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FINANCIAL REPORTS AND ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 1969
AND REPORTS OF THE BOARD OF AUDITORS

Report of the Fifth Committee

Rapporteur: Mr. Mohamed EL BARADEI (United Arab Republic)

1. At its 1385th meeting, held on 16 November 1970, the Fifth Committee considered the financial reports and accounts for the year ended 31 December 1969 and the reports of the Board of Auditors for the United Nations,^{1/} 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/} and the voluntary funds administered by the United Nations High Commissioner for Refugees.^{6/}
2. The related report of the Advisory Committee on Administrative and Budgetary Questions (A/8150) covering the six sets of financial reports and accounts, and the note by the Secretary-General with a consolidated statement of accounts (A/C.5/1323) were also before the Committee.

^{1/} Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 7 (A/8007).

^{2/} Ibid., Supplement No. 7 A (A/8007/Add.1).

^{3/} Ibid., Supplement No. 7 B (A/8007/Add.2).

^{4/} Ibid., Supplement No. 7 C (A/8007/Add.3).

^{5/} Ibid., Supplement No. 7 D (A/8007/Add.4).

^{6/} Ibid., Supplement No. 7 E (A/8007/Add.5).

3. The Chairman of the Board of Auditors presented the reports in an oral statement before the Fifth Committee.

4. One delegation commended the Board for the quality of its examination and reporting on the several United Nations reports and accounts. The Board's constructive recommendations for improved management and administrative operation, as well as those on financial matters, had increased the efficiency of the United Nations organizations and had helped to create confidence in the effectiveness of United Nations programmes; this was especially true of its management audits. This confidence would be further bolstered by evidence that the Secretariat would follow up the recommendations of the auditors. In the opinion of this delegation, the increased complexity and volume of United Nations programmes, as was apparent in volume III of the budget estimates for 1971,^{7/} made the need for an external management review of this nature, as recommended by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, more evident than ever before. Accordingly, this delegation believed that should the Ad Hoc Committee be reactivated it might wish to review the question of improved arrangements for external review and evaluation in the United Nations system.

5. Concern was expressed by one delegation regarding the administration, internal control and accounting weaknesses in the recording of transactions and maintenance of proper records relating to the conference facilities at the Palais des Nations in Geneva, as noted by the Board of Auditors in paragraph 34 of its report.^{8/} This delegation hoped that immediate steps would be taken to avoid a recurrence of such weaknesses at the Palais des Nations or elsewhere.

6. Another delegation, while concurring in the approval of the financial reports and accounts submitted by the Board of Auditors for 1969, reiterated its objection to the inclusion in the regular budget for 1969 of expenditures related to the financing of the repayment of amortization and interest charges on United Nations bonds, of the United Nations Cemetery in Korea, of the United Nations Commission for the Unification and Rehabilitation of Korea and of sections 13 and 14, Technical programmes. This delegation considered the inclusion of these items of expenditure in the budget to be in contravention of the Charter of the United Nations.

7/ Ibid., Supplement No. 6 (A/8006).

8/ Ibid., Supplement No. 7 (A/8007), part two.

RECOMMENDATIONS OF THE FIFTH COMMITTEE

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Financial reports and accounts for the
financial year ended 31 December 1969
and reports of the Board of Auditors

A

United Nations

The General Assembly

1. Accepts the financial report and accounts of the United Nations for the financial year ended 31 December 1969 and the certificates of the Board of Auditors;^{9/}
2. Concurs in the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report to the General Assembly at its twenty-fifth session.^{10/}

B

United Nations Development Programme

The General Assembly

1. Accepts the financial report and accounts of the United Nations Development Programme for the financial year ended 31 December 1969 and the certificates of the Board of Auditors;^{11/}
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report to the General Assembly at its twenty-fifth session.^{12/}

^{9/} Ibid., Supplement No. 7 (A/8007).

^{10/} A/8150.

^{11/} Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 7 A (A/8007/Add.1).

^{12/} A/8150.

C

United Nations Children's Fund

The General Assembly

1. Accepts the financial report and accounts of the United Nations Children's Fund for the financial year ended 31 December 1969 and the certificates of the Board of Auditors;^{13/}
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report to the General Assembly at its twenty-fifth session.^{14/}

D

United Nations Relief and Works Agency for
Palestine Refugees in the Near East

The General Assembly

1. Accepts the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the financial year ended 31 December 1969 and the certificates of the Board of Auditors;^{15/}
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report to the General Assembly at its twenty-fifth session.^{16/}

E

United Nations Institute for Training and Research

The General Assembly

1. Accepts the accounts of the United Nations Institute for Training and Research for the financial year ended 31 December 1969 and the certificates of the Board of Auditors;^{17/}

^{13/} Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 7 B (A/8007/Add.2).

^{14/} A/8150.

^{15/} Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 7 C (A/8007/Add.3)

^{16/} A/8150.

^{17/} Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 7 D (A/8007/Add.4).

2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report to the General Assembly at its twenty-fifth session.^{18/}

F

Voluntary funds administered by the United Nations
High Commissioner for Refugees

The General Assembly

1. Accepts the accounts of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the financial year ended 31 December 1969 and the certificates of the Board of Auditors;^{19/}

2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report to the General Assembly at its twenty-fifth session.^{20/}

^{18/} A/8150.

^{19/} Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 7 E (A/8007/Add.5).

^{20/} A/8150.