



## Fifteenth session

FINANCIAL REPORTS AND ACCOUNTS, AND REPORTS OF THE  
BOARD OF AUDITORS FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 1959: UNITED NATIONS RELIEF AND WORKS  
AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

Fifth report of the Advisory Committee on Administrative  
and Budgetary Questions to the General Assembly at its  
Fifteenth session

1. The Advisory Committee on Administrative and Budgetary Questions has examined the financial report and accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the year ended 31 December 1959 and the related report of the Board of Auditors.<sup>1/</sup>

2. The income and expenditure experience in 1959 may be summarized as follows:

<u>Income</u>	\$
Contributions from Governments . . . . .	32,553,673
Contributions from others . . . . .	402,918
Miscellaneous income . . . . .	438,148
Add: Exchange adjustments . . . . .	<u>564,139</u>
	33,958,878
 Expenditure . . . . .	 <u>34,138,380</u>
Excess of expenditure over income . . . . .	179,502

This excess expenditure, offset in part by adjustments for prior years in the amount of \$110,688, decreased the working capital available to the Agency from \$22,199,920 at 1 January 1959 to \$22,131,106 at 31 December 1959.

1/ Official Records of the General Assembly, Fifteenth Session, Supplement No. 6B (A/4383).

3. Pursuant to General Assembly resolution 594 (VI) of 4 February 1952, the Advisory Committee has inquired into a number of administrative and financial matters concerning UNRWA, including, in particular, those to which the Board of Auditors has drawn attention in its report.
4. The review of the financial rules of the Agency, to which attention was drawn in the Advisory Committee's report on the audit of the Agency as at the end of 1958,<sup>2/</sup> was completed in December 1959 in consultation with the Committee. Modifications introduced in the rules include a clear provision of authority to the Director of the Agency to carry over unused budget amounts of one year, relating to purposes other than recurrent operating costs, as additions to the budget of the following year; such clear authority had been lacking in the previous rules. The Committee has confirmed that the Director is following a strict interpretation of the revised rule and that only items of a clearly non-recurrent nature have been carried forward from 1959 to 1960.
5. As regards the comments of the Board of Auditors, in paragraph 5 of its report, concerning overspending of budgetary provisions under some headings, the Advisory Committee notes that, taking into account amounts carried forward from 1958 to 1959 and from 1959 to 1960, the total amount expended in 1959 or carried forward is \$36,545,252, which is \$2,349,752 less than the approved 1959 budget of \$38,895,004.
6. In its 1959 report,<sup>3/</sup> the Advisory Committee expressed the hope that the review of local salaries, which the Agency was planning, would be undertaken in close collaboration with the United Nations Secretariat, some of whose staff members are also located in the Near East. The Committee understands that UNRWA employs more than 10,000 local staff in categories not strictly comparable to the United Nations system. In view of this fact, the review was undertaken on an independent basis; nevertheless, the results of the review are being made available to the Controller of the United Nations since the decisions of the Agency in this matter may have an impact in respect of the small number of local staff employed in the area by the United Nations.

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<sup>2/</sup> Official Records of the General Assembly, Fourteenth Session, Annexes, agenda item 42, document A/4155, para. 4.

<sup>3/</sup> Ibid., para. 5.

7. The Advisory Committee observed last year,<sup>4/</sup> that annual losses on equipment and supplies, although representing a very small fraction of the total volume of such items handled annually by the Agency, were substantial enough to suggest the need for strengthening administrative and financial controls in respect of stores and warehousing. The Committee notes from the Board's report that the Agency has taken steps to improve the situation in this regard.

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<sup>4/</sup> Ibid., para. 6.