with some amendments.

35. Approval for the Over-expenditure and Unauthorized Expenditure incurred in 1966/67 financial year.

The Committee had earlier directed at the Bathurst meeting that the General Secretariat should seek approval for the over-expenditure and the unauthorized expenditure revealed in the statement on actual expenditure relating to the financial year 1966/67 as contained in document CM/158. The General Secretariat submitted a list on such expenditure and the Committee in approving them directed the General Secretariat to avoid such situations in future and where it becomes unavoidable the General Secretariat should, in seeking authority for such approval, quote savings.

36. Scale of Assessment.

The Chairman in opening discussion on this item observed that at long last the General Secretariat, in co-operation with the Kenyan expert, had succeeded in submitting a good report which deserves careful study by members of the Committee. In introducing the document CM/179 the Assistant Secretary-General spoke at some length explaining the various principles adopted in the calculation of the Scale of Assessment being recommended. He emphasized that the document was the result of an exercise in which the required figures were not available in respect of some countries. Therefore, the scale being recommended was for temporary use only subject to future review as may be directed by the Council of Ministers. The Committee after a short discussion agreed by general consensus to recommend the scale proposed by the General Secretariat to the Council.

37. Financing of the South West Africa Case.

The Committee took note of the report and asked the General Secretariat to pursue the matter with the Government of Liberia and report to the next Council of Ministers meeting.

38. Amortization of the O.A.U. Buildings in Lagos (STRC).

The Committee adopted the report presented by the General Secretariat on this subject and agreed that the General Secretariat should take action as recommended in the report.

The Committee also recommended that the Liquidators appointed by the Council of Ministers to investigate the assets of the former CCTA should make a detailed report on this subject.

39. Implementation of the Financial and Budgetary Decisions of the Council of Ministers adopted at Kinshasa based on the recommendations of the Advisory Committee at its meeting in Bathurst.

(a) Study of the general salary structure of the General Secretariat.

The Committee requested the Secretariat to expedite the work on the salary structure of the General Secretariat and submit a report to the Committee for study and submission to the Council of Ministers in September.

(b) Subvention to the High Sports Council of Africa.

The Committee did not agree with the explanation made by the General Secretariat and requested the General Secretariat to pay from its funds the sum of £20,000 to the High Council of Sports in Africa.

(c) Rent reduction of the Administrative Secretary-General's Residence

The Committee directed the General Secretariat to get in touch with the Landlord of the Administrative Secretary-General's residence and submit the result of the contacts made.

(d) Permanent Technical Staff.

The Administrative Secretary-General was directed by the Committee to recruit permanent technical staff with a view to making economies.

(e) Resolutions and Decisions involving Finance.

The Assistant Secretary-General explained to the Committee that while the General Secretariat would do its best to ensure that decisions having financial implications are made with provisions for finance, in the final analysis, it is the Council of Ministers that can ensure that decisions involving finance are not made without financial provisions. In this connection, he stressed the part that could be played by the Committee in assisting the General Secretariat to advise the Council on such matters. The Committee agreed whenever necessary the attention of the Council of Ministers be drawn to any resolutions or decisions which might involve financial implications.

40. Any other business.

In winding up the meeting which closed at about 5.30 p.m, on the 22nd of December, 1967, the Chairman expressed his thanks to the Members of the Committee for their effective co-operation, to the Administrative Secretary-General and his staff for their assistance and also to all the Technical staff that provided the services necessary for the success of the meeting.

1968-02

Rapporteur's report of the Fifth Ordinary Session of the Advisory Committee on Budgetary and Financial Matters held in Addis Ababa, 18th -22nd Dec. 67

Organization of African Unity

Organization of African Unity

<https://archives.au.int/handle/123456789/7313>

Downloaded from African Union Common Repository