

**UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST**

ACCOUNTS

for the year ended 31 December 1973

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-NINTH SESSION

SUPPLEMENT No.7C (A/9607/Add.3)



UNITED NATIONS

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Twenty-ninth Session

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CORRIGENDUM

Supplement No. 7C
(A/9607/Add.3)
25 October 1974

NEW YORK

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES
IN THE NEAR EAST

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1973 AND REPORT OF THE
BOARD OF AUDITORS

Corrigendum

Page 19, schedule C

Against item 4 of Germany, Federal Republic of, in the column headed
"Contributions pledged for 1973", for 53 300 read 56 300

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UNITED NATIONS

New York, 1974

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

25 June 1974

Sir,

I have the honour to transmit to you the financial statements of the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East as at 31 December 1973.

In addition to the above, I have the honour to present the report of the Board with respect to the accounts of the Agency for the year 1973.

Accept, Sir, the assurances of my highest consideration.

(Signed) J. E. ESCALLON O.
Controller-General of Colombia
and
Chairman, United Nations Board
of Auditors

The President of the General Assembly
of the United Nations
New York

NOTE BY THE SECRETARY-GENERAL

1. The financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the year ended 31 December 1973, together with the report of the Board of Auditors thereon, are presented herewith pursuant to the provisions of General Assembly resolution 302 (IV) of 8 December 1949. In paragraph 21 of that resolution, the Assembly:

"Requests the Director to submit to the General Assembly of the United Nations an annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, including an audit of funds ..."

2. The financial statements and the report of the Board of Auditors have been submitted to the Advisory Committee on Administrative and Budgetary Questions for consideration and report to the General Assembly.

I. AUDIT OPINION

We have examined the following appended financial statements, numbered I to IV, properly identified, and relevant schedules of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the year ended 31 December 1973. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial statements properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1973.

(Signed) J. E. ESCALLON O.
Controller-General of Colombia

(Signed) J. J. MACDONELL
Auditor-General of Canada

(Signed) A. HAMID
Auditor-General of Pakistan

25 June 1974

II. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1973

Budget and expenditure and commitments

(In US dollars)

Activity	Recurrent costs		Non-recurrent costs		Total costs	
	Budget \$	Expenditure and commitments \$	Budget \$	Expenditure and commitments \$	Budget \$	Expenditure and commitments \$
Part I. Relief services						
Basic rations	15 509 000	16 199 511	6 000	2 617	15 515 000	16 202 128
Supplementary feeding	3 018 000	2 382 506	15 000	12 936	3 033 000	2 395 442
Shelter	305 000	323 330	86 000	83 021	391 000	406 351
Special hardship assistance	579 000	534 903	1 000	1 236	580 000	536 139
Share of common costs from part IV	4 255 000	3 984 870	170 000	115 817	4 425 000	4 100 687
Total, part I	23 666 000	23 425 120	278 000	215 627	23 944 000	23 640 747
Part II. Health services						
Medical services	4 479 000	4 315 008	152 000	157 595	4 631 000	4 472 603
Environmental sanitation	1 822 000	1 801 420	113 000	167 111	1 935 000	1 968 531
Share of common costs from part IV	1 367 000	1 312 640	39 000	27 633	1 406 000	1 340 273
Total, part II	7 668 000	7 429 068	304 000	352 339	7 972 000	7 781 407
Part III. Education services						
General education	21 626 000	21 510 094	299 000	313 669	21 925 000	21 823 763
Vocational and professional training	4 207 000	4 201 658	322 000	315 426	4 529 000	4 517 084
Share of common costs from part IV	3 387 000	3 284 919	77 000	58 459	3 464 000	3 343 378
Total, part III	29 220 000	28 996 671	698 000	687 554	29 918 000	29 684 225
Part IV. Common costs						
Supply and transport services	4 111 000	3 659 317	259 000	167 285	4 370 000	3 826 602
Other internal services	3 098 000	3 093 781	16 000	21 154	3 114 000	3 114 945
General administration	1 800 000	1 829 321	11 000	13 470	1 811 000	1 842 791
Total, part IV	9 009 000	8 582 429	286 000	201 909	9 295 000	8 784 338
Costs allocated to operations	(9 009 000)	(8 582 429)	(286 000)	(201 909)	(9 295 000)	(8 784 338)
Net, part IV	-	-	-	-	-	-
Part V. Costs due to local disturbances	-	-	70 000	375 566	70 000	375 566
Part VI. Other extraordinary costs	-	-	772 000	1 049 722	772 000	1 049 722
Total, all parts	60 554 000	59 850 859	2 122 000	2 680 808	62 676 000	62 531 667

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

Detailed figures of expenditure and commitments are given in schedules A and B, and details of liquidation of prior years' commitments are given in schedule H.

CERTIFIED CORRECT

APPROVED

(Signed) Lloyd CALLOW
Comptroller(Signed) J. S. RENNIE
Commissioner-General

Income and expenditure and commitments
(In US dollars)

		For the year ended	
		31 December 1973	31 December 1972
		\$	\$
<u>Income</u>			
Contributions by Governments	(schedule C)	48 377 806	46 978 419
Contributions by intergovernmental organizations other than United Nations agencies	(schedule D)	6 891 245	2 409 691
Contributions by United Nations agencies	(schedule E)	923 135	708 884
Contributions from non-governmental sources	(schedule F)	1 200 806	1 109 800
Miscellaneous income	(schedule G)	1 003 290	698 553
Exchange adjustments		221 871	(357 026)
		<u>58 618 153</u>	<u>51 548 321</u>
<u>Expenditure and commitments</u>	(statement I)	<u>62 531 667</u>	<u>52 125 635</u>
Excess of expenditure and commitments over income		<u>3 913 514</u>	<u>577 314</u>

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

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APPROVED

(Signed) Lloyd CALLOW
Comptroller

(Signed) J. S. RENNIE
Commissioner-General

Working capital (Operating reserve)
(In US dollars)

	For the year ended	
	31 December 1973	31 December 1972
	\$	\$
Balance at 1 January	8 184 750	4 995 106
<u>Add</u>		
Write off of liability for subsidies claimed by Governments (note 7)	1 350 088	3 830 200
Savings in liquidating prior years' commitments (schedule H)	121 905	75 783
Unallocated current year's price variations	69 210	(6 308)
Other adjustments of prior years' accounts increasing working capital	75 102	30 425
	<u>1 616 305</u>	<u>3 930 100</u>
<u>Deduct</u>		
Provision of reserve for blocked bank account	-	92 924
Provision of reserve for claims against Governments	6 077	-
Write off of overvalued prior years' pledges	929	60 804
Provision of reserve for doubtful Governments' pledges	108 386	-
Adjustment of Staff Provident Fund for capital investment gains not credited in prior years (see note 9)	82 095	-
Other adjustments of prior years' accounts reducing working capital	3 387	9 414
Excess of expenditure and commitments over income (statement II)	3 913 514	577 314
	<u>4 114 388</u>	<u>740 456</u>
Balance at 31 December	5 686 667	8 184 750
Deduct amount temporarily reserved to cover the capital investment loss on the Staff Provident Fund (see note 8)	2 846 063	-
Unreserved balance at 31 December	<u>2 840 604</u>	<u>8 184 750</u>

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) Lloyd CALLOW
Comptroller

(Signed) J. S. RENNIE
Commissioner-General

Assets and liabilities
(In US dollars)

	As of	
	31 December 1973	31 December 1972
	\$	\$
<u>Assets</u>		
Cash on hand and in banks	1 790 874	3 541 126
Contributions receivable (schedules C, D, E and F)		
In cash	7 241 549	8 190 080
In kind	3 224 425	906 345
Accounts receivable less provision for uncollectable amounts	715 542	810 376
Prepaid expenses and advances to suppliers	412 247	128 104
Inventories of supplies	5 830 422	7 524 733
Investments held for staff funds	33 596 331	28 794 018
	<u>52 811 390</u>	<u>49 894 782</u>
<u>Liabilities</u>		
Accounts payable	2 452 567	2 061 602
Subsidies claimed by Governments	-	1 350 088
Staff Provident Fund	36 000 097	28 361 933
Staff savings fund for non-pensionable service	359 610	349 174
Staff Health Insurance Fund	81 698	79 004
Provision for staff claims for service-incurred injury or death or loss of or damage to personal property	58 134	80 221
Provision for separation costs of staff	7 170 808	5 851 506
Reserve for unliquidated budget commitments	2 321 389	1 589 849
Income received in advance:		
In cash	683 860	641 989
In kind	842 623	1 344 666
Working capital (operating reserve) (statement III)	2 840 604	8 184 750
	<u>52 811 390</u>	<u>49 894 782</u>

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) Lloyd CALLOW
Comptroller

(Signed) J. S. RENNIE
Commissioner-General

SCHEDULES TO THE ACCOUNTS

Schedule A

Expenditure and commitments

(In US dollars)

<u>Relief services</u>	<u>Recurrent costs</u> \$	<u>Non-recurrent costs</u> \$	<u>Total costs</u> \$
<u>Basic rations</u>			
Ration costs	15 529 528	-	15 529 528
Quality control	28 785	611	29 396
Distribution	568 065	2 006	570 071
Administration	73 133	-	73 133
Total, basic rations	16 199 511	2 617	16 202 128
<u>Supplementary feeding</u>			
Hot meal programme	1 389 331	12 125	1 401 456
Milk programme	248 745	811	249 556
Other supplementary rations	626 311	-	626 311
Administration	118 119	-	118 119
Total, supplementary feeding	2 382 506	12 936	2 395 442
<u>Shelter</u>			
Shelter construction and maintenance	1 782	62 125	63 907
Roads and camp improvements	35 065	20 896	55 961
Camp rentals	281 870	-	281 870
Administration	4 613	-	4 613
Total, shelter	323 330	83 021	406 351
<u>Special hardship assistance</u>	534 903	1 236	536 139
<u>Share of commons costs</u>			
Supply and transport services	2 268 777	103 717	2 372 494
Other internal services	1 020 951	6 981	1 027 932
General administration	695 142	5 119	700 261
Total, share of common costs	3 984 870	115 817	4 100 687
Total, relief services	23 425 120	215 627	23 640 747

Expenditure and commitments

(In US dollars)

<u>Health services</u>	<u>Recurrent costs</u>	<u>Non-recurrent costs</u>	<u>Total costs</u>
	\$	\$	\$
<u>Medical services</u>			
Pharmacy services	95 898	624	96 522
Laboratory services	59 822	1 296	61 118
General clinics	1 514 370	137 201	1 651 571
Maternal and child health clinics	581 656	2 278	583 934
General hospitals	1 079 177	1 053	1 080 230
Tuberculosis control	193 207	4 316	197 523
Mental health	75 911	3	75 914
Dental care	59 039	3 150	62 189
School health services	61 533	-	61 533
Health education	75 561	-	75 561
Other medical services	66 314	7 370	73 684
Administration	452 520	304	452 824
Total, medical services	4 315 008	157 595	4 472 603
<u>Environmental sanitation</u>			
Surface-water drainage	7 144	30 821	37 965
Refuse and sewage disposal	1 343 651	85 104	1 428 755
Water supply	303 718	51 186	354 904
Insect and rodent control	14 419	-	14 419
Ancillary sanitation facilities	18 351	-	18 351
Administration	114 137	-	114 137
Total, environmental sanitation	1 801 420	167 111	1 968 531
<u>Share of common costs</u>			
Supply and transport services	475 711	21 747	497 458
Other internal services	525 944	3 596	529 540
General administration	310 985	2 290	313 275
Total, share of common costs	1 312 640	27 633	1 340 273
Total, health services	7 429 068	352 339	7 781 407

Expenditure and commitments

(In US dollars)

<u>Education services</u>	<u>Recurrent costs</u> \$	<u>Non-recurrent costs</u> \$	<u>Total costs</u> \$
<u>General education</u>			
Elementary education	13 251 970	196 919	13 448 889
Preparatory education	6 786 819	42 098	6 828 917
Secondary education	184 612	-	184 612
UNRWA/UNESCO Institute of Education	426 333	6 864	433 197
Other in-service staff training	164 261	4 250	168 511
Youth activities	20 861	2 771	23 632
Women's activities	6 008	60	6 068
Pre-school play centres	3 025	244	3 269
Education development centres	-	60 400	60 400
Administration	666 205	63	666 268
	<hr/>	<hr/>	<hr/>
Total, general education	21 510 094	313 669	21 823 763
	<hr/>	<hr/>	<hr/>
<u>Vocational and professional training</u>			
<u>Training conducted in UNRWA centres</u>			
Wadi Seer training centre	521 469	15 448	536 917
Amman training centre	433 828	14 259	448 087
Kalandia vocational training centre	308 935	30 152	339 087
Ramallah men's teacher-training centre	205 454	4 435	209 889
Ramallah women's training centre	521 706	18 575	540 281
Gaza vocational training centre	285 195	77 309	362 504
Siblin training centre	526 247	86 647	612 894
Damascus vocational training centre	273 607	65 087	338 694
Homs teacher-training centre	304	-	304
Adult craft training centres	92 556	1 668	94 224
	<hr/>	<hr/>	<hr/>
Total, training conducted in UNRWA centres	3 169 301	313 580	3 482 881
	<hr/>	<hr/>	<hr/>

Expenditure and commitments

(In US dollars)

<u>Education services (continued)</u>	<u>Recurrent costs</u> \$	<u>Non-recurrent costs</u> \$	<u>Total costs</u> \$
<u>Training subsidized outside UNRWA centres</u>			
Trades training, Jordan (West Bank)	5 978	-	5 978
Vocational training at Kobbe, Lebanon	13 683	-	13 683
On the job training, Federal Republic of Germany	497	-	497
Basic nursing training (local)	9 696	-	9 696
Physiotherapists' course, Jordan	804	-	804
X-ray technicians' course, Jordan	678	-	678
Secretarial training, Lebanon	6 832	-	6 832
Adult craft training, Gaza	6 816	-	6 816
Training of handicapped youth	51 453	-	51 453
Total, training subsidized outside UNRWA centres	96 437	-	96 437
<u>Common training costs</u>			
Vocational training common costs	392 887	105	392 992
Vocational instructor training in UNRWA centres	1 262	612	1 874
Teacher training common costs	107 762	1 013	108 775
Total, common training costs	501 911	1 730	503 641
<u>Placement services</u>	43 212	-	43 212
<u>University education</u>			
University scholarships in Jordan	31 870	-	31 870
University scholarships in Jordan (West Bank)	275	-	275
University scholarships in Egypt	95 849	-	95 849
University scholarships in Lebanon	35 806	-	35 806
University scholarships in the Syrian Arab Republic	36 743	-	36 743
University scholarships in Iraq	17 609	-	17 609
University scholarships in Turkey	550	-	550
University scholarships in Saudi Arabia	3 850	-	3 850
University scholarships in Kuwait	550	-	550
Total, university education	223 102	-	223 102

Expenditure and commitments

(In US dollars)

<u>Education services (continued)</u>	<u>Recurrent costs</u> \$	<u>Non-recurrent costs</u> \$	<u>Total costs</u> \$
<u>Vocational and professional training administration</u>	167 695	116	167 811
Total, vocational and professional training	4 201 658	315 426	4 517 084
<u>Share of common costs</u>			
Supply and transport services	914 829	41 821	956 650
Other internal services	1 546 896	10 577	1 557 473
General administration	823 194	6 061	829 255
Total, share of common costs	3 284 919	58 459	3 343 378
Total, education services	28 996 671	687 554	29 684 225

Expenditure and commitments

(In US dollars)

<u>Common costs</u>	<u>Recurrent costs</u> \$	<u>Non-recurrent costs</u> \$	<u>Total costs</u> \$
<u>Supply and transport services</u>			
Supply procurement and control	377 097	-	377 097
Supply warehousing	424 444	7 150	431 594
Supply and transport insurance administration	20 249	-	20 249
Vehicle maintenance	351 354	3 254	354 608
Passenger transport	489 902	110 891	600 793
Freight transport	1 141 866	44 997	1 186 863
Port operations	485 069	993	486 062
Administration	369 336	-	369 336
 Total, supply and transport services	 3 659 317	 167 200	 3 826 602
<u>Allocation of supply and transport services</u>			
Relief services 62 per cent	(2 268 777)	(103 717)	(2 372 494)
Health services 10 per cent	(475 711)	(21 747)	(497 458)
Education services 28 per cent	(914 829)	(41 821)	(956 650)
 Total, allocation of supply and transport services	 (3 659 317)	 (167 285)	 (3 826 602)
<u>Other internal services</u>			
Eligibility and registration	327 497	-	327 497
Personnel services	319 934	378	320 312
Administrative services	582 332	15 080	597 412
Translation services	57 459	-	57 459
Legal services	142 885	-	142 885
Finance services	680 720	2 202	682 922
Data-processing services	184 504	2 078	186 582
Internal and external audit services	210 452	15	210 467
Protective services	349 832	314	350 146
Technical services	238 176	782	238 958
Production units (capital costs) (schedule B)	-	305	305
 Total, other internal services	 3 093 791	 21 154	 3 114 945

Expenditure and commitments

(In US dollars)

<u>Common costs (continued)</u>	<u>Recurrent costs</u> \$	<u>Non-recurrent costs</u> \$	<u>Total costs</u> \$
<u>Allocation of other internal services</u>			
Relief services 33 per cent	(1 020 951)	(6 981)	(1 027 932)
Health services 17 per cent	(525 944)	(3 596)	(529 540)
Education services 50 per cent	(1 546 896)	(10 577)	(1 557 473)
Total, allocation of other internal services	(3 093 791)	(21 154)	(3 114 945)
<u>General administration</u>			
Agency administration	245 357	999	246 356
Field office administration	512 924	578	513 502
Area administration	347 870	1 179	349 049
Camp services administration	199 778	3 310	203 088
Public information services	376 023	7 404	383 427
New York liaison office	79 737	-	79 737
Cairo office	16 323	-	16 323
European liaison office (Geneva)	51 309	-	51 309
Total, general administration	1 829 321	13 470	1 842 791
<u>Allocation of general administration</u>			
Relief services 38 per cent	(695 142)	(5 119)	(700 261)
Health services 17 per cent	(310 985)	(2 290)	(313 275)
Education services 45 per cent	(823 194)	(6 061)	(829 255)
Total, allocation of general administration	(1 829 321)	(13 470)	(1 842 791)
Total, common costs	8 582 429	201 909	8 784 338
Total, common costs allocated	(8 582 429)	(201 909)	(8 784 338)
Net, common costs	-	-	-

Expenditure and commitments

(In US dollars)

<u>Common costs (continued)</u>	<u>Recurrent costs</u>	<u>Non-recurrent costs</u>	<u>Total costs</u>
	\$	\$	\$
<u>Costs due to local disturbances^{a/}</u>			
Rerouting of supplies	-	162 234	162 234
Repair of damaged property	-	118 185	118 185
Cost of borrowing flour to replace delayed arrivals	-	53 960	53 960
Replacement of damaged school furniture	-	23 558	23 558
Travel allowances for displaced staff	-	8 320	8 320
Losses of supplies	-	5 534	5 534
Other costs	-	3 775	3 775
Total, costs due to local disturbances	-	375 566	375 566
<u>Other extraordinary costs</u>			
Increase in the provision for staff separation costs to make good shortfall due to devaluation of the US dollar and to increases in salary scales	-	957 012	957 012
Increases in provision against loss on disposal of supplies unusable in Agency's programmes	-	70 000	70 000
Electricity consumed in a training centre in past years, but not previously invoiced	-	17 963	17 963
Wage increases granted to casual labourers for services in past years	-	4 747	4 747
Total, other extraordinary costs	-	1 049 722	1 049 722
Total, all services	59 850 859	2 680 808	62 531 667

^{a/} All these costs are due to disturbances in 1973 except for \$19 887 spent on replacing desks damaged in 1967.

(In US dollars)

Account	Embroidery centre	Audio-visual aids	Carpentry shop	Printing shop	Sanitation supplies factory	Bread-baking	Building maintenance services
	\$	\$	\$	\$	\$	\$	\$
Production and capital costs	46 601	198 648	45 869	99 028	7 328	30 050	62 077
Costs allocated							
Transfer to other activities	-	(198 648)	(45 610)	(98 723)	(7 328)	(28 284)	(62 077)
Transfer to sales unit	(46 601)	-	(259)	-	-	(1 766)	-
	(46 601)	(198 648)	(45 869)	(98 723)	(7 328)	(30 050)	(62 077)
Costs not allocated							
Equipment	-	-	-	305	-	-	-
Sales units							
Sales	(55 807)	-	(259)	-	-	(1 766)	-
Cost of goods sold	44 528	-	235	-	-	1 536	-
Net production sales	(11 279)	-	(24)	-	-	(230)	-
Transfer to income	11 279	-	24	-	-	230	-
	-	-	-	-	-	-	-

Contributions by Governments

Schedule C

(In US dollars)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
Argentina	Supplies	-	125 000	-
Australia	\$A 2 415, balance 1971/1972 ^{a/}	-	3 429	-
Australia	Lebanese pounds (pledge \$A 180 000)	240 213	-	-
Austria	US dollars	35 000	-	-
Bahrain	US dollars	10 000	-	-
Belgium	Pounds (pledge, 5 000 000 Belgian francs	131 425	-	-
Belgium	Flour (c.i.f. UNRWA ports) - 18.4 tons (undelivered from 1972 pledge)	-	2 314	-
Belgium	Flour (c.i.f. UNRWA ports) - 1 000 tons	126 000	-	126 000
Belgium	Services of staff to 4 March 1973	4 341	-	-
Canada	1 150 000 Canadian dollars	1 150 000	-	500 000
Canada	Flour (c. and f. UNRWA ports) - 4 851 tons	900 000	-	-
Central African Republic	US dollars	-	1 800	-
Chile	US dollars	-	2 000	-
Cyprus	\$ 290.50	713	-	-
Denmark	US dollars (one half of regular contribution 1972/1973)	94 261	-	-
Denmark	Danish kroner (one half of regular contribution 1973/1974)	80 880	-	80 880
Denmark	US dollars (two thirds of contribution for vocational and teacher training and general education 1972/1973)	440 000	-	-

Contributions by Governments

Schedule C
(continued)

(In US dollars)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
Denmark	US dollars (one third of contribution for vocational and teacher training and general education 1973/1974)	274 651	-	27 918
Dubai	US dollars ^{b/}	-	20 000	-
Finland	US dollars	210 000	-	-
France	Part of contribution of 317 437 francs (for teaching of French 1972/1973)	25 987	-	-
France	US dollars 200 000 (regular contribution 1973)	29 523	-	-
	(1) For teaching of French 1973/1974 (part)	136 000	-	-
	(2) For general use	800 000	-	-
France	US dollars (supplemental contribution 1973)			
	Services of staff (for teaching French to 31 August 1974) 216 467 francs	28 399	-	-
France	£L 5 952 (for university scholarships 1972/1973)	1 977	-	-
France	Rents (£L 194 560)	74 784	-	-
France	Flour (f.o.b. France) - 1 985 tons	172 695	-	172 695
Gaza Authorities	Rents and vaccines	77 925	-	-
Germany, Federal Republic of	DM 2 000 000 (regular contribution)	833 333	-	-
Germany, Federal Republic of	DM (portion of 1972 special contribution allocated to 1973):			
	(1) University scholarships, 1972/1973	28 000	-	-
	(2) Grants for students in the preparatory and secondary cycles attending private schools in Lebanon, 1972/1973	105 000	-	-

Contributions by Governments

Schedule C
(continued)

(In US dollars)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
Germany, Federal Republic of	Flour (c.i.f. UNRWA ports) - 10.6 tons undelivered from 1972	-	1 256	-
Germany, Federal Republic of	Flour (c.i.f. UNRWA ports) - 1 324.4 tons Part of special contribution of DM 9 824 987 allocated to 1973	166 874	-	1 851
Germany, Federal Republic of	(1) Wadi Seer Training Centre, Jordan	558 869	-	32 000
	(2) Operating costs of Station girls' school, Jordan	138 250	-	8 000
	(3) Operating costs of educational services in emergency camps, Jordan	1 359 000	-	95 000
	(4) Operating costs of the Zerka health centre, Jordan	53 300	-	3 500
	(5) Operating costs of the infant health centre in Amman New Camp, Jordan	12 050	-	1 000
	(6) Operating costs of UNRWA health services in emergency camps, Jordan	221 100	-	12 500
	(7) Grants for students in the preparatory and secondary cycles attending private schools in Lebanon, 1973/1974	150 813	-	8 500
	(8) Operating costs of four schools in Lebanon	439 500	-	25 000
	(9) Operating costs of Jaramana girls' school, the Syrian Arab Republic	31 000	-	2 000
	(10) Operating costs of UNRWA/UNESCO preparatory education, the Syrian Arab Republic	867 500	-	49 000
Ghana	US dollars	4 000	-	-

Contributions by Governments
(In US dollars)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
Greece	US dollars	14 000	-	-
Greece	Flour (c. and f. UNRWA ports) - 1 050 tons	170 100	-	-
Haiti	US dollars	1 000	-	1 000
Holy See	US dollars	2 500	2 500	-
Iceland	US dollars	12 000	-	-
India	Supplies (c.i.f. UNRWA ports)	12 903	9 695	12 903
India	Scholastic supplies (for education and training) c/	2 000	-	2 000
Indonesia	US dollars	5 500	-	5 500
Iran	US dollars	18 000	-	-
Ireland	US dollars	80 000	-	-
Israel	Port and transport services.	359 239	-	-
Israel	Water	44 183	-	-
Italy	Lit 7 000 000 (for education and training)	-	11 290	-
Italy	Lit 100 000 000 (regular contribution)	160 321	-	160 321
Jamaica	US dollars ^{d/}	3 000	-	3 000
Japan	US dollars ^{e/}	350 000	-	-
Jordan	Port services	43 309	-	-
Jordan	Rents	131 712	-	-
Jordan	Water	111 557	-	-
Jordan	Vaccines	2 505	-	-
Kuwait	US dollars	220 000	-	-

Contributions by Governments
(In US dollars)

Schedule C
(continued)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
Lebanon	Rents, laboratory and X-ray services, £L 157 160	60 404	-	-
Lebanon	Water and vaccines	4 393	-	-
Liberia	US dollars	5 000	-	-
Libyan Arab Republic	US dollars (regular contribution)	300 000	-	-
Libyan Arab Republic	US dollars (for education and training)	300 000	-	-
Luxembourg	US dollars (pledge, Luxembourg francs 200 000)	4 000	-	-
Luxembourg	US dollars (supplemental contribution)	560	-	560
Madagascar	US dollars	586	-	586
Malaysia	US dollars	1 500	-	-
Mexico	Various food supplies	7 500	-	-
Monaco	F 1 000	215	-	-
Morocco	DH 228 000	57 000	-	-
Netherlands	US dollars (pledge, f 400 000)	135 135	-	-
New Zealand	Pound (pledge, New Zealand dollars 60 000)	81 844	-	-
Niger	US dollars	-	1 187	-
Nigeria	US dollars	6 080	5 600	6 080
Norway	US dollars (pledge, Norwegian kroner 5 000 000)	757 576	-	-
Norway	US dollars (extraordinary contribution)	87 912	-	-

Contributions by Governments
(In US dollars)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances from prior years \$	for 1973 \$
Oman	US dollars	25 000	-	-
Pakistan	US dollars (pledge PR 260 615)	20 805	-	-
Panama	US dollars	-	500	-
Philippines	US dollars	1 250	-	-
Republic of Korea	US dollars	7 000	-	-
Republic of Viet-Nam	US dollars	3 000	-	-
Saudi Arabia	US dollars	297 000	-	297 000
Saudi Arabia	US dollars (special contribution)	50 000	-	-
Saudi Arabia	US dollars (special contribution)	50 000	-	50 000
Sierra Leone	Le 8 000	10 400	-	10 400
Singapore	US dollars	1 500	-	-
Spain	Flour (c.i.f. UNRWA ports) - 4 000 tons	827 586	-	1 440
Sri Lanka	Tea	1 000	-	-
Sudan	US dollars	5 740	-	-
Sudan	Books	21	-	-
Swaziland	R 500	660	-	660
Sweden	US dollars (pledge 14.8 million Swedish kronor)	3 718 600	-	-
Switzerland	900 000 Swiss francs (regular contribution)	267 857	-	-
Switzerland	200 000 Swiss francs (extraordinary contribution)	62 500	-	-
Switzerland	500 000 Swiss francs (for UNRWA/UNESCO Institute of Education 1973/1974)	80 975	-	-
Switzerland	Swiss francs (for UNRWA/UNESCO Institute of Education - remainder of supplemental contribution for 1970/1973)	7 595	-	-

Contribution by Governments

Schedule C
(continued)

(In US dollars)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
Switzerland	7 245 Swiss francs (compensation for undelivered flour - 1971 pledge)	1 922	-	-
Switzerland	Whole milk (c.i.f. UNRWA ports) part of 200 tons 1971/1975 allocated to 1973	23 877	-	-
Switzerland	Flour (c.i.f. UNRWA ports) - 6.7 tons (undelivered from 1972 pledge)	-	752	-
Switzerland	Flour (c.i.f. UNRWA ports) - 2 000 tons	394 000	-	2 901
Switzerland	Flour (c.i.f. UNRWA ports) - 2 000 tons	394 000	-	394 000
Syrian Arab Republic	Reimbursement of transport costs: From 1 September 1968 to 31 December 1971. unpaid balance \$S 173 929 For 1973 \$S 85 098	- 22 535	46 439 -	- 14 139
Syrian Arab Republic	Reimbursement of portorage costs: From 1 March 1968 to 31 December 1971. unpaid balance \$S 101 897 For 1972 \$S 351 For 1973 \$S 49 004	- - 13 035 62 306 4 316	27 207 93 - - -	- - 9 825 - -
Syrian Arab Republic	Rents \$S 244 478	-	-	-
Syrian Arab Republic	Vaccines	-	-	-
Thailand	Rice (c.i.f. UNRWA ports) - 50 tons	10 619	-	10 619
Trinidad and Tobago	TT\$ 3 000	1 810	-	-
Tunisia	US dollars	6 000	-	-
Turkey	US dollars	20 000	-	-
United Arab Emirates	US dollars	220 000	-	220 000
United Kingdom of Great Britain and Northern Ireland	\$ 2 000 000	4 960 000	-	-

Contributions by Governments
(In US dollars)

Schedule C
(continued)

Name of contributor	Description or purpose	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years	for 1973 \$
United States of America	Flour (c. and f. UNRWA ports) - 13 tons undelivered from the 1970/1971 pledge	-	786	-
United States of America	US dollars) one half of Flour (c. and f. UNRWA) 1972/1973 and ports) - 91 125 tons) one half of Oil (c. and f. UNRWA) 1973/1974 ports) - 3 000 tons) pledges	14 300 000 8 130 000 770 000	- - -	5 150 000 ^{e/} 1 766 175 ^{e/} 250 000 ^{e/}
Yugoslavia	White haricot beans - 641 kg. undelivered from 1972 pledge	-	351	-
Yugoslavia	Exercise books	35 000	-	35 000
		48 377 806	262 199	9 549 953

a/ Available only for purchases in Australia through the Agency's procurement account with the Department of Supply of the Government of Australia.

b/ Additional pledge over and above the pledge made by the Government of the United Arab Emirates.

c/ This pledge has resulted from the UNESCO appeal.

d/ In addition, Japan pledged, in 1973, 2 636 tons of rice valued at \$750 000 f.o.b. Alexandria, which was undelivered at 31 December 1973. This pledge has been allocated by the Agency to its operation in 1974.

e/ This balance results from the Agency's allocation to 1973 of part of a pledge made for the donor's fiscal year ending on 30 June 1974.

Contributions by intergovernmental organizations
other than United Nations

Schedule D

(In US dollars)

Name of contributor	Description	Amount pledged \$	Applicable to operations in		Unpaid balances	
			1972 and before \$	1973 and after \$	from prior years \$	for 1973 \$
European Economic Community (EEC) (fiscal year 1971/1972)	Basic Ration Programme					
	Flour 8 688 tons	1 094 710	-	1 094 710	-	465 570
	Rice 2 985 tons	1 098 586	-	1 098 586	-	-
	c.i.f. UNRWA ports					
European Economic Community (EEC) (fiscal year 1972/1973)	Basic Ration Programme					
	Sugar 5 934 tons	1 538 020	939 211	598 809	-	-
	Flour 9 316 tons	2 422 160	-	-	2 422 160	-
	Rice 2 290 tons	687 000	-	-	687 000	-
	Cash for internal transport and distribution					
	costs of the sugar 69 950 uc a/	83 275	50 363	32 912	50 363	32 912
	Supplementary Feeding Programme					
	Flour 3 064 tons	364 603	171 920	192 683	27 005	192 683
	Rice 240 tons	66 360	22 200	44 160	-	-
	Sugar 150 tons	42 937	20 437	22 500	-	-
European Economic Community (EEC) (fiscal year 1973/1974)	Skim milk 1 096 tons	571 175	286 550	-	284 625	-
	Belgian francs for purchase of food					
	(pledge 573 000 uc)	717 509	311 041	406 468	-	-
	Belgian francs for staff costs etc.					
	(pledge 1 037 000 uc)	1 298 677	562 914	735 763	-	-
	Belgian francs for the completion of					
	construction of three supplementary					
	feeding centres in the Syrian Arab					
	Republic (pledge 41 500 uc)	52 584	45 055	7 529	-	-
	Basic Ration Programme					
European Economic Community (EEC) (fiscal year 1973/1974)	Sugar 5 981 tons (c.i.f. UNRWA ports)	1 794 183	-	1 194 183	600 000	-
	Cash for internal transport and distribution					
	costs of the sugar 70 680 uc	84 145	-	56 097	28 048	56 097
	Supplementary Feeding Programme					
	Flour 1 868 tons	400 724	-	79 884	320 840	79 884
	Rice 122 tons	38 708	-	11 408	27 300	11 408
	Sugar 62 tons	18 600	-	2 700	15 900	2 700
	Skim milk 1 600 tons	833 600	-	-	833 600	-
	Belgian francs for purchase of food					
	(pledge 573 000 uc)	704 095	-	363 017	341 078	-
European Economic Community (EEC)	Belgian francs for staff costs etc.					
	(pledge 1 037 000 uc)	1 274 252	-	656 978	617 274	-
	Butter oil 2 000 tons ^{b/} (c.i.f. UNRWA ports)	550 000	-	275 000	275 000	-
	Cash for internal transport and distribution					
	costs of the butter oil 30 000 uc	715	-	17 858	17 857	17 858
			6 891 245	6 470 682	77 368	859 112

a/ Unité de compte (unit of account).

b/ The 2 000 tons were valued by the donors at 2 531 000 uc, equivalent to \$US 3 131 650. They represent to the Agency a valuation of \$US 550 000 in terms of vegetable oil replaced.

Contributions by United Nations agencies

Schedule E

(In US dollars)

Name of contributor	Description	Contributions pledged for 1973 \$	Unpaid balances	
			from prior years \$	for 1973 \$
United Nations Children's Fund (UNICEF)	Procurement services	10 000	-	-
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Cash for UNRWA/UNESCO Institute of Education a/	238 334	-	25 334
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Cash for UNRWA/UNESCO Institute of Education (additional contribution arising from savings in 1972)	6 887	-	-
United Nations Educational, Scientific and Cultural Organization (UNESCO)	(Regular programme staff costs (Associate specialists staff costs (Associate specialists - reimbursement (of internal travel costs	429 745 85 000 11 545	- - -	- - -
World Health Organization (WHO)	Services of staff	130 536	-	-
World Health Organization (WHO)	Medical supplies (special contribution) b/	10 248	-	5 258
World Health Organization (WHO)	Medical supplies	840	-	-
		923 135	-	30 592

a/ UNDP project with UNESCO for assistance to UNRWA/UNESCO Institute of Education.

b/ Special contribution by WHO from proceeds of the appeal by the World Health Assembly to increase health assistance to refugees and displaced persons in the Middle East. The following contributions have been pledged as a result of this appeal, of which \$6 228 was credited to income of prior years.

Cyprus	\$ 247
Egypt	5 000
India	685
Lebanon	3 669
Malta	267
Nigeria	2 995
Trinidad and Tobago	2 034
Zambia	1 556
Sundry donors	24
	16 477

Contributions from non-governmental sources^{a/}
(In US dollars)

Schedule F

Name of contributor	Description	Contributions for education			Other contributions	
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for non-recurrent costs
		\$	\$	\$	\$	\$
<u>Australia</u>						
Australians Care for Refugees (AUSTCARE)	Cash towards the operating costs of Deir el Balah health centre, Gaza	-	-	-	36 072	-
<u>Canada</u>						
Balid, Dr. R. P.	Cash	-	1 111	-	-	-
Canadian Red Cross Society	Baby blankets	-	-	-	1 457	-
Canadian Save the Children Fund	Cash for the operating costs of Khan Yunis rehydration/nutrition unit, Gaza	-	-	-	8 400	-
Canadian Save the Children Fund	Cash for basic nursing training (1973/1975)	-	-	1 800	-	-
Canadian Save the Children Fund	Cash	2 994	-	-	-	-
Trinity United Church, Ontario	Cash	100	-	-	-	-
Unitarian Service Committee of Canada	Baby and other blankets, soap and dried egg powder	-	-	-	10 368	-
Unitarian Service Committee of Canada	Cash for the operating costs of the Balata health centre, West Bank	-	-	-	15 981	-
Unitarian Service Committee of Canada	Cash for the operating costs of four play centres in Lebanon	-	-	2 225	-	-
Unitarian Service Committee of Canada	Cash for the operating costs of the Maghazi rehydration/nutrition unit, Gaza	-	-	-	3 425	-
Unitarian Service Committee of Canada	Cash for basic nursing training	-	-	1 050	-	-
Unitarian Service Committee of Canada	Cash for the purchase of an ambulance for Nablus, West Bank	-	-	-	-	5 200
United Church of Canada	Blankets	-	-	-	646	-
Sundry donors	Cash	100	-	-	-	-
Sundry donors	Medical supplies	-	-	-	2	-
<u>Denmark</u>						
Danish Refugee Council	Cash for the construction of Nairab health centre, Syrian Arab Republic	-	-	-	606	35 000
Statens Seruminstitut	Medical supplies	-	-	-	-	-
<u>Finland</u>						
Sipila, Mrs. Helvi	Cash	-	1 100	-	-	-

Contributions from non-governmental sources^{a/} (continued) Schedule F (continued)

Name of contributor	Description	Contributions for education			Other contributions	
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for non-recurrent costs
		\$	\$	\$	\$	\$
<u>France</u>						
de Weck, Mr. Jean Baptiste	Gift coupons	-	-	225	-	-
Sundry donors	Medical supplies	-	-	-	3	-
<u>Gaza</u>						
Abu Abdallah family	Rent	-	-	52	-	-
Abu Ayyad family	Rent	-	-	-	19	-
Abu Ayyad and Awada families	Rent	-	-	-	37	-
Abu Khusa family	Rent	-	-	-	17	-
Abu Middain family	Rent	-	-	948	86	-
Abu Omar family and Khalil Khalil	Rent	-	-	-	19	-
Abu Salim family	Rent	-	-	71	163	-
Abu Salah Nasr	Rent	-	-	-	14	-
Abu Sha'b family	Rent	-	-	229	-	-
Abu Uriban family	Rent	-	-	-	48	-
Abu Uriban and Abu Middain families	Rent	-	-	-	25	-
Awada family	Rent	-	-	215	596	-
Awada and Abu Middain families	Rent	-	-	146	20	-
Iaghwa family	Rent	-	-	57	-	-
El Mussadar family	Rent	-	-	20	125	-
Gaza Municipality	Rent	-	-	-	29	-
Mussadar and Qur'an families	Rent	-	-	193	-	-
Salah Ali Barbakh	Rent	-	-	-	24	-
Tarazi family	Rent	-	-	-	60	-
Waqf Department	Rent	-	-	3 411	-	-
Sundry contributions from Gaza citizens through Dr. Armenious	Cash to purchase equipment for the Tuberculosis Hospital, Bureij, Gaza	-	-	-	-	2 960
Sundry donors	Cash	-	-	-	133	-
Sundry donors	Medical supplies	-	-	-	8	-
<u>Germany, Federal Republic of</u>						
Deimler Benz, AG, Stuttgart	Cash	-	1 633	-	-	-
Deutsche Bank	Cash	-	829	-	-	-
Index-Werke KG	Cash	-	625	-	-	-
Olympia International Office Machine Factory	Spare parts	-	-	-	919	-
Sundry donors	Publications	-	-	-	3	-
<u>Iran</u>						
The Red Lion and Sun Society of Iran	Cash for expansion of the existing school at Talbiyeh camp, Jordan	-	-	-	-	40 000
Sundry donors	Medical supplies	-	-	-	6	-

Contributions from non-governmental sources^{a/} (continued) Schedule F (continued)

Name of contributor	Description	Contributions for education			Other contributions	
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for non-recurrent costs
		\$	\$	\$	\$	\$
<u>Japan</u>						
Hirashima, Mr. Yoshio	Cash	-	-	-	113	-
Matsushita Electric Trading Company	Kerosene heaters and television sets	-	-	-	-	4 925
National Federation of UNESCO Associations	Gift coupons	-	-	170	-	-
Tsuji, Mr. Hideo	Cash	-	-	-	134	-
Sundry donors	Gift coupons	-	-	35	-	-
<u>Jordan</u>						
Hassan, Sheikh Mohammed	Rent	-	-	278	-	-
Inhabitants of Jabal El Zuhur	Rent	-	-	2 095	-	-
Jordanian Family Planning and Protection Association	Medical supplies	-	-	-	155	-
Mukhtar and notables - Baqoura Village	Rent	-	-	369	-	-
Mukhtar and notables - Khazma Village	Rent	-	-	430	-	-
Mukhtar and notables - Wadi Yabes Village	Rent	-	-	442	-	-
Municipal Council - Qalqilia	Rent	-	-	-	616	-
Red Crescent Society	Electrical equipment and furniture	-	-	-	-	1 033
Village Council and mukhtars - Samma	Rent	-	-	369	-	-
Anonymous	Services	-	-	-	106	-
<u>Lebanon</u>						
American Mission	Rent	-	-	618	502	-
Area Staff Association - UNRWA headquarters	Cash	-	-	413	-	-
Greek Orthodox community	Rent	-	-	-	769	-
Heirs of Saaddine Shatila	Rent	-	-	-	1 537	-
Hiba Trading Company	Radios	-	-	-	-	251
Mneimneh and Bohsaly	Rent	-	-	-	1 730	-
Parke Davis International Ltd.	Medical supplies	-	-	-	3 626	-
Syrian Lebanese Mission	Rent	-	-	-	2 306	-
Sundry donors	Cash	60	-	-	-	-
Sundry donors	Medical supplies	-	-	-	25	-
<u>Netherlands</u>						
Individual contributions through UNESCO Centre	Gift coupons	-	-	140	-	-
Kindergemeenschap, Afd IVC	Gift coupons	-	-	120	-	-
Terre des Hommes	Baby food, skim and whole milk	-	-	-	5 845	-

Name of contributor	Description	Contributions for education			Other contributions		
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for recurrent costs	for non-recurrent costs
		\$	\$	\$	\$	\$	\$
<u>Netherlands (continued)</u>							
Van der Linde, Mr. E.	Gift coupons for the purchase of science equipment for UNRWA's Men's Teacher Training Centre at Ramallah, West Bank	-	-	-	-	-	250
Anonymous	Cash for the purchase of science equipment for preparatory or elementary schools	-	-	-	-	-	935
<u>New Zealand</u>							
Council of Organizations for Relief Services Overseas, Inc. (CORSO)	Cash	-	15 848	-	-	-	-
	Cash for operating women's activities centres	-	-	1 400	-	-	-
	Cash for operating sewing centres	-	-	4 600	-	-	-
	Cash for operating carpentry courses	-	-	4 200	-	-	-
<u>Norway</u>							
Norwegian Aid Society for Refugees and International Development	Cash	-	1 500	-	-	-	-
Norwegian Refugee Council	Cash	2 700	26 121	-	-	-	-
Norwegian Refugee Council	Cash for operating costs of Rafah health centre and Wenche Myhre rehydration/nutrition unit	-	-	-	79 159	-	-
<u>Portugal</u>							
Gulbenkian Foundation	Cash	-	10 000	-	-	-	-
<u>Saudi Arabia</u>							
Arabian American Oil Company (ARAMCO)	Cash	50 000	60 000	40 000	-	-	-
Arabian American Oil Company (ARAMCO)	Cash for film distribution	-	-	-	7 000	-	-
<u>Spain</u>							
Reichert, Dr. Rolf	Cash	-	625	-	-	-	-
<u>Sweden</u>							
Eskestuna Soroptimist Club	Cash for basic nursing training	-	-	372	-	-	-
Herthelius, Mrs. E.	Cash for basic nursing training 1972/1973	-	-	67	-	-	-
Herthelius, Mrs. E.	Cash for basic nursing training 1973/1974	-	-	158	-	-	-

Contributions from non-governmental sources^{a/} (continued) Schedule F (continued)

Name of contributor	Description	Contributions for education			Other contributions		
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for non-recurrent costs	
		\$	\$	\$	\$	\$	
<u>Sweden (continued)</u>							
Swedish Save the Children Federation (Radda Barnen)	Cash towards the operating costs of the UNRWA/Swedish health centre, Gaza	-	-	-	140 270	-	
	Cash for the operating costs of Rashidieh rehydration/nutrition unit, Lebanon	-	-	-	7 015	-	
	Cash for layettes	-	-	-	8 000	-	
	Cash for the 1972/1973 operating costs of Joufeh girls' school, Jordan	-	-	45 845	-	-	
	Cash	-	16 000	-	-	-	
	Cash for tent covers in the Syrian Arab Republic	-	-	-	-	8 800	
	Cash for university scholarships	-	-	1 104	-	-	
	Cash for basic nursing training	-	-	96	-	-	
	Baby blankets	-	-	-	739	-	
	Cash	-	-	-	9	-	
<u>Sundry donors</u>							
<u>Switzerland</u>							
Association Suisse-Arabe	Cash	248	-	-	-	-	
Kappeler, Dr. F.	Cash	154	550	-	-	-	
Kappeler, Mr. Jurg	Cash	213	550	-	-	-	
Krbec, Miss Eva Marie	Cash	-	247	-	-	-	
Swiss Aid CARITAS	Cash for the operating costs of the maternal and child health clinic of the Amari health centre, West Bank	-	-	-	3 350	-	
Terre des Hommes	Cash for paediatric beds at the Mount David Orthopaedic Hospital, Bethlehem, West Bank	-	-	-	3 894	-	
Van Berchem, Mrs. M. Gautier	Cash	160	1 175	-	-	-	
Sundry donors	Cash	65	-	-	-	-	
<u>Syrian Arab Republic</u>							
Syrian Local Authorities	Rent	-	-	-	1 427	-	
Sundry donors	Medical supplies	-	-	-	22	-	
<u>United Kingdom of Great Britain and Northern Ireland</u>							
Cambridge Fund for the Education of Palestinian Refugees	Cash	840	2 233	-	-	-	
Cambridge Fund for the Education of Palestinian Refugees	Gift coupons	-	-	1 010	-	-	

Name of contributor	Description	Contributions for education				Other contributions	
		General education scholarships		Vocational training scholarships		Other education recurrent costs	
		\$	\$	\$	\$	for recurrent costs	for non-recurrent costs
United Kingdom of Great Britain and Northern Ireland (continued)							
OXFAM	Cash	-	149 635	2 379	-	-	-
OXFAM	Cash for operating costs of Husson emergency camp health installations, Jordan	-	-	-	28 980	-	-
OXFAM	Cash for operating costs of Khan Younis health centre, Gaza	-	-	-	68 722	-	-
	Cash	395	-	-	-	-	-
Standing Conference of British Organizations for Aid to Refugees	Blankets	-	-	-	68	-	-
Standing Conference of British Organizations for Aid to Refugees: Help the Aged	Baby Blankets	-	-	-	1 428	-	-
Women's Royal Voluntary Service	Cash	-	-	-	125	-	-
Sundry donors	Gift coupons	-	-	60	-	-	-
Sundry donors							
United States of America							
American Council for Judaism	Cash ^{b/}	-	550	-	-	-	-
Philanthropic Fund	Baby and other blankets, shirts and cloth	-	-	-	4 290	-	-
American Friends Service Committee	Cash	6 110	11 000	-	-	-	-
American Near East Refugee Aid Inc. (ANERA)	Cash for operating costs of Jebel Hussein rehydration/nutrition unit, Jordan c/	-	-	-	2 700	-	-
American Middle East Rehabilitation (AMER division of ANERA)	Medical supplies	-	11 065	-	-	-	-
American Middle East Rehabilitation (AMER division of ANERA)	Cash for printing of leaflets "Headstart for Omar"	-	-	-	250	-	-
Association Sterling Films Inc.	Cash	100	-	-	-	-	-
Barnes, Mr. Raymond P.	Cash for camp improvements, Jordan	-	-	-	-	-	3 000
Christian Reformed World Relief Committee	Cash for the purchase of an ambulance for Jordan	-	-	-	-	-	4 600
	Cash for paving school yards at Zerka, Marka and Jebel Hussein camps, Jordan	-	-	-	-	-	1 900
	Cash for the construction of a boundary wall, southern school compound, Baqa'a camp, Jordan	-	-	-	-	-	2 100
	Medical supplies and blankets	-	-	-	3 553	-	-

Contributions from non-governmental sources^{a/} (continued)

Schedule F (continued)

Name of contributor	Description	Contributions for education			Other contributions		
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for non-recurrent costs	
		\$	\$	\$	\$	\$	
<u>United States of America (continued)</u>							
Cooke, Mr. David	Cash	250	-	-	-	-	-
Co-operative for American Relief Everywhere (CARE)	Cash for purchase of timber and windows	-	-	-	-	-	609
Co-operative for American Relief Everywhere (CARE)	Cash for repair of houses in Zerka camp and Amman New Camp, Jordan	-	-	-	-	-	300
Foster, Col. Walter S.	Cash	100	-	-	-	-	-
Gamble, Mrs. C.	Cash	-	800	-	-	-	-
Hartman, Mr. Russell C. (bequest)	Cash	-	500	-	-	-	-
Mennonite Central Committee	Soap	-	-	-	240	-	-
Munroe, Miss Gretel S.	Cash	-	500	-	-	-	-
NAJDA (American Women for the Middle East)	Cash	-	1 650	-	-	-	-
PAL-Aid International, Inc.	Cash	-	500	-	-	-	-
Samuelson, Mr. Peter G. W.	Cash	-	-	-	250	-	-
Smith, Mr. R. H.	Cash	100	-	-	50	-	-
Sundry donors	Cash	875	-	-	533	-	-
<u>International organizations</u>							
Catholic Relief Services	Cash	-	-	-	1 380	-	-
Church World Service	Baby and other blankets	-	-	-	8 782	-	-
Federations of Business and Professional Women:							
Australia	Cash	-	14	-	-	-	-
Austria	Cash	-	23	-	-	-	-
Canada	Cash	-	3 850	-	-	-	-
Denmark	Cash	-	48	-	-	-	-
International	Cash	-	207	-	-	-	-
Macar Club - USA	Cash	-	12	-	-	-	-
New Zealand	Cash	-	550	-	-	-	-
Sweden	Cash	-	378	-	-	-	-
Switzerland	Cash	-	3 362	-	-	-	-
Tomi Kitano	Cash	-	470	-	-	-	-
United States of America	Cash	-	550	-	-	-	-
World Affairs Committee of Macon	Cash	-	15	-	-	-	-
International Confederation of Free Trade Unions	Cash	-	-	-	1 674	-	-
Lutheran World Federation	Cash for the construction of compound wall at Karameh school, Jordan	-	-	-	-	-	300
Lutheran World Federation	Medical supplies, blankets and tents	-	-	-	8 057	-	-
Near East Council of Churches	Cash for sorting clothing	-	-	-	3 681	-	-
Pontifical Mission for Palestine	Blankets and medical supplies	-	-	-	4 493	-	-

Name of contributor	Description	Contributions for education			Other contributions		
		General education scholarships	Vocational training scholarships	Other education recurrent costs	for recurrent costs	for non-recurrent costs	
		\$	\$	\$	\$	\$	\$
<u>International organizations (continued)</u>							
Pontifical Mission for Palestine	Cost of repairing two schools in Karameh, Jordan	-	-	-	-	20 190	
United Nations High Commissioner for Refugees	Cash from record sales of "Top Star Festival"	-	-	-	28 093	-	
World Alliance of YMCA	Cash	-	-	-	7 000	-	
World Alliance of YMCA	Sports supplies	-	-	-	313	-	
Women's Auxiliary of UNRWA	Cash for women's activities and welfare projects	-	-	-	6 109	-	
Zonta International	Cash	-	24 200	-	-	-	
In honour of Mrs. Helvi Sipila	Cash	-	5 500	-	-	-	
Pekrul, Mrs. Leota F.	Cash	-	550	-	-	-	
Zonta District XIII	Cash	-	550	-	-	-	
		65 564	357 026	117 412	528 451	132 333	
	Total of all contributions	1 200 806					

a/ Includes \$272 994 of contributions for 1973, but not received until 1974.

b/ Part applicable to 1973 of the \$1 350 contributed for 1973 and 1974.

c/ Part applicable to 1973 of the \$13 000 contributed for the running expenses of this project from 1970 through 1974.

Schedule G

MISCELLANEOUS INCOME

(In US dollars)

<u>Description</u>	<u>Amount</u> \$
Sale of empty containers	381 282
Bank interest	369 614
Sale of shares in The Development Bank of Jordan Limited (part of 1973 instalment)	35 750
Disputed and reserved claims refunded	172 747
Profit on income-producing activities	11 533
Sale of unserviceable equipment and scrap	12 347
Overheads recovered on procurement for other parties	8 237
Supplies and equipment taken over from UNEF	2 323
Share of profit on insurance policies	79
Miscellaneous	9 378
Total, miscellaneous income	<u>1 003 290</u>

Liquidation of prior years' commitments

(In US dollars)

	Commitments brought forward from 1972	Commitments liquidated by expenditure	Commitments carried forward to 1974	Saving on liquidation of prior years' commitments
	\$	\$	\$	\$
<u>Relief services</u>				
<u>Basic rations</u>				
Distribution	6 689	5 841	-	848
Basic ration costs	389	436	-	(47)
Total, basic rations	7 078	6 277		801
<u>Supplementary feeding</u>				
Hot meal programme	53 939	9 234	44 310	395
Milk programme	1 673	484	900	289
Other supplementary rations	29 528	29 528	-	-
Total, supplementary feeding	85 140	39 246	45 210	684
<u>Shelter</u>				
Shelter construction and maintenance	224 803	14 550	185 038	25 215
Roads and camp improvements	24 501	24 939	5 398	(5 836)
Total, shelter	249 304	39 489	190 436	19 379
<u>Special hardship assistance</u>	27 551	25 228	-	2 323
Total, relief services	369 073	110 240	235 646	23 187
<u>Health services</u>				
<u>Medical services</u>				
Laboratory services	376	325	-	51
General clinics	118 843	86 662	27 898	4 283
Maternal and child health clinics	6 297	4 832	960	505
General hospitals	3 113	3 658	-	(545)
Tuberculosis control	267	120	128	19
Dental care	616	766	161	(311)
Health education	203	-	203	-
Other medical services	7 683	5 094	830	1 759
Administration	286	209	77	-
Total, medical services	137 684	101 666	30 257	5 761

Liquidation of prior years' commitments

(In US dollars)

	Commitments brought forward from 1972	Commitments liquidated by expenditure	Commitments carried forward to 1974	Saving on liquidation of prior years' commitments
	\$	\$	\$	\$
<u>Health services (continued)</u>				
<u>Environmental sanitation</u>				
Surface-water drainage	47 074	42 399	637	4 038
Refuse and sewage disposal	69 985	55 970	13 944	71
Water supply	10 635	8 139	2 100	396
Insect and rodent control	726	698	-	28
Total, environmental sanitation	128 420	107 206	16 681	4 533
Total, health services	266 104	208 872	46 938	10 294
<u>Education services</u>				
<u>General education</u>				
Elementary education	344 813	240 012	79 164	25 637
Preparatory education	123 943	106 882	8 715	8 346
UNRWA/UNESCO Institute of Education	2 207	1 967	55	185
Youth activities	3 141	1 750	1 330	61
Pre-school play centres	1 092	1 048	-	44
Total, general education	475 196	351 659	89 264	34 273
<u>Vocational training</u>				
<u>Training conducted in UNRWA centres</u>				
Wadi Seer training centre	87 043	56 813	30 036	194
Amman training centre	8 441	6 209	1 017	1 215
Kalandia vocational training centre	123 612	97 434	26 666	(488)
Ramallah men's teacher training centre	1 699	1 059	-	640
Ramallah women's training centre	5 886	4 062	-	1 824
Gaza vocational training centre	1 821	970	-	851
Siblin training centre	938	1 018	-	(80)
Damascus vocational training centre	4 957	5 313	-	(356)
Adult craft training	126	130	-	(4)
Total, training conducted in UNRWA centres	234 523	173 008	57 719	3 796

Liquidation of prior years' commitments

(In US dollars)

	Commitments brought forward from 1972	Commitments liquidated by expenditure	Commitments carried forward to 1974	Saving on liquidation of prior years' commitments
	\$	\$	\$	\$
<u>Education services (continued)</u>				
<u>Vocational training (continued)</u>				
<u>Training subsidized outside UNRWA centres</u>				
Arab Orphan Society Technical School, Jerusalem	6 770	1 455	5 339	(24)
Basic nursing training	2 700	1 708	713	279
Training of handicapped youth	8 258	8 258	-	-
Teacher training (Syrian Arab Republic)	52 000	-	-	52 000
	<hr/>	<hr/>	<hr/>	<hr/>
Total, training conducted outside UNRWA centres	69 728	11 421	6 052	52 255
	<hr/>	<hr/>	<hr/>	<hr/>
<u>University education</u>				
University scholarships in Jordan	1 698	1 698	-	-
University scholarships in Egypt	399	399	-	-
University scholarships in Lebanon	1 121	1 121	-	-
University scholarships in the Syrian Arab Republic	3 032	3 032	-	-
University scholarships in Kuwait	250	250	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total, university education	6 500	6 500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total vocational training	310 751	190 929	63 771	56 051
	<hr/>	<hr/>	<hr/>	<hr/>
Total, education services	785 947	542 588	153 035	90 324
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Common costs</u>				
<u>Supply and transport services</u>				
Supply warehousing	6 775	6 068	602	105
Vehicle maintenance	2 640	832	1 707	101
Passenger transport	47 276	47 276	-	-
Freight transport	65 451	65 451	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total, supply and transport services	122 142	119 627	2 309	206
	<hr/>	<hr/>	<hr/>	<hr/>

Liquidation of prior years' commitments

(In US dollars)

	Commitments brought forward from 1972 \$	Commitments liquidated by expenditure \$	Commitments carried forward to 1974 \$	Saving on liquidation of prior years' commitments \$
<u>Common costs (continued)</u>				
<u>Other internal services</u>				
Personnel services	3 370	1 496	1 874	-
Administrative services	1 105	1 095	-	10
Finance services	818	817	-	1
Data-processing services	2 278	2 278	-	-
Protective services	451	441	-	10
Total, other internal services	8 022	6 127	1 874	21
<u>General administration</u>				
Area administration	92	86	-	6
Camp services administration	519	99	-	420
Public information services	25 041	15 433	9 328	280
Total, general administration	25 652	15 618	9 328	706
Total, common costs	155 816	141 372	13 511	933
<u>Costs due to local disturbances</u>				
Repairs or replacement of Agency shelters	7 056	8 239	-	(1 183)
Repairs of damaged buildings and equipment	4 888	6 564	-	(1 676)
Replacement of lost installations, equipment and non-consumable supplies	828	802	-	26
Other costs	137	36	101	-
Total, costs due to local disturbances	12 909	15 641	101	(2,833)
Total, all services	1 589 849	1 018 713	449 231	121 905

NOTES TO THE FINANCIAL STATEMENTS

General

Note 1

The statements are based on the Agency's accounts, which are kept in US dollars. Transactions in currencies other than US dollars are recorded at book rates based on official exchange rates where these are applicable, otherwise at ruling market rates.

Note 2

The budget figures reflect the Agency's budget for 1973 submitted to the General Assembly at its twenty-seventh session 1/ as adjusted and submitted to the Assembly at its twenty-eighth session. 2/

Statement of income and expenditure and commitments

Note 3

Income from investments held for the Agency's Staff Provident Fund, Staff Savings Fund for Non-Pensionable Service and Staff Health Insurance Fund, and expenses of administering these Funds (if any), are not included in statements I and II, as they are credited and debited directly to the Funds concerned.

Note 4

Only contributions to UNRWA are included in income. A contribution to UNRWA is one that comes under its direct control and is usable in its programme. All other contributions, even if handled by UNRWA, are considered as being made direct to the refugees and are excluded from income.

Note 5

Contributions in kind are recorded at the contributors' valuations, if known and reasonable, otherwise at valuations determined by the Agency with due consideration given to prevailing market valuations. To avoid inconsistency between the income and expenditure accounts where contributions in kind have been recorded in income at valuations different from Agency standard prices, these differences have been reflected in the expenditure accounts (see also note 11 below).

1/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 13 (A/8713 and Corr.1 and 2).

2/ Ibid., Twenty-eighth Session, Supplement No. 13 (A/9013).

Note 6

In 1973, the Agency modified its accounting for income to limit income recognized in each year from contributions in kind to those quantities of the commodities concerned that are used (or sold) in that year. The Agency deemed this change necessary, in order to prevent the distorted presentation of its financial position that it has found will result if the same accrual basis that is used to record cash contributions is applied to contributions in kind when the quantities pledged for any year are materially greater than the quantities used (or sold) in that year. Thus, some \$1.6 million of contributions in kind pledged for 1973, but not used in 1973, has been considered as income for 1974 and 1975.

Statement of working capital

Note 7

Because of its financial difficulties, the Agency in 1972 wrote off the provisions it had made for subsidies claimed by the Governments of the Arab Republic of Egypt, Israel, Jordan and the Syrian Arab Republic relating to relief, health and/or education services provided to the refugees by these Governments up to 31 December 1971. As these financial difficulties have increased during 1973, the Agency has now written off to working capital the subsidies claimed for 1972 and has set up no provisions for those for 1973 (see also note 14 below).

Note 8

The assets set aside to cover the Agency's liabilities to the participants in the Provident Fund are mainly in US dollars, whereas the liabilities are in the local currencies in which the participants' salaries are stated (Lebanese, Syrian or Egyptian pounds or Jordan dinars). Devaluation of the US dollar in 1973 relative to these local currencies resulted in a capital investment loss in the Provident Fund of \$3,546,063, of which \$700,000 has been charged to Provident Fund income account for 1973, leaving \$2,846,063 to be carried forward for charge to Provident Fund income account in future years. An equal amount has consequently been reserved from the Agency's working capital in 1973. This reserve will be reduced as and when the capital investment loss deferred from 1973 is charged to Provident Fund income account in 1974 (and subsequent years if appropriate).

Note 9

The reduction of \$82,095 in working capital resulted from a transfer to the Provident Fund surplus account of credits arising in past years from exchange differences erroneously credited to Agency income instead of to Provident Fund income.

Statement of assets and liabilities

Note 10

Under the Agency's practice of charging the full cost of equipment, buildings and land in the year of purchase or construction (or budget commitment therefor), the following assets are not reflected in statement IV:

	<u>Original cost</u>
	\$
Vehicles	1 678 533
Other equipment	2 920 096
Buildings (constructed):	
Schools, training centres, ration distribution centres, clinics, warehouses and other buildings constructed and used by the Agency	18 100 587 ^{a/}
Refugee shelters	10 479 137
Buildings (long-term prepaid leases)	144 461
Land (purchased)	51 248

a/ Includes cost of financing purchase of land by local governments and of compensation to private landowners of leased land.

Note 11

Contributions receivable in the form of food supplies are shown at the Agency's standard prices for such supplies. This has entailed a net reduction (by charge to 1973 expenditure accounts) of \$475,822 from the values placed on these pledges by the contributors and at which they are listed in schedules C and D (see also note 5 above). Contributions receivable in cash are shown less a provision of \$110,422 for certain old pledges by Governments now doubtful of collection.

Note 12

Inventories have been valued at standard prices which approximate cost (FIFO), with a suitable provision for possible losses on unusable supplies.

Note 13

The provision for separation costs of staff would be greater by approximately \$5,300,000 if provision were made for payment of certain separation benefits in full to all staff members. The Agency estimates, however, that 30 per cent of its international staff members, 50 per cent of its locally recruited General Service staff members and 40 per cent of its locally recruited Manual Service staff members will not qualify for payment of these separation benefits under the Agency's staff rules, either by reason of leaving the Agency's service voluntarily or by reason of obtaining employment with other employers immediately following separation from the Agency.

Note 14

The Agency had, at 31 December 1973, contingent liabilities of \$608,896 comprising purchase orders issued for goods not yet received. In addition, the Agency had a contingent liability of an as yet undeterminable amount related to the claims of the contractor responsible for the construction of Amman Training Centre. Finally, a contingent liability, also of a material but undeterminable amount, may be considered to exist in respect of certain claims for subsidies by Governments (see also note 7 above).

III. REPORT OF THE BOARD OF AUDITORS

1. The Board of Auditors, established under General Assembly resolution 74 (I), is required under Assembly resolution 302 (IV), of 8 December 1949, to audit the accounts of UNRWA in accordance with article XII of the Financial Regulations of the United Nations and the annex to these Regulations.
2. The Commissioner-General of UNRWA submitted to the Board of Auditors for audit the following financial statements for the year ended 31 December 1973.

Statement I.	Budget and expenditures and commitments
Statement II.	Income and expenditures and commitments
Statement III.	Working capital (operating reserve)
Statement IV.	Assets and liabilities

In addition, schedules A to H and notes 1 to 14 were presented. These form an integral part of the statements.

Scope of audit

3. The audit of the accounts for the year ended 31 December 1973 was conducted in the manner set forth in article XII (External Audit) of the Financial Regulations of the United Nations and in the annex thereto, entitled "Additional terms of reference governing the audit of the United Nations", having due regard for the special circumstances of the Agency (reference is made to UNRWA's financial regulation 12.3).
4. The audit work included tests of the financial transactions and examination of the supporting evidence. In addition to a review of the internal financial controls and accounting procedures, the programme of work included a review of the property records, the system in effect for the control and use of vehicles as well as for the control of equipment. Following its examination, the Board of Auditors transmitted the present report to the Commissioner-General of UNRWA, as well as to all the members of the Advisory Committee on Administrative and Budgetary Questions.

Implementation of the Board's 1972 recommendations

5. As required by the General Assembly when accepting the accounts of the Agency for the year 1972, the Commissioner-General of UNRWA has provided a compliance report on the recommendations made by the Board resulting from its examination of the accounts for the year 1972 (see chapter IV below).
6. The Board wishes to record its appreciation of the step taken by the Commissioner-General in reporting in this way on the course of action followed by the Agency in regard to its prior year's observations and recommendations, details of which were transmitted to the Board in April 1974.

7. No action has been taken on the points raised by the Board relating to the revision of the rules of the Area Staff Provident Fund. In this connexion, the Commissioner-General had requested the Social Security Division of the ILO to carry out a review of the Staff Provident Fund scheme. The study was concluded and a report was submitted in November 1973. The Board has been informed that it is the intention of the Agency to revise the rules governing the Staff Provident Fund, once the views of the Staff Associations on the recommendations of the ILO are obtained and considered. At that time, attention will be given to the points raised by the Board.

8. The Board has noted with satisfaction that, in May 1973, the Agency appointed the first of three "money managers", adding the second and third in September 1973 and in January 1974 to handle the assets of the Staff Provident Fund. In the opinion of the Board, the size of the Fund's assets called for the retention of a group of investment advisers or "money managers".

9. The Board expressed the opinion that there seemed to be no reason for charging to working capital a certain amount of money, which had been blocked in a bank account in the Gaza Strip as a result of the hostilities of June 1967. The Board was of the opinion that the claim in question should rather be charged to a loss account under Part V of the budget, since there appears to be no possibility that the bank is going to make good this claim. It is the Agency's view that it is premature to write off this amount and that the 100 per cent reserve against working capital is appropriate. The Board holds the view that if continuous efforts to pursue this claim are not successful, the Agency should charge the amount involved to losses under the budget.

10. The Board has recommended on several occasions that the Agency's Internal Audit Division, which is presently under the responsibility of the Comptroller, be placed rather under, and reporting to, the Deputy Commissioner-General. The views of the Board are primarily based on sound internal control principles, which call, among other things, for the complete independence of the internal auditing function from the activities and departments that it must review and evaluate. The Commissioner-General, before making any decision in this respect, asked that this matter be covered in a review, of limited scope, of the Agency's headquarters organization, which the Assistant Secretary-General for General Services agreed to undertake. After a formal report has been issued by the Assistant Secretary-General, the place of the Internal Audit Division within the Agency will be considered in the light of the recommendations contained thereon.

Financial situation of the Agency

11. The financial situation of the Agency deteriorated in 1973, when it sustained a deficit in the amount of \$3,913,514. Its finances were severely affected in 1973 by the devaluation of the United States dollar against the currencies of Lebanon, the Syrian Arab Republic and Jordan, which resulted in increased operating costs in these countries. In addition, the accelerating inflation and the increases in cost of living allowances had an adverse effect on the finances of the Agency.

12. For the year 1974, the financial situation is more critical. Inflation continues and the price of flour, one of the basic commodities included in the rations distributed to the refugees, has increased considerably. It is estimated

by the Agency that, by the end of 1974, UNRWA will face a deficit of approximately \$11 million, unless large reductions in the services provided are effected or additional contributions are obtained during the course of the year.

13. In 1973, the Commissioner-General informed the Chairman of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the Secretary-General of the critical situation of the Agency. Appeals were sent by the Chairman and the Secretary-General to all States Members of the United Nations as well as to members of the specialized agencies. Additional contributions and increased pledges were received after these appeals were made, but not to the extent necessary to provide the additional income needed to avoid the deficit that resulted for the year.

14. The Board is of the opinion that, if resources cannot be improved to avert the financial collapse of the Agency, the services provided must be contained within the financial resources available.

Verification of bank accounts

15. Paragraph 1 (c) of the annex to the Financial Regulations, which contains the additional terms of reference governing audits, requires that the Board satisfy itself that the securities and moneys on deposit and on hand have been verified by certificate received direct from the Organization's depositaries or by actual count.

16. The Board did not receive direct confirmations of balances on deposit with two banks, which had a total book balance of \$75,076. Particulars of each account were included in the draft memorandum to the Agency and the Board was informed that several reminders to the banks had been sent without success.

Working capital

17. The working capital decreased from \$8,184,750 at 31 December 1972 to \$2,840,604 at 31 December 1973. The bulk of this decrease (\$6,759,577) is accounted for by the excess of expenditure over income in 1973, which amounted to \$3,913,514, and a temporary transfer of \$2,846,063 to the Staff Provident Fund owing to the devaluation of the currency in which the assets of the Fund had been invested. The Agency has the intention of restoring this amount to the working capital, provided the investments of the Staff Provident Fund generate enough income in 1974 and 1975 to cover this amount to offset any possible subsequent losses, and to declare an interest credit to participants of the Fund in 1974.

Treatment of income in kind

18. In order to match more accurately income and expenditure on contributions in kind, particularly income in the form of specific commodities in excess of the Agency's programme requirements, which did not assist the Agency in carrying out other parts of its programme, the Agency decided to record the value of the commodities as "income received in advance" to be taken into income as and when the commodities were used in its programmes. This is a new accounting practice, which, in the opinion of the Board, is not clearly contemplated in the Financial

Regulations or the Finance Manual of the Agency. Though the Board is not in disagreement with the reasons behind the introduction of the new practice, the Board recommends that steps be taken to review financial regulation 10.2 and paragraph 3 (a) of chapter I of the Finance Manual, with a view to establishing clear policy to be followed on a consistent basis from year to year for the treatment of income in kind.

Losses of the Agency

19. The losses sustained by the Agency in 1973 amounted to \$249,722, or an increase of \$102,141 when compared to 1972, due mostly to damages to buildings and refugee shelters during local disturbances. Losses also arose from the handling, warehousing and distribution of supplies. Claims have been or may be filed against Governments of the host countries to cover most of the losses resulting from local disturbances.

Ex-gratia payments

20. Four ex-gratia payments in the amount of \$2,448 were made in 1973, which were duly authorized by the Commissioner-General.

Acknowledgement

The Board of Auditors records its appreciation for the co-operation and assistance extended by the Commissioner-General of UNRWA, his officers and members of his staff.

(Signed) J. E. ESCALLON O.
Controller-General of Colombia

(Signed) J. J. MACDONELL
Auditor-General of Canada

(Signed) A. HAMID
Auditor-General of Pakistan

25 June 1974

IV. ACTION TAKEN ON OBSERVATIONS AND RECOMMENDATIONS
MADE BY THE BOARD OF AUDITORS IN ITS REPORT ON
THE ACCOUNTS OF UNRWA FOR THE YEAR ENDED
31 DECEMBER 1972

1. In the following paragraphs is set forth the action that has been taken or which is to be taken by the Agency in response to the comments contained in the report of the Board of Auditors for the year ended 31 December 1972. 1/ For ease of reference, the pertinent paragraph numbers and headings have been repeated as they appeared in the Board's report.

(Paragraphs 8 to 11) Area Staff Provident Fund - Difference on exchange

2. The Social Security Division of the ILO submitted its report on the Agency's Provident Fund arrangements in November 1973. The report is still under study, as the views of the Staff Associations, to which copies were supplied in accordance with the Agency's undertaking to them, are awaited. A copy of the report has been supplied to the Board of Auditors and an oral account of its main recommendations was given to the Board by the Commissioner-General on 20 November 1973 shortly after receipt of the report by him.

3. In accordance with a recommendation in the report, the Commissioner-General, on 26 November 1973, declared an interest credit to participants for 1972 at the rate of 4.75 per cent. In order to avoid a similar delay in 1974 in the declaration of an interest credit for 1973, the Commissioner-General, acting in the spirit of the report's recommendations for the future, in April 1974 declared an interest credit of 4 per cent for 1973, with a view to avoiding wide fluctuations in the rate of interest credit and in the expectation of recovering in succeeding years the balance of the capital loss on assets from surplus interest earnings and any excess of capital gains over capital losses.

4. Once the views of the Staff Associations have been obtained and considered, it is the Agency's intention to revise the rules governing the Provident Fund as may be required, and attention will certainly be given to the points raised by the Board of Auditors.

5. With regard to the past, the Agency would remark that the net position on exchange gains and losses at the end of 1969, after 15 years of operation of the Provident Fund, was one of equilibrium, and that thereafter the Agency's policy has been to reflect capital gains and losses, including those arising from exchange rate fluctuations, in its computation of Provident Fund income.

1/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 7C (A/9007/Add.3 and Corr.1 and 2), chap. III.

(Paragraphs 12 and 12) Area Staff Provident Fund - investments

6. In May 1973, the Agency appointed the first of three "money managers" (all of which are large banks operating internationally), adding the second and third in September 1973 and in January 1974, as investments previously made by the Agency matured. As a result, the whole of the Provident Fund assets are now handled by these "money managers", with the Agency's Provident Fund Investments Advisory Committee keeping a watching brief on their performance.

(Paragraphs 21 and 22) Blocked bank account

7. The Board of Auditors expressed the opinion that the Agency's bank account (containing some £E 40,400) in the Gaza branch of the Bank of Alexandria, blocked as a result of the June 1967 hostilities, should be considered a loss and written off. It is still the Agency's view that it would be premature to do so at this stage and that its action in establishing a 100 per cent reserve against a possible loss is appropriate. The Agency is continuing to pursue its claim against the Bank and the Government of Egypt (since the Bank of Alexandria is a nationalized institution).

(Paragraphs 25 and 26) Internal Audit Division

8. The Board of Auditors has recommended that the Agency's Audit Division be placed under the Deputy Commissioner-General in order to ensure its unlimited independence from the Comptroller. The Commissioner-General asked that this matter be covered in a review, of limited scope, of the Agency's headquarters organization, which the Assistant Secretary-General for General Services kindly agreed to undertake. The Assistant Secretary-General's report is still in draft, in which form it has been submitted to the Commissioner-General for comment before completion. The place of the Audit Division in the headquarters organization will be considered again in the light of the recommendations in the report. At this stage, the Commissioner-General would only remark, without prejudice to his eventual decision, that the analogy drawn in paragraph 26 of the audit report loses some force if the range of duties of the Under-Secretary-General for Administration and Management, the Assistant Secretary-General for Financial Services serving under him and the Agency's Comptroller are compared, and he has noted that the United Nations Internal Audit Service reports to the senior official under the Secretary-General with financial responsibility for the United Nations budget.

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