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AUDIT REPORTS FOR THE YEAR ENDED 31 DECEMBER 1960 RELATING TO EXPENDITURE  
BY EXECUTING AGENCIES OF FUNDS EARMARKED FROM THE SPECIAL FUND

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

1. The Advisory Committee on Administrative and Budgetary Questions has considered a note by the Secretary-General (A/4825) submitting to the General Assembly, in accordance with paragraph 23.2 of the Provisional Financial Regulations of the Special Fund, the audit reports for the year ended 31 December 1960 relating to expenditure by executing agencies<sup>1/</sup> of funds earmarked from the Special Fund.
2. The Advisory Committee would call attention to the fact that this is the first such report. With minor exceptions, Special Fund operations in the field did not start before 1960 although plans of operations were signed and some earmarkings made in 1959, mostly for agency costs and preparatory work. Consequently, the tables contained in the Secretary-General's note are generally cumulative statements covering transactions during both 1959 and 1960.
3. The total of funds earmarked in 1959 and 1960 to the eight executing agencies amounted to \$40,279,272. During the same period, cash disbursements were \$3,186,790 and the unliquidated balance of commitments and obligations amounted to \$5,004,314 at 31 December 1960. Taking into account miscellaneous income (\$25), the balance of earmarkings and other income (net) left on that date was accordingly \$33,088,193.

<sup>1/</sup> United Nations; International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; International Civil Aviation Organization; International Telecommunication Union; World Meteorological Organization; International Bank for Reconstruction and Development.

4. In addition, an amount of \$1,346,100 was earmarked in 1959 and 1960 for the administrative budget of and the preparatory allocation to the Managing Director. Commitments (liquidated by disbursements or outstanding) amounted to \$1,004,863 leaving a balance of \$341,237 which was surrendered to the Special Fund at 31 December 1960.

5. The Advisory Committee notes that no observations or reservations have been made by the external auditors on the audited accounts.

6. The Advisory Committee has noted also that the Statement showing the status of funds of the International Bank for Reconstruction and Development as at 31 December 1960 (A/4825, annex 8) does not contain either the audit certificate or the external auditors' report referred to in paragraph 23.2 of the Provisional Financial Regulations of the Special Fund.<sup>2/</sup> The Advisory Committee has been informed that negotiations are in progress between the Special Fund authorities and the Bank for the achievement of greater harmony between the Bank's procedures and the Special Fund Financial Regulations, and that a satisfactory outcome is expected. In this regard, the Advisory Committee understands that a number of clauses of the Provisional Financial Regulations have been found to require revision and that the necessary review will be undertaken shortly, with the advice of the Board of Auditors as appropriate.

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<sup>2/</sup> Paragraphs 23.2 of the Provisional Financial Regulations reads as follows:

"The annual accounts with audit certificates for Special Fund projects executed by agencies, and the reports of the external auditors thereon shall be transmitted to the Governing Council and to the United Nations General Assembly."