

**DECISION ON AUDIT MATTERS**  
**Doc. EX.CL/992(XXX)iii**

**The Executive Council,**

- 1. TAKES NOTE** of the Report of the PRC Sub-Committee on Audit Matters and, **ENDORSES** the recommendations contained therein;

**ON THE FINANCIAL STATEMENTS OF THE AU ORGANS AND AGENCIES FOR THE YEAR ENDED 31 DECEMBER 2015**

- 2. CALLS UPON** each of the AU organs (i.e. African Union Commission-AUC, Pan African Parliament-PAP, NEPAD Planning and Coordinating Agency-NPCA, African Court on Human and Peoples' Rights-AfCHPR, African Commission for Human and Peoples' Rights ACHPR, and African Union Advisory Board on Corruption-AUABC) to:

- i) address the issues raised under their respective Audited Financial Reports;
- ii) ensure that corrective actions are undertaken to resolve the weaknesses observed by the AU Board of External Auditors (BOEA); and
- iii) prepare a roadmap on the implementation of IPSAS to ensure full compliance by the year 2018 as per the International Public Sector Accounting Standards (IPSAS) requirements.

- 3. REQUESTS** the Commission to:

- i) publish the 2015 Audited and Approved Financial Statements on the AU website in compliance with IPSAS requirements; and
- ii) report on the implementation of this decision during the AU Summit of July 2017.

**ON THE AUDIT OF AU GENERAL & RESERVE FUND AS AT 31<sup>ST</sup> DECEMBER 2015**

- 4. DIRECTS** the Commission to address the issues raised by the PRC including the following:

- i) Address the issues raised in the audit report and implement the recommendations accordingly;
- ii) Undertake, annually, a complete audit of the two abovementioned Funds and report to the PRC through its Sub-Committee on Audit Matters accordingly;
- iii) Always submit requests for approval to PRC before passing payments to the General and Reserve Funds as per the requirements of the AU Financial Rules and Regulations.

5. **DIRECTS** the AU organs to ensure implementation of the Matrix on Implementation of Audit Recommendations in line with **Decision EX.CL/Dec. 877(XXVII)** adopted by the Executive Council;
6. **DIRECTS** the AU Board of External Auditors to carry out a complete audit of the General and Special Funds for the period 2009-2015 and submit a report to the Executive Council through the PRC;
7. **ALSO DIRECTS** the AU Board of External Auditors to:
  - i) conduct an investigation on the irregularities identified in the audit report of the General and Reserve Funds (2009-2015) with a view to establishing responsibilities;
  - ii) investigate the culprits of financial mismanagement and make appropriate recommendations for consideration by the Executive Council through the PRC;
8. **FURTHER DIRECTS** the Commission to report on the implementation of this decision during the next Session in July 2017;

**ON THE AUDIT OF COMMISSION BUDGET PERFORMANCE FOR THE PERIOD 1 JANUARY - 30 JUNE 2016**

9. **DIRECTS** the Commission to address the issues raised by the PRC including the following matters:
  - i) Implementation of the decision on financing the Union should be pursued vigorously for funding the Union's programmes to ensure availability and predictability of funds;
  - ii) Engage Partners on Overall Programme Budget Support to the Union rather than financing of individual projects and/or budget lines;
  - iii) Put in place effective systems and measures to improve budget execution and performance;
  - iv) Strictly comply with the AU Financial Rules and Regulations with regards to approval of supplementary budget.
- 10- **URGES** Member States to honour their assessed contributions in a timely manner to enable the Commission implement its projects effectively and efficiently;
11. **DIRECTS** the Commission to report on the implementation of this decision during the next ordinary session in July 2017.