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UNITED NATIONS KOREAN RECONSTRUCTION AGENCY

FINANCIAL REPORT AND ACCOUNTS

for the year ended 30 June 1958

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS : THIRTEENTH SESSION ✓

SUPPLEMENT No. 6B (A/3941)

NEW YORK, 1958

UNITED NATIONS

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AGENCY**

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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LETTER OF TRANSMITTAL

Oslo, 1 October 1958

Sir,

An examination has been made of the accounts of the United Nations Korean Reconstruction Agency for the financial year ended 30 June 1958.

The financial statements presented for audit certificate by the Agent General have been examined and certified.

On behalf of the Board of Auditors of the United Nations, I have the honour to transmit for presentation to the General Assembly the financial statements and audit report thereon.

Respectfully,

(Signed) Lars BREIE,
on behalf of the Board of Auditors

The Secretary-General of the United Nations,
New York.

FINANCIAL REPORT OF THE AGENT GENERAL

for the financial year ended 30 June 1958

1. The financial statements of the United Nations Korean Reconstruction Agency for the year ended 30 June 1958 are submitted herewith; these comprise the following documents:

Statement

I. Summary	} Plans of expenditure, obligations incurred and unobligated balances
II. 1952-1953 programme	
III. 1953-1954 programme	
IV. 1954-1955 programme	
V. 1955-1956, 1956-1957 and 1957-1958 programmes	
VI. Income, obligations incurred and net resources	
VII. Assets, liabilities and net resources	

Schedule

- A. Government pledges and contributions
- B. Investments

Addendum

- A. Hwan assets, liabilities and net resources
- B. Hwan income, obligations incurred and net resources

2. In the year under review, almost all remaining Government pledges were honoured and, with the exception of small items of miscellaneous income which may be forthcoming, there will be no appreciable increase in resources before the closure of the Agency. Income from Government contributions and other sources became available in the following years and amounts:

	<i>Expressed in terms of U.S. dollars</i>
1950-1951	7,240,468
1951-1952	11,975,429
1952-1953	53,186,994
1953-1954	34,508,154
1954-1955	36,036,129
1955-1956	2,977,563
1956-1957	1,054,369
1957-1958	1,649,903
TOTAL	148,629,009

The above sum was fully committed with the exception of \$1.1 million; this was set aside to meet administrative costs during the residual period, the expenses of liquidation and, in part, as a general reserve to meet any contingencies which may arise in the finalization of the projects which are still on hand.

3. Cash disbursements for the period were \$11 million, leaving cash and investments amounting to \$7.4 million.

4. The UNKRA Advisory Committee agreed that the Agent General could, where appropriate, arrange for the continuation of UNKRA projects by other United Nations agencies. In accordance with this decision, three current projects in education were transferred to the United Nations Educational, Scientific and Cultural

Organization on the understanding that UNKRA would make available the unexpended funds allotted for the projects and UNESCO would provide for their extension beyond the lifetime of the Agency. Under the agreement signed in April 1957, UNKRA retained operational responsibility for the projects until 31 August 1957 but UNESCO became retroactively responsible from 1 January 1957 for the financial reporting. At the closure of the accounts on 30 June 1957, the agreement had not been implemented and expenditures incurred to that date were recorded as a normal charge to the UNKRA plans of expenditure. During the period of the report, funds were transferred to UNESCO, details were given of expenditure incurred on the projects from 1 January to 31 August 1957 and liabilities were set up for additional transfers under consideration as at 30 June 1958. In accordance with these facts, the accounts of the Agency were adjusted and entries have been shown on the statements affected by the adjustments.

SUMMARY OF CURRENT PLANS OF EXPENDITURE, OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES SHOWING CUMULATIVE POSITION TO 30 JUNE 1958 (STATEMENT I)

5. The main activity of the Agency is in the field of reconstruction and therefore the projects undertaken were in many cases of several years' duration. Settlement of accounts and other activity has continued on items commenced under authority of plans of expenditure dating back to 1952-1953. It is therefore necessary to report on all programmes from 1 July 1952 to 30 June 1957. Commitments made before July 1952 have been finalized and are excluded from this statement. It was originally hoped that the Agency would be financed to the extent of \$250 million. The target was later raised to \$266 million. The plans of expenditure set up for the years 1952-1953 and 1953-1954 were based on these expectations. However, the budget allotments issued were limited to the income actually received and for this reason, especially in the year 1953-1954, the programmes eventually undertaken fell far short of the original plan. The deficit between receipts and the plans of expenditures, amounting to over \$97 million, is reflected in column 9 of the statement.

STATEMENT OF FINANCIAL YEAR 1952-1953 PLAN OF EXPENDITURE, OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES SHOWING CUMULATIVE POSITION TO 30 JUNE 1958 (STATEMENT II)

6. The commitments undertaken for this year are almost entirely liquidated. The allotments totalled \$57.1 million, and financial settlements have been effected to the extent of \$56.8 million. The \$300,000 outstanding is in respect of nine projects; seventy-four have been finalized.

STATEMENT OF FINANCIAL YEAR 1953-1954 PLAN OF EXPENDITURE, OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES SHOWING CUMULATIVE POSITION TO 30 JUNE 1958 (STATEMENT III)

7. During the year, new commitments amounted to \$1.2 million. Savings and adjustments to the figures reported at 30 June 1957 resulted in a reduction of over \$300,000. There was, accordingly, a net increase of approximately \$900,000. The year's programme is now valued at \$46 million and over 90 per cent of this sum has been liquidated and finalized. The unliquidated balances and outstanding commitments amount to \$3.8 million but, of this, 75 per cent refers to the completion of the new National Medical Centre in Seoul, Korea, and the salaries and related costs of a training staff who will teach and demonstrate in the hospital for five years after it is in operation. A special entry has been made on this statement regarding the transfer of funds to UNESCO. An explanation of the item is given in paragraph 4. The projects covered in this special allotment are the Foreign Language Institute and Community Co-ordinated Development in the amounts of \$130,462 and \$11,500, respectively.

STATEMENT OF FINANCIAL YEAR 1954-1955 PLAN OF EXPENDITURE, OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES SHOWING CUMULATIVE POSITION TO 30 JUNE 1958 (STATEMENT IV)

8. More than 90 per cent of this programme, now effectively \$30.6 million, has been liquidated. The open items amount to \$2.8 million, but half of this sum refers to salable items which at the closure of the accounts were being procured, or being delivered to Korea. These salable items are in course of, or will be the subject of, early settlement. There is also a major project, the rehabilitation of the Chang Hang Smelter, still in progress, and the liabilities remaining on this item account for over \$400,000. Also included in this statement is a transfer to UNESCO of \$165,864; this refers to the Fundamental Education Centre project, referred to above in paragraphs 4 and 7. This is the last plan of expenditure on which operational activity was authorized.

STATEMENT OF FINANCIAL YEARS 1955-1956, 1956-1957 AND 1957-1958 PLANS OF EXPENDITURE, OBLIGATIONS INCURRED AND UNOBLIGATED BALANCES SHOWING CUMULATIVE POSITION TO 30 JUNE 1958 (STATEMENT V)

9. (a) Commencing with the 1955-1956 plan of expenditure, no provision was made for further reconstruction projects. Funds were, however, set aside in the two years ended June 1957 to cover the costs of Agency staff who were seconded to the Unified Command to work mainly on civilian relief. This was in implementation of an undertaking which was made and continued since the early days of the Agency. The staff thus employed were terminated on 30 June 1957; thereafter, the payroll consisted entirely of staff members engaged on direct UNKRA projects. Comparison of the three years will show that there has been a continuous reduction in both operational personnel and establishment, and administrative costs.

(b) The operational personnel and establishment costs, which amounted to \$1,319,362 in the financial year 1956-1957, were reduced by over 40 per cent during the current year. The details are:

	Expressed in terms of US dollars
Salaries, wages and other staff costs	579,512
Travel	15,663
Communications	23,481
Supplies and services	5,061
Equipment	53
Rents and utilities	25,826
Maintenance of vehicles	17,457
Staff recruitment, transfers, separations, home leave costs	11,922
Staff leave, indemnity payments, income tax costs	70,800
Other administrative costs	2,279
TOTAL	752,054

(c) Similarly, administrative costs, which in the previous year amounted to \$745,263, were reduced by 45 per cent to \$407,355. The total was made up as follows:

	Expressed in terms of US dollars
Salaries, wages and other staff costs	292,540
Travel	5,244
Communications	7,634
Supplies and services	2,442
Equipment	53
Rents and utilities	18,860
Maintenance of vehicles	15,314
Staff recruitment, transfers, separations, home leave costs	13,000
Staff leave, indemnity payments, income tax costs	35,000
Other administrative costs	17,268
TOTAL	407,355

STATEMENT OF INCOME, OBLIGATIONS INCURRED AND NET RESOURCES FOR THE YEAR ENDED 30 JUNE 1958 (STATEMENT VI)

10. (a) The Agency carried forward at 1 July 1957 net resources totalling \$4,060,282. The liquidation of accounts carried out during the year and also the constant review and adjustment of recorded obligations resulted in considerable savings; these increase the balance to \$5,330,817.

(b) Government contributions, mainly in respect of the National Medical Centre in Korea, amounted to \$885,633.

(c) There was a rapid decline in investment holdings during the year; offsetting this, there was an increase in the average money rates. As a result, the investment income, at \$541,948, showed a slight increase over the previous year.

(d) In accordance with past practice, salaries were charged to the plan of expenditure gross and the amounts thereafter deducted for staff assessment were taken as miscellaneous income. The amount forthcoming from this source was \$205,504.

(e) Other income came from:

	Expressed in terms of US dollars
Cash discounts	9,842
Sale of surplus property	6,373
Rents	477
Differences in exchange	70
Sale of publications	49
Sundries	7
TOTAL	16,818

(f) Resources available to the Agency during the year were \$6,980,720. Obligations against various years' plans of expenditure totalled \$5,809,701, leaving \$1,171,019 available for the period subsequent to 30 June 1958. This balance is represented almost entirely by United States dollars.

STATEMENT OF ASSETS, LIABILITIES AND NET RESOURCES AS AT 30 JUNE 1958 (STATEMENT VII)

ASSETS

11. Cash on hand and at banks.

(a) During the year every possible effort was made to reduce the number of currencies on hand and only six were finally held. These, with the values, were:

	Local currency	US dollar equivalent
Danish kronerKr.	39.98	6
Japanese yenY	454,962	1,267
Mexican pesosp.\$	95,528.38	7,642
Sterling£	1,118.12.5	3,132
Norwegian kronerKr.	8,019,498.82	1,122,729
United States dollars\$	102,962.81	102,963
	TOTAL	1,237,739

(b) The reduction in the number of currencies held has also permitted the closure of several bank accounts. At 30 June 1958, active accounts were being operated with the following banks:

Denmark: Kjobenhavns Handelsbank, Copenhagen.

Japan: The Chase Manhattan Bank, Tokyo.

Mexico: Banco Nacional de México.

Norway: Christiania Bank og Kreditkasse, Oslo.

United Kingdom of Great Britain and Northern Ireland: Westminster Bank Limited, London.

United States of America: Bankers Trust Company, New York; The Chase Manhattan Bank, New York; Chemical Corn Exchange Bank, New York; The Hanover Bank, New York.

Accounts were also maintained in Korea with the Bank of Korea and the Korean Reconstruction Bank for local currency operations.

12. *Investments.* The large excess of cash disbursements over receipts was reflected in the drop in investment holdings which stood at \$6.2 million at 30 June 1958. Only three types of securities were held; full details are shown on schedule B. In each case, the nominal value of the investment equals the cost at which it was purchased. At the closure of the accounts, the market value of each was very close to, or exactly at, par. Accordingly, the investments are recorded in the assets at nominal value.

13. *Accrued interest.* In accordance with past practice, interest due but not received was taken as an asset. The sources of this anticipated income were:

	Expressed in terms of US dollars
United States Government securities	2,140
United States quasi Government securities	42,708
Bank deposit accounts and time deposits	19,491
TOTAL	64,339

14. *Accounts receivable, advances, deposits, etc.* include:

	Expressed in terms of US dollars
Various commercial organizations	19,749
Staff members, mainly income tax advances	18,186
Due from national and other international agencies	4,241
Pre-payments	1,068
TOTAL	43,244

LIABILITIES AND NET RESOURCES

15. Steady progress was made in liquidating or adjusting outstanding obligations and commitments; these were reduced during the year from \$16 million to \$7.3 million. Several deposits with suppliers, which will be recorded as liquidated obligations on receipt of satisfactory documentation, are offset against the obligations; these are analysed as follows:

	Expressed in terms of US dollars
Crown Agents for Oversea Governments and Administration (United Kingdom)	506,853
Department of the Army (United States of America)	97,956
Department of the Navy (United States of America)	6,629
Ellicott Machine Corporation (United States of America)	3,300
Institute for International Education (United States of America)	4,998
Otis Elevator Company (United States of America)	38,715
Scandinavian Hospital Committee	837,611
F. L. Smidth and Company (Denmark)	17,163
Vinnell International Corporation (United States of America)	339,602
TOTAL	1,852,827

16. *Special accounts.* Owing to the reduction in staff which has taken place, these funds are correspondingly lower than in previous years.

(a) The staff provident fund amounting to \$171,310, subject to adjusting entries reported under other headings of the accounts, represents the total credits held for all staff members on the payroll as at 30 June 1958. It is accumulated by monthly contributions of 6 per cent and 9 per cent of salary by staff members and by the Agency, respectively; the total sum due to each staff member is paid on termination.

(b) *Staff Medical Service Plan.* The staff and Agency have again been fortunate in that there have been no major health calamities. Originally the scheme was based on monthly contributions by both Agency and staff members. When, in 1955, there was a substantial balance available to the plan, contributions were temporarily suspended. To date, it has not been found necessary to request further contributions and it is hoped that the balance reported, \$21,551, will suffice until closure. The Agency has under consideration certain charitable plans for the disposition of any balance which may remain on termination.

17. The sundry credit balances amount to \$751,218. The major portion, \$559,686, represents percentage proportions of several contract fees which have been retained pending satisfactory completion of performance and documentation. It is anticipated that these will, in the main, be settled without difficulty. The only other

large item, \$158,831, is the money held by the Agency as collateral against local currency funds advanced for staff Mess purposes. The operation of the Mess ceased on 30 June 1958; the Mess accounts are now in course of liquidation and this item will be the subject of early settlement.

GOVERNMENT PLEDGES AND CONTRIBUTIONS TO 30 JUNE 1958 (SCHEDULE A)

18. (a) During the year, there was one change in the total amounts pledged. The Government of Sweden, in accordance with the agreement signed by the Scandinavian Governments, the Government of the Republic of Korea and the Agency regarding the construction of a National Medical Centre in Seoul, Korea, raised its promised contribution to \$988,904, an increase of \$22,386. This increased the total pledges to \$141,199,843.

(b) Funds were received from the Governments of Denmark and Sweden amounting to \$246,020 and \$599,613, respectively in compliance with their commitments under the agreement referred to in the preceding paragraph. In addition, the Government of Mexico made available a contribution of \$40,000 which coincided with procurement being made in that country at the time of receipt.

(c) The Agency is pleased to note that almost 100 per cent of the amounts promised has been received. Negotiations are in hand with the Governments of Denmark and Sweden regarding their outstanding contributions; the balances will be utilized for the National Medical Centre.

(d) The Government of the Republic of Panama promised, in 1951, to contribute \$3,000. To date, the money has not been paid, nor has the pledge been withdrawn.

19. Contributions which now total \$140,905,113 were paid to the Agency in the following financial years:

	Expressed in terms of US dollars
1950-1951	7,225,796
1951-1952	11,493,158
1952-1953	51,824,236
1953-1954	33,196,630
1954-1955	34,731,045
1955-1956	1,430,876
1956-1957	117,739
1957-1958	885,633
TOTAL	140,905,113

20. Paragraph 10.3 of the Financial Regulations of the Agency calls for the reporting of any *ex gratia* pay-

ments. There were four such payments made from contributed currencies during the year.

	Expressed in terms of US dollars
(a) A technician who was taken on the payroll for a specific task in Korea did an excellent job. His contract, in accordance with the usual practice, was indefinite, with a one-month notice clause. He was released after twelve months, upon completion of his assignment, but it was decided to pay an additional one month's salary in lieu of notice....	788
(b) A staff member by force of circumstances beyond his control requested, and was granted, a change of home station. It was decided to pay the costs of moving his elderly dependent parent from Tokyo to Hong Kong	135
(c) Payment was made to a staff member as partial reimbursement for unusual dental and surgical treatment beyond the limits of the Staff Medical Plan	705
(d) The United States wife of a staff member of the same nationality met with serious injuries in a traffic accident in Tokyo, Japan. The Agency arranged for special air and ancillary transportation to her home town	660
TOTAL	2,288

In addition, one payment was made from the local currency administrative funds which are made available from the Counterpart Account. This covered the hospital expenses of a Korean employee who became ill and collapsed while in the UNKRA office. Charges were hwan 50,000.

21. It was established from physical inventories that the Agency property at cost, or in a few instances estimated cost, amounted to \$585,928. The locations were as follows:

	Expressed in terms of US dollars
Korea headquarters	558,483
New York, United States of America	12,440
Tokyo, Japan	15,005
TOTAL	585,928

KOREAN HWAN COUNTERPART FINANCIAL POSITION

22. The procedure established by the May 1954 agreement between the Government of the Republic of Korea and the Agency regarding the operation of the Counterpart and Collections Accounts continued during the year under review. The status of the funds as at 30 June 1958 was as follows:

	Hwan	Hwan
COUNTERPART ACCOUNT		
<i>Income</i>		
Total deposits by the Government of the Republic of Korea ..	31,957,966,770	
Amounts due but not deposited in respect of goods and services rendered to 30 June 1958	1,286,144,782	
		33,244,111,552
<i>Expenditure</i>		
Approved transfers to Government departments to finance UNKRA projects:		
Released	15,276,881,757	
Due to be released	703,618,933	
		15,980,500,690

	Hwan	Hwan
Transfers to UNKRA to meet administrative expenditure:		
Received by UNKRA	1,338,015,306	
Due to be received by UNKRA	322,736,095	
		1,660,751,401
Transfers to UNKRA to meet operational expenditure for projects initiated prior to the signing of the Over-all Agreement on 31 May 1954	1,397,500,000	
		19,038,752,091
Unobligated balance		14,205,359,461
AID GOODS COLLECTION ACCOUNT		
Collections to date		14,746,534,867
Less: Amounts transferred to date to retire the Government overdraft created by deposits in the Counterpart Account		2,187,983,265
		12,558,551,602

23. It will be noted that the disbursements from the Counterpart Account provide for funds to meet Agency administrative expenditure. The money thus received is used for all local currency expenses in Korea. The disbursement of these funds is reported on in addenda A and B. These monies are kept clear and distinct from contributed currencies and they do not form part of the consolidated accounts expressed in United States dollars which are reported on in the other statements.

STATEMENT OF HWAN ASSETS, LIABILITIES AND NET RESOURCES AS AT 30 JUNE 1958 (ADDENDUM A)

24. *Assets.* (a) With the exception of cash on hand amounting to hwan 223,965, the entire cash balance shown, hwan 394,335,294, is held with the Bank of Korea.

(b) The amount due from the Counterpart Account for administrative expenses, hwan 322,736,095, represents 5 per cent of the hwan value of deliveries of goods and services made to Korea during the period June 1957 through June 1958. The item forms part of the negotiations at present taking place with the Government of the Republic of Korea regarding the settlement of all outstanding Counterpart matters.

(c) Accounts receivable, advances, deposits, etc. amount to hwan 176,443,811. This largely represents advances made from administrative funds for operational purposes. These sums will be cleared by transfers from the Counterpart Account when the relevant releases have been processed.

25. *Liabilities and net resources.* (a) Unliquidated obligations amount to hwan 49,950,520. These are

mainly administrative liabilities incurred during the year under review.

(b) Sundry credit balances total hwan 160,957,259 and, of this amount, hwan 144,036,373 is in respect of Government funds held and being disbursed by the Agency.

(c) Before the signing of the agreement on 31 May 1954 regarding the utilization of Counterpart funds, the Agency was responsible for payment of project expenditure. For this purpose hwan 1,397,500,000 was released from the Counterpart funds for operational liabilities known or estimated at that time. To date, liabilities have been liquidated, with the exception of a balance amounting to hwan 159,441,862.

(d) The net resources carried forward are hwan 523,155,559. This sum, together with future credits which will accrue from the Counterpart Account, is available to meet the local currency administrative expenses of the Agency during the closure period.

STATEMENT OF HWAN INCOME AND NET RESOURCES FOR THE PERIOD ENDED 30 JUNE 1958 (ADDENDUM B)

26. The sum of hwan 545,446,943 brought forward on 1 July 1957 is almost the same as the amount being carried forward on 30 June 1958. It will therefore be seen that the income for the year, arising from adjustments to previous years' obligations, credits from the Counterpart Account and proceeds of sale of surplus, is almost equal to the obligations which were incurred during the year.

(Signed) John B. COULTER
Agent General

FINANCIAL STATEMENTS

Summary of current plans of expenditure, obligations incurred and unobligated balances showing cumulative position to 30 June 1958

(Expressed in terms of US dollars)

	Plan of expenditure (1) \$	Allotments issued (2) \$	Obligations incurred				Unobligated balances	
			Total as at 30 June 1957 (3) \$	Reductions during 1957/1958 (4) \$	Adjusted June 1957 total (5) \$	Additions during 1957/1958 (6) \$	Cumulative total (7) \$	Plan of expenditure (9) \$
1952/1953 programme—Statement II.....	70,000,000	57,152,773	57,076,943	179,886	56,897,057	255,716	57,152,773	12,847,227
1953/1954 programme—Statement III.....	130,000,000	46,055,843	45,168,861	325,397	44,843,464	1,211,092	46,054,556	83,945,444
1954/1955 programme—Statement IV.....	31,253,000	30,661,384	28,159,307	681,407	27,477,900	3,183,484	30,661,384	591,616
1955/1956 programme—Statement V.....	3,775,000	3,586,130	3,581,701	15,723	3,565,978	—	3,565,978	209,022
1956/1957 programme—Statement V.....	2,616,082	2,610,672	2,614,895	18,699	2,596,196	—	2,596,196	19,886
1957/1958 programme—Statement V.....	1,170,000	1,169,954	—	—	—	1,159,409	1,159,409	10,591
TOTAL	238,814,082	141,236,756	136,601,707	1,221,112	135,380,595	5,809,701	141,190,296	97,623,786

Note: The above statement excludes expenditure previously finalized in respect of the 1950/1951 and 1951/1952 plan of expenditure.

Statement II

Statement of 1952/1953 plan of expenditure, obligations incurred and unobligated balances showing cumulative position to 30 June 1958

(Expressed in terms of US dollars)

	Plan of expenditure		Allotments issued (\$)	Liquidated by disbursements (\$)	Obligations incurred		Total (\$)	Allotments (\$)	Plan of expenditure (\$)
	Original (\$)	As modified (\$)			Unliquidated (\$)	Outstanding commitments (\$)			
A. Reconstruction and rehabilitation									
(a) Food and agriculture.....	6,900,000	6,000,000	4,398,970	4,398,970	—	—	4,398,970	—	1,601,030
(b) Industries.....	10,650,000	8,150,000	6,776,461	6,523,307	2,479	250,675	6,776,461	—	1,373,539
(c) Power.....	7,100,000	5,100,000	3,373,936	3,373,936	—	—	3,373,936	—	1,726,064
(d) Transport and communications.....	7,500,000	6,900,000	5,410,575	5,409,562	1,013	—	5,410,575	—	1,489,425
(e) Natural resources.....	2,000,000	2,000,000	1,544,795	1,543,540	1,255	—	1,544,795	—	455,205
(f) Housing.....	3,000,000	3,000,000	1,951,488	1,904,397	—	47,091	1,951,488	—	1,048,512
(g) Education.....	8,000,000	8,000,000	6,353,376	6,345,943	7,433	—	6,353,376	—	1,646,624
(h) Health, sanitation and welfare.....	2,500,000	2,500,000	1,571,215	1,568,548	2,667	—	1,571,215	—	928,785
B. Sustaining commodity imports.....	14,000,000	20,000,000	19,501,140	19,501,140	—	—	19,501,140	—	498,860
C. Operational personnel and establishment.....	2,500,000	2,500,000	2,101,221	2,101,221	—	—	2,101,221	—	398,779
D. Special projects									
(a) Personnel for UNCACK.....	2,500,000	2,340,000	1,624,902	1,624,902	—	—	1,624,902	—	715,098
(b) Support to voluntary agency programmes..	500,000	640,000	639,570	639,570	—	—	639,570	—	430
(c) Technical assistance projects.....	350,000	370,000	352,832	348,908	3,924	—	352,832	—	17,168
E. Administrative costs.....	2,500,000	2,500,000	1,552,292	1,548,570	3,722	—	1,552,292	—	947,708
TOTAL	70,000,000	70,000,000	57,152,773	56,832,514	22,493	297,766	57,152,773	—	12,847,227

Certified correct

(Signed) J. McLEAN

Comptroller

Approved
(Signed) John B. COULTER
Agent General

AUDIT CERTIFICATE

The above statement of plan of expenditure, obligations incurred and unobligated balances has been examined in accordance with provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

On behalf of the Board of Auditors
(Signed) Lars BREIE, Norway

Statement of 1953/1954 plan of expenditure, obligations incurred and unobligated balances showing cumulative position to 30 June 1958

(Expressed in terms of US dollars)

	✓	Obligations incurred				Unobligated balances			
		Plan of expenditure (1) \$	Allotments issued (2) \$	Liquidated by disbursements (3) \$	Unliquidated (4) \$	Outstanding commitments (5) \$	Total (6) \$	Allotments (7) \$	Plan of expenditure (8) \$
A. Reconstruction and rehabilitation									
1. Health, sanitation and welfare.....		9,050,000	6,685,304	3,749,750	2,554,713	379,554	6,684,017	1,287	2,365,983
2. Agriculture, forestry and fisheries.....		17,810,000	3,264,151	3,243,738	16,464	3,949	3,264,151	—	14,545,849
3. Power.....		17,531,000	—	—	—	—	—	—	17,531,000
4. Manufacturing plant reconstruction.....		19,832,000	14,537,688	14,046,171	265,365	226,152	14,537,688	—	5,294,312
5. Mining reconstruction and rehabilitation....		7,800,000	3,755,053	3,598,008	88,142	68,903	3,755,053	—	4,044,947
6. Education.....		3,300,000	1,858,671	1,832,976	5,701	19,994	1,858,671	—	1,441,329
7. Housing.....		5,000,000	2,528,890	2,455,326	90	73,474	2,528,890	—	2,471,110
B. Imports of essential materials and equipment..		36,677,000	6,846,175	6,846,108	67	—	6,846,175	—	29,830,825
C. Special projects.....		6,750,000	2,031,329	2,023,972	7,357	—	2,031,329	—	4,718,671
D. Operational personnel and establishment.....		4,250,000	2,879,393	2,858,338	21,055	—	2,879,393	—	1,370,607
E. Administrative costs.....		2,000,000	1,527,227	1,519,413	7,814	—	1,527,227	—	472,773
		130,000,000	45,913,881	42,173,800	2,966,768	772,026	45,912,594	1,287	84,087,406
Funds transferred to UNESCO for completion of UNKRA projects.....		—	141,962	66,962	75,000	—	141,962	—	(141,962)
TOTAL		130,000,000	46,055,843	42,240,762	3,041,768	772,026	46,054,556	1,287	83,945,444

Certified correct

(Signed) J. McLEAN
ComptrollerApproved
(Signed) John B. Coulter
Agent General

AUDIT CERTIFICATE

The above statement of plan of expenditure, obligations incurred and unobligated balances has been examined in accordance with provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

On behalf of the Board of Auditors
(Signed) Lars BREIE, Norway

Statement of 1954/1955 plan of expenditure, obligations incurred and unobligated balances showing cumulative position to 30 June 1958

(Expressed in terms of US dollars)

	Plan of expenditure		Allotments issued (\$)	Liquidated by disbursements (\$)	Obligations incurred		Unobligated balance	
	Original (\$)	As modified (\$)			Unliquidated (\$)	Outstanding commitments (\$)	Allotments (\$)	Plan of expenditure (\$)
A. Reconstruction and rehabilitation								
1. Health, sanitation and welfare.....	150,000	225,000	225,000	210,052	12,307	2,641	—	—
2. Agriculture, forestry and fisheries.....	—	—	—	—	—	—	—	—
3. Power.....	—	—	—	—	—	—	—	—
4. Manufacturing plant reconstruction.....	6,275,000	6,456,500	6,401,055	6,288,255	65,775	47,025	—	55,445
5. Mining reconstruction and rehabilitation.....	7,960,000	7,893,500	7,721,416	6,769,036	676,399	275,981	—	172,084
6. Education.....	1,190,000	1,190,000	986,409	900,099	32,360	53,950	—	203,591
7. Housing.....	500,000	550,000	454,266	452,099	—	2,167	—	95,734
B. Imports of essential materials and equipment..	5,514,000	9,403,000	9,391,756	7,956,642	763,470	671,644	—	11,244
C. Special projects.....	2,000,000	1,835,000	1,831,257	1,726,270	36,923	68,064	—	3,743
D. Operational personnel and establishment.....	2,100,000	2,100,000	1,962,409	1,955,252	7,157	—	—	137,591
E. Administrative costs.....	1,600,000	1,600,000	1,521,952	1,480,198	41,754	—	—	78,048
	27,289,000	31,253,000	30,495,520	27,737,903	1,636,145	1,121,472	—	757,480
Funds transferred to UNESCO for completion of UNKRA projects.....	—	—	165,864	138,864	27,000	—	—	(165,864)
TOTAL	27,289,000	31,253,000	30,661,384	27,876,767	1,663,145	1,121,472	—	591,616

Certified correct

(Signed) J. McLEAN
ComptrollerApproved
(Signed) John B. Coulter
Agent General

AUDIT CERTIFICATE

The above statement of plan of expenditure, obligations incurred and unobligated balances has been examined in accordance with provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

On behalf of the Board of Auditors
(Signed) Lars BREIE, Norway

**Statement of financial years 1955/1956, 1956/1957 and 1957/1958 plans of expenditure, obligations incurred and unobligated balances
showing cumulative position to 30 June 1958**

(Expressed in terms of US dollars)

	Obligations incurred			Unobligated balances			
	Plan of expenditure (1) \$	Allotments issued (2) \$	Liquidated by disbursements (3) \$	Unliquidated (4) \$	Total (5) \$	Allotments (6) \$	Plan of expenditure (7) \$
Financial year 1955/1956							
Special projects							
Staff seconded to Unified Command	1,005,000.00	944,471.00	944,471.00	—	944,471.00	—	60,529.00
Operational personnel and establishment	1,620,000.00	1,605,717.00	1,585,967.00	10,891.00	1,596,858.00	8,859.00	23,142.00
Administrative costs	1,150,000.00	1,035,942.00	972,153.00	52,496.00	1,024,649.00	11,293.00	125,351.00
TOTAL	3,775,000.00	3,586,130.00	3,502,591.00	63,387.00	3,565,978.00	20,152.00	209,022.00
Financial year 1956/1957							
Special projects							
Staff seconded to Unified Command	546,082.00	541,876.00	541,876.00	—	541,876.00	—	4,206.00
Operational personnel and establishment	1,320,000.00	1,319,362.00	1,260,940.00	48,117.00	1,309,057.00	10,305.00	10,943.00
Administrative costs	750,000.00	749,434.00	649,607.00	95,656.00	745,263.00	4,171.00	4,737.00
TOTAL	2,616,082.00	2,610,672.00	2,452,423.00	143,773.00	2,596,196.00	14,476.00	19,886.00
Financial year 1957/1958							
Operational personnel and establishment	753,000.00	753,000.00	659,403.00	92,651.00	752,054.00	946.00	946.00
Administrative costs	417,000.00	416,954.00	342,785.00	64,570.00	407,355.00	9,599.00	9,645.00
TOTAL	1,170,000.00	1,169,954.00	1,002,188.00	157,221.00	1,159,409.00	10,545.00	10,591.00
Certified correct (Signed) J. McLEAN Comptroller							
(Signed) John B. COULTER Agent General							
Approved							

AUDIT CERTIFICATE

The above statement of plans of expenditure, obligations incurred and unobligated balances has been examined in accordance with provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

On behalf of the Board of Auditors
(Signed) Lars BRÆIE, Norway

Statement of income, obligations incurred and net resources for the year ended 30 June 1958

(Expressed in terms of US dollars)

Net resources as at 30 June 1957	\$	\$
<i>Add:</i>		
Reduction of obligations effected during year (statement I, column 4)	1,221,112	
Savings and adjustments to previous fiscal years, obligations in respect of administrative and operational expenditure	49,423	
		5,330,817
<i>Add:</i> Income for the year:		
Government contributions (schedule A, column 4)	885,633	
Miscellaneous income:		
Income from investments	541,948	
Staff assessment plan	205,504	
Other	16,818	
		1,649,903
		6,980,720
<i>Deduct:</i>		
Obligations incurred during the year (statement I, column 6)	764,270	
		5,809,701
Net resources as at 30 June 1958		1,171,019
Certified correct		
(Signed) J. McLEAN		
Comptroller		
		Approved
		(Signed) John B. COULTER
		Agent General

AUDIT CERTIFICATE

The above statement of income, obligations incurred and net resources has been examined in accordance with provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

On behalf of the Board of Auditors
(Signed) Lars BREIE, Norway

Statement of assets, liabilities and net resources as at 30 June 1958

(Expressed in terms of US dollars)

ASSETS		LIABILITIES AND NET RESOURCES			
	\$	\$		\$	\$
Cash on hand and at banks			Unliquidated obligations, including outstanding commitments		
Current balances.....	257,739		Plans of expenditure:		
Time deposits.....	980,000		1952/1953.....	320,259	
		1,237,739	1953/1954.....	3,813,794	
			1954/1955.....	2,784,617	
			1955/1956.....	63,387	
			1956/1957.....	143,773	
			1957/1958.....	157,221	
				7,283,051	
Investments (schedule B).....		6,200,000	Deduct: Deposits with government departments, government agencies and other suppliers against orders placed.....	1,852,827	5,430,224
Interest accrued.....		64,339	Special accounts:		
			Staff Provident Fund.....	171,310	
			Staff Medical Service Plan.....	21,551	
					192,861
Accounts receivable, advances, deposits, etc.....		43,244	Sundry credit balances.....		751,218
			Net resources (statement VI).....		1,171,019
TOTAL		7,545,322	TOTAL		7,545,322
Certified correct					Approved
(Signed) J. MCLEAN					(Signed) John B. COULTER
Comptroller					Agent General

AUDIT CERTIFICATE

The above statement of assets and liabilities and net resources has been examined in accordance with provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

On behalf of the Board of Auditors
(Signed) Lars BREIE, Norway

Statement of Government pledges and contributions as at 30 June 1958

(Expressed in terms of US dollars)

Member States	Amount pledged (1) \$	Received		1 July 1957 to June 30 1958	Total received (5) \$	Balance outstanding (6) \$
		Prior to 1 July 1957				
		In cash (2) \$	In kind (3) \$	In cash (4) \$		
Argentina.....	500,000	—	500,000	—	500,000	—
Australia ^a	3,616,446	3,616,446	—	—	3,616,446	—
Austria.....	179,474	139,474	40,000	—	179,474	—
Belgium.....	600,000	600,000	—	—	600,000	—
Burma.....	49,934	—	49,934	—	49,934	—
Cambodia.....	1,000	1,000	—	—	1,000	—
Canada.....	7,413,021	7,413,021	—	—	7,413,021	—
Chile.....	250,000	250,000	—	—	250,000	—
Denmark.....	860,000	336,615	—	246,020	582,635	277,365 ^b
Dominican Republic.....	10,000	10,000	—	—	10,000	—
Egypt.....	28,716	—	28,716	—	28,716	—
El Salvador.....	500	500	—	—	500	—
Ethiopia.....	40,000	40,000	—	—	40,000	—
France.....	142,857	142,857	—	—	142,857	—
Greece.....	18,063	—	18,063	—	18,063	—
Guatemala ^a	7,704	7,704	—	—	7,704	—
Honduras.....	2,500	2,500	—	—	2,500	—
Indonesia.....	143,706	143,706	—	—	143,706	—
Israel.....	36,100	—	36,100	—	36,100	—
Italy.....	2,014,933	320,000	1,694,933	—	2,014,933	—
Lebanon.....	50,000	50,000	—	—	50,000	—
Liberia.....	15,000	—	15,000	—	15,000	—
Luxembourg.....	50,000	50,000	—	—	50,000	—
Mexico.....	40,000	—	—	40,000	40,000	—
Netherlands.....	1,052,632	1,052,632	—	—	1,052,632	—
New Zealand.....	836,850	836,850	—	—	836,850	—
Norway.....	1,725,323	1,698,846	26,477	—	1,725,323	—
Pakistan.....	315,000	315,000	—	—	315,000	—
Panama.....	3,000	—	—	—	—	3,000
Paraguay.....	10,000	10,000	—	—	10,000	—
Saudi Arabia.....	20,000	20,000	—	—	20,000	—
Sweden.....	988,904	374,926	—	599,613	974,539	14,365 ^b
United Kingdom of Great Britain and Northern Ireland ^a	26,840,002	26,840,002	—	—	26,840,002	—
United States of America ^a	92,902,615	92,902,615	—	—	92,902,615	—
Venezuela.....	100,000	30,000	70,000	—	100,000	—
TOTAL	140,864,280	137,204,694	2,479,223	885,633	140,569,550	294,730
Non-member States						
Liechtenstein.....	465	465	—	—	465	—
Monaco.....	1,144	1,144	—	—	1,144	—
Switzerland.....	313,954	290,698	23,256	—	313,954	—
The Vatican.....	10,000	10,000	—	—	10,000	—
Viet-Nam.....	10,000	10,000	—	—	10,000	—
TOTAL	335,563	312,307	23,256	—	335,563	—
GRAND TOTAL	141,199,843	137,517,001	2,502,479	885,633	140,905,113	294,730

^a Previous contribution statements have shown pledges of \$4,001,726 for Australia, \$28,000,000 for the United Kingdom and \$162,500,000 for the United States. At the time these pledges were made the Governments concerned stipulated that payment of the full amounts was conditional upon certain matching contributions being received from other Governments, and in the case of Australia and the United States upon certain percentage limitations. In this statement these amounts have been adjusted to reflect the maximum contributions of these Governments in accordance with the terms of their pledges, on the basis of total contributions made by other Governments to the programme.

^b To be settled under the Agreement of 13 March 1956 for the establishment and operation of a National Medical Centre in Korea.

^c The contribution from the Government of Guatemala represents the proceeds of the sale of 15,000 pounds of coffee by the Government.

Investments as at 30 June 1958

(Expressed in terms of US dollars)

	Interest rate	Nominal value	At cost
<i>Federal Land Bank Consolidated</i>			
<i>Federal Farm Loan Bonds</i>			
Due 1 February 1960	2¼%	1,000,000	1,000,000
<i>United States Certificates of Indebtedness</i>			
Due 15 May 1959	1¼%	4,200,000	4,200,000
<i>Bank for Cooperatives</i>			
<i>5% Consolidated Debentures</i>			
Due 2 September 1958	5%	1,000,000	1,000,000
		<u>6,200,000</u>	<u>6,200,000</u>

Addendum A

Statement of hwan assets, liabilities and net resources as at 30 June 1958

(Expressed in hwan)

ASSETS		LIABILITIES AND NET RESOURCES	
Cash on hand and at bank	394,335,294	Unliquidated obligations	49,950,520
		Sundry credit balance	160,967,259
Due from Counterpart Account in respect of local currency administrative expenses, in ac- cordance with agreement dated 31 May 1954	322,736,095	Provision for completion of re- construction projects agreed to with the Government of the Republic of Korea as at 31 May 1954	1,397,500,000
		Deduct: Expenditure incurred	1,238,058,138
			<u>159,441,862</u>
Accounts receivable, advances, deposits, etc.	176,443,811	Net resources (addendum B) ..	523,155,559
	<u>TOTAL 893,515,200</u>		<u>893,515,200</u>

Addendum B

Statement of income, expenditure and net resources for the period ended 30 June 1958

(Expressed in hwan)

Net resources as at 30 June 1957	545,446,943
Add: Savings effected in liquidating previous year's obligation	18,762,047
Income for the year	
Portion of Counterpart Account deposits applicable to local currency administrative expenses	294,593,125
Proceeds from sale of surplus	5,691,700
Others	42,504
	<u>300,327,329</u>
	864,536,319
Less: Obligations incurred during the period 1 July 1957 to 30 June 1958	
Personnel and establishment costs	341,380,760
Net resources as at 30 June 1958	<u>523,155,559</u>

REPORT OF THE BOARD OF AUDITORS TO THE GENERAL ASSEMBLY

1. The following statements were presented by the United Nations Korean Reconstruction Agency to the Board of Auditors for certification:

Statement II. 1952-1953 plan of expenditure, obligations incurred and unobligated balances;

Statement III. 1953-1954 plan of expenditure, obligations incurred and unobligated balances;

Statement IV. 1954-1955 plan of expenditure, obligations incurred and unobligated balances;

Statement V. 1955-1956, 1956-1957 and 1957-1958 plans of expenditure, obligations incurred and unobligated balances;

Statement VI. Income, obligations incurred and net resources; and

Statement VII. Assets, liabilities and net resources.

2. During the year ending 30 June 1958, obligations of \$5,809,700 were incurred of which \$1,159,400 related to the 1957-1958 plan of expenditure and \$4,650,300 to the previous years' plans of expenditure. In the same period, obligations of \$13,292,300 were liquidated, leaving a balance of \$7,283,000, of which \$2,191,300 consisted of outstanding commitments not constituting accounts payable at the year end. After providing for all known obligations, resources of \$1,171,000 were available to finance the Agency in its residual and liquidation periods starting 1 July 1958. Concerning the final period, reference is made to the memorandum by the Agent General regarding the arrangements for the termination of the operational activities of UNKRA and for the liquidation of the Agency, dated 13 November 1957 (A/C.2/L.350 and Corr.1),¹ approved by General Assembly resolution 1159 (XII) dated 26 November 1957.

3. Of the outstanding commitments and unliquidated obligations as at 30 June 1958, totalling \$7,283,000, \$6,837,000 relates to eighty-nine different project numbers, nine from the 1952-1953, thirty-five from the 1953-1954 and forty-five numbers from the 1954-1955 plans of expenditure. For several of the project numbers the amounts outstanding are small.

4. The Agency's international staff at the end of June 1958 numbered forty-six, grouped as follows:

Headquarters, Korea	21	
American Regional Office, New York ..	13	
Tokyo Liaison and Procurement Office	1	35
	—	
Project Personnel, Korea	11	
	—	
TOTAL	46	

This compares with an establishment of 106 at the close of the previous year. After giving effect to a number of terminations during the period July-October 1958, the

position at the end of October 1958 is expected to be a maximum of the following:

Headquarters, Korea	12	
American Regional Office, New York ..	7	19
	—	
Project Personnel, Korea	11	
	—	
TOTAL	30	

5. For the first months of the financial year starting 1 July 1958, the salaries of some of the Agency's staff members will be charged back to the 1957-1958 plan of expenditure according to approval granted by the Agency's Advisory Committee. It concerns six staff members in July reduced to one in September and probably one in October 1958.

6. Amounts pledged to the UNKRA programme at the end of June 1958 totalled \$141,199,843, of which \$140,905,113 has been paid. Of the outstanding balance of \$294,730, \$291,730 will be settled in connexion with the establishment and operation of the National Medical Centre in Korea, while \$3,000, the pledge from Panama, is still outstanding in spite of the Agency's efforts to collect the money.

7. The audit report for the year ended 30 June 1957 referred to three projects, all in the field of education, where final arrangements were pending to transfer future activities under the projects to UNESCO. An agreement with UNESCO was signed in Korea in April 1957 but the implementation thereof had not taken place at the closure of the accounts for the year ended 30 June 1957. In accordance with the agreement, UNESCO has taken over the accounting for the three projects retroactively to 1 January 1957, while the operational responsibilities were turned over on 1 September 1957. Of the amounts to be placed at the disposal of UNESCO, totalling \$307,800, \$205,800 has been transferred to UNESCO while \$102,000 is recorded as an unliquidated obligation at the end of June 1958. The funds placed at UNESCO's disposal are shown separately in the statements of the 1953-1954 and the 1954-1955 plans of expenditure (statements III and IV).

8. The audit report for the year ended 30 June 1957 contained a reference to legal action initiated by the Agency against a contractor for the recovery of funds for which accounting was not made to its satisfaction and for compensation with respect to costs regarded as caused by delay in proceeding with the construction of a flat glass plant at Inchon. The Agency has made every effort to press the case, and it has now been placed on the courts calendar but has not yet been assigned for trial.

9. The Agency has also negotiations going on with contractors connected with the establishment of two paper plants in Korea where delivery of goods and equipment has not been considered satisfactory.

10. *Hwan accounts.* The report to the General Assembly on the audit of the Agency's accounts for the

¹ See *Official Records of the General Assembly, Twelfth Session, Annexes*, agenda item 27.

year ended 30 June 1957,² paragraphs 8 and 10, commented that the Government of the Republic of Korea had been requested to credit the Aid Goods Collection Account with duties imposed on UNKRA imports prior to the passing of a 1955 Ordinance specifically exempting them from levy, and also to credit the Aid Goods Collection Account with commodity taxes previously collected by the Government. The negotiations for payment of import duties and commodity taxes have been combined, as the Government had merged the two accounts. The National Assembly of Korea on 25 August 1958 passed legislation for the deposit of 707,893,053 hwan in the UNKRA Collection Accounts. This amount represents the major portion of both duties and taxes, or equivalents, reported as paid in prior to 31 January 1957. Since 1 February 1957, taxes have been deposited in the Collection Account as they are received.

11. Also the subject of previous reporting³ was a claim submitted by the Agency for deposit to the Counterpart Account of hwan 2,380,000,000 covering the period 11 January to 15 August 1955 when a rate of hwan 180 to the US dollar was applied in calculating the value of goods delivered and technical assistance rendered whereas the rate for deposits to the Aid Goods Collection Account during the same period was hwan 350 to the dollar. This claim is still under discussion between the two Ministries concerned of the Government of the Republic of Korea. The probable action is not clear, but the question has been reported as being on the agenda to be resolved.

12. Under the May 1954 agreement with the Government of the Republic of Korea, the consent of the Agent General is required for transfers from the Aid Goods Collection Account. Pending final settlement of

² *Official Records of the General Assembly, Twelfth Session, Supplement No. 6B (A/3896)*, pages 17 and 18.

³ *Ibid.*, page 17, para. 9.

the foregoing matters, no transfers from the Collection Account have been effected during the past year.

13. *The audit.* With the concurrence of the Advisory Committee on Administrative and Budgetary Questions, the Board of Auditors allocated the audit to the Norwegian member of the Board. The audit has been made in New York where the Agency's dollar accounts are maintained. However, as the hwan accounts, including the Counterpart records, are still kept in Korea, it has not been possible to audit these accounts. Similarly, a physical examination of items listed in the inventories of materials and supplies held in Korea could not be made. The summaries of the inventories show a total cost or estimated cost value of \$558,500, including vehicles amounting to \$232,200. Despite these circumstances, the scope of the audit has been regarded as sufficiently comprehensive to permit certification of those financial statements which it has previously been the practice to certify.

14. Transactions were recorded during the year under the plans of expenditure of six years. Therefore, to a considerable degree, audit concern this year also was with transactions stemming from earlier plans of expenditure. While the plans of expenditure for the two previous years related mainly to administrative and operational services required for the implementation of projects initiated in prior years, that for 1957-1958 related only to such administrative and operational services. The co-operation extended by the Comptroller and his staff made it possible to complete the audit during September.

15. *Memorandum to the Advisory Committee.* In accordance with established practice, a memorandum is being addressed to the Advisory Committee on Administrative and Budgetary Questions. It deals mainly with a few matters in connexion with the routine of administration.

(Signed) Lars BREIE
Norway
on behalf of the Board of Auditors

1 October 1958