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Agenda item 109

FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS

Draft resolution submitted by the Chairman following informal consultations

The General Assembly,

Having considered the financial reports and audited financial statements for the United Nations for the biennium ended 31 December 1985 1/ and the financial reports and audited financial statements for the year ended 31 December 1985 for the United Nations Development Programme, 2/ the United Nations Children's Fund, 3/ the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 4/ the United Nations Institute for Training and Research, 5/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 6/ the United Nations Environment Programme, 7/ the United Nations Fund for Population

1/ Official Records of the General Assembly, Forty-first Session, Supplement No. 5 (A/41/5 and Corr.1), vol. I, sects. I and V; vol. II, sects. I and V; and vol. III, sects. I and V.

2/ Ibid., Supplement No. 5A (A/41/5/Add.1), sects. I and VI.

3/ Ibid., Supplement No. 5B (A/41/5/Add.2 and Corr.1), sects. I and V.

4/ Ibid., Supplement No. 5C (A/41/5/Add.3), sects. I and V.

5/ Ibid., Supplement No. 5D (A/41/5/Add.4), sects. I and VI.

6/ Ibid., Supplement No. 5E (A/41/5/Add.5), sects. I and V.

7/ Ibid., Supplement No. 5F (A/41/5/Add.6), sects. I and I and IV.

Activities, 8/ the United Nations Habitat and Human Settlements Foundation, the United Nations Industrial Development Fund, 9/ and the audit opinions of the Board of Auditors, 10/ and the report of the Advisory Committee on Administrative and Budgetary Questions, 11/

Concerned with the inadequate action taken by the executive heads of some of the organizations audited to remedy the serious financial management problems repeatedly identified by the Board of Auditors,

Also concerned by the frequently inadequate responses given by some of the executive heads to questions raised by the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions,

Taking into consideration the views expressed by delegations during the debate in the Fifth Committee on this item and, in particular, those views in support of measures to improve the efficiency, management and financial control of the United Nations organizations and programmes concerned,

1. Accepts the financial reports and audited financial statements and the audit opinions of the Board of Auditors;

2. Endorses the comments and observations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions as contained in their respective reports;

3. Requests the Secretary-General and the executive heads of United Nations organizations and programmes concerned:

(a) To take without delay remedial action within their competence in response to the comments and observations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions, and to report thereon to their governing bodies;

(b) To review internal control procedures relating to the benefits and allowances received by United Nations staff members and to take the necessary measures to improve internal control procedures with a view to preventing waste, fraud and abuse and to report thereon, through the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions, to the General Assembly at its forty-second session;

8/ Ibid., Supplement No. 5G (A/41/5/Add.7), sects. I and VI.

9/ Ibid., Supplement No. 5H (A/41/5/Add.8), sects. I and IV.

10/ Ibid., Supplement No. 5I (A/41/5/Add.9), sects. I and V.

11/ A/41/632.

4. Requests the Secretary-General:

(a) To take steps to improve the accuracy of United Nations accounting information and the timeliness with which it becomes available to the Headquarters of the Organization;

(b) To undertake an investigation of the Headquarters catering and gift-shop operations and to report thereon, through the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions, to the General Assembly at its forty-second session;

(c) To take the necessary steps to improve the financial management in the area of the current arrangements for the provision of travel services;

(d) To submit to competitive bidding, upon its expiration, the contract for the maintenance and operation of electrical equipment at Headquarters;

5. Recommends that all future reports of the Board of Auditors include separate sections which:

(a) Summarize recommendations for corrective action for implementation by the organizations and programmes concerned, with an indication of relative urgency;

(b) Report on specific measures taken by the Secretary-General and executive heads to implement previous recommendations of the Board, and to comment on the efficacy of such measures and the extent to which there are recurring problems;

6. Requests the Advisory Committee on Administrative and Budgetary Questions to comment in its report on the progress achieved by the Secretary-General and the executive heads or organizations and programmes in implementing previous recommendations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions;

7. Also requests the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions to cover in their reviews the areas relating to the adequacy and efficiency of the financial procedures and controls, the accounting system and related administrative and management areas in accordance with regulation 12.5 of the Financial Regulations of the United Nations, and to recommend measures, as appropriate, to strengthen financial and management control procedures;

8. Further requests the Board of Auditors:

(a) To monitor progress on those aspects referred to in paragraph 4 (a) above, relating to the accounting systems of the United Nations and to comment thereon in its next report to the General Assembly;

(b) To submit to the General Assembly a concise document summarizing its principal findings and drawing conclusions for remedial action;

9. Also requests the Board of Auditors to study the possibility of submitting reports on a biennial basis and to report on this matter to the General Assembly;

10. Requests the governing bodies of all organizations subject to audits by the United Nations Board of Auditors to review thoroughly at their regular sessions the report of the Board of Auditors, the report of the Advisory Committee on Administrative and Budgetary Questions, the related comments made in the Fifth Committee and the remedial action planned or taken by the respective executive heads in response to the comments and observations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions as approved by the General Assembly;

11. Invites Governments that are represented on the governing bodies of organizations and programmes for which audited financial statements have been considered by the General Assembly to ensure that their representatives on those bodies give full consideration to the reports of the Board of Auditors, of the Advisory Committee on Administrative and Budgetary Questions and to the related comments made in the Fifth Committee of the General Assembly.
