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REVIEW OF AUDIT PROCEDURES OF THE UNITED NATIONS  
AND THE SPECIALIZED AGENCIESFourth report of the Advisory Committee on Administrative and Budgetary  
Questions to the twelfth session of the General Assembly

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report (A/3584) submitted by the Secretary-General, in accordance with General Assembly resolution 971 (X) of 15 December 1955, on the review of audit procedures of the United Nations and the specialized agencies.
2. By resolution 971 (X), the Secretary-General was requested:
  - "(a) To consult with the Board of Auditors and with the heads of the specialized agencies, in conjunction with their External Auditors, concerning the possibility of developing a common system of audit which would meet these requirements and in which the agencies would be willing to participate;
  - "(b) To submit, in time for a final decision to be reached by the General Assembly at its twelfth session, a report recording the progress made in the discussions, and recommending a future course of action including detailed suggestions for any proposed changes, together with the comments of the Advisory Committee on Administrative and Budgetary Questions on these matters".
3. The Secretary-General states that the executive heads of the specialized agencies have advised that the agencies continue to be satisfied with their present audit arrangements and with the general co-ordination of the external audits of the United Nations and the specialized agencies provided by the Joint Panel of Auditors. The Board of Auditors is also of the opinion that, for the present, the existing arrangements for audit are satisfactory.
4. In so far as the United Nations is concerned, the present audit arrangements have offered only one main disadvantage: that the number of Member States which are

situated within a reasonable distance from Headquarters, and which are in a position to provide the large audit staff required for a period of approximately ten weeks in every year, is somewhat limited. It was feared that this fact might tend to throw a continuous and disproportionate burden on a relatively small number of Member States and thus restrict the use of national skills.

5. It was indeed largely the potential problem of securing staff for the detailed audit work of the United Nations that led the Secretary-General to propose, in a report submitted at the tenth session of the General Assembly (A/2974)<sup>1/</sup> a possible change in audit procedures. That problem has, however, been resolved with the appointment of the Auditor-General of the Netherlands, who has made the required staff available. The Secretary-General accordingly now recommends (A/3584) that changes in audit procedures be contemplated only if circumstances should arise which dictate a departure from the present system.

6. The Advisory Committee shares the Secretary-General's view that, unless circumstances necessitate a different course, the United Nations should continue to maintain the system of external audit which has been applied with success since 1946.

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<sup>1/</sup> Official Records of the General Assembly, Tenth Session, Annexes, agenda item 43.