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Audit reports for the year ended 31 December 1957 relating to expenditure by specialized agencies of technical assistance funds allocated from the Special Account

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NOTE BY THE SECRETARY-GENERAL

1. In accordance with the requirements of General Assembly resolution 519 A (VI) adopted on 12 January 1952, there are submitted herewith the audit reports for the year ended 31 December 1957 relating to expenditures by the specialized agencies of technical assistance funds allocated from the Special Account. Paragraph 7 of the resolution reads as follows:

"Calls on the specialized agencies participating in the Expanded Programme of Technical Assistance to provide, in their regular budget documents, information concerning their estimates for the expenditure of technical assistance funds; and to transmit to the General Assembly, for examination and approval, the audit reports relating to expenditure of technical assistance funds allocated from the Special Account after approval of the appropriate audit reports by the general conferences of their agencies or by such other authorities of the agencies as are constitutionally authorized to approve them."

2. Attached to the present document is a combined statement (annex 1) showing the status of funds of all the participating organizations under the Expanded Programme as at 31 December 1957, which summarizes the separate audited financial statements submitted by the specialized agencies, together with similar information regarding the transactions of the United Nations as a participating organization in the Programme.

3. The audited financial statements of the specialized agencies are attached as annexes 2 to 6; these comprise for each agency the financial statement showing the status of its funds, in the form prescribed by the Technical Assistance Board, bearing the certificate of the external auditors, and the relevant audit report submitted to the general conference of the agency concerned. As in previous years, the detailed supporting schedules furnished by the several agencies, to which references are made in the financial statements, are not included in this submission but are made available to

the Advisory Committee on Administrative and Budgetary Questions.

4. The audit reports of the following agencies for the year 1957 have been approved by their general conference:

(a) The International Labour Organisation, on 19 June 1958;

(b) The World Health Organization, on 3 June 1958.

The audit reports for the years 1955 and 1956 relating to the accounts of the Food and Agriculture Organization were approved by the ninth session of the FAO Conference convened in November 1957; the accounts for 1957 will be submitted to the tenth session to convene in November 1959. The United Nations Educational, Scientific and Cultural Organization's audit report for 1956 was approved by the Executive Board on behalf of the UNESCO General Conference on 2 December 1957; the report for 1957 will be submitted

for approval at the next session of the UNESCO General Conference, which will be held in November 1958. The accounts and audit reports for 1956 and 1957 of the International Civil Aviation Organization were approved at the eleventh session of its Assembly on 2 June 1958.

5. The audited financial statements of the United Nations as a participating organization in the Expanded Programme are presented in the financial reports and accounts for the year ended 31 December 1957.¹ Also included in the same document are financial statements in respect of the secretariat of the Technical Assistance Board, as well as a statement (schedule H) showing the status of the Special Account as at 31 December 1957.

6. A consolidated statement which reflects the financial transactions of the Expanded Programme as a whole is attached as annex 7.

¹ See *Official Records of the General Assembly, Thirteenth Session, Supplement No. 6*, part II.

ANNEX 1

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

COMBINED STATEMENT SHOWING THE STATUS OF FUNDS OF PARTICIPATING ORGANIZATIONS AT 31 DECEMBER 1957
BASED ON THE ACCOUNTS CERTIFIED BY THEIR EXTERNAL AUDITORS

(Expressed in United States dollars)

	<i>United Nations \$</i>	<i>ILO \$</i>	<i>FAO \$</i>	<i>UNESCO \$</i>	<i>ICAO \$</i>	<i>WHO \$</i>	<i>Total \$</i>
Excess of allocations and other income over obligations incurred as at 31 December 1956	1,244,096	452,387	886,818	1,626,687	76,555	668,540	4,955,083
Allocations of 1956 reverted in 1957	(494,467)	(185,687)	(309,634)	(125,937)	(7,517)	(233,139)	(1,356,381)
Allocations during 1957	7,322,505	3,525,799	8,549,439	4,604,348	1,322,096	5,426,786	30,750,973
Provision from United Nations regular budget	2,091,100						2,091,100
	<u>10,163,234</u>	<u>3,792,499</u>	<u>9,126,623</u>	<u>6,105,098</u>	<u>1,391,134</u>	<u>5,862,187</u>	<u>36,440,775</u>
<i>Less:</i>							
Obligations incurred during 1957 (excluding those against funds provided by Governments for local costs):							
Operating costs—Projects	7,940,092	2,759,588	7,451,293	3,655,514	1,138,965	4,552,447	27,497,899
Operating costs—Services	917,539	252,019	597,305	220,923	29,395	436,249	2,453,430
Administrative costs	442,006	197,831	553,841	275,229	123,971	215,970	1,808,848
	<u>9,299,637</u>	<u>3,209,438</u>	<u>8,602,439</u>	<u>4,151,666</u>	<u>1,292,331</u>	<u>5,204,666</u>	<u>31,760,177</u>
Exchange adjustments on operations (net) ..	27,267	(8,211)	20,959	18,609	14,150	4,835	77,609
	<u>9,326,904</u>	<u>3,201,227</u>	<u>8,623,398</u>	<u>4,170,275</u>	<u>1,306,481</u>	<u>5,209,501</u>	<u>31,837,786</u>
<i>Excess of allocations over obligations incurred</i>	<u>836,330</u>	<u>591,272</u>	<u>503,225</u>	<u>1,934,823</u>	<u>84,653</u>	<u>652,686</u>	<u>4,602,989</u>
<i>Add:</i>							
Savings on liquidation of prior years' obligations	416,613	141,936	178,069	112,680	—	19,464	868,762
Miscellaneous income	53,321	10,493	80,530	7,463	8,727	5,807	166,341
	<u>470,934</u>	<u>152,429</u>	<u>258,609</u>	<u>120,143</u>	<u>8,727</u>	<u>25,271</u>	<u>1,035,102</u>
<i>Balances as per certified accounts as at 31 December 1957</i>	<u>1,306,264</u>	<u>743,701</u>	<u>761,824</u>	<u>2,054,966</u>	<u>93,380</u>	<u>677,957</u>	<u>5,638,092</u>
<i>Represented by:</i>							
Cash at banks and on hand	1,020,147	562,031	660,551	1,438,379	132,247	1,319,831	5,133,186
Undrawn allocations	2,485,278	841,252	1,083,639	1,372,794	33,256	488,111	6,304,330
Accounts receivable, advances, etc.	157,418	131,403	413,235	151,021	83,249	46,881	983,207
	<u>3,662,843</u>	<u>1,534,686</u>	<u>2,157,425</u>	<u>2,962,194</u>	<u>248,752</u>	<u>1,854,823</u>	<u>12,420,723</u>
<i>Less:</i>							
Unliquidated 1957 obligations	284,252	566,005	1,022,941	660,128	116,860	792,133	3,442,319
Unliquidated prior years' obligations	1,780,786	207,382	143,355	176,810	35,790	131,640	2,475,763
Accounts payable and sundry credit balances	291,541	17,598	229,305	70,290	2,722	253,093	864,549
	<u>2,356,579</u>	<u>790,985</u>	<u>1,395,601</u>	<u>907,228</u>	<u>155,372</u>	<u>1,176,866</u>	<u>6,782,631</u>
	<u>1,306,264</u>	<u>743,701</u>	<u>761,824</u>	<u>2,054,966</u>	<u>93,380</u>	<u>677,957</u>	<u>5,638,092</u>

ANNEX 2

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS OF THE INTERNATIONAL LABOUR ORGANISATION
AS AT 31 DECEMBER 1957

(Expressed in United States dollars)

	\$	\$
Balance as at 31 December 1956		484,440.40
<i>Less:</i>		
Excess of 1956 local cost apportionments over obligations incurred	32,053.89	
Excess of 1956 allocations and other income over obligations incurred sur- rendered to the Special Account	185,686.51	
		<hr/>
Balance, re-allocated in 1957		266,700.00
Allocations from contributions and other available funds in 1957		3,525,799.00
		<hr/>
		3,792,499.00
 Obligations incurred during 1957:		
Project costs	2,759,587.61	
Operational services costs	252,019.25	
Administrative costs	197,830.98	
	<hr/>	
	3,209,437.84	
Exchange adjustments (net)	(8,211.17)	3,201,226.67
	<hr/>	
Excess of allocations and other available funds over obligations incurred		591,272.33
Other income:		
Savings on liquidation of prior years' obligations	141,935.47	
Miscellaneous	10,493.07	152,428.54
	<hr/>	
Balance as of 31 December 1957, to revert to the Special Account		743,700.87
		<hr/>
 Represented by:		
Cash at banks, on hand or in transit	562,030.97	
Undrawn allocations	841,251.51	
Accounts receivable, advances, deposits, etc.	131,403.30	1,534,685.78
	<hr/>	
<i>Less:</i>		
Unliquidated obligations, 1957	566,004.81	
Unliquidated obligations, 1956	207,381.58	
Accounts payable	17,598.52	
Other credit balances	—	790,984.91
	<hr/>	
		743,700.87
		<hr/>
Certified correct	(Signed) F. H. WHEELER	
(Signed) D. W. STACEY	Treasurer and Financial	
Finance Officer	Comptroller	

AUDIT CERTIFICATE

The financial statements relating to the net allocations made to the International Labour Organisation in connexion with the Expanded Programme of Technical Assistance for the Economic Development of Under Developed Countries for the year ended 31 December 1957 have been examined in accordance with the directions of the undersigned. All the information and explanations required have been obtained, and this is to certify, as a result of the audit, that, in the opinion of the undersigned, the above statement and the related schedules of project costs, operational services and administrative costs are correct, subject to the observations in my report.

19 March 1958

(Signed) UNO BRUNSKO
External Auditor

**AUDIT RELATING TO THE OPERATIONS OF THE INTERNATIONAL LABOUR ORGANISATION UNDER
THE EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR THE YEAR 1957**

1. I certify the correctness of the statement submitted by the International Labour Organisation showing the status of the Special Account for the Expanded Programme of Technical Assistance as at 31 December 1957.

2. The balance to be returned to the Special Account for the Technical Assistance Programme amounted to \$591,272 of which \$450,000, representing supplies and equipment ordered prior to 30 November 1957 but not delivered before 31 December 1957, will be re-allocated to the International Labour Organisation for 1958. The net surplus for 1957 was consequently \$141,272.

3. In 1957 there were savings on unliquidated obligations for 1955 amounting to \$141,935. These savings are made up as follows:

	<i>Amount obligated in 1955</i>	<i>Savings as at 31 December 1957</i>
Experts	125,040	36,184
Fellows	307,175	83,320
Worker trainees	157,664	35,418
Equipment	38,227	2,602
	<u>628,106</u>	<u>157,524</u>
<i>Less:</i>		
Exchange and other adjustments		15,589
NET SAVINGS		<u><u>141,935</u></u>

The savings under the item "Experts" relate mainly to savings in an amount of \$28,050 representing calculated expenditure for annual leave.

The savings in the obligated amounts relating to Fellows and Worker trainees were made up as follows:

	<i>Fellows \$</i>	<i>Worker trainees \$</i>
Savings due to:		
Cancellations	16,820	15,285
Changes in duration	50,195	14,517
Changes in study programme	16,305	5,616
TOTAL	<u><u>83,320</u></u>	<u><u>35,418</u></u>

4. Accounts receivable, advances, deposits, etc. amount to \$131,403. The trust funds, made available by the Governments of Iran and Tunisia to be used for technical assistance projects to be carried out by the Organisation in accordance with requests received from those Governments have been credited to this account.

The situation of these trust funds is as follows:

	<i>Government of Iran \$</i>	<i>Government of Tunisia \$</i>
Funds made available	62,456	42,500
Disbursements during 1957	18,682	24,129
Balance as at 31 December 1957	<u><u>43,774</u></u>	<u><u>18,371</u></u>

As at 31 December 1957, this account also included a credit of \$19,557 representing balances of gifts destined to various projects of the Andean Indian Programme.

5. The total unliquidated obligations at the end of the year 1957 were composed of:

	<i>In respect of 1956 \$</i>	<i>In respect of 1957 \$</i>	<i>Total \$</i>
Fellows and worker trainees	100,816	311,563	412,379
Experts and seminars	102,160	225,514	327,674
Equipment delivered but not paid	4,405	28,928	33,333
TOTAL	<u><u>207,381</u></u>	<u><u>566,005</u></u>	<u><u>773,386</u></u>

6. The administrative and operational services costs represent 14 per cent of the obligations incurred. The corresponding proportion for the year 1956 was 12.16 per cent. The increase in the percentage was to a certain extent caused by the adjustments in staff entitlements following the recommendations of the Salary Review Committee of the United Nations.

Geneva, 21 March 1958

(Signed) UNO BRUNSKOG
Auditor

ANNEX 3

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS OF THE FOOD AND AGRICULTURE ORGANIZATION
AS AT 31 DECEMBER 1957

(Expressed in United States dollars)

	\$	\$
Balance as at 31 December 1956		902,599.76
<i>Less:</i>		
Excess of 1956 local cost apportionment over obligations incurred	15,781.66	
Excess of 1956 allocations and other income over obligations incurred sur- rendered to the Special Account	309,634.10	325,415.76
Balance reallocated in 1957		577,184.00
Allocations from contributions and other available funds in 1957		8,549,439.00
		<u>9,126,623.00</u>
Obligations incurred during 1957:		
Project costs	7,451,292.94	
Operational services costs	597,304.62	
Administrative costs	553,841.45	
	<u>8,602,439.01</u>	
Exchange adjustments (net)	20,958.86	8,623,397.87
Excess of allocations and other available funds over obligations incurred		503,225.13
Other income:		
Savings on liquidation of prior years' obligations	178,069.28	
Miscellaneous	80,529.59	258,598.87
Excess of 1956 local subsistence cost apportionments over expenditures charge- able:		
Balance as at 31 December 1956	15,781.66	
Adjustments in apportionments	(22,577.68)	
	<u>TOTAL</u>	<u>(6,796.02)</u>
<i>Less:</i> expenditures chargeable thereto	6,796.02	—
Balance as of 31 December 1957, to revert to the Special Account		<u>761,824.00</u>
Represented by:		
Cash at banks, on hand or in transit	660,551.04	
Undrawn allocations	1,083,639.34	
Accounts receivable, advances, deposits, etc.	413,234.77	2,157,425.15
<i>Less:</i>		
Unliquidated obligations, 1957	1,022,940.51	
Unliquidated obligations, 1956	143,355.19	
Accounts payable	229,305.45	
Other credit balances	—	1,395,601.15
		<u>761,824.00</u>

(Signed) W. K. MUDIE
Chief, Finance Branch

(Signed) B. R. SEN
Director-General

I have examined the above statement. I have obtained all the information and explanations that I have re-
quired, and I certify, as the result of my audit, that in my opinion this statement and the related schedules of costs
are correct.

(Signed) F. N. TRIBE
(Comptroller and Auditor General, Great Britain)
External Auditor

EXTRACTS FROM THE REPORT OF THE EXTERNAL AUDITOR TO THE TENTH SESSION OF THE
CONFERENCE OF THE FOOD AND AGRICULTURE ORGANIZATION ON THE ACCOUNTS FOR THE YEAR
ENDED 31 DECEMBER 1957

PART I: REGULAR PROGRAMME

Allocation of administrative and operational services costs between regular and expanded technical assistance programmes

4. In paragraphs 16-20 of my report on the organization's accounts for 1956, I commented on the problem of the proper allocation of headquarters and regional costs between the Regular and Technical Assistance Programmes. A survey conducted by FAO in 1956-1957 had shown that although the proportion of time spent on ETAP matters had remained constant at about 33 per cent, it was estimated that the share of total headquarters and regional costs to be borne by that programme in 1957 under the existing arrangements would be only 15 per cent. If, as seemed reasonable to the Director-General, the cost of other than top-ranking staff, heads of divisions, etc., and their secretarial assistants were regarded as chargeable to the Regular Programme or ETAP according to the time spent on each, the share to be borne by ETAP would, it was calculated, be 25.6 per cent, or about \$600,000 more than the charge under existing arrangements.

5. I understand that the Technical Assistance Committee of the United Nations has since considered an interim report on this subject prepared by the Technical Assistance Board (TAB) and has asked the Board to report further when the views of all the other agencies have been ascertained. Meanwhile the existing TAB formula continues in use and in consequence the amounts charged to ETAP funds for administrative and operational service costs do not represent the full cost to the organization of administering the Technical Assistance Programme.

PART III: EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

1. Part III of the Accounts of the Food and Agriculture Organization for the year 1957 consists of the statement of account of the technical assistance funds allocated to the organization, including allocations from the Programme Contingency Fund for 1957, together with the related schedules of project, operational services and administrative costs. The statement and schedules are in the form prescribed by the Technical Assistance Board.

2. My examination has been carried out in conjunction with, and on the same lines as, my audit of the accounts of the Regular Programme of the organization as described earlier in this report. In accordance with the arrangements made between the Technical Assistance Board and the Joint Panel of Auditors of the United Nations, a certified copy of the statement and schedules, and a copy of this part of my report, have been sent to the Board. A copy of that part of my report on the Regular Programme which refers to the allocation of overhead costs between the Regular and Technical Assistance Programme has also been sent to the Board.

Savings in liquidating prior years' obligations

3. Savings realized during 1956 on the liquidation of prior years' obligations amounted to \$216,586 (18.1 per cent of the total obligations liquidated) as compared with \$75,477 in 1955 and somewhat similar figures in the two preceding years. Although some increase was to be expected in view of the increased amounts recorded as unliquidated obligations in the ETAP accounts for recent years this did not appear to afford a complete explanation for the considerably higher savings realized during 1956 and I therefore asked the organization for its comments. I was informed that the amounts found to be in excess of requirements were not considered to be unreasonable taking into account the nature of the Programme: the organization had made a careful scrutiny of the liabilities outstanding at 31 December 1956 and the maximum amount of savings had been determined as soon as possible.

4. Savings realized during the year 1957 amounted to \$178,069 which represents 17.3 per cent of the total obligations liquidated. This figure, however, includes \$102,355 in respect of 1955 or more than half the obligations for that year carried forward into 1957 after the scrutiny at 31 December 1956.

5. As any overestimate of the amounts to be included in the annual accounts in respect of unliquidated obligations results in a reduction in the funds available during the following year for the Expanded Programme of Technical Assistance as a whole, I asked whether any steps had been taken, or were contemplated, to ensure a more effective scrutiny of such obligations. In reply I was informed that the Payments Authorization Section of the Finance Branch had been re-organized, principally in order to strengthen its pre-audit functions, with the intention of ensuring, *inter alia*, that outstanding obligations are not only reviewed at the end of the financial year but are kept constantly under scrutiny.

Ex Gratia payments and statement of losses and write-offs

6. I have examined the circumstances in which the *ex gratia* payment of \$1,500 was made during 1957 and the losses and write-offs totalling \$505 which are listed in the financial report accompanying these accounts. I have no comments to make upon them.

7. In addition to the amounts formally written off and listed in the financial report sums totalling \$1,618 overpaid during 1957 to certain of the organization's experts have, as recommended by the United Nations Controller, not been recovered. The overpayments resulted from the incorrect assessment of project service allowance by the resident Technical Assistance Board Regional Representative responsible for paying the allowance on behalf of the organization.

8. I wish to record my appreciation of the willing co-operation of the officers of the organization during my examination.

(Signed) F. N. TRIBE
(Comptroller and Auditor General, Great Britain)
External Auditor

22 May 1958.

ANNEX 4

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS OF THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC
AND CULTURAL ORGANIZATION AS AT 31 DECEMBER 1957

(Expressed in United States dollars)

	\$	\$
Balance as at 31 December 1956		1,626,687
<i>Less:</i>		
Excess of 1956 local cost apportionment over obligations incurred	—	
Excess of 1956 allocations and other income over obligations incurred sur- rendered to the Special Account	125,937	125,937
Balance reallocated in 1957		1,500,750
Allocations from contributions and other available funds in 1957		4,604,348
		<u>6,105,098</u>
Obligations incurred during 1957:		
Project costs	3,655,514	
Operational services costs	220,923	
Administrative costs	275,229	
	<u>4,151,666</u>	
Exchange adjustments (net)	18,609	4,170,275
Excess of allocations and other available funds over obligations incurred		<u>1,934,823</u>
Other income:		
Savings on liquidation of prior years' obligations	112,680	
Miscellaneous	7,073	119,753
Excess of 1956 local subsistence cost apportionments over expenditures charge- able:		
Balance as at 31 December 1956	—	
Adjustments in apportionments	5,082	
	<u>5,082</u>	
<i>Less:</i> expenditures chargeable thereto	4,692	390
Balance as of 31 December 1957, to revert to the Special Account		<u><u>2,054,966</u></u>
Represented by:		
Cash at banks, on hand or in transit	1,438,379	
Undrawn allocations and local cost apportionments	1,372,794	
Accounts receivable, advances, deposits, etc.	151,021	2,962,194
<i>Less:</i>		
Unliquidated obligations 1957	660,128	
Unliquidated obligations 1956	176,810	
Accounts payable	70,249	
Other credit balances	41	907,228
		<u><u>2,054,966</u></u>

Certified correct:
(Signed) R. HARPER-SMITH
Comptroller

Approved:
(Signed) Luther H. EVANS
Director-General

I have examined the foregoing statement. I have obtained all the information and explanations that I have required, and I certify, as the result of my audit, that in my opinion this statement and the related schedules of cost are correct.

(Signed) P. J. CURTIS
Secretary
(Exchequer and Audit Department Great Britain)
for External Auditor

REPORT OF THE EXTERNAL AUDITOR ON THE STATEMENT SHOWING THE STATUS OF
FUNDS OF THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL
ORGANIZATION AS AT 31 DECEMBER 1957

1. The statement is in the form set out in annex IV to the Technical Assistance Board finance manual—1957 revision.

2. Allocations from contributions and other available funds in 1957 were \$4,604,348, compared with \$4,941,442 in 1956, a reduction of 7 per cent; the balance reallocated in 1957 however was \$1,500,750, compared with \$383,345 in 1956, and total income from allocations and reallocations therefore increased from \$5,324,787 in 1956 to \$6,105,098 in 1957, an increase of 15 per cent. As the statement shows, the excess of allocations, etc., over obligations was \$1,934,823, being 32 per cent of the total allocations for the year. This excess was mainly due to the cancellation as at 31 December 1957 of obligations amounting to \$1,722,140 because goods or services had not been received or rendered by that date.

3. As in 1956, about 30 per cent (\$1,870,117) of the allocations in 1957 consisted of certain currencies specified by the Technical Assistance Committee (\$634,923) and of reallocations from 1956 of bonus allocations of currencies necessitating special measures to promote their utilization (\$1,235,194). Obligations of \$1,815,705 were recorded during 1957 in respect of the special projects to which these allocations related, \$1,235,194 being for contractual commitments entered into in 1956 the funds for which were reallocated in 1957; because much of the equipment contracted for was not delivered by 31 December 1957, however, all but \$329,955 of the \$1,815,705 obligated was cancelled. The contractual liability of the organization for payment on delivery is of course unaffected by such cancellation.

4. The net loss on exchange during the year was \$18,609 as shown in the statement: of this figure, \$13,997 represents the loss due to revaluation of the bank balance of French francs following the financial measures adopted by the Government of France on 10 August 1957, which devalued the French franc from 350 to 420 to the United States dollar.

(Signed) P. J. CURTIS
Secretary

(Exchequer and Audit Department, Great Britain)
for External Auditor

ANNEX 5

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION
AS AT 31 DECEMBER 1957

(Expressed in United States dollars)

	\$	\$
Balance as at 31 December 1956		79,713
<i>Less:</i>		
Excess of 1956 local cost apportionment over obligations incurred	3,158	
Excess of 1956 allocations and other income over obligations incurred, surrendered to the Special Account	7,517	10,675
Balance reallocated in 1957		69,038
Allocations from contributions and other available funds in 1957		1,322,096
		<hr/> 1,391,134
Obligations incurred during 1957:		
Project costs	1,138,965	
Operational services costs	29,395	
Administrative costs	123,971	
	<hr/> 1,292,331	
Exchange adjustments (net)	14,150	1,306,481
Excess of allocations and other available funds over obligations incurred		84,653
Other income:		
Savings on liquidation of prior years' obligations	—	
Miscellaneous	8,727	8,727
Excess of 1956 local subsistence cost apportionments over expenditures chargeable:		
Balance as at 31 December 1956	3,158	
Adjustments in apportionments	—	
	<hr/> 3,158	
TOTAL	3,158	
<i>Less:</i> expenditures chargeable thereto	3,158	—
Balance as of 31 December 1957, to revert to the Special Account		<hr/> 93,380
Represented by:		
Cash at banks, on hand or in transit	132,247	
Undrawn allocations	33,256	
Accounts receivable, advances, deposits, etc.	83,249	248,752
<i>Less:</i>		
Unliquidated obligations 1957	116,860	
Unliquidated obligations 1956	35,790	
Accounts payable	—	
Other credit balances	2,722	155,372
		<hr/> 93,380

Certified correct:
(Signed) W. F. DAVISON
Chief, Finance Branch

Approved:
(Signed) C. LJUNGBERG
Secretary General

AUDIT CERTIFICATE

The above statement showing the status of funds of the International Civil Aviation Organization, relating to the Expanded Programme of Technical Assistance, has been examined. I have obtained all the information and explanations required and certify, as a result of the audit, that the statement and the related schedules of project costs, operational services costs and administrative costs, are in accordance with the accounts maintained by the organization and are, in my opinion, correct.

(Signed) Ian STEVENSON
for External Auditor

REPORT OF THE EXTERNAL AUDITOR TO THE ASSEMBLY ON THE AUDIT OF THE ACCOUNTS
RELATING TO THE STATUS OF FUNDS OF THE INTERNATIONAL CIVIL AVIATION
ORGANIZATION RELATING TO THE EXPANDED PROGRAMME OF TECHNICAL
ASSISTANCE FOR THE YEAR ENDED 31 DECEMBER 1957

1. The Technical Assistance Board finance manual requires that the external audit relating to the Expanded Programme of Technical Assistance be reported separately from that relating to the regular activities of the participating organizations.

2. The financial statement showing the status of funds of the International Civil Aviation Organization, relating to the Expanded Programme of Technical Assistance as at 31 December 1957, was submitted by the Secretary General for audit examination, along with supporting schedules for obligations incurred during the year then ended—all in the form required by the Technical Assistance Board finance manual. The financial statement and the related schedules have been examined and certified as being in accordance with the accounts maintained by the organization and, in my opinion, correct.

3. An interim examination was made of the accounts in November 1957, and the year-end examination in March 1958. The audit was performed in the same manner as in previous years, the various classes of transactions being test-checked to the extent considered necessary to establish the correctness of the accounts and the fairness of the financial statement and supporting schedules.

4. The obligations incurred during the year ended 31 December 1957 amounted to \$1,292,331. The following is an analysis of the amount, compared with corresponding figures for the two previous years:

	1955 \$	1956 \$	1957 \$
Project costs:			
Personal services	504,043	730,114	736,015
Travel and transportation.....	107,122	115,938	174,885
Fellowships	175,199	130,448	138,019
Property and equipment	40,009	36,556	80,968
Other	26,070	25,726	9,078
	<hr/> 852,443	<hr/> 1,038,782	<hr/> 1,138,965
Operational services costs	33,367	27,221	29,395
Administrative costs	106,546	114,408	123,971
	<hr/> <hr/> 992,356	<hr/> <hr/> 1,180,411	<hr/> <hr/> 1,292,331

5. It was ascertained in the course of the audit that all the obligations charged in the year were in conformity with the following definition in the Technical Assistance Board finance manual:

“‘Obligations’ represent contracts or purchase orders which resulted or will result in a legal liability for payment of services rendered or goods received by 31 December of the current financial year and, in respect of fellowships, the full cost of completion of fellowships awarded before 31 December of the current financial year; provided that the fellow has been nominated by the requesting Government and accepted by the organization concerned and that a formal letter of award has been issued to the requesting Government, the actual placement of the fellow prior to 31 December in this sense not to be an essential consideration.”

Of the obligations incurred in 1957, a total of \$116,860 remained unliquidated at the close of the year, of which \$45,840 was with respect to fellowships. In addition, there was a total of \$35,790 of 1956 obligations which still remained unliquidated at 31 December 1957, all but \$2,003 of which was with respect to fellowships.

6. The Technical Assistance Board finance manual includes the following direction:

“The participating organizations shall submit to the Board as soon as audited figures of carry-overs are available, a statement of supplies and equipment included in the approved category I programme of the previous year, for which firm contractual commitments had been incurred prior to 30 November of the previous financial year and which remained undelivered as at 31 December.”

The listing prepared in conformity with this direction, and totalling \$66,063, was verified at the conclusion of the audit.

7. All information and explanations required were provided, and the audit was facilitated by the co-operation extended by officers of the Secretariat.

18 March 1958.

(Signed) Ian STEVENSON
for External Auditor

ANNEX 6

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

STATEMENT SHOWING THE STATUS OF FUNDS OF THE WORLD HEALTH ORGANIZATION AS AT 31 DECEMBER 1957

(Expressed in United States dollars)

	\$	\$
Balance as at 31 December 1956		791,694
<i>Less:</i>		
Excess of 1956 local cost apportionments over obligations incurred	123,154	
Excess of 1956 allocations and other income over obligations incurred surrendered to the Special Account	233,139	356,293
		<hr/>
Balance reallocated in 1957		435,401
Allocations from contributions and other available funds in 1957		5,426,786
		<hr/>
		5,862,187
 Obligations incurred during 1957:		
Project costs	4,552,447	
Operational services costs	436,249	
Administrative costs	215,970	
	<hr/>	
	5,204,666	
Exchange adjustments (net)	4,835	5,209,501
	<hr/>	
Excess of allocations and other available funds over obligations incurred		652,686
 Other income:		
Savings on liquidation of prior years' obligations	19,464	
Miscellaneous	5,807	25,271
	<hr/>	
Balance as of 31 December 1957, to revert to the Special Account		677,957
		<hr/>
 Represented by:		
Cash at banks, on hand or in transit	1,319,831	
Undrawn allocations	488,111	
Accounts receivable, advances, deposits, etc.	46,881	1,854,823
	<hr/>	
 <i>Less:</i>		
Unliquidated obligations, 1957	792,133	
Unliquidated obligations, 1956	131,640	
Accounts payable	253,093	1,176,866
	<hr/>	
		677,957
		<hr/>

Certified correct:
(Signed) Ted L. SMITH
Chief, Finance & Accounts Section

(Signed) Milton P. SIEGEL
Assistant Director-General
Department of Administration and Finance

AUDIT CERTIFICATE

The financial statements relating to the allocations made to the World Health Organization in connexion with the Expanded Programme of Technical Assistance for Economic Development of Under-developed Countries for the year ended 31 December 1957 have been examined in accordance with the directions of the undersigned. All the information and explanations required have been obtained, and this is to certify, as a result of the audit, that, in the opinion of the undersigned, the above statement and the related schedules of project costs, operational services costs and administrative costs are correct subject to the observations in my report.

(Signed) Uno BRUNSKOG
External Auditor

REPORT ON THE AUDIT RELATING TO THE OPERATIONS OF THE WORLD HEALTH ORGANIZATION
UNDER THE EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR THE YEAR 1957

1. I have certified the correctness of the World Health Organization's statement of income and obligations incurred during 1957 and of the assets and liabilities as at 31 December 1957 under the Expanded Programme of Technical Assistance for Economic Development.

2. Of the total unliquidated obligations as at 31 December 1957 amounting to \$923,773, \$713,035 represent fellowships. The amount of unliquidated obligations relating to fellowships, as originally calculated, was reduced subsequently by 10 per cent as a result of the experience gained during the last years.

3. The administrative and operational services costs represent 11.8 per cent of the total obligations incurred. The corresponding percentage for 1956 was 11.1 per cent. The difference of 0.7 per cent was mainly a result of the adjustments in staff entitlements following the recommendations of the Salary Review Committee of the United Nations.

4. My examination has been carried out in the same way as my audit of the accounts of the regular budget of the Organization.

Geneva, 21 March 1958

(Signed) Uno BRUNSKOG
External Auditor

ANNEX 7

**Expanded Programme of Technical Assistance for the Economic Development
of Under-developed Countries**

CONSOLIDATED STATEMENT OF THE SPECIAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1957

(Expressed in United States dollars)

	\$			
Balance as at 31 December 1956				15,445,066
Contributions pledged for 1957 and pledges due for prior years				31,946,243
Provision from United Nations regular budget				2,091,100
Savings effected in 1957 in liquidating prior years' obligations				885,755
Miscellaneous income, exchange adjustments, etc. (net)				205,076
Funds provided by Governments for local living costs of experts				1,655,601
				<u>52,228,841</u>
Less:				
Obligations incurred:				
	<i>Operating costs</i>		<i>Administrative</i>	
	<i>Projects</i>	<i>Services</i>	<i>costs</i>	
	\$	\$	\$	
United Nations	7,940,092	917,539	442,006	9,299,637
ILO	2,759,588	252,019	197,831	3,209,438
FAO	7,451,293	597,305	553,841	8,602,439
UNESCO	3,655,514	220,923	275,229	4,151,666
ICAO	1,138,965	29,395	123,971	1,292,331
WHO	4,552,447	436,249	215,970	5,204,666
ITU	—	5,867	14,961	20,828
WMO	—	22,359	2,452	24,811
	<u>27,497,899</u>	<u>2,481,656</u>	<u>1,826,261</u>	<u>31,805,816</u>
TAB secretariat				1,781,209
Total obligations incurred				<u>33,587,025</u>
Local living costs of experts chargeable against funds provided by Governments				2,020,175
				<u>35,607,200</u>
Balance as at 31 December 1957				<u><u>16,621,641</u></u>
Represented by:				
Cash				11,232,855
Investments				3,972,355
Accounts receivable, advances, deposits, funds in transit and services not yet used				1,297,977
Contributions pledged but not yet received				7,203,973
				<u>23,707,160</u>
Less:			\$	
Unliquidated 1957 obligations			3,536,777	
Unliquidated prior years' obligations			2,475,763	
Accounts payable and sundry credit balances			948,787	
Advance payments by Governments			<u>124,192</u>	7,085,519
				<u>16,621,641</u>

NOTE: The balance as at 31 December 1957 is made up as follows:

Unallocated funds on hand in the Special Account	180,842
Excess of participating organizations' allocations over obligations incurred	4,687,067
Saving on liquidation of prior years' obligations and miscellaneous income of participating organizations	957,505
Excess of allocations over obligations incurred and miscellaneous income of TAB secretariat	66,391
Undrawn local cost funds (TAB)	97,835
Working Capital and Reserve Fund	3,428,028
Contributions pledged but not yet received	7,203,973
	<u>16,621,641</u>