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AUDIT REPORTS RELATING TO EXPENDITURE BY THE SPECIALIZED  
AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

Consolidated status of funds of the United Nations Development  
Programme Account as at 31 December 1969

Report of the Advisory Committee on Administrative and Budgetary  
Questions to the General Assembly at its twenty-fifth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the annual accounts showing the consolidated financial position of the United Nations Development Programme (UNDP) Account and its subsidiary accounts, and the related report of the Board of Auditors,<sup>1/</sup> which have been transmitted to it in accordance with Regulation 15.3 of the Financial Regulations and Rules of the United Nations Development Programme.
2. The accounts have been drawn up in accordance with Regulations 3.1 and 3.2 of the Financial Regulations and Rules, which require the establishment of a UNDP Account with subsidiary accounts for Technical Assistance, Special Fund, Revolving Fund, Administrative Budget and separate accounts for each Trust Fund established by the Governing Council. Prior to the accounts for 1969, the information had been provided in two separate statements, one relating to the Technical Assistance Account and the other to the Special Fund Account.
3. The consolidated statement shows that the funds available to the Programme in 1969 amounted to \$461,977,236. Commitments incurred during 1969 totalled

1/ Official Records of the General Assembly, Twenty-fifth Session,  
Supplement No. 25 (A/8025).

\$257,168,930. After allowing for \$59,430,730 transferred to reserve for unencumbered allocations, the balance of funds available as at 31 December 1969 over commitments incurred and reserve for unencumbered allocations stood at \$145,377,576. As at 31 December 1969 the reserve for unencumbered allocations stood at \$313,277,937, of which \$251,038,482 related to the Special Fund and \$62,239,455 to Technical Assistance.

4. The combined statement showing the status of funds of the participating and executing agencies<sup>2/</sup> of the United Nations Development Programme (Special Fund) Account is contained in annex I of document A/8025. The balance of allocations and other available funds totalled \$233,839,162 at 31 December 1969, as against \$237,443,177 at 31 December 1968.

5. The Advisory Committee noted that, pursuant to Regulation 12.1 of the Financial Regulations and Rules of UNDP as revised to reflect changes in Technical Assistance programming procedures approved by the UNDP Governing Council at its seventh session with effect from 1 January 1969, the Administrator may allocate funds to cover technical assistance projects for a maximum duration of four years. As the Board of Auditors indicates in paragraph 4 of its report, the previous biennial surrender by participating and executing agencies to UNDP of the unobligated balances of allocations and the annual reversion to UNDP of savings on liquidation of obligations are no longer required for funds allocated in 1969 and subsequent years. The combined statement showing the status of the funds of the participating and executing agencies and of the Administrator for the United Nations Development Programme (Technical Assistance) Account, is given in annex IV. It shows that the unencumbered balance of the funds at 31 December 1969 stood at \$64,027,561.

6. The audited accounts of the participating and executing agencies, accompanied by the reports of the external auditors, submitted in accordance with Regulation 15.2 of the Financial Regulations and Rules of UNDP, are contained in annex V to XVI.

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<sup>2/</sup> Food and Agriculture Organization of the United Nations, Inter-American Development Bank, International Atomic Energy Agency, International Bank for Reconstruction and Development, International Civil Aviation Organization, International Labour Organisation, International Telecommunication Union, United Nations Educational, Scientific and Cultural Organization, United Nations, United Nations Industrial Development Organization, Universal Postal Union, World Health Organization, World Meteorological Organization.

7. The Advisory Committee noted that the External Auditor of one agency draws attention to his report to over-commitments in respect of twenty-nine projects in a total amount of \$899,517; of that amount \$420,000 related to eleven projects where there appeared to have been a failure to review the funding position of the projects until late in the year.

8. In the case of another agency, the Advisory Committee recalled that in paragraph 4 of its forty-second report to the General Assembly at its twenty-fourth session,<sup>3/</sup> it had drawn attention to the observation made by the external auditor that there were discrepancies, totalling over \$40,000, between certain balances in the UNDP accounts and those shown by the agency's own accounts. These discrepancies were explained as arising from overlapping closure of accounts at year end. The external auditor had recommended that the two parties should try to minimize such cases. The Advisory Committee notes that for 1969, the discrepancies amounted to \$33,770.

9. The report of the Board of Auditors on the consolidated status of funds of UNDP as at 31 December 1969 was submitted very late in the session of the General Assembly. The Advisory Committee would urge that the necessary steps be taken to ensure that future reports be submitted earlier in the session so as to make it possible for the Fifth Committee to consider them in detail.

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