

UNITED



NATIONS

**FINANCIAL REPORTS
AND ACCOUNTS**
for the year ended 31 December 1954
and
REPORTS OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS : TENTH SESSION

SUPPLEMENT NO. 6 (A/2901)

NEW YORK, 1955

(55 p.)

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NOTE

All United Nations documents are designated by symbols, i.e., capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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PART I. UNITED NATIONS

LETTER OF TRANSMITTAL

5 May 1955

Sir,

I have the honour to transmit the United Nations financial statements which were submitted by the Secretary-General with respect to the financial year ended 31 December 1954. These statements have been examined and certified.

In accordance with the resolution of the General Assembly, I have the honour to present the report of the Board of Auditors with respect to the 1954 accounts of the United Nations.

Accept, Sir, the assurances of my highest consideration.

(Signed) Watson SELLAR
On behalf of the Board of Auditors

THE PRESIDENT OF THE GENERAL ASSEMBLY
OF THE UNITED NATIONS

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1954

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1954

1. I submit herein my financial report, accompanied by the audited accounts for the year ended 31 December 1954 and the report of the Board of Auditors.

Budgetary position

2. Obligations incurred for the year 1954 amounted to \$48,510,009 compared with total appropriations of \$48,528,980. The obligations incurred were less than income credited for the year, represented by Members' contributions and miscellaneous income earned, by \$123,189. This amount consists of the excess of miscellaneous income earned over the estimates, on which the assessment of contributions was based, \$104,218, and savings on the appropriations amounting to \$18,971 as shown by statement I.

3. The balance on surplus account at 31 December 1954 was \$1,421,792. Of this amount \$1,193,070 was credited to Members' contributions for 1955 and \$228,722 is the balance, available for credit to Members against 1956 contributions. These two amounts are made up as follows:

Credited against 1955 contributions:	\$
Savings effected in 1954 in liquidating prior years' obligations	300,828
Balance of surplus for 1953	892,242
	<u>1,193,070</u>
Available for credit against 1956 contributions:	\$
Savings on 1954 appropriations	18,971
Savings in 1954 in liquidating prior years' obligations, \$406,361 less \$300,828 applied against 1955 contributions	105,533
Excess of miscellaneous income credited for 1954 over the approved estimate	104,218
	<u>228,722</u>

Income

4. The amount credited as income from Members' contributions for 1954, \$41,768,980, consists of \$41,067,110 assessed in 1954 in respect of the original appropriations (less estimated miscellaneous income), and \$701,870 on account of the supplementary appropriations, provision for which is included in the assessments for 1955. A statement of the basis of assessments for 1954 and details of the assessments against each Member State are given in schedule A.

5. Miscellaneous income totalled \$6,864,218, and thus exceeded the approved estimate of \$6,760,000 by \$104,218. Details of miscellaneous income compared with the approved estimates are as follows:

	<i>Approved estimate \$</i>	<i>Actual income \$</i>
Staff assessment.....	4,686,400	4,664,780
Sales of United Nations postage stamps.....	435,000	377,971
Reimbursement for staff and services furnished to specialized agencies and others.....	374,200	356,372
Sales of publications.....	304,500	343,447
Rental income (space charges).....	302,500	320,049
Guided tours.....	200,000	211,433
Income on investments.....	125,000	181,875
Contributions from non-member States.....	56,500	63,444
Refunds of prior years' expenditures.....	50,500	55,106
United Nations Gift Centre.....	50,000	83,209
Sales of used furniture and equipment.....	41,300	43,700
Payments against special sale of furniture, etc., in 1947.....	38,000	114,825
Film and television revenue.....	30,000	12,355
Interest earned on notes, deposits, etc.....	16,100	9,670
Other income.....	50,000	25,982
	<u>6,760,000</u>	<u>6,864,218</u>

6. Increases over the estimates were recorded in respect of the majority of items, the more significant being on sales of publications (\$38,947), income on investments (\$56,875), the Gift Centre (\$33,209) and in connexion with the payments against the special sale of furniture in 1947 (\$76,825). This last item results from the fact that a final settlement was made in 1954, and consequently the income reported includes the instalments which otherwise would have fallen due for payment in 1955 and 1956.

The main shortfall in income occurred in sales of United Nations stamps, which realized some \$57,000 less than the estimate. Of this amount about \$20,000 is to be ascribed to the shortfall in sales at the London office. Nevertheless, the total income from sales of United Nations stamps in 1954 was slightly in excess of the figure reported for 1953.

Budget appropriations and obligations incurred

7. The budget appropriations for 1954, totalling \$48,528,980 as revised under resolution 881 (IX), were subsequently modified by transfers between sections amounting to \$172,150, as follows:

	<i>Decrease</i> \$	<i>Increase</i> \$
(a) In accordance with the authorization granted in paragraph 3 (i) of resolution 786 (VIII)		
<u>Section</u>		
13 Department of Public Information		6,000
21 Information centres	6,000	
	<hr/> 6,000	<hr/> 6,000
(b) In accordance with the authorization granted in paragraph 3 (ii) of resolution 786 (VIII), with the concurrence of the Advisory Committee on Administrative and Budgetary Questions		
<u>Section</u>		
1. The General Assembly, Commissions and Committees....		37,000
3. The Economic and Social Council, Commissions and Committees	8,000	
3b. Regional Economic Commissions.....	7,000	
5. Investigations and inquiries.....	47,000	
6a. Library	2,150	
7. Department of Political and Security Council Affairs.....	10,500	
8. Military Staff Committee secretariat.....	1,000	
10. Department of Economic Affairs.....	17,500	
11. Department of Social Affairs.....	16,000	
12. Department of Trusteeship and Information from Non-Self-Governing Territories.....	3,000	
14. Legal Department.....	4,000	
15. Conference and General Services.....	3,000	
17. Common staff costs.....		42,750
18. Common services.....		58,650
20. European Office of the United Nations.....		8,500
20a. Office of the United Nations High Commissioner for Refugees		4,250
21. Information centres.....	18,000	
22. Economic Commission for Asia and the Far East.....	21,000	
23. Economic Commission for Latin America		15,000
25. Official Records.....	2,000	
26. Publications	4,000	
32. International Court of Justice.....	2,000	
	<hr/> 166,150	<hr/> 166,150
TOTAL	<hr/> 172,150	<hr/> 172,150

Obligations incurred during 1954 totalled \$48,510,009, thus showing savings on appropriations of \$18,971. Unliquidated obligations as at 31 December 1954 amounted to \$3,626,693, which includes \$523,680 retained as a valid obligation in accordance with the authorization granted in paragraph 2 of resolution 881 (IX); this amount represents the estimated costs under contracts for improvements to premises entered into in 1954 but in respect of which services are being rendered in 1955.

8. Details of the appropriations by sections as modified, the related obligations incurred and the unobligated balances which represent savings on the appropriations, are shown in statement I. The obligations incurred in 1954, together with comparative figures for 1953, are broadly summarized as follows:

	1954		1953	
	Amount \$	Per cent	Amount \$	Per cent
Salaries, wages and other staff costs.....	34,068,678	70.23	34,242,707	69.47
Travel and transportation.....	1,928,334	3.97	2,113,100	4.29
Printing.....	1,439,365	2.97	1,496,339	3.03
Rental and maintenance of premises.....	2,558,813	5.27	2,389,668	4.85
Technical programmes.....	1,779,600	3.67	1,779,600	3.61
Acquisition of capital assets.....	2,171,665	4.48	3,149,466	6.39
Other charges.....	4,005,898	8.26	3,536,135	7.17
	<u>47,952,353</u>	<u>98.85</u>	<u>48,707,015</u>	<u>98.81</u>
International Court of Justice.....	557,656	1.15	585,537	1.19
	<u>48,510,009</u>	<u>100.00</u>	<u>49,292,552</u>	<u>100.00</u>

The amount shown for travel and transportation comprises the following major categories:

	1954 \$	1953 \$
Travel of representatives and delegates.....	519,882	604,937
Travel and subsistence of observers and staff assigned to investigations and inquiries, and to meetings of various official bodies.....	911,703	1,053,131
Local transportation costs (including hire and other charges for aircraft used on missions).....	222,253	192,272
Other travel on official business.....	274,496	262,760
	<u>1,928,334</u>	<u>2,113,100</u>

Further details of the obligations incurred under the various parts of the appropriations for 1954 will be found in the following paragraphs, together with comparative figures for 1953 and explanatory comments on matters of particular interest.

9. *Part I. Sessions of the General Assembly, the Councils, Commissions and Committees:* \$887,947.

The total obligations incurred under this heading in 1954 were less by some \$235,000 than the charges for 1953. The principal decreases were (a) in the costs attributed to the General Assembly sessions which, at \$593,701, represented a reduction of some \$127,000, due mainly to the fact that 1953 costs included \$68,808 in respect of the continuance into 1953 of the seventh session, while costs of temporary assistance for the ninth session were less by some \$34,000 as compared with the eighth session; (b) in costs of the Economic and Social Council, commissions and committees, where the reduction of some \$111,000 is a reflection of the fewer meetings of subsidiary bodies during 1954; and (c) in costs of the meetings of the Regional Economic Commissions, where a reduction of some \$47,000 in the main results from the fact that no full meeting of the Economic Commission for Latin America was held in 1954.

On the other hand, the obligations incurred for the Security Council and its Commissions and Committees amounted to \$58,652 in 1954, as against "nil" in 1953, representing the charges in respect of the London meeting of the Sub-Committee of the Disarmament Commission.

Under section 4 (the Trusteeship Council, Commissions and Committees) the obligations incurred, amounting to \$50,110, represent the costs of the 1954 Visiting Mission to East Africa. This compares with total charges under this section in 1953 of \$56,510, mainly consisting of \$53,274 for the 1953 Visiting Mission to the Pacific.

10. *Part II. Investigations and inquiries: \$2,525,297.*

The costs for 1954 with comparative figures for 1953 are summarized below:

	<i>Salaries and wages \$</i>	<i>Travel and transport \$</i>	<i>Other \$</i>	<i>1954 Total \$</i>	<i>1953 Total \$</i>
United Nations Conciliation Commission for Palestine and United Nations Truce Supervision Organization in Palestine.....	184,055	382,477	123,968	690,500	531,411
United Nations Military Observers in Greece...	23,319	14,757	4,711	42,787	86,028
United Nations Commission for the Unification and Rehabilitation of Korea.....	29,815	96,846	41,473	168,134	179,287
Korean service medals.....	—	—	152,518	152,518	172,776
United Nations Representative in India and Pakistan and United Nations Military Observer Group in India and Pakistan.....	76,224	389,907	62,892	529,023	683,888
United Nations Tribunal in Libya.....	93,303	19,144	969	113,416	116,122
United Nations Advisory Council for the Trust Territory of Somaliland under Italian administration	62,553	70,950	42,023	175,526	150,854
United Nations Tribunal in Eritrea.....	8,509	2,746	2,882	14,137	22,133
Repatriation of Greek children.....	3,671	586	2,443	6,700	9,187
United Nations Commission on the Racial Situation in the Union of South Africa.....	6,353	16,992	944	24,289	31,803
United Nations Commission for Indonesia.....	—	3,150	—	3,150	—
	<u>487,802</u>	<u>997,555</u>	<u>434,823</u>	<u>1,920,180</u>	<u>1,983,489</u>
Field Service.....	503,362	89,115	12,640	605,117	531,407
	<u>991,164</u>	<u>1,086,670</u>	<u>447,463</u>	<u>2,525,297</u>	<u>2,514,896</u>

The obligations incurred include in the case of the Advisory Council for the Trust Territory of Somaliland an amount of \$23,000 for the cost of acquisition of lands and structures in the Territory. This amount has been brought into account as an addition to the capital assets of the Organization, as noted in paragraph 22 of the present report.

The operations relating to the United Nations Tribunal in Eritrea and the Military Observers in Greece were discontinued in May and August 1954 respectively.

11. *Part III. Headquarters, New York: \$31,371,439.*

The obligations incurred under this heading are set out in the following table under the related objects of expenditure, together with the comparative figures for the preceding year:

	<i>1954 \$</i>	<i>1953 \$</i>
<i>Salaries, wages, etc.</i>	19,567,877	19,723,947
<i>Other direct departmental charges</i>		
Grant towards administrative costs—Expanded Programme of Technical Assistance	386,700	386,700
Motion picture supplies and services.....	342,102	357,646
Radio services	179,317	199,349
Other charges	139,750	140,886
	<u>1,047,869</u>	<u>1,084,581</u>
<i>Travel on official business</i>	97,479	92,146
<i>Common staff costs</i>		
Recruitment, installation and termination costs.....	1,000,971	1,077,009
Staff benefit costs.....	5,109,021	5,197,729
Staff training and welfare.....	60,712	59,324
	<u>6,170,704</u>	<u>6,334,062</u>

	1954 \$	1953 \$
<i>Common services</i>		
Communications and freight.....	516,439	551,986
Rental and maintenance of premises.....	2,243,835	2,114,486
Stationery and supplies.....	299,202	280,275
Rental and maintenance of equipment.....	509,430	522,309
Other charges.....	179,014	171,523
	<u>3,747,920</u>	<u>3,640,579</u>
<i>Permanent equipment</i>		
Furniture and office equipment.....	109,416	179,810
Other equipment and library books.....	65,174	72,049
	<u>174,590</u>	<u>251,859</u>
<i>Improvements to premises.....</i>	<u>565,000</u>	<u>—</u>
	<u>31,371,439</u>	<u>31,127,174</u>

Common staff costs include the following items:

<i>Recruitment, installation and termination costs</i>		
Travel and removal of staff and dependants.....	356,243	419,423
Termination payments.....	501,867	485,734
Repatriation grants.....	97,231	99,378
Other costs.....	45,630	72,474
	<u>1,000,971</u>	<u>1,077,009</u>
<i>Staff benefit costs</i>		
Staff Pension Fund contributions.....	2,004,538	2,154,212
Children's allowances, education grants, etc.....	462,321	442,373
Travel on home leave.....	837,873	624,092
Reimbursement for national income taxation.....	1,650,000	1,800,000
Contributions, medical and group life insurance.....	108,440	100,436
Other costs.....	45,849	76,616
	<u>5,109,021</u>	<u>5,197,729</u>

The obligations incurred as reported above do not include provision for payments to ten terminated staff members under awards made by the Administrative Tribunal, amounting to approximately \$170,000. These payments are to be made in 1955 and charged to the Special Indemnity Fund established as from 1 January 1955 under resolution 888 (IX).

12. *Part IV. United Nations Office at Geneva:* \$5,304,695.

These charges are summarized as follows:

	1954 \$	1953 \$
<i>Direct costs</i>		
European Office.....	2,335,492	2,258,805
Information Service.....	98,522	95,741
Permanent Central Opium Board secretariat.....	57,668	46,195
Economic Commission for Europe.....	937,188	958,205
Office of the High Commissioner for Refugees.....	585,772	563,398
	<u>4,014,642</u>	<u>3,922,944</u>
<i>Common costs</i>		
Common staff costs.....	697,627	681,390
Common services.....	453,139	427,139
Permanent equipment.....	139,287	82,904
	<u>5,304,695</u>	<u>5,114,377</u>

The amount of \$673,215 shown in statement I, section 20a (Office of the United Nations High Commissioner for Refugees) consists of the direct staff costs of \$585,772 as shown above, plus branch office costs of \$87,443, which have been included under "Common costs" in the above tabulation.

In addition to the charges as summarized above, expenditures were incurred during 1954 against certain special funds and grants, totalling \$84,343. The major expenditures of this nature related to Rockefeller Foundation grants, \$18,714 (mainly for scholarships in the economic field); Ford Foundation grants, \$34,326, and the Humanitarian Fund, \$20,074 (both in the refugee field); and the Library Endowment Fund, \$10,420 (for library purposes).

Expenditures by the High Commissioner for Refugees under the Refugee Emergency Fund are reported on by him directly to the General Assembly.

13. *Part V. Information centres: \$852,978.*

The total obligations incurred at the various centres, together with comparative figures for 1953, were as follows:

<i>Location of centre</i>	<i>1954 \$</i>	<i>1953 \$</i>
Athens	17,014	—
Belgrade	24,645	22,317
Bogotá	10,654	—
Buenos Aires	37,754	35,686
Cairo	55,691	50,134
Copenhagen	45,446	45,819
Karachi	31,090	32,791
London	103,319	101,745
Mexico	57,071	58,709
Monrovia	30,840	25,771
Moscow	73,972	77,659
New Delhi	44,255	59,028
Paris	88,155	95,113
Prague	32,350	53,841
Rio de Janeiro	41,734	46,700
Shanghai	60,695	34,452
Sydney	27,391	29,760
Teheran	8,645	23,667
Warsaw	—	17
Washington	62,257	60,662
	<u>852,978</u>	<u>853,871</u>

In addition, the direct expenditures of the Geneva centre, amounting to \$98,522 for 1954, are included in part IV, as set out in paragraph 12 above.

14. *Part VI. Regional Economic Commissions: \$2,010,186.*

The amount stated above covers the Economic Commissions for Asia and the Far East, and for Latin America; expenditures for the Economic Commission for Europe, \$937,188, (exclusive of common staff costs, charges for common services, etc., which are not separately stated) are included under the Geneva Office in part IV. On this basis, charges in respect of the three existing Commissions are summarized as follows:

	<i>Asia and the Far East \$</i>	<i>Latin America \$</i>	<i>Europe \$</i>
Salaries and wages	756,843	693,160	914,938
Travel	33,482	40,471	22,250
	<u>790,325</u>	<u>733,631</u>	<u>937,188</u>
Common staff costs	201,423	137,351	"
Communications	13,093	16,620	"
Other expenses	31,762	42,941	"
Permanent equipment	15,443	27,597	"
	<u>1,052,046</u>	<u>958,140</u>	<u>937,188</u>

* Included in undistributed charges of the European Office.

15. *Part VIII. Contractual printing:* \$1,439,365.

The obligations incurred under the two main categories were as follows:

	1954 \$	1953 \$
Official Records.....	643,770	733,783
Publications	795,595	762,556
	<u>1,439,365</u>	<u>1,496,339</u>

16. *Part IX. Technical programmes:* \$1,392,900.

The appropriations made under the three sections of part IX have been dealt with as grants-in-aid to the Expanded Programme of Technical Assistance, together with the amount of \$386,700 provided for administrative expenses in 1954 under part III, section 9. The combined total of \$1,779,600 appears as a part of the available funds credited for the programme executed by the United Nations, as shown in the separate statement presented in connexion with operations under the Expanded Programme. A separate financial report is also submitted with reference to these operations (see part II of the present document).

17. *Part X. Special expenses:* \$2,149,466.

The reduction of \$1,000,000 in charges against part X of the appropriations for 1954 as compared with 1953 is due to the fact that no provision was required in 1954 for additional construction costs. The total charges of \$2,149,466 are reflected as shown in the Statement of Assets and Liabilities (statement III) in increases in the Member States' equities acquired in the related capital assets, as follows:

	As at 31 December 1953 \$	Charges under Part X in 1954 \$	As at 31 December 1954 \$
General Fund: equity in the assets transferred from the League of Nations Permanent Headquarters Construction Account, equity in property:	1,948,402	649,466	2,597,868
Amortization of loan.....	3,500,000	1,500,000	5,000,000
Additional construction costs.....	2,000,000	—	2,000,000
	<u>7,448,402</u>	<u>2,149,466</u>	<u>9,597,868</u>

18. *Part XI. International Court of Justice:* \$557,656.

The obligations incurred, as certified by the Court, are detailed as follows:

	1954 \$	1953 \$
Salaries and allowances of members of the Court.....	290,457	299,633
Travelling expenses of members of the Court.....	15,174	12,880
Travelling expenses and allowances of Judges <i>ad hoc</i>	2,417	4,355
Miscellaneous expenses.....	185	196
Pensions for members of the Court.....	13,750	13,750
Salaries and wages of the Registry.....	148,668	168,247
Travelling expenses of the Registry.....	6,888	2,285
Other staff expenses.....	23,034	25,403
Common services.....	51,498	55,333
Permanent equipment.....	5,585	3,455
	<u>557,656</u>	<u>585,537</u>

19. *Ex gratia payments*

In accordance with the requirements of financial regulation 10.3 the following *ex gratia* payments charged against 1954 budgetary appropriations are reported.

	\$
Indemnity payments made to six terminated staff members employed under fixed-term contracts	8,837
Award of compensation upon termination of staff member following decision not to implement recommendation of the Appeals Board.....	2,829
Payment of repatriation benefits to a separated staff member.....	4,034
Extraordinary medical expenses for an incapacitated staff member.....	2,177
Reimbursement to separated staff member for repatriation of dependant's remains.....	1,000
Compassionate payment to widow of a deceased staff member.....	1,000
Compensation for injury to a staff member.....	700
Compassionate payment in connexion with death of local employee in Somaliland.....	350
Legal and medical expenses incurred by a staff member in consequence of an incident during mission service.....	300
Reimbursement of special charges incurred by a staff member.....	58
	<u>21,285</u>

Cash and investments

20. Cash balances and investments (all short-term) of the General and Working Capital Funds at 31 December 1954 totalled \$19,364,014. Cash and investments in the Permanent Headquarters Construction Account amounted to \$726,059, and in trust or special accounts, \$77,552,625. Details of this latter group of accounts will be found in paragraph 25 below.

Members' contributions, and advances to the Working Capital Fund

21. The position of the accounts for contributions at 31 December 1954 was as follows:

	<i>For 1954</i>	<i>For 1953</i>	<i>For 1952</i>
	\$	\$	\$
Assessed	41,300,000	44,200,000	42,940,000
Collected	37,487,734	42,021,812	42,865,861
Balance receivable.....	3,812,266	2,178,188	74,139
Percentage collected.....	90.77	95.07	99.83

The status of the 1954 and 1953 contributions as at 31 December 1954 compares with relative percentages a year ago of 91.95 and 95.61. The total outstandings at the end of 1954, \$6,064,593, showed a slight increase as compared with the outstandings at the end of 1953. Advances to the Working Capital Fund were fully paid up as of 31 December 1954.

For the year 1954 it was possible to provide for payment of 30.70 per cent of contributions in currencies other than US dollars, as compared with 28.55 per cent in the preceding year.

Capital assets

22. Property in Geneva consists of the Secretariat Building, Assembly Hall, Library Building and villas, transferred from the League of Nations, valued at \$11,054,540, and the extensions to the buildings completed during the year 1953 at a cost of \$1,033,765, making the total amount \$12,088,305. The cost of these extensions, financed by the Swiss Government and the World Health Organization, is included in the figure for "Donated funds", which appears on the liabilities side of statement III, in the amount of \$11,946,311. It is also noted that the property "Le Chêne" has been exchanged for another property, "Le Bocage", under an agreement made with the authorities of the Canton of Geneva, as authorized by resolution 674 (VII). Under the terms of the agreed arrangements, no financial adjustment was required in respect of the values of the properties exchanged.

The land for the permanent Headquarters site in New York, which was given to the Organization, is carried at a valuation of \$9,600,000 and the equivalent amount included also under donated funds. The construction costs to date for the buildings on the site and related costs are carried, pending completion, in a separate section of the Statement of Assets and Liabilities and are dealt with in paragraph 23 of the present report.

During the year 1954 additional capital assets were acquired at a cost of \$23,000, representing land and structures in Mogadiscio for use of the Advisory Council for the Trust Territory of Somaliland under Italian administration.

The source of funds for the capital assets as now shown in the accounts may be summarized as follows:

	\$	\$
Donated funds:		
Library Building, Geneva.....	1,312,546	
Extension of the Secretariat Building, Geneva.....	1,033,765	
Land for the permanent Headquarters, New York.....	9,600,000	11,946,311
Members' equity on land and structures in Mogadiscio, acquired against budget appropriations.....		23,000
Credits to Members arising from transfer of the League of Nations assets:		
Members' equity established as a result of liquidation by budget appropriations	2,597,868	
Deferred, to be liquidated 1955-1965.....	7,144,126	9,741,994
		<u>21,711,305</u>

Construction of the permanent Headquarters

23. The construction accounts of the permanent Headquarters show net construction expenditures to 31 December 1954 in the amount of \$66,432,288, as detailed in schedule C. These expenditures have been financed as to \$65,000,000 from the loan in that amount made available by the United States of America, and the balance, \$1,432,288, from the appropriations totalling \$2,000,000 made by the General Assembly and from donated funds totalling \$102,566. Thus, the balance remaining available was \$670,278; against this amount contractual commitments were outstanding at 31 December 1954 totalling approximately \$56,000. Although the costs to be finally incurred cannot yet be determined, it is expected that the construction work will be completed within the funds available.

Working Capital Fund

24. In accordance with the provisions of General Assembly resolution 788 (VIII) the Working Capital Fund was maintained for 1954 at the amount of \$21,500,000, of which \$20,000,000 was derived from cash advances by Member States, and \$1,500,000 from transfers from surplus account. Details of the credits established for each Member State are given in schedule G.

As at 31 December 1954, advances outstanding for various approved purposes aggregated \$6,377,422. Available balances totalled \$15,122,578 represented by cash, short-term investments and accrued interest.

The use of the Fund for making advances in the course of the financial year is illustrated by the following table, which shows the amounts outstanding at the end of each quarter during the year, compared with the previous year.

	1 January \$	31 March \$	30 June \$	30 September \$	31 December \$
Purpose of advances:					
Budgetary expenditures.....	5,598,271	12,697,017	15,237,089	4,942,154	6,116,049
Unforeseen and extraordinary expenditures	—	11,649	38,093	96,945	—
Loans to specialized agencies, etc.....	4,684	5,185	5,185	5,185	5,185
Other	335,334	302,470	263,202	298,842	256,188
Totals—1954	<u>5,938,289</u>	<u>13,016,321</u>	<u>15,543,569</u>	<u>5,343,126</u>	<u>6,377,422</u>
Totals—1953	<u>11,738,197</u>	<u>17,883,259</u>	<u>17,804,834</u>	<u>2,897,185</u>	<u>5,938,289</u>

Trust Funds and special accounts

25. The net assets under this heading total \$77,811,504 and are summarized below:

	<i>Cash and receivables (less current liabilities) \$</i>	<i>Investments (including gold) \$</i>	<i>Total \$</i>
<i>Trust funds and special accounts:</i>			
Library Endowment Fund (schedule H).....	20,234	594,650	614,884
International Press House Fund (schedule I).....	24	25,340	25,364
Expanded Programme of Technical Assistance (schedule J).....	4,046,144	10,987,763	15,033,907
<i>Amounts held in respect of activities separately reported:</i>			
Joint Staff Pension Fund.....	426,949	44,957,347	45,384,296
United Nations Children's Fund.....	103,353	16,081,705	16,185,058
United Nations Technical Assistance account.....	506,413	—	506,413
Technical Assistance Board secretariat account.....	22,923	—	22,923
<i>Other funds:</i>			
Administered by the High Commissioner for Refugees.....	25,880	12,779	38,659
	<u>5,151,920</u>	<u>72,659,584</u>	<u>77,811,504</u>

Investments are carried at cost prices, adjusted where appropriate for amortization of discount or premiums over the life of each security.

26. The grouping of accounts in the above tabulation has been made as follows:

(a) Under "Trust funds and special accounts" are included funds administered by the Secretary-General for which detailed accounting schedules are attached to the financial statements of the United Nations, as referenced against the separate items. These cover the Library Endowment and International Press House Funds which were taken over from the League of Nations, and the Special Account set up under resolution 222 (IX) of the Economic and Social Council in connexion with the Expanded Programme of Technical Assistance.

(b) Under "Amounts held in respect of activities separately reported" are included the funds in respect of which, under the relevant legislation, separate accounts and audit reports are submitted to the General Assembly. In view of these separate accounting requirements the funds reported for this group comprise only the cash and investments of which the United Nations is the custodian. This was the method initiated last year in respect of the Joint Staff Pension Fund and UNICEF, which has been now extended to cover also the funds held for disbursement in connexion with the operations of the United Nations as a participating organization in the Technical Assistance Programme and of the Technical Assistance Board secretariat.

(c) The relatively minor amounts shown as other funds represent certain funds held on behalf of the High Commissioner for Refugees (Ford Foundation grants and the Humanitarian Fund) in respect of which the expenditures are noted in paragraph 12 of the present report.

27. The accounting submitted in schedule J in respect of the Special Account for the Expanded Programme of Technical Assistance shows funds on hand at the close of the year totalling \$15,033,907, which consists of the following elements:

	\$
Working Capital and Reserve Fund.....	6,000,000
Contributions and other funds received but not yet allocated to the participating organizations.....	7,446,168
Funds allocated to participating organizations but not yet drawn by them (net)...	1,435,210
Advance payments of 1955 contributions, etc.....	152,529
	<u>15,033,907</u>

The funds received by the Special Account include, in addition to contributions against pledges for 1954 and prior years amounting to \$27,855,116, \$821,044 representing payments by Governments towards the local living costs of experts. This item arises in consequence of the adoption of the new local cost arrangements as from 1 January 1954 in accordance with the provisions of resolution 470 (XV) of the Economic and Social Council.

28. It is to be noted that schedule J in no sense constitutes an operational statement of the Programme, but is essentially a statement of the disposition of contributions and other income received in accordance with the provisions of paragraph 8 of Economic and Social Council resolution 222 (IX). However, the General Assembly will receive in a separate submission, as in preceding years, a consolidated financial report on the operations of the participating organizations under the programme, pursuant to the requirements of resolution 519 A (VI).

29. As regards the accounts of the United Nations as a participating organization, a change in the method of presentation has been adopted for 1954, and these accounts, together with the accounts for the Technical Assistance Board secretariat expenditures, have been disassociated from the regular accounts of the United Nations and are separately presented as part II of the present document, together with a separate financial report and report by the Board of Auditors.

30. In conclusion, attention is invited also to the fact that, in accordance with the practice adopted in preceding years, the financial statements presented herewith do not include the accounts of the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, or the United Nations Korean Reconstruction Agency. In conformity with the related resolutions of the General Assembly, separate reports will be presented to the Assembly covering the accounts of these organizations.

(Signed) Dag HAMMARSKJÖLD
Secretary-General

**ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 1954**

Statement of 1954 budget appropriations, obligations incurred

*Appropriation
section*

Purpose of appropriation

Part I. Sessions of the General Assembly, the Councils, Commissions and Committees

1. The General Assembly, Commissions and Committees
2. The Security Council, Commissions and Committees
3. The Economic and Social Council, Commissions and Committees
- 3a. Permanent Central Opium Board and Drug Supervisory Body
- 3b. Regional Economic Commissions
4. The Trusteeship Council, Commissions and Committees

TOTAL, Part I

Part II. Investigations and inquiries

5. Investigations and inquiries
- 5a. United Nations Field Service

TOTAL, Part II

Part III. Headquarters, New York

6. Executive Office of the Secretary-General
- 6a. Library
7. Department of Political and Security Council Affairs
8. Military Staff Committee secretariat
9. Technical Assistance Administration
10. Department of Economic Affairs
11. Department of Social Affairs
12. Department of Trusteeship and Information from Non-Self-Governing Territories
13. Department of Public Information
14. Legal Department
15. Conference and General Services
- 15a. United Nations Postal Administration
16. Administrative and Financial Services
17. Common staff costs
18. Common services
19. Permanent equipment
- 19a. Improvements to premises

TOTAL, Part III

Part IV. European Office of the United Nations

20. European Office of the United Nations
- 20a. Office of the United Nations High Commissioner for Refugees

TOTAL, Part IV

Part V. Information Centres

21. Information Centres (other than information services, European Office of the United Nations)

TOTAL, Part V

Part VI. Regional Economic Commissions (other than the Economic Commission for Europe)

22. Economic Commission for Asia and the Far East
23. Economic Commission for Latin America

TOTAL, Part VI

and unobligated balances of appropriations

Appropriated by the General Assembly ¹ \$	Obligations incurred			Unobligated balance of appropriation \$
	Liquidated by disbursements \$	Unliquidated \$	Total \$	
593,750	577,932	15,769	593,701	49
58,800	58,652	—	58,652	148
121,180	104,360	16,447	120,807	373
21,400	19,512	336	19,848	1,552
45,000	44,812	17	44,829	171
52,000	47,364	2,746	50,110	1,890
892,130	852,632	35,315	887,947	4,183
1,920,650	1,798,958	121,222	1,920,180	470
606,000	599,143	5,974	605,117	883
2,526,650	2,398,101	127,196	2,525,297	1,353
369,000	367,585	28	367,613	1,387
468,980	460,517	7,050	467,567	1,413
683,000	682,871	—	682,871	129
115,900	114,905	—	114,905	995
386,700	386,700	—	386,700	—
2,146,200	2,140,134	5,712	2,145,846	354
1,668,000	1,658,472	8,980	1,667,452	548
880,400	879,660	—	879,660	740
2,579,800	2,431,973	147,804	2,579,777	23
442,300	442,145	—	442,145	155
9,132,000	9,131,599	370	9,131,969	31
160,400	155,819	3,465	159,284	1,116
1,590,000	1,580,523	9,433	1,589,956	44
6,170,750	4,373,579	1,797,125	6,170,704	46
3,845,450	3,603,394	242,006	3,845,400	50
176,400	130,530	44,060	174,590	1,810
565,000	41,320	523,680	565,000	—
31,380,280	28,581,726	2,789,713	31,371,439	8,841
4,631,500	4,545,758	85,722	4,631,480	20
673,250	658,070	15,145	673,215	35
5,304,750	5,203,828	100,867	5,304,695	55
853,400	813,579	39,399	852,978	422
853,400	813,579	39,399	852,978	422
1,052,900	1,034,617	17,429	1,052,046	854
958,700	927,752	30,388	958,140	560
2,011,600	1,962,369	47,817	2,010,186	1,414

*Appropriation
section*

Purpose of appropriation

Part VII. Hospitality

24. Hospitality

TOTAL, Part VII

Part VIII. Contractual printing

25. Official Records

26. Publications

TOTAL, Part VIII

Part IX. Technical programmes

27. Social activities

28. Economic Development

29. Public administration

TOTAL, Part IX

Part X. Special expenses

30. Transfer of the assets of the League of Nations to the United Nations

31. Amortization of the Headquarters construction loan

TOTAL, Part X

Part XI. The International Court of Justice

32. The International Court of Justice

TOTAL, Part XI

GRAND TOTAL

¹ Appropriations by the General Assembly under resolution 786 (VIII) adopted on 9 December 1953 and revised under resolution 881 (IX) adopted on 14 December 1954, subsequently modified by transfers between appropriation sections totalling \$166,150 made with the concurrence of the Advisory Committee on Administrative and Budgetary Questions; and \$6,000 authorized by the Secretary-General under paragraph 3(i) (b) of resolution 786 (VIII).

Certified correct

(Signed) H. C. ANDERSEN
Controller

AUDIT

The above statement of budget appropriations, obligations incurred and unobligated balances of appropriations we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

STATEMENT I
(continued)

Appropriated by the General Assembly ¹ \$	Obligations incurred			Unobligated balance of appropriation \$
	Liquidated by disbursements \$	Unliquidated \$	Total \$	
20,000	17,518	562	18,080	1,920
20,000	17,518	562	18,080	1,920
643,800	415,666	228,104	643,770	30
795,970	537,875	257,720	795,595	375
1,439,770	953,541	485,824	1,439,365	405
768,500	768,500	—	768,500	—
479,400	479,400	—	479,400	—
145,000	145,000	—	145,000	—
1,392,900	1,392,900	—	1,392,900	—
649,500	649,466	—	649,466	34
1,500,000	1,500,000	—	1,500,000	—
2,149,500	2,149,466	—	2,149,466	34
558,000	557,656	—	557,656	344
558,000	557,656	—	557,656	344
48,528,980	44,883,316	3,626,693	48,510,009	18,971

Approved
(Signed) Dag HAMMARSKJOLD
Secretary-General

CERTIFICATE

has been examined in accordance with our directions. We have obtained all the information and explanations that

(Signed) Watson SELLAR, Canada
Luis ACEVEDO RODRÍGUEZ, Colombia
Otto F. REMKE, Denmark

**Statement of income and obligations incurred and surplus account for the year ended
31 December 1954**

	\$	\$
Income:		
Members' contributions:		
As originally assessed for 1954 (schedule A).....	41,067,110	
Assessable in connexion with 1954 supplementary appropriations	701,870	41,768,980
	<hr/>	
Miscellaneous income:		
Staff assessment	4,664,780	
Sales of United Nations postage stamps.....	377,971	
Personnel and other services provided to specialized agencies, and others	356,372	
Sales of publications, film and television revenue	355,802	
Rentals: office accommodation and garage space	320,049	
Guided tours	211,433	
Income from investments, including interest on bank balances...	191,545	
Contributions from non-member States	63,444	
Refund of prior years' expenditures	55,106	
United Nations Gift Centre	83,209	
Sales of furniture and equipment (including \$114,825 received in final settlement in respect of special sale made in 1947)....	158,525	
Other miscellaneous income	25,982	6,864,218
	<hr/>	<hr/>
		48,633,198
<i>Deduct:</i> obligations incurred, per statement of 1954 budget appropriations, etc.		48,510,009
		<hr/>
Excess of income over obligations incurred carried to Surplus Account.		123,189
		<hr/> <hr/>
<i>Surplus Account</i>		
Balance as at 1 January 1954		2,201,102
<i>Less:</i>		
Amount applied as credits to Members' contributions in 1954		1,308,860
		<hr/>
		892,242
<i>Add:</i>		
Savings effected in liquidating prior years' obligations		406,361
Excess of income over obligations incurred for year ended 31 De- cember 1954		123,189
		<hr/>
Balance as at 31 December 1954.....		1,421,792
		<hr/> <hr/>

Certified correct
(Signed) H. C. ANDERSEN
Controller

Approved
(Signed) Dag HAMMARSKJOLD
Secretary-General

AUDIT CERTIFICATE

The above statement of income and obligations incurred and surplus account has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) Watson SELLAR, Canada
Luis ACEVEDO RODRÍGUEZ, Colombia
Otto F. REMKE, Denmark

Statement of assets and liabilities as at 31 December 1954 follows on page 24

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of only copy available for filming**

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du mauvais état du seul exemplaire dont on
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**НЕКОТОРЫЕ ЧАСТИ ТЕКСТА ОТСУТСТВУЮТ ИЗ-ЗА
ДЕФЕКТОВ ИМЕЮЩЕГОСЯ В НАЛИЧИИ ОРИГИНАЛА**

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para filmar**

Statement of assets and liabilities

ASSETS

General Fund

Cash at banks and on hand
 Contributions receivable from Members (schedule A)
 Contributions assessable against Members in connexion with 1954 supplementary appropriations
 Accounts receivable, advances, deposits, etc.

Due from other funds

Capital assets:

Secretariat building and Assembly Hall, Library building and villas, Geneva
 Land for permanent Headquarters site, New York
 Land and structures, Mogadiscio

12,088,305

9,600,000

23,000

4,248,55

6,064,59

701,87

836,32

14,23

21,711,30

33,576,83

Permanent Headquarters Construction Account

Cash at bank
 Investments (schedule D)
 Accounts receivable, advances, deposits, etc.
 Preliminary and construction expenditures (schedule C)

176,96

549,09

34,90

66,432,28

67,193,25

Working Capital Fund

Cash at banks
 Investments (schedule D)
 Interest accrued
 Advances to General Fund to finance budgetary expenditures
 Advances to specialized agencies and preparatory commissions (schedule E)
 Advances to finance miscellaneous self-liquidating purchases and activities (schedule F)

6,116,049

5,185

256,188

2,423,91

12,691,58

7,07

6,377,42

21,500,00

Trust Funds and Special Accounts

Cash at banks and on hand
 Gold
 Investments
 Accounts receivable, accrued interest, etc.

4,893,04

25,34

72,634,24

273,11

77,825,71

Certified correct

(Signed) H. C. ANDERSEN
 Controller

AUDIT

The above statement of assets and liabilities has been examined in accordance with our directions. We have in our opinion, the above statement is correct.

	LIABILITIES	\$	\$
Unliquidated obligations			3,626,693
Dundry credit balances			700,999
Due to Working Capital Fund			6,116,049
ferred credits to Members as a result of transfer of assets from the League of Nations (schedule B)		7,144,126	
Members' equity in the assets transferred from the League of Nations as a result of liquidation of credits		2,597,868	
Members' equity in land and structures, Mogadiscio		23,000	
Donated funds		11,946,311	21,711,305
Surplus per Statement of Income and Obligations Incurred and Surplus Account			1,421,792
			33,576,838
Accounts payable to contractors, suppliers and others			90,690
Donated funds for special projects			102,566
Loan from the Government of the United States of America under the agreement dated 11 August 1948		65,000,000	
Less: amortization payments		5,000,000	60,000,000
Members' equity in property:			
Amortization payments on loan from U.S. Government		5,000,000	
Appropriations made for additional construction costs		2,000,000	7,000,000
			67,193,256
Principal of fund (schedule G):			
Advances assessed on Members		20,000,000	
Transferred from Surplus Account		1,500,000	21,500,000
			21,500,000
Trust funds and special accounts:			
Library Endowment Fund (schedule H)		614,884	
International Press House Fund (schedule I)		25,364	
Special Account for Expanded Programme of Technical Assistance (schedule J)		15,033,907	15,674,155
Amounts held in respect of activities separately reported:			
Joint Staff Pension Fund		45,384,296	
United Nations Children's Fund		16,185,058	
United Nations Technical Assistance account		506,413	
Technical Assistance Board secretariat account		22,923	62,098,690
Other special accounts			38,659
Due to General Fund			14,233
			77,825,737

Approved

(Signed) Dag HAMMARSKJOLD
Secretary-General

CERTIFICATE

Obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in

(Signed) Watson SELLAR, Canada
Luis ACEVEDO RODRÍGUEZ, Colombia
Otto F. REMKE, Denmark

SCHEDULE A

Contributions receivable from Members as at 31 December 1954

	1954 assessments			Assessments		Total balances due \$
	Assessments ^a \$	Collections \$	Balance due \$	1953	1952	
				Balance due \$	Balance due \$	
Afghanistan	33,040	33,040	—	—	—	—
Argentina	578,200	578,200	—	—	—	—
Australia	722,750	722,750	—	—	—	—
Belgium	569,940	567,940	2,000	—	—	2,000
Bolivia	24,780	1,839	22,941	24,681	19,922	67,544
Brazil	578,200	578,200	—	—	—	—
Burma	53,690	53,690	—	—	—	—
Byelorussian Soviet Socialist Republic	206,500	206,500	—	—	—	—
Canada	1,362,900	1,362,900	—	—	—	—
Chile	136,290	136,290	—	—	—	—
China	2,321,060	26,563	2,294,497	2,050,000	—	4,344,497
Colombia	169,330	169,330	—	—	—	—
Costa Rica	16,520	16,520	—	—	—	—
Cuba	140,420	5,909	134,511	11,860	—	146,371
Czechoslovakia	433,650	246,143	187,507	—	—	187,507
Denmark	322,140	322,140	—	—	—	—
Dominican Republic	20,650	20,650	—	—	—	—
Ecuador	16,520	13,953	2,567	—	—	2,567
Egypt	194,110	194,110	—	—	—	—
El Salvador	24,780	21,052	3,728	—	—	3,728
Ethiopia	41,300	41,300	—	—	—	—
France	2,374,750	2,308,598	66,152	—	—	66,152
Greece	86,730	86,730	—	—	—	—
Guatemala	28,910	8,180	20,730	—	—	20,730
Haiti	16,520	16,520	—	—	—	—
Honduras	16,520	16,520	—	—	—	—
Iceland	16,520	16,520	—	—	—	—
India	1,404,200	1,264,200	140,000	—	—	140,000
Indonesia	247,800	247,800	—	—	—	—
Iran	115,640	13,762	101,878	17,000	—	118,878
Iraq	49,560	20,639	28,921	—	—	28,921
Israel	70,210	70,210	—	—	—	—
Lebanon	20,650	20,650	—	—	—	—
Liberia	16,520	16,520	—	—	—	—
Luxembourg	24,780	24,780	—	—	—	—
Mexico	309,750	309,750	—	—	—	—
Netherlands	516,250	516,250	—	—	—	—
New Zealand	198,240	198,240	—	—	—	—
Nicaragua	16,520	3,175	13,345	—	—	13,345
Norway	206,500	206,500	—	—	—	—
Pakistan	309,750	137,512	172,238	—	—	172,238
Panama	20,650	20,650	—	—	—	—
Paraguay	16,520	—	16,520	—	—	16,520
Peru	74,340	2,212	72,128	—	—	72,128
Philippines	185,850	86,925	98,925	—	—	98,925
Poland	714,490	399,005	315,485	—	—	315,485
Saudi Arabia	28,910	28,910	—	—	—	—
Sweden	681,450	681,450	—	—	—	—
Syria	33,040	33,040	—	—	—	—
Thailand	74,340	74,340	—	—	—	—
Turkey	268,450	236,204	32,246	—	—	32,246
Ukrainian Soviet Socialist Republic	776,440	776,440	—	—	—	—
Union of South Africa	322,140	322,140	—	—	—	—
Union of Soviet Socialist Republics	5,843,950	5,843,950	—	—	—	—
United Kingdom of Great Britain and Northern Ireland	4,047,400	4,047,400	—	—	—	—
United States of America	13,765,290	13,765,290	—	—	—	—
Uruguay	74,340	4,913	69,427	74,647	54,217	198,291
Venezuela	161,070	161,070	—	—	—	—
Yemen	16,520	—	16,520	—	—	16,520
Yugoslavia	181,720	181,720	—	—	—	—
	41,300,000	37,487,734	3,812,266	2,178,188	74,139	6,064,593

* The amount of \$41,300,000 is made up as follows:

Assessed in respect of financial year 1954 and credited to income account for 1954 (Statement II).....	\$ 41,007,110
Assessed in respect of supplementary appropriation for the financial year 1953 and credited to income for that year.....	1,541,750
	<hr/> 42,608,860
<i>Deduct</i> —credits to assessments for the year 1954 for surplus as at 31 December 1954.....	1,308,860
	<hr/> 41,300,000
Total assessments for 1954 as above.....	<hr/> <hr/> 41,300,000

SCHEDULE B

Deferred credits to Members as a result of the transfer of assets from the League of Nations as at 31 December 1954

	\$
Afghanistan	5,181
Argentina	262,812
Australia	348,150
Belgium	193,644
Bolivia	20,229
Canada	458,876
Chile	76,824
China	292,193
Cuba	64,999
Czechoslovakia	281,325
Denmark	134,244
Dominican Republic.....	7,975
Ecuador	2,354
Egypt	46,233
El Salvador.....	7,513
France	858,099
Greece	74,228
Guatemala	4,818
Haiti	12,804
Honduras	3,058
India	682,242
Iran	41,382
Iraq	19,305
Luxembourg	13,992
Mexico	45,353
Netherlands	251,405
New Zealand.....	114,675
Nicaragua	1,705
Norway	109,274
Panama	15,169
Peru	24,332
Poland	319,055
Sweden	256,652
Thailand	90,134
Turkey	64,339
Union of South Africa.....	216,733
Union of Soviet Socialist Republics.....	163,405
United Kingdom of Great Britain and Northern Ireland.....	1,266,496
Uruguay	54,043
Venezuela	37,818
Yugoslavia	201,058
	<hr/> 7,144,126
	<hr/> <hr/> 7,144,126

SCHEDULE C

Permanent Headquarters Preliminary and construction expenditures to 31 December 1954

	\$	\$
Completion of Secretariat Building, Conference Area, Assembly Hall and garages		51,687,454
Library Building, including cost of alterations.....		1,650,285
Architectural design and planning.....		2,383,054
Engineering and supervisory costs.....		3,534,389
Reconstruction of Franklin D. Roosevelt Drive.....		2,764,725
Search of title to site property.....		20,020
Relocation and rehabilitation of persons resident in buildings located on site.....	653,701	
Less: refunds by City of New York.....	375,943	277,758
Demolition costs.....		303,517
Landscaping.....		1,137,292
Furniture, furnishings and equipment.....		1,984,541
Administrative expenses—Headquarters Planning Office:		
Salaries and allowances (less staff assessments).....	625,473	
Travel on official business.....	14,197	
Rent and maintenance of premises and equipment.....	11,187	
Stationery and office supplies.....	2,641	
Communications.....	2,423	
Public accounting and auditing services.....	26,897	
Miscellaneous.....	6,435	689,253
		<u>66,432,288</u>

SCHEDULE D

Investments as at 31 December 1954

Working Capital Fund

	\$
United States Treasury Bills due 13 January 1955.....	999,620
United States Treasury Bills due 10 February 1955.....	499,391
United States Treasury Bills due 17 February 1955.....	399,392
United States Treasury Bills due 24 February 1955.....	798,695
United States Treasury Bills due 10 March 1955.....	99,781
United States Treasury Bills due 17 March 1955.....	299,215
United States Treasury Certificates of Indebtedness, 1%, due 22 March 1955.....	800,000
The Twelve Intermediate Credit Banks Debenture.....	500,042
Associates Investment Company Note, 28 February 1955.....	149,693
Associates Investment Company Note, 19 April 1955.....	223,978
Associates Investment Company Note, 19 July 1955.....	991,667
Commercial Credit Company Note, 19 April 1955.....	248,864
Commercial Investment Trust Company Note, 14 January 1955.....	499,757
Commercial Investment Trust Company Note, 31 January 1955.....	499,462
Commercial Investment Trust Company Note, 13 May 1955.....	223,753
General Motors Acceptance Corp. Note, 3 March 1955.....	249,219
General Motors Acceptance Corp. Note, 29 April 1955.....	995,041
General Motors Acceptance Corp. Note, 13 May 1955.....	99,429
General Motors Acceptance Corp. Note, 31 May 1955.....	99,476
Anglo-Californian National Bank Time Deposit, 1½%.....	1,000,000
Bank of America National Trust and Savings Association Time Deposit, 2%.....	2,015,111
Bankers Trust Company Time Deposit, 1¼%.....	500,000
Irving Trust Company Time Deposit, 1¼%.....	500,000
	<u>12,691,586</u>

Permanent Headquarters Construction Account

	\$
United States of America Treasury Bills due 3 February 1955.....	149,789
United States of America Treasury Certificates of Indebtedness, 1%, due 22 March 1955.....	200,684
Commercial Investments Trust Incorporated Note, due 21 June 1955.....	198,617
	<u>549,090</u>

SCHEDULE E

Advances to specialized agencies and preparatory commissions for the year ended 31 December 1954

	<i>Balance 1 January 1954 \$</i>	<i>Advances during year \$</i>	<i>Repayments during year \$</i>	<i>Balance 31 December 1954 \$</i>
Preparatory Commission of the Inter-Governmental Maritime Consultative Organization.....	4,684	501	—	5,185
	<u>4,684</u>	<u>501</u>	<u>—</u>	<u>5,185</u>

SCHEDULE F

Advances to finance miscellaneous self-liquidating purchases and activities as at 31 December 1954

	<i>Balance 1 January 1954 \$</i>	<i>Advances during year \$</i>	<i>Repayments during year \$</i>	<i>Balance 31 December 1954 \$</i>
Travel expenses of "extra" representatives to the General Assembly, the Councils and Com- missions and "extra" local transportation for delegations	19,934	15,180	21,289	13,825
Travel expenses of staff members loaned to specialized agencies, etc.....	1,329	4,976	5,454	851
Purchase of cafeteria equipment.....	221,697	1,186	53,030	169,853
Advance payments for insurance coverage on Secretariat Building for periods extending be- yond the current year.....	39,268	—	9,817	29,451
To finance repairs and renovation of villa "Le Bocage" in Geneva.....	—	11,810	—	11,810
To finance Geneva conference on Asian problems	—	33,594	32,403	1,191
Other self-liquidating purchases.....	3,106	113,478	87,377	29,207
	<u>285,334</u>	<u>180,224</u>	<u>209,370</u>	<u>256,188</u>

SCHEDULE G
Advances from Members for the Working Capital Fund
as at 31 December 1954

	<i>Cash advances</i>	<i>Credits in connexion with transfer from surplus</i>	<i>Total advances</i>
	\$	\$	\$
Afghanistan	16,000.00	1,200.00	17,200.00
Argentina	280,000.00	23,856.65	303,856.65
Australia	350,000.00	26,497.85	376,497.85
Belgium	276,000.00	20,302.16	296,302.16
Bolivia	12,000.00	900.00	12,900.00
Brazil	280,000.00	23,856.65	303,856.65
Burma	26,000.00	2,197.84	28,197.84
Byelorussian Soviet Socialist Republic	100,000.00	5,334.72	105,334.72
Canada	660,000.00	50,119.60	710,119.60
Chile	66,000.00	5,197.84	71,197.84
China	1,124,000.00	85,910.95	1,209,910.95
Colombia	82,000.00	5,497.84	87,497.84
Costa Rica	8,000.00	600.00	8,600.00
Cuba	68,000.00	4,976.08	72,976.08
Czechoslovakia	210,000.00	15,750.00	225,750.00
Denmark	156,000.00	11,823.92	167,823.92
Dominican Republic	10,000.00	750.00	10,750.00
Ecuador	8,000.00	723.92	8,723.92
Egypt	94,000.00	8,739.20	102,739.20
El Salvador	12,000.00	750.00	12,750.00
Ethiopia	20,000.00	1,500.00	21,500.00
France	1,150,000.00	86,250.00	1,236,250.00
Greece	42,000.00	2,726.08	44,726.08
Guatemala	14,000.00	900.00	14,900.00
Haiti	8,000.00	600.00	8,600.00
Honduras	8,000.00	600.00	8,600.00
Iceland	8,000.00	600.00	8,600.00
India	680,000.00	52,741.37	732,741.37
Indonesia	120,000.00	9,000.00	129,000.00
Iran	56,000.00	5,817.44	61,817.44
Iraq	24,000.00	2,047.84	26,047.84
Israel	34,000.00	2,550.00	36,550.00
Lebanon	10,000.00	873.92	10,873.92
Liberia	8,000.00	600.00	8,600.00
Luxembourg	12,000.00	750.00	12,750.00
Mexico	150,000.00	9,880.40	159,880.40
Netherlands	250,000.00	18,997.84	268,997.84
New Zealand	96,000.00	7,447.84	103,447.84
Nicaragua	8,000.00	600.00	8,600.00
Norway	100,000.00	7,500.00	107,500.00
Pakistan	150,000.00	11,850.00	161,850.00
Panama	10,000.00	750.00	10,750.00
Paraguay	8,000.00	600.00	8,600.00
Peru	36,000.00	2,947.84	38,947.84
Philippines	90,000.00	4,610.80	94,610.80
Poland	346,000.00	20,973.75	366,973.75
Saudi Arabia	14,000.00	1,173.92	15,173.92
Sweden	330,000.00	25,741.36	355,741.36
Syria	16,000.00	1,323.92	17,323.92
Thailand	36,000.00	3,071.76	39,071.76
Turkey	130,000.00	10,989.20	140,989.20
Ukrainian Soviet Socialist Republic	376,000.00	20,360.63	396,360.63
Union of South Africa	156,000.00	13,317.44	169,317.44
Union of Soviet Socialist Republics	2,830,000.00	154,087.37	2,984,087.37
United Kingdom of Great Britain and Northern Ireland	1,960,000.00	157,721.93	2,117,721.93
United States of America	6,666,000.00	548,857.81	7,214,857.81
Uruguay	36,000.00	2,700.00	38,700.00
Venezuela	78,000.00	4,878.24	82,878.24
Yemen	8,000.00	600.00	8,600.00
Yugoslavia	88,000.00	6,476.08	94,476.08
	20,000,000.00	1,500,000.00	21,500,000.00

Note: The advances listed are fully paid up.

SCHEDULE H
Library Endowment Fund
Status of the Fund as at 31 December 1954

	\$	\$
Accumulated income:		
Balance as at 1 January 1954.....	23,899	
Add: Net interest received and accrued during year.....	14,166	
	<u>38,065</u>	
Deduct: Expenditures for library books and equipment.....	10,420	
Balance unexpended as at 31 December 1954.....		27,645
Principal:		
Balance as at 1 January 1954.....	541,670	
Add: Gain on principal on maturity of investments.....	45,569	
Total of fund.....		<u>587,239</u>
		<u>614,884</u>
Represented by:		
Investments:		
General Motors Acceptance Corporation Note, 31 March 1955.....	7,955	
United States of America Savings Bonds, Registered Series G, due 1 January 1960, 2½%.....	100,000	
United States of America Savings Bonds, Registered Series G, due 1 January 1960, 2½%.....	200,000	
Commonwealth of Australia, 1962, 3¾%.....	13,975	
United States of America Treasury Bonds, 1959-1962, 2¾%.....	17,361	
Government of Sweden Bonds, 1969, 2¾%.....	47,185	
Standard Oil of New Jersey Debenture, 15 May 1971, 2¾%.....	9,482	
International Bank for Reconstruction and Development, 1 March 1976, 3%.....	49,813	
United States of America Treasury Bonds, due 1 April 1980, 2¾%.....	41,095	
Government of Sweden Bonds, 1982, 3½%.....	28,556	
Government of Sweden Bonds, 1988, 3½%.....	28,588	
Government of Sweden Bonds, 1994, 3½%.....	28,836	
Dominion of Canada, Perpetual, 3%.....	21,804	
	<u>594,650</u>	
Cash at bank.....	17,257	
Interest accrued.....	4,455	
	<u>616,362</u>	
Less: Due to United Nations General Fund.....	1,478	
		<u>614,884</u>
The balance of unexpended income at 31 December 1954, \$27,645, is made up as follows:		
Appropriations made in 1953 unexpended at 1 January 1954.....	8,942	
Appropriations made in 1954.....	13,000	
	<u>21,942</u>	
Less: Expended as above.....	10,420	
Balance of appropriations unexpended.....	11,522	
Income unappropriated.....	16,123	
	<u>27,645</u>	

This Fund was transferred to the United Nations by the League of Nations and is administered in accordance with specific rules to ensure the use of the income derived from the Fund exclusively for the purpose for which it was originally established: that is, the maintenance of a library in the Palais des Nations.

SCHEDULE I
International Press House Fund
Status of the Fund as at 31 December 1954

	\$	\$
Balance as at 1 January 1954.....		25,395
Deduct: Safe custody charges.....		31
Balance as at 31 December 1954.....		<u>25,364</u>
Represented by:		
Due from United Nations General Fund.....	24	
Gold, 726.804 fine ounces.....	25,340	
		<u>25,364</u>

This Fund, established by voluntary contributions to provide an International Press House near the Palais des Nations in Geneva, was transferred from the League of Nations, subject to the original terms of its establishment. It is accordingly held as an interim custodianship pending clarification as to the bodies legally competent to dispose of the Fund.

SCHEDULE J
Expanded Programme of Technical Assistance
STATUS OF THE SPECIAL ACCOUNT AS AT 31 DECEMBER 1954

Balance on hand as at 1 January 1954.....	\$	\$
Contributions received during 1954:		5,180,042
Against 1954 pledges.....	24,415,889	
Against 1953 pledges.....	3,196,715	
Against 1952 pledges.....	953,435	
Against 1951 pledges.....	51,010	
	<hr/>	
Less: Exchange adjustments.....	28,617,049	27,855,116
	761,933	
	<hr/>	
Miscellaneous income.....		87,897
Payments made by Governments toward local living costs of experts.....		821,044
Advance payments in respect of 1955 pledges and local costs.....		152,529
		<hr/>
Less:		34,096,628
Remittances and other charges to participating organizations:		
Against allocations.....	18,335,214	
Against local cost apportionments.....	727,507	19,062,721
	<hr/>	
		15,033,907
		<hr/>
Represented by:		
Cash at banks and on hand.....		3,777,487
Investments.....		10,987,763
Loan to International Civil Aviation Organization.....		35,000
Interest accrued.....		18,582
Contributions in kind, accepted but not used.....		215,075
		<hr/>
		15,033,907
		<hr/>
This amount of \$15,033,907 is accounted for as follows:		
Working Capital and Reserve Fund.....		6,000,000
Contributions and other income (including Governments' payments toward local costs), received but not yet allocated or apportioned to the participating organizations.....		7,446,168
Advance payments on 1955 pledges and local costs.....		152,529
Undrawn allocations and local cost apportionments:		
United Nations.....	137,332	
International Labour Organisation.....	221,614	
Food and Agriculture Organization.....	180,033	
United Nations Educational, Scientific and Cultural Organization.....	353,524	
International Civil Aviation Organization.....	(20,633)	
World Health Organization.....	401,777	
Technical Assistance Board secretariat.....	161,563	1,435,210
	<hr/>	
		15,033,907
		<hr/>

**REPORT OF THE BOARD OF AUDITORS
TO THE GENERAL ASSEMBLY**

**REPORT OF THE BOARD OF AUDITORS TO THE GENERAL ASSEMBLY
ON THE AUDIT OF THE ACCOUNTS OF THE UNITED NATIONS
FOR THE YEAR ENDED 31 DECEMBER 1954**

1. General Assembly resolution 347 (IV) requires the Board of Auditors to perform examinations of the accounts of the United Nations, including all trust and special accounts, to the extent deemed necessary in order that the Board may certify that:

- (a) The financial statements are in accord with the books and records of the Organization;
- (b) The financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions and other applicable directives; and
- (c) The securities and the moneys on deposit and on hand have been verified.

The Board has already examined the records of and reported on the following accounts:

The United Nations Children's Fund for the year ended 31 December 1954;
The Refugee Emergency Fund for the year ended 31 December 1954; and
The Joint Staff Pension Fund for the period 1 January to 30 September 1954.

With respect to the last, in the spring of 1954 the financial year-end of the Pension Fund was changed from 31 December to 30 September, consequently the first statements were for a nine months' period. The Secretary-General this year is submitting, as a separate part, his financial report and the financial statements relating to the Expanded Programme of Technical Assistance. For this reason, audit observations on technical assistance accounts are not included in this report on the accounts of the United Nations; instead, they are being presented separately. The financial year of both the United Nations Korean Reconstruction Agency and the United Nations Relief and Works Agency for Palestine Refugees in the Near East ends on 30 June, consequently audits of these special accounts will be made later in the year.

2. The Secretary-General presented for certification the following financial statements relating to the United Nations General Fund and allied accounts:

- I. Statement of 1954 budget appropriations, obligations incurred and unobligated balances of appropriations;
- II. Statement of income and obligations incurred and surplus account for the year ended 31 December 1954;
- III. Statement of assets and liabilities as at 31 December 1954,

together with associated schedules. Examinations were made of accounts and records at New York, Geneva and The Hague, and the Board again records its appreciation of the co-operation and assistance so willingly extended by officers of the Secretariat at New York and Geneva and by the Registry of the International Court of Justice.

3. *Appropriations statement.* By budget resolution 786 (VIII), the General Assembly appropriated \$47,827,110 for the year 1954, but resolution 881 (IX) of 14 December 1954 increased the amount to \$48,528,980. Obligations incurred totalling \$48,510,009, savings on appropriations were \$18,971—the comparable amount in 1953 was \$576,898 and in 1952 it was \$277,507.

4. No surrender in any section exceeded \$2,000 and in several instances it was less than \$100. In part, the smallness of section surrenders was due to the fact that year-end transfers were made from sixteen sections of the budget in order to provide the following with additional credits:

<i>Section</i>	<i>Description</i>	<i>Addition</i> \$
1	The General Assembly, Commissions and Committees	37,000
17	Common staff costs	42,750
18	Common services	58,650
20	European Office of the United Nations	8,500
20a	Office of the United Nations High Commissioner for Refugees	4,250
23	Economic Commission for Latin America	15,000
		<hr/>
		166,150

Towards the year-end it became evident that credits available in the above sections were insufficient to defray all obligations that might be charged to them, while other sections would have unobligated balances at the year-end.

Administrative action was to treat such prospective surplus credits as available for transfer and, upon the exact need of each section being established, in February 1955 the Secretary-General applied to the Advisory Committee on Administrative and Budgetary Questions for its concurrence to transfers between sections to the end that those over-obligated in the accounts would be brought into balance. The Committee, acting under the authority of section 3 of resolution 786 (VIII), gave its approval.

5. As noted in the opening paragraph of this report, an audit duty is to establish that all financial transactions "have been in accordance with the rules and regulations, the budgetary provisions and other applicable directives."

Because of the special circumstances in which these transfers of credit were effected, the Board entertains doubt as to their regularity, although a legal opinion applied for by the Office of the Controller and received on 28 April 1955 is to the effect that transfers under the authority of section 3 of resolution 786 (VIII) may be made at any time during 1955 whenever necessary to discharge obligations incurred in the year 1954. The Board now states its reasons why the transfers are regarded as being inconsistent with directions of the General Assembly in articles 2 and 4 of the Financial Regulations and section 3 of resolution 786 (VIII), these reading:

Financial Regulations

- 2.1 The financial year shall be the period 1 January to 31 December inclusive.
- 4.1 The appropriations voted by the General Assembly shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.
- 4.2 Appropriations shall be available for obligation during the financial year to which they relate.
- 4.3 Appropriations shall remain available for twelve months following the end of the financial year to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial year and to liquidate any other outstanding legal obligation of the year. The balance of the appropriations shall be surrendered.
- 4.4 At the end of the twelve-month period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated prior year obligations shall at that time be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations.
- 4.5 No transfer between appropriation sections may be made without authorization by the General Assembly.

Resolution 786 (VIII)

3. The Secretary-General is authorized

...

(ii) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to transfer credits between sections of the budget.

6. When the words "with the prior concurrence" in the budget resolution are read together with regulation 4.1, it appears to the Board that the General Assembly contemplates a decision by the Advisory Committee before the Secretary-General is free to accept obligations in excess of the amount specifically voted for a section of the budget. In this instance, concurrence was neither sought nor given until after the event.

7. An associated question is whether the General Assembly intended that section 3 of resolution 786 (VIII) was to continue in effect after resolution 881 (IX) was adopted on 14 December 1954. The prime purpose of the latter was to supplement the 1954 budget by adding \$701,870 of new credits, but by the same resolution the General Assembly also made transfers of existing credits between sections. Moreover, the resolution was adopted within a few days of the year-end and no reference to section 3 of resolution 786 (VIII) was included. Generally accepted audit practice is to give narrow and strict interpretation to budgetary legislation in order to protect the powers and privileges of appropriating authorities, especially when a consequence of administrative action was to expand the area in which expenditures might be made. In this instance, the General Assembly having specifically reduced the amounts appropriated for the needs of various sections of the budget, the Board regards it as inconsistent with the aim and policy of the Assembly that reductions in vote credits by the Assembly should be restored (in whole or in part) shortly afterwards by relying on a provision of a resolution of the previous session. Cases where this occurred are:

No.	Description	Resolution 881 (IX)	Subsequent
		reduction \$	addition \$
20	European Office of the United Nations (net).....	43,000	8,500
20a	Office of the United Nations High Commissioner for Refugees.....	16,000	4,250
23	Economic Commission for Latin America.....	15,000	15,000

8. Because the Board regards it as desirable that future practice be free from doubt, the certificate now given to financial statement I is provisionally qualified for the foregoing reasons. No audit exception is otherwise taken—the obligations involved were ordinary in nature.

9. *International Court of Justice.* The present Registrar took office on 23 October 1953 but, being over 60 years of age, was ineligible to become a contributor to the Joint Staff Pension Fund. During the ninth session of the General Assembly, the Fifth Committee took notice of proposals to provide pensionable status, but final decision as to mode has yet to be taken. Nevertheless, an obligation of \$2,081 is recorded against section 32 (International Court of Justice) in the accounts now under review. It represents an estimate of the Organization's contribution to be made for the period 23 October 1953 to 31 December 1954 should the Registrar be admitted to the Joint Staff Pension Plan. However, even if the Pension Regulations be broadened to admit him, effect may be given only "as from the date specified by the General Assembly" (article XXXVII). The audit view is that the obligation was prematurely recorded and lacks authority, but the Board notes that the administrative purpose in recording the obligation was primarily to distribute an anticipated charge evenly over the period with which associated.

10. *Miscellaneous income.* Annually, the total of miscellaneous income increases; moreover, in 1954 the amount actually received exceeded the sum officially estimated by \$104,000. A comparison of estimated and actual receipts in 1954 with totals of the three previous years is:

	<i>Estimated for 1954</i> \$	<i>Actual 1954</i> \$	<i>Actual</i>		
			1953 \$	1952 \$	1951 \$
Staff assessment.....	4,686,400	4,664,800	4,633,600	4,648,600	4,281,000
Sales of United Nations stamps.....	435,000	378,000	372,200	421,300	375,300
Services to specialized agencies.....	374,200	356,400	303,800	212,600	192,800
Rentals (space).....	302,500	320,000	295,300	283,600	201,900
Sale of publications.....	304,500	343,400	287,300	295,900	140,000
Investment income.....	141,100	191,600	186,300	152,400	129,400
Sales used furniture, etc.....	79,300	158,500	118,600	111,900	184,400
Film and television revenue.....	30,000	12,400	31,100	16,700	34,900
Guided Tour Service.....	215,000	211,400	214,300	—	—
United Nations Gift Centre.....	50,000	83,200	89,400	—	—
Contributions from non-member States.....	56,500	63,400	53,800	95,100	9,200
Other	85,500	81,100	201,600	182,500	288,900
	<u>6,760,000</u>	<u>6,864,200</u>	<u>6,787,300</u>	<u>6,420,600</u>	<u>5,837,800</u>

Income from the sale of used furniture, etc., was practically double the amount estimated because the purchaser of certain furniture from the United Nations (acquired in 1946 for an hotel operated for a short time by the Organization) paid off not only the 1954 instalment but also those maturing in 1955 and 1956. Film and television revenues are listed as \$12,400, but the total received was actually more. The explanation is that \$23,000 received from broadcasting companies in connexion with televising proceedings of the United Nations was applied directly towards the cost of production, that treatment having been forecast in the estimates for the year. The dining-room and cafeteria meal services operated at a loss of about \$23,000—in 1953 the loss was about \$4,000—but newsstand and other sales produced profits substantially in excess of the catering losses. Since funds thereby became available, a payment of \$53,000 was made to reduce the balance payable to the Working Capital Fund with respect to an advance authorized some years ago to finance the cost of cafeteria equipment in the Secretariat Building. As at 31 December 1954, the amount still due to Working Capital Fund was \$169,853. In addition, miscellaneous income was credited with \$32,900, this sum representing reimbursement of the cost of various United Nations services associated with the catering project.

11. *Headquarters construction project.* All major construction work was completed almost three years ago, but some work is still in progress as charges to the Headquarters construction account. As at 31 December 1954, expenditures and unliquidated obligations incurred in constructing and equipping Headquarters approximated \$66,430,000, the outlays having been financed by the \$65,000,000 Headquarters construction loan, appropriations of the General Assembly, and public contributions of approximately \$100,000. In view of the fact that the buildings are now fully occupied, the Board suggests that a "completion" date be set. As at 31 December 1954, there were commitments outstanding of \$56,000 while the unobligated balance at credit of the account was over \$650,000.

12. A substantial portion of the \$66,430,000 outlay is represented by equipment, furnishings, etc. In addition, there is in use equipment and furnishings either brought from the temporary headquarters at Lake Success or since acquired as charges to the regular budgets of the United Nations. While comprehensive records are maintained for inventory control purposes, no precise tabulation, by values, has been made, but the Board was informed that the over-all total may approximate \$12 million.

13. All equipment ultimately wears out; of course, the period of use varies in length depending on the nature of each item, but depreciation and obsolescence factors are constantly diminishing the worth of all. The problem of the United Nations is exceptional because practically all of its equipment and furnishings were acquired simultaneously, a probable consequence being that the burden of replacement will, in some years, materially increase the budget, while in others outlays may be relatively small. An alternative would be to devise a plan to amortize the cost (as is being done with respect to the Headquarters construction loan) and annually appropriate a fixed sum to a replacement reserve. Such a plan would be a step towards stabilizing the budget, but care would have to be exercised in devising means to preserve the General Assembly's financial prerogatives and at the same time give the Secretary-General reasonable latitude in application. The foregoing relates to the situation at New York, but the same problem exists in more advanced form at Geneva where the Palais des Nations has been in use for upwards of twenty years and expert opinion is that it will not be prudent to postpone much longer some major replacements of equipment.

14. *Investments.* As at 31 December 1954, there was approximately \$36 million earning income either through short-term investments or by use of time deposits earning interest. Most of the securities were yielding about 1¼ per cent. In addition, there are the substantial long-term investments of the Pension Fund, the Library Endowment Fund, etc. A "short-term" investment is regarded as one maturing within twelve months, and the Financial Regulations permit the Secretary-General to make such an investment whenever he is of opinion that any funds on hand are "not needed for immediate requirements". Long-term investments may be made only when "the appropriate authority" regulating the trust or special account specifically permits the acquisition of securities which will not mature for a number of years. However, it was observed that without specific authorization a portion of the moneys at credit of the Children's Fund and of the Refugee Emergency Fund were temporarily invested, as at 31 December 1954, in long-term securities.

15. There are a number of special accounts, an example is the Technical Assistance Working Capital and Reserve Fund, where experience demonstrates that some have continuing balances which might be invested to produce more income without interfering with day-to-day cash needs. Nevertheless, only short-term investments may be made, a result being that income return is, as stated above, currently about 1¼ per cent only.

16. *Supplementary reports.* The General Assembly, by section 3 of the annex to the Financial Regulations, allows the Board of Auditors to exercise a discretion in reporting on subordinate matters; they may be brought to the notice of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions or the Secretary-General. Consequently, in addition to this report, the Board, as in previous years, is drawing to the notice of the Advisory Committee various subjects that are technical in nature and related to such matters as the application of rules controlling payment of allowances, travel, etc., and also to administrative practices regarding the allocating of printing for payment in soft currencies, etc. The Board is also addressing a memorandum to the Secretary-General in which attention is drawn to practices relating to internal administration.

(Signed) Watson SELLAR, *Canada*
Luis ACEVEDO RODRÍGUEZ, *Colombia*
Otto F. REMKE, *Denmark*

5 May 1955

PART II.
EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

LETTER OF TRANSMITTAL

2 May 1955

Sir,

I have the honour to transmit the financial statements relating to the Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries, with respect to the financial year ended 31 December 1954. These statements have been examined and certified.

In accordance with the resolution of the General Assembly, I have the honour to present the report of the Board of Auditors with respect to the 1954 accounts of the Expanded Programme of Technical Assistance.

Accept, Sir, the assurances of my highest consideration.

(Signed) Watson SELLAR
On behalf of the Board of Auditors

THE PRESIDENT OF THE GENERAL ASSEMBLY
OF THE UNITED NATIONS

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1954

EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Financial report relating to the United Nations participation in the Programme and the Technical Assistance Board secretariat

1. There is submitted herein a financial report, together with financial statements for the year ended 31 December 1954 and the report of the Board of Auditors, covering United Nations expenditures in connexion with the Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries. The accounts are grouped into two main categories, as reflected in the separate financial statements which accompany this report, each with appropriate supplementary schedules:

- (a) Statement I relates to expenditures against funds made available to and administered by the United Nations as a participating organization in operations under the Programme;
- (b) Statement II relates to expenditures of the secretariat of the Technical Assistance Board under the administration of the Executive Chairman of the Board.

2. The financial statements do not of course cover expenditures by the specialized agencies under the Programme, which are reported directly to their own governing bodies, but which are later transmitted to the General Assembly under another agenda item, pursuant to the provisions of resolution 519 A (VI).

Accounts of the United Nations as a participating organization in the Expanded Programme of Technical Assistance

3. As shown in statement I, the funds allocated or otherwise made available during 1954 for operational and related administrative expenditures of the United Nations under the Programme amounted to \$6,305,072, while obligations incurred for these purposes were \$6,432,705. In addition, \$191,429 was apportioned to the United Nations out of payments made by Governments towards local living costs of experts under Economic and Social Council resolution 470 (XV) against which charges amounted to \$158,963.

4. Statement I shows a balance as at 31 December 1954 of \$95,167, representing an excess of total obligations incurred over total funds available for the year. However, for the purposes of accountability to the Technical Assistance Board, the surplus shown in respect of local cost apportionments may not be used for any other purposes, and the amount of \$32,466 arising in this connexion therefore reverts to Special Account and will in due course be accounted for to the Governments which provided these funds. Furthermore, certain special allocations were made by the Technical Assistance Board, with the provision that the use of these allocations was restricted to particular purposes; in accordance with the terms under which these allocations were issued, the unused balances amounting to \$73,788 also revert to the Special Account. The position therefore as of 31 December 1954 may be summarized as follows:

	<i>Available</i> \$	<i>Expended</i> \$	<i>Balances</i> \$
(a) Apportionments for local costs.....	191,429	158,963	32,466
(b) Allocations restricted for special purposes.....	339,435	265,647	73,788
(c) Regular allocations and other available funds....	5,965,637	6,167,058	(201,421)
	<u>6,496,501</u>	<u>6,591,668</u>	<u>(95,167)</u>

5. The regular allocations and other available funds were derived as follows:

	\$
Carry-over from 1953, re-allocated for use in 1954.....	119,189
Savings on 1953 obligations realized in 1954.....	213,098
Miscellaneous income for 1954.....	60,696
Allocations in respect of the Organization's share in approved earmarkings of \$18,000,000..	3,713,054
Additional allocation for tax reimbursement.....	80,000
Grant-in-aid from the regular budget appropriations of the United Nations.....	1,779,600
TOTAL available funds	<u>5,965,637</u>

The special allocation for tax reimbursement, \$80,000, was granted subject to the provision that it should be reduced by the amount (up to that figure) of any carry-over (i.e., excess of available funds over obligations incurred) for the year 1954. As no such carry-over was realized, no reduction will be entailed.

6. As shown in the table included in paragraph 4 above, the operations for the year 1954, excluding those covered by special arrangements, resulted in an excess of obligations incurred over available funds amounting to \$201,421. This over-obligation of funds has been reported to the Technical Assistance Board and a request made for an additional allocation of funds to cover it, in view of the circumstances as outlined later in this paragraph. At the same time, assurances have been given that steps are being taken to avoid any repetition of the situation in future years. The Board has stressed the need for all participating organizations to adhere strictly to its established principles and ensure that the obligations incurred by them will not exceed the total funds earmarked and allocated to them, and rejected the request for an additional allocation. Consequently, it will be necessary to cover the amount of \$201,421 from funds available in 1955. In general, the situation reported above is a reflection of that fact that programme plans for rendering technical assistance up to the maximum availability did in fact mature more quickly than had been originally anticipated. As a result, the Organization was committed to the alternatives of either implementing these plans at the risk of outrunning available funds, or postponing important projects with the consequent risk of losing the services of the experts best qualified to do the work involved, as well as the dislocation of plans made by the recipient Governments. In view of the normal incidence of delays in implementing other projects, which would normally provide a margin of funds, the first alternative was taken. In the end, sufficient savings elsewhere did not materialize, and the position as shown above has resulted.

7. Details of the operational and administrative expenditures will be found in three schedules annexed to statement I. These are summarized, together with comparative figures for 1953, as follows:

	1954 \$	1953 \$
A. Project costs	5,236,229	5,607,864
B. Technical and operational costs.....	836,791	982,479
	<u>6,073,020</u>	<u>6,590,343</u>
C. Central administrative costs.....	359,685	468,881
	<u>359,685</u>	<u>468,881</u>
TOTALS	<u>6,432,705</u>	<u>7,059,224</u>

In addition, expenditures totalling \$80,694 were incurred in 1954 in respect of technical assistance in particular areas against direct reimbursement by the Governments receiving the assistance, making the total expenditures \$6,513,399.

8. The following table presents a comparison of central administrative costs for the year 1954 with those reported for the year 1953:

	1954 \$	1953 \$
Personal services.....	331,182	419,806
Administrative supplies and materials.....	1,594	1,695
Travel and transportation.....	24,452	36,343
Contractual and other services.....	2,457	11,037
	<u>359,685</u>	<u>468,881</u>

Central administrative costs represent for the year 1954 about 5½ per cent, as against 6-2/3 per cent for 1953, of the total obligations incurred under the programme, and thus reflect both relatively and in total sum a substantial reduction in costs. It is noted in this connexion that the administrative costs include for 1954 \$25,996 and for 1953 \$40,286 in respect of charges for tax reimbursement.

9. One *ex gratia* payment was made during 1954 and charged against technical assistance funds. The amount involved was \$750 which represented compensation paid in connexion with the withdrawal of an offer of employment to an expert.

Expenditures of the Technical Assistance Board secretariat

10. As shown in statement II, the total obligations incurred for the year 1954 amounted to \$1,277,312, as against allocations by the Board of \$1,281,982. The balance of \$4,670, together with miscellaneous income, etc., of \$30,422, makes a total of \$35,092 which reverts to the Special Account.

11. Further details of the obligations incurred for the year 1954 are reported in schedules A and B attached to statement II. These are summarized below together with comparative figures for the year 1953:

	1954 \$	1953 \$
A. Resident Representatives' and liaison officers' costs.....	885,845	812,888
B. Central administrative costs of the secretariat.....	391,467	486,602
	<u>1,277,312</u>	<u>1,299,490</u>

12. A summary of the total obligations incurred by object of expenditure under the two categories, as compared with totals for the preceding year, is given in the following table:

	1954			1953
	<i>Resident Representatives etc. \$</i>	<i>Central administrative costs \$</i>	<i>Totals \$</i>	<i>Totals \$</i>
Personal services.....	692,175	317,243	1,009,418	982,085
Administrative supplies, materials, equipment, etc....	16,412	14,559	30,971	38,200
Travel and transportation.....	132,159	36,781	168,940	203,142
Contractual and other services.....	45,099	22,824	67,983	76,063
	<u>885,845</u>	<u>391,467</u>	<u>1,277,312</u>	<u>1,299,490</u>

(Signed) Dag HAMMARSKJOLD
Secretary-General

**ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 1954**

**Expanded Programme of Technical Assistance
for Economic Development of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS MADE AVAILABLE TO THE UNITED NATIONS
AS A PARTICIPATING ORGANIZATION AS AT 31 DECEMBER 1954

	\$	\$
Excess of allocations over obligations incurred as at 31 December 1953.....		119,189
Allocations from contributions and other available funds in 1954.....	4,132,489	
Grant-in-aid from United Nations.....	1,779,600	5,912,089
Other credits:		
Savings on liquidation of prior years' obligations.....	213,098	
Miscellaneous income.....	60,696	273,794
Total funds available.....		6,305,072
Obligations incurred during 1954 (excluding charges against funds provided by Governments for local costs):		
Project costs (schedule A).....	5,236,229	
Technical operational costs (schedule B).....	836,791	
Central administrative costs (schedule C).....	359,685	6,432,705
Excess of obligations incurred over available funds.....		(127,633)
Excess of local cost apportionments over expenditures chargeable:		
Apportionments received and receivable for local costs.....	191,429	
Deduct: Obligations incurred in respect of local costs chargeable thereto.....	158,963	32,466
Balance as at 31 December 1954.....		(95,167)
Represented by:		
Cash at banks and on hand.....	506,413	
Undrawn allocations and local cost apportionments (net).....	137,332	
Local cost charges recoverable from Governments.....	12,922	
Accounts receivable, advances, etc.....	146,179	802,846
Less:		
Unliquidated obligations.....	763,535	
Accounts payable.....	104,984	
Sundry credit balances.....	29,494	898,013
		(95,167)
Certified correct		
(Signed) H. C. ANDERSEN		
Controller		
Approved		
(Signed) Dag HAMMARSKJOLD		
Secretary-General		

AUDIT CERTIFICATE

The above statement showing the status of funds made available to the United Nations Technical Assistance Administration in connexion with the Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries, for the year ended 31 December 1954, has been examined in accordance with our directions. We have obtained all the information and explanations that we have required and, subject to the observations in our report, we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) Watson SELLAR, Canada
Luis ACEVEDO RODRÍGUEZ, Colombia
Otto F. REMKE, Denmark

SCHEDULE A

**Expanded Programme of Technical Assistance
for Economic Development of Under-developed Countries**

OBLIGATIONS INCURRED: PROJECT COSTS BY THE UNITED NATIONS
FOR THE YEAR ENDED 31 DECEMBER 1954

<i>Designation</i>	<i>Disbursements</i>	<i>Unliquidated Obligations</i>	<i>Total</i>
	\$	\$	\$
ASIA AND FAR EAST			
Regional projects.....	257,506	35,890	293,396
Australia	3,676	69	3,745
Burma	211,022	26,016	237,038
Ceylon	98,354	5,490	103,844
China	65,181	5,515	70,696
India	115,863	19,902	135,765
Indochina	22,456	3,054	25,510
Indonesia	231,558	64,761	296,319
Japan	9,628	1,924	11,552
Korea	21,017	1,577	22,594
Nepal	23,448	3,272	26,720
Pakistan	200,696	24,606	225,302
Philippines	92,565	9,864	102,429
Thailand	39,735	6,070	45,805
Non-Self-Governing and Trust Territories administered by the United Kingdom	30,502	4,663	35,165
Non-Self-Governing and Trust Territories administered by the United States of America	6,441	—	6,441
	<u>1,429,648</u>	<u>212,673</u>	<u>1,642,321</u>

EUROPE, MIDDLE EAST AND AFRICA

Europe—regional projects.....	23,485	20,075	43,560
Middle and Near East—regional projects.....	105,641	19,675	125,316
Africa	16	—	16
Ethiopia	31,670	5,905	37,575
Liberia	9,473	3,256	12,729
Libya	111,646	6,607	118,253
Greece	40,365	4,852	45,217
Yugoslavia	185,033	22,765	207,798
Austria	1,678	432	2,110
Denmark	2,808	286	3,094
Finland	9,349	1,553	10,902
France	2,100	140	2,240
Netherlands	6,748	320	7,068
Norway	142	—	142
Sweden	11,522	900	12,422
Switzerland	9,482	2,365	11,847
Italy	5,038	758	5,796
Iceland	883	196	1,079
Trieste	4	—	4
United Kingdom.....	4,412	294	4,706
Afghanistan	68,079	9,007	77,086
Egypt	119,073	21,830	140,903
Iran	159,605	11,347	170,952
Iraq	45,377	6,662	52,039
Israel	110,234	13,237	123,471
Jordan	134,837	14,401	149,238
Lebanon	15,233	1,901	17,134
Saudi Arabia	8,206	630	8,836
Syria	11,978	3,367	15,345
Turkey	210,506	81,731	292,237

SCHEDULE A
(continued)

<i>Designation</i>	<i>Disbursements</i> \$	<i>Unliquidated</i> <i>Obligations</i> \$	<i>Total</i> \$
Yemen	16,239	1,738	17,977
Other States of the Middle East area	6	—	6
Non-Self-Governing and Trust Territories administered by France	63	—	63
Non-Self-Governing and Trust Territories administered by the United Kingdom	45,606	11,521	57,127
	<u>1,506,537</u>	<u>267,751</u>	<u>1,774,288</u>

LATIN AMERICA, CENTRAL AMERICA AND CARIBBEAN

Regional projects	381,482	71,448	452,930
Argentina	306	—	306
Bolivia	242,835	12,274	255,109
Brazil	129,866	7,258	137,124
Chile	21,902	2,105	24,007
Colombia	71,394	7,915	79,309
Costa Rica	22,065	1,382	23,447
Cuba	9,293	1,424	10,717
Dominican Republic	19,968	1,129	21,097
Ecuador	115,471	11,596	127,067
Guatemala	10,691	1,640	12,331
Haiti	69,745	11,080	80,825
Honduras	2,586	—	2,586
Mexico	13,617	2,077	15,694
Nicaragua	29,355	1,239	30,594
Panama	24,964	2,304	27,268
Paraguay	53,847	2,750	56,597
Peru	34,798	1,109	35,907
El Salvador	19,978	473	20,451
Uruguay	14,682	1,657	16,339
Venezuela	28,903	22,891	51,794
Non-Self-Governing Territories of the area	20,325	2,246	22,571
	<u>1,338,073</u>	<u>165,997</u>	<u>1,504,070</u>

INTER-REGIONAL

Inter-regional	278,369	35,035	313,404
United States of America	2,146	—	2,146
	<u>280,515</u>	<u>35,035</u>	<u>315,550</u>
TOTAL	<u>4,554,773</u>	<u>681,456</u>	<u>5,236,229</u>

SCHEDULE B

Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries

OBLIGATIONS INCURRED: TECHNICAL AND OPERATIONAL COSTS BY THE UNITED NATIONS
FOR THE YEAR ENDED 31 DECEMBER 1954

	<i>Disbursements</i> \$	<i>Unliquidated obligations</i> \$	<i>Total</i> \$
Personal services.....	724,375	49,000	773,375
Administrative supplies and materials.....	—	—	—
Administrative property and equipment.....	—	—	—
Travel and transportation:			
Official business.....	4,182	1,440	5,622
Recruitment, leave and termination.....	48,380	6,244	54,624
Contractual and other services:			
Communications	203	15	218
Other	2,800	152	2,952
	<u>779,940</u>	<u>56,851</u>	<u>836,791</u>

SCHEDULE C

Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries

OBLIGATIONS INCURRED: CENTRAL ADMINISTRATIVE COSTS BY THE UNITED NATIONS
FOR THE YEAR ENDED 31 DECEMBER 1954

	<i>Disbursements</i> \$	<i>Unliquidated obligations</i> \$	<i>Total</i> \$
Personal services.....	307,522	23,660	331,182
Administrative supplies and materials.....	1,594	—	1,594
Travel and transportation:			
Official business.....	18,659	1,385	20,044
Recruitment, leave and termination.....	4,408	—	4,408
Contractual and other services:			
Communications	1,812	—	1,812
Other	462	183	645
	<u>334,457</u>	<u>25,228</u>	<u>359,685</u>

**Expanded Programme of Technical Assistance
for Economic Development of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS MADE AVAILABLE FOR EXPENSES
OF THE TECHNICAL ASSISTANCE BOARD SECRETARIAT AS AT 31 DECEMBER 1954

	\$	\$
Excess of allocations over obligations incurred as at 31 December 1953.....		124,105
Less: surrendered to the Special Account.....		124,105
		<hr/>
Allocations during the year ended 31 December 1954.....		1,281,982
Savings effected in liquidating prior years' obligations.....		19,461
Miscellaneous income		10,961
		<hr/>
		1,312,404
Obligations incurred during the period:		
Resident representatives' and liaison officers' costs (schedule A).....	885,845	
Central administrative costs (schedule B).....	391,467	1,277,312
	<hr/>	<hr/>
Excess of allocations over obligations incurred.....		35,092
		<hr/> <hr/>
Represented by:		
Cash at banks and on hand.....	22,923	
Undrawn allocations	161,563	
Accounts receivable, advances, deposits, etc.....	5,264	189,750
	<hr/>	
Less:		
Unliquidated obligations	122,208	
Sundry credit balances.....	32,450	154,658
	<hr/>	<hr/>
		35,092
		<hr/> <hr/>
Certified correct	Approved	
(Signed) H. C. ANDERSEN	(Signed) Dag HAMMARSKJOLD	
Controller	Secretary-General	

AUDIT CERTIFICATE

The above statement showing the status of funds made available to the Technical Assistance Board secretariat in connexion with the Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries for the year ended 31 December 1954 has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) Watson SELLAR, *Canada*
Luis ACEVEDO RODRÍGUEZ, *Colombia*
Otto F. REMKE, *Denmark*

**Expanded Programme of Technical Assistance
for Economic Development of Under-developed Countries**

Schedules to statement II

SCHEDULE A

**OBLIGATIONS INCURRED FOR RESIDENT REPRESENTATIVES' AND LIAISON OFFICERS' COSTS
FOR THE YEAR ENDED 31 DECEMBER 1954**

	<i>Disbursements</i>	<i>Unliquidated obligations</i>	<i>Total</i>
	\$	\$	\$
Personal services (net).....	657,599	34,576	692,175
Administrative supplies and materials.....	3,799	48	3,847
Administrative property and equipment.....	4,958	7,607	12,565
Travel and transportation.....	103,105	29,054	132,159
Contractual and other services.....	41,271	3,828	45,099
	<u>810,732</u>	<u>75,113</u>	<u>885,845</u>

SCHEDULE B

**OBLIGATIONS INCURRED FOR CENTRAL ADMINISTRATIVE COSTS OF THE TECHNICAL ASSISTANCE BOARD SECRETARIAT
FOR THE YEAR ENDED 31 DECEMBER 1954**

	<i>Disbursements</i>	<i>Unliquidated obligations</i>	<i>Total</i>
	\$	\$	\$
Personal services.....	287,630	29,613	317,243
Administrative supplies and materials.....	12,258	1,000	13,258
Administrative property and equipment.....	27	1,274	1,301
Travel and transportation:			
Official business.....	16,934	5,805	22,739
Recruitment, leave and termination.....	9,453	4,589	14,042
Contractual and other services:			
Communications	14,159	3,147	17,306
Other	3,911	1,667	5,578
	<u>344,372</u>	<u>47,095</u>	<u>391,467</u>

**REPORT OF THE BOARD OF AUDITORS
TO THE GENERAL ASSEMBLY**

**REPORT OF THE BOARD OF AUDITORS
TO THE GENERAL ASSEMBLY
ON THE AUDIT OF ACCOUNTS RELATING TO THE
EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE
FOR THE YEAR ENDED 31 DECEMBER 1954**

1. The Secretary-General submitted for audit certification the following statements in respect of financial transactions in connexion with the Expanded Programme of Technical Assistance:

Statement I—showing the status of funds made available to the United Nations as at 31 December 1954.

Statement II—showing the status of funds made available for expenses of the Technical Assistance Board secretariat as at 31 December 1954.

The Board was provided with all information required and now reports on both accounts.

Statement showing the status of funds made available to the United Nations

2. Statement I covers the financial transactions of the United Nations as a participating organization in the Expanded Programme of Technical Assistance, and records the total of funds available (exclusive of local cost apportionments) as \$6,305,072, with \$339,435 representing allocations restricted to special purposes. Observations now made are with respect to the \$5,965,637 derived from the following sources:

	\$
Carry-over from 1953, re-allocated for use in 1954.....	119,189
Savings on 1953 obligations realized in 1954.....	212,098
Miscellaneous income for 1954.....	60,696
Allocations in respect of the Organization's share in approved earmarkings of \$18,000,000	3,713,054
Additional allocation for tax reimbursement.....	80,000
Grant-in-aid from the regular budget appropriations of the United Nations.....	1,779,600
	<hr/>
	5,965,637
	<hr/>

3. It will be observed that the above total includes \$1,779,600 appropriated by the General Assembly in the regular United Nations budget and therefore subject to United Nations financial regulation 4.1, which reads:

“The appropriations voted by the General Assembly shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.”

As to amounts allocated to United Nations from the special account for the expanded programme of technical assistance, the TAB Finance Manual stipulates that:

“Obligations incurred by a participating organization for services and supplies to be furnished during a current financial period may not exceed contributions allocated to the participating organization during that period.”

Despite these directions obligations recorded against the \$5,965,637 available amounted to \$6,167,058. Thus there was an over-obligating to the extent of \$201,421. Upon the Board asking for an explanation, attention was drawn to the administrative justification set out in paragraph 6 of the financial report of the Secretary-General on technical assistance accounts, an extract being:

“... programme plans for rendering technical assistance up to the maximum availability did in fact mature more quickly than had been originally anticipated. As a result, the Organization was committed to the alternatives of either implementing these plans at the risk of outrunning available funds, or postponing important projects with the consequent risk of losing the services of the experts best qualified to do the work involved, as well as the dislocation of plans made by the recipient Governments. In view of the normal incidence of delays in implementing other projects, which would normally provide a margin of funds, the first alternative was taken. In the end, sufficient savings elsewhere did not materialize, and the position as shown above has resulted.”

4. In view of the fact that savings totalling \$213,098 resulted in settling unliquidated obligations of 1953, a review was made of unliquidated obligations of 1954 to ascertain whether it might reasonably be anticipated that savings ultimately effected in settling these outstanding obligations would offset the \$201,421 over-obligated; because should that be the outcome, a technical, rather than an actual, over-committing had taken place. However, the survey disclosed that: (a) as at 31 December 1954 unliquidated obligations totalled about \$763,500, with resources of approximately \$562,000 available to liquidate the commitments; and (b) during the first two months of 1955 about 25 per cent of these unliquidated obligations were settled but without any substantial savings resulting. It would therefore appear probable that, unlike 1953 experience, no material sum will be freed as a result of settling obligations still outstanding.

**Statement showing the status of funds made available for expenses of the
Technical Assistance Board secretariat**

5. As shown in statement II, obligations incurred totalled \$1,277,312, or approximately \$22,000 less than in the previous year—a comparative analysis of 1953 and 1954 costs is given in paragraphs 11 and 12 of the Secretary-General's financial report. The statement has been certified without qualification.

Resolution 885 (IX) of the General Assembly

6. On 14 December 1954, the General Assembly adopted a resolution founded on observations of the Advisory Committee on Administrative and Budgetary Questions, with respect to technical assistance accounts. For present purposes, it is paragraph 5 of the Advisory Committee's report that is of concern:

“5. In view of these considerations, the General Assembly may wish to recommend that the several external auditors should review at each year-end all transactions under the Programme, in order:

“(a) To make certain that technical assistance funds are applied solely to productive objectives;

“(b) To ensure that no such funds are unnecessarily recorded as unliquidated obligations; and

“(c) To ensure that uniformity in administrative procedures is pursued to the greatest practicable extent by all participating organizations.”

Since the resolution was adopted almost at the end of the year 1954, no audit action with respect to it could be taken during the customary interim examinations of 1954 accounts. Moreover, as joint audit action is involved, the external auditors of specialized agencies and of United Nations will necessarily have to consider harmonizing their respective procedures in examining technical assistance transactions—it is anticipated that a session of the Panel of Auditors will be held in 1955. It will also be necessary that participating organizations come to agreement with respect to their practices and procedures. For these reasons, during the audit a review of the aims of the resolution and application of its terms took place between the Board and United Nations officers associated with technical assistance administration.

(Signed) Watson SELLAR, *Canada*
Luis ACEVEDO RODRÍGUEZ, *Colombia*
Otto F. REMKE, *Denmark*

2 May 1955