

DECISION ON THE REPORTS OF THE PERMANENT REPRESENTATIVES' COMMITTEE (PRC) SUB-COMMITTEES

The Executive Council,

1. TAKES NOTE of the Reports of the Permanent Representatives' Committee (PRC) Sub-Committees;

I. THE SUB-COMMITTEE ON PROGRAMMES AND CONFERENCES, THE SUB-COMMITTEE ON GENERAL SUPERVISION AND COORDINATION ON BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS AND THE EXPERTS OF F15 - Doc. EX.CL/1077(XXXIII)

2. TAKES NOTE of the submission by the Commission of the Report on the Administration and Human Resources Management and **REQUESTS** the Commission to proceed with a thorough review of its Administration and Human Resources Management matters and come up with recommendations and implementation plan for submission to February 2019 Summit through the relevant PRC Sub-Committees;

3. DECIDES as follows:

On African Union Commission Medium-Term Plan (MTP) 2018-2023

(i) **ADOPTS** the MTP 2018-2023 as a general framework of programmes and activities of the Commission;

(ii) **UNDERTAKE** a mid-term review of the MTP to accommodate occurring changes, including the progress on the Reform process, in accordance with the relevant Assembly Decisions;

(iii) **REQUESTS** the Commission to align its budget with the MTP for the period 2018-2023.

II. SUB-COMMITTEE ON AUDIT MATTERS

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4. RECALLS the principles of good governance, accountability and transparency enshrined in the relevant legal instruments of the African Union;

5. EXPRESSES deep concern on the findings contained in the Report of the Board of External Auditors;

6. REQUESTS the Commission:

- (i) to strengthen the mitigation measures of the diagnostic report on the low execution rate;
- (ii) to clarify the situation regarding the amount due for unused air tickets, and the outstanding amount owed by the Commission;
- (iii) to establish a coordination mechanism between the Sub-Committees in charge of budget and audit, respectively;
- (iv) to set up a monitoring mechanism to ensure implementation of recommendations of the audit report;
- (v) to take punitive action against staff and to report to the Executive Council on any required actions to be taken against Elected Officials found guilty of financial malpractices;
- (vi) to extend operations audit to all AU Organs;
- (vii) to expedite the undertaking of an independent audit of the funds previously held with ALICO, including individual statements of accounts in order to determine the status of funds with JP Morgan Chase;
- (viii) to undertake a study of the existing Provident Fund and the modalities to create a Pension Fund. The study should also include the legal implications and available options to ensure optimum benefit to the AU and its staff members and should benefit from the experiences of similar schemes run by reputable intergovernmental organizations such as the UN Joint Staff Pension Fund, the AfDB Pension Fund;
- (ix) to identify a Pension Fund to be managed by a secured African Financial Institution that guarantees best value for return on investments and high yield interest rates;
- (x) to amend the Terms of Reference and expand the mandate of the Board of External Auditors in order to carry out an operations audit in certain areas as and when required.

7. **REQUESTS** the Commission to report on the implementation of para 6 of this decision during the February 2019 Summit.

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

8. **RECALLS** Decision EX.CL/Dec.979(XXX) that requested an investigation to be carried out on recent recruitments at the Pan-African Parliament (PAP)

9. **TAKES NOTE** of the investigation report on PAP Recruitments and **ADOPTS** the recommendations contained therein;
10. **EXPRESSES** concern about the irregularities raised in the investigation report on the recruitment process at the PAP;
11. **DIRECTS** the Commission to take the necessary measures to address the irregularities in appointments and recruitments in the PAP that were in violation of the AU Staff Regulations and Rules;
12. **REQUESTS** the Commission and the PAP to implement all other recommendations contained in the investigation report, and report to the AU Summit in February 2019, accordingly;
13. **ALSO REQUESTS** the Commission to carry out audits on Human Resources recruitment processes within the Commission and its Offices, and all AU Organs and report back to the Executive Council at the February 2019 Summit;

IV. ON THE AU AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. **COMMENDS** the work of the AU Board of External Auditors ;
15. **CALLS UPON** all AU Organs to address the issues raised under their respective Audited Financial Reports for the year ended 31 December 2017 and prior years, and ensure accountability and non-recurrence of these issues;
16. **REQUESTS:**
 - A. **The African Commission on Human and Peoples' Rights (ACHPR)**

to continue working with the AU Commission to find a lasting solution for the recruitment of necessary staff for implementation of the European Union funded project.
 - B. **The African Court on Human and Peoples' Rights (AfCHPR)**

to ensure adequate implementation of all the audit recommendations and consult with the Commission on those recommendations which are outside their control to ensure full implementation.
 - C. **NEPAD Agency**
 - (i) to recover housing allowances from the salaries of the respective staff, if found in violation of the AU Rules and Regulations, and to hold those responsible accountable;

- (ii) to include Member States' voluntary contribution in the proposed budget for approval of the Executive Council, as per requirement of the AU Financial Rules and Regulations.

D. The Pan-African Parliament (PAP)

to enter into framework agreements with hotels and other service providers through a competitive procurement process in order to address the issues of subsequent price changes and cost variations.

E. The African Union Commission

- (i) to take concrete steps to ensure that ALICO's contract is terminated and conclusive actions are taken to fully implement necessary formalities with the new service provider, taking into account best practices of other similar international organizations;
- (ii) to expedite the AU-wide asset valuation and make sure that it is completed before the end of year 2018.

F. The AU Advisory Board on Corruption (AUABC)

to hold any person responsible for violating the AU Financial Rules and Regulations accountable, and to take sanctions, as stipulated in the AU Staff Regulations and Rules, against the sponsorship of the Master's degree outside the AU Staff Regulations and Rules;

17. REQUESTS the Commission to:

- (i) ensure accountability and to address impunity;
- (ii) finalize the write-off policy;
- (iii) organize meetings of the PRC with the Board of External Auditors;
- (iv) present the audit reports prior to the consideration of the budget;
- (v) ensure the harmonization of the asset recognition thresholds between the Commission and other AU Organs.

18. CALLS ON AU bodies, in particular NEPAD and AfCHPR, which receive support from the Host Governments to include such support in their Financial Statements;

19. URGES the PRC to amend the AU Financial Rules and Regulations as well as the AU Staff Regulations and Rules to clearly define and demarcate the roles and responsibilities of the elected officials from those of the Organ's Secretariats;

20. **REQUESTS** the PRC to report to the Executive Council at its meeting of February 2019 on the actions taken, in accordance with the AU financial Rules and Regulations, to address the issues highlighted in the AUABC's report;
21. **INSTRUCTS** the Commission to publish the 2017 Audited Financial Statements of AU organs including consolidated statements on the AU website;
22. **REQUESTS** the Commission to report on the implementation of this decision during the AU Summit of February 2019.