



UNITED NATIONS FUND FOR POPULATION ACTIVITIES

FINANCIAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1981 AND REPORT OF  
THE BOARD OF AUDITORS

Corrigendum

Page 3

After paragraph 17, insert new paragraphs 18 to 24 which read as follows:

Response to the report of the Board of Auditors for 1981

18. The response to the report of the Board of Auditors on the 1981 UNFPA accounts and financial statements (sect. II below) is included in the following paragraphs. For ease of reference, the pertinent paragraph numbers are referred to in the same order as they appear in the report of the Board of Auditors.

Government contributions (paras. 4 to 6)

19. Although UNFPA has been making every effort to encourage Governments to make their contributions as early in the year as possible, there are no means of obliging them to do so. The record of UNFPA in regard to the collection of pledges is unusually good. At the time of this response, all but \$237,571 of the outstanding 1981 pledges of \$1,226,870 has been received. For all previous years since the establishment of UNFPA, the arrears of contributions have been reduced from \$1,647,762 to \$918,365 during 1982. In the 13-year period of UNFPA operations up to the end of 1981, the total of unpaid pledges represents less than 0.14 per cent of all contributions pledged in this period. UNFPA will continue its efforts to see that Governments settle their outstanding obligations as soon as possible and henceforth make contributions against current pledges early in the year.

Inadequate control over project budgets (paras. 7 to 9)

20. UNFPA has assured the Board of Auditors that every effort will be made to improve the monitoring of project budgets, and programme allocations will, henceforth, be closely monitored throughout the year to ensure that in total they are kept in line with available resources.

Expenditure in excess of allocations in field co-ordinators' budgets  
(paras. 10 to 12)

21. UNFPA appreciates the recommendations contained in the report and is implementing them by making improvements in the project budget monitoring procedures and by strengthening the Budget Management Analysis Section.

Procurement system (paras. 13 and 14)

22. We have taken note of the comments of the auditors that some purchases were made without written approval of the authorized official or without competitive biddings, and we have taken steps to ensure that the correct procedures are followed in all cases in the future. A new equipment supply form designed for the purpose of eliminating past confusion concerning the approval of supply requests was put into use approximately five months ago. Additionally, the purchasing and receiving functions have been segregated as recommended by the Board of Auditors. The Purchasing, Procurement and Inventory Control Unit will become an independent operation responsible for assisting in the assessment of needs for office equipment and supplies, purchasing equipment and carrying out inventory control. The Receiving and Storage Unit will function separately from the Purchasing, Procurement and Inventory Control Unit. It will receive copies of the purchase orders which will be used to verify invoices accompanying the equipment and supplies delivered to UNFPA.

Maintenance of inventory records (paras. 15 to 17)

23. A more systematic recording of new purchases will be brought about by the new request forms. Additionally, in-house training will be conducted to improve staff capability in the maintenance of inventory records.

Internal audit (paras. 18 to 20)

24. UNFPA has requested the Internal Audit Service of the United Nations Development Programme to step up the coverage of UNFPA activities. UNFPA has been informed by the Internal Audit Service that, in addition to the audit of UNFPA activities in about 10 field offices, a desk audit at headquarters of UNFPA deputy representative projects is scheduled to be undertaken before the end of 1982. UNFPA activities at headquarters will also be reviewed in the over-all audit of treasury and inter-office voucher transactions. The Internal Audit Service has carried out a thorough special audit of some procurement aspects of UNFPA and a review of the global procurement function in UNFPA will be undertaken in 1982.

Notes

1/ Documents officiels de l'Assemblée générale, vingt-neuvième session, Supplément No 31 (A/9631 et Corr.2), p. 141, point 73, alinéa h).

2/ Ibid., Supplément No 8 (A/9608 et Add.1 à 23), document A/9608/Add.1,  
par. 14.

3/ Ibid., trente-cinquième session, Supplément No 5F (A/35/5/Add.6),  
sect. II.