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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Administrative and financial arrangements regarding the United Nations International Drug Control Programme

Report of the Secretary-General

INTRODUCTION

1. In paragraph 14 of resolution 45/179 of 21 December 1990 on the enhancement of United Nations structures for drug abuse control, the General Assembly requested the Secretary-General to submit to it, at its forty-sixth session, a report on measures taken to implement the resolution. In his report on this subject, the Secretary-General summarizes the measures already taken and describes directions for the United Nations International Drug Control Programme (A/46/480). The present report addresses the administrative and financial arrangements regarding the Programme.
2. As is also stated in document A/46/480, paragraph 10, the Secretary-General has inferred from Economic and Social Council resolution 1991/38 of 21 June 1991 that the Commission on Narcotic Drugs is to be empowered to provide legislative overview and guidance to all of the Programme's activities. This inference was borne in mind in drafting the proposals contained in the present report.
3. The activities of the Programme are being financed from both the regular budget and extrabudgetary resources. Consistent with the desire of the General Assembly for an integrated approach to United Nations drug control activities, it is proposed to submit in the future consolidated programme budget proposals, showing the totality of the resources to be made available to the Programme.

4. The Secretary-General intends to keep under review, in consultation with the Executive Director, the administrative and financial arrangements for the Programme. Should the need arise, in the light of experience, revised proposals will be submitted to the General Assembly as appropriate.

I. FINANCIAL ARRANGEMENTS OF THE FUND OF THE UNITED NATIONS
INTERNATIONAL DRUG CONTROL PROGRAMME

5. Given the magnitude of the extrabudgetary resources of the Programme, and the distinctive features of the proposed Fund of the United Nations International Drug Control Programme (see A/46/480, para. 25), the Secretary-General considers that the new Fund calls for special treatment by way of separate financial rules and, where necessary, exceptions to the Financial Regulations of the United Nations. The proposed distinctive features of the Fund, as compared to the regular budget activities, include a system of continuous programming based on annual funding; a distinction between commitment and obligation; and the establishment of a general reserve and of a programme reserve. Furthermore, the anticipated size of the Fund makes it advisable, in the interest of efficient operation, for the Executive Director of the Programme to be granted a maximum degree of decentralized authority as regards both financial and personnel matters.

6. It is proposed that all administrative and programme support costs of the new Fund, other than those borne by the regular budget of the United Nations, be charged to the Fund itself. To this end, budget estimates to cover all anticipated administrative and programme support costs would be prepared and submitted to the Advisory Committee on Administrative and Budgetary Questions for examination and comment. Subsequently, the budget estimates and the comments and recommendations of the Advisory Committee would be submitted to the Commission on Narcotic Drugs for its review.

7. The Secretary-General also proposes that the Financial Regulations of the United Nations, as adopted by the General Assembly in resolution 456 (V) and amended in resolutions 950 (X) and 973 B (X) and subsequent resolutions, apply, with two exceptions, to the financial administration of the Fund. The first exception concerns financial regulation 6.7, which, together with rule 106.3, requires that all trust funds be administered in accordance with the Financial Regulations and Rules, unless otherwise provided by the General Assembly. It is proposed in this respect that trust funds within the Fund should be administered in accordance with the separate financial rules applicable to the Fund as a whole. The second exception relates to financial regulations 11.1 and 11.4, which concern the maintenance and submission of the accounts. It is proposed that the General Assembly entrust this responsibility to the Executive Director of the United Nations International Drug Control Programme, whereas the Financial Regulations, as they stand, would require the accounts to be maintained by the Secretary-General. The anticipated size of the Fund and the need to maintain close day-to-day control of its financial transactions suggest the desirability of locating central accounting and accountability for the financial administration of the Fund at the headquarters of the Programme, i.e., Vienna.

8. Accordingly, subject to the approval by the General Assembly of the foregoing proposal, the Secretary-General intends to promulgate, pursuant to the Financial Regulations of the United Nations as amended, separate financial rules applicable to the Fund. These financial rules are contained in the annex to the present report.

Internal audit of the Fund

9. The United Nations Internal Audit Division will be responsible for the review of the personnel and financial transactions of the Fund and will report thereon to the Executive Director. A copy of the reports of the Internal Audit Division will be furnished to the Secretary-General. These reports will be subject to review by, or on behalf of, the Secretary-General and the Executive Director, as required.

II. PERSONNEL ARRANGEMENTS OF THE PROGRAMME

10. The Staff Regulations and relevant resolutions adopted by the General Assembly, and the Staff Rules and relevant Instructions promulgated by the Secretary-General, will apply to staff serving with the Programme in the same manner as they do to the rest of the Secretariat. The staff presently serving with the Programme will continue to be governed by the terms of appointment and conditions of service specified in their letters of appointment. Their acquired rights and eligibility for reassignment within the Secretariat will not be affected.

11. Subject to the retention by the Secretary-General of his authority to promulgate and interpret the Staff Regulations and Rules, and to take final decisions in appeals and disciplinary cases under the Staff Regulations and in compensation claims under Appendix D to the Staff Rules, full authority will be delegated to the Executive Director by the Secretary-General, thus giving the Executive Director the direct responsibility for administering, in the name of the Secretary-General, the Staff Regulations and Staff Rules in respect of staff serving with the Programme.

12. To this end, the Secretary-General, in consultation with the Executive Director, will establish an appointment and promotion board whose composition, functions and procedures will be comparable to those of the Headquarters Appointment and Promotion Board, to advise the Executive Director with regard to staff serving with the Programme. The Executive Director will ensure that in the performance of its functions the Programme's Appointment and Promotion Board acts in conformity with the decisions of the General Assembly and follows the same criteria and guidelines as may be established for the Headquarters Appointment and Promotion Board.

13. Initially appointed staff members will be recruited specifically for service with the Programme rather than for the Secretariat as a whole. Also, as of 1 January 1992, new and renewed fixed-term appointments, or conversions

to career appointments, against posts financed by the Fund, will be limited to service with the Programme. Movements of staff mentioned in this paragraph between the Programme and other parts of the Secretariat will be subject to the same conditions and arrangements as are applicable to staff serving with voluntarily funded programmes of the United Nations. Staff rules 104.13 (d), 104.14 (a) (i) and 109.1 (c) (ii) b will be amended accordingly.

14. Thus, in accordance with the relevant staff rules, the Executive Director will have the authority to appoint staff whose appointments are limited to service with the Programme up to the D-1 level, to promote staff serving with the Programme up to that level, and to terminate appointments of such staff up to and including that level, including for unsatisfactory service, on the advice of the Programme's Appointment and Promotion Board. All appointments or promotions to posts above the D-1 level, or termination of staff above the D-1 level, will be subject to prior consultation with the Secretary-General.

15. The principle of recruitment on as wide a geographical basis as possible will govern the staff paid from the Fund in accordance with the guidelines approved for voluntarily funded programmes. Such staff will be reported separately to the General Assembly in the Secretary-General's annual report on the composition of the Secretariat.

16. The administrative bodies established by the Secretary-General to advise him on staff matters, such as the Joint Appeals Board, the Joint Disciplinary Committee, the Claims Board and the Advisory Board on Compensation Claims, will have jurisdiction as regards staff serving with the Programme.

III. STAFFING SITUATION OF THE PROGRAMME

17. In his proposed programme budget for the biennium 1992-1993, 1/ the Secretary-General indicated staff resources for the Programme which included the conversion of two P-4, one P-3 and one General Service non-recurrent posts to established posts. No other proposals were made at the time since the restructuring of the unified Programme was still under way. The regular-budget staffing table thus showed one temporary post at the Under-Secretary-General level, 42 Professional and higher level posts and 28 General Service posts.

18. The Under-Secretary-General-level post of the Executive Director of the Programme, which the General Assembly approved at its forty-fifth session, involves continuing responsibilities. It is therefore proposed that it be converted from a temporary to an established post.

19. The extrabudgetary staffing resources will total 63 posts (32 Professional and above and 31 General Service). Included in that total are the 23 posts (12 Professional and 11 General Service) previously funded by the United Nations Fund for Drug Abuse Control (UNFDAC) and from the extrabudgetary resources of the Division of Narcotic Drugs, and 36 posts (19 Professional and above and 17 General Service) previously funded by UNFDAC

under an arrangement with the United Nations Development Programme (UNDP). Four new extrabudgetary posts are proposed: one at the Principal Officer (D-1) level for the head of the Information Resources Management Office, and three General Service posts.

20. In addition to the Headquarters staff, there will be 70 posts in 15 field offices (26 Professional and 44 Local Level). These posts would not be considered part of the staffing table and their number and level would change depending on the technical cooperation programmes that are to be serviced, thus allowing for a certain degree of flexibility in assigning staff to the various field offices. It should be noted, however, that the relationship between the United Nations International Drug Control Programme headquarters and its field operations is currently being reviewed. The outcome may require a different field staffing structure.

21. Based on the above, the staffing situation could be summarized as follows:

| <u>United Nations International Drug Control Programme</u> | | | |
|--|--------------|-----------------|-----------|
| | Professional | General Service | Total |
| <u>Headquarters</u> | | | |
| Regular budget | 43 | 28 | 71 |
| Extrabudgetary | 32 | 31 | 63 |
| <u>Field</u> | | | |
| Extrabudgetary | <u>26</u> | <u>44</u> | <u>70</u> |
| Total | 101 | 103 | 204 |

IV. SUMMARY OF ACTION PROPOSED TO BE TAKEN BY THE GENERAL ASSEMBLY

22. Having regard to the new status and responsibilities of the Programme, the General Assembly may wish to consider the role of the Commission on Narcotic Drugs in providing legislative overview and guidance to all the Programme's activities.

23. As regards the Fund's financial arrangements, the Assembly may wish to approve the proposed establishment of the Fund of the United Nations International Drug Control Programme, and the financial rules for the Fund, referred to in paragraph 8 above, and annexed hereto.

24. As regards personnel matters, the General Assembly may wish to take particular note of the arrangements described in paragraph 13 which affect the principle laid down in its resolution 1095 (XI) of 27 February 1957, under which the conditions of service of the common system are normally to be applied, without distinction as to the source of funds from which the staff may be paid, and the arrangements described in paragraph 15, which have a bearing on specific guidelines for the application of the principle of geographical distribution in the Secretariat, set out in Assembly resolution 1852 (XVII) of 19 December 1962.

25. The General Assembly may also wish to approve the proposal in paragraph 18 above.

Notes

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 6 (A/46/6/Rev.1), vol. I, sect. 22, table 22.4.

AnnexDRAFT FINANCIAL RULES OF THE FUND OF THE UNITED NATIONS
INTERNATIONAL DRUG CONTROL PROGRAMME

ARTICLE I. APPLICABILITY

Rule 1.1

These Rules shall govern the financial management of the Fund of the United Nations International Drug Control Programme (hereinafter referred to as the Fund), pursuant to paragraph 6 of General Assembly resolution 45/179 of 21 December 1990. They are promulgated pursuant to the Financial Regulations of the United Nations. The Executive Director of the United Nations International Drug Control Programme shall be responsible for the administration of these Rules on behalf of the Secretary-General. The Executive Director may delegate authority under these Rules, as appropriate, to other officials.

Rule 1.2

Exceptions to these Rules may only be made by specific decision in writing of the Executive Director, in a manner consistent with the Financial Regulations of the United Nations.

Rule 1.3

Any matter not specifically covered by these Rules shall be governed, mutatis mutandis, by the relevant provisions of ST/SCB/Financial Rules/...

ARTICLE II. FINANCIAL PERIODS

Rule 2.1

To provide for continuity in the programming and implementation of Fund assistance to projects, the financial period for the purpose of the proposed utilization of resources and of the entering into commitments in respect of programme activities (including programme reserve and trust fund activities) shall be the duration of each project as specified in the project document.

Rule 2.2

The financial period for the purpose of incurring and accounting for expenditures in respect of programme activities (including programme reserve and trust fund activities), including reimbursement of related agency support costs, shall consist of a single calendar year.

Rule 2.3

The financial period for the purpose of both proposed utilization of resources and the incurring of and accounting for expenditures in respect of the administrative and programme support costs budget (the biennial budget) shall consist of two consecutive calendar years, the first of which shall be an even year.

ARTICLE III. VOLUNTARY CONTRIBUTIONS

Rule 3.1

Voluntary contributions from Governments and intergovernmental and non-governmental sources may be accepted for purposes consistent with those of the United Nations International Drug Control Programme.

Rule 3.2

Voluntary contributions shall be accepted without limitation as to use for a specific purpose. The Executive Director may permit exceptions to this rule and shall report thereon to the Commission on Narcotic Drugs. Moneys contributed for purposes specified by the donor shall be treated as trust funds under rule 5.4. Contributions which may directly or indirectly involve an immediate or ultimate financial liability for the regular budget of the United Nations may be accepted only with the approval of the General Assembly.

Rule 3.3

Voluntary contributions shall be accepted in currencies that are readily usable by the Fund, consistent with the need for efficiency and economy of operations, or convertible to the greatest possible extent into currencies readily usable by the Fund. The Executive Director may draw the attention of Governments and of other prospective donors to the currency or currencies required for the execution of Fund activities. He may negotiate with contributing Governments regarding convertibility or reconversion of voluntary contributions.

Rule 3.4

Voluntary contributions accepted by the Fund shall be credited to the Fund account.

ARTICLE IV. MISCELLANEOUS INCOME

Rule 4.1

Miscellaneous income comprises all income of the Fund other than:

- (a) Voluntary contributions;
- (b) Direct refunds of expenditure.

Rule 4.2

Losses and gains on exchange arising from the payment of voluntary contributions from Governments shall be recorded as a debit or credit to such contributions. All other exchange adjustments shall be recorded separately and classified under miscellaneous income.

Rule 4.3

Charges or credits arising after the closure of project accounts shall be accounted for under miscellaneous income.

Rule 4.4

Proceeds from the sale of project equipment shall be credited to the accounts of that project as a reduction of expenditure, provided such accounts are still open. If they are closed, the proceeds shall be credited to the Fund account as miscellaneous income.

ARTICLE V. THE FUND ACCOUNT

Rule 5.1

There shall be established a Fund account to which all resources of the Fund shall be credited, from which all allocations shall be made and against which all expenditure on behalf of the Fund shall be charged.

Rule 5.2

Within the Fund account, separate accounts shall be maintained for:

- (a) A financial reserve;
- (b) A Fund programme reserve;

(c) Any other reserves;

(d) Each trust fund established by the Commission on Narcotic Drugs or the Executive Director.

Rule 5.3

Working capital shall be provided from the cash resources of the Fund account.

Rule 5.4

Trust funds may be established by the Commission on Narcotic Drugs or the Executive Director for specified purposes consistent with the policies, aims and activities of the United Nations International Drug Control Programme. Contributions which are accepted for purposes specified by the donor shall be treated as trust funds. Commitments under trust fund activities shall not be entered into unless and until funds sufficient to finance such commitments have been received from the donor or donors, or where there exists an agreed payment schedule covering such commitments. Contributions to trust funds of a value in excess of \$100,000 accepted by the Executive Director from non-governmental sources shall be reported annually by him to the Commission on Narcotic Drugs. The procedures for the establishment and management of trust funds shall be consistent with those applicable to technical cooperation trust funds of the United Nations as promulgated by the Secretary-General. Trust funds established by the Executive Director shall be reported to the Commission on Narcotic Drugs through the Advisory Committee on Administrative and Budgetary Questions.

ARTICLE VI. CUSTODY OF FUNDS

Rule 6.1

The Secretary-General shall act as custodian of the funds in the Fund account and shall designate the bank or banks in which such funds shall be kept.

Rule 6.2

The Secretary-General may delegate to the Executive Director such authority with respect to custody of funds, including the authority to designate the banks in which the funds of the Fund shall be kept, as would facilitate the efficient and effective management of the Fund; which delegation shall be acknowledged in writing.

Rule 6.3

Rules 108.1 to 108.12 of the Financial Rules of the United Nations shall apply, mutatis mutandis, to the receipt, management and disbursement of the funds in the Fund.

ARTICLE VII. INVESTMENT OF FUNDS

Rule 7.1

Account being taken of the objectives of the Fund, and in the light of specific requirements of its operations as determined by the Executive Director, moneys not required immediately may be invested by the Secretary-General in consultation with the Executive Director.

Rule 7.2

Income derived from investments, other than trust fund investments, shall be credited to the Fund account as miscellaneous income. Income derived from investment of trust funds shall be credited to the respective trust funds, unless otherwise specified.

ARTICLE VIII. FINANCING THE FUND PROGRAMME

Rule 8.1

The financial resources of the Fund are to be available at all times to the maximum extent possible for Fund programme purposes, subject only to the maintenance on a continuous basis of a financial reserve. After provision has been made annually for the programme support costs and administrative costs of the Fund, all resources not otherwise committed or reserved can be utilized for project activities.

Rule 8.2

There shall be established a financial reserve, the level of which shall be determined from time to time by the Commission on Narcotic Drugs on the recommendation of the Executive Director. The purposes of the financial reserve shall be to guarantee the financial liquidity and integrity of the Fund, to compensate for uneven cash flows and to meet such other similar requirements as may be decided upon by the Commission on Narcotic Drugs. The latter shall keep the level and composition of the financial reserve under constant review, taking into account the estimated income and expenditures for the following financial year.

Rule 8.3

There shall be established a Fund programme reserve to meet unforeseen needs, to finance unanticipated projects or phases of projects and to meet such other purposes as may be determined from time to time by the Commission on Narcotic Drugs.

ARTICLE IX. ADMINISTRATIVE AND PROGRAMME SUPPORT
COSTS BUDGET

Rule 9.1

The Executive Director shall prepare a budget to cover all anticipated administrative and programme support costs (other than those borne by the regular budget of the United Nations) of the Fund in a form consistent with relevant United Nations budgetary regulations, rules, policies and practices. The budget may include provision for contingencies.

Rule 9.2

The budget estimates shall be submitted to the Advisory Committee on Administrative and Budgetary Questions for examination and comment. Subsequently, the budget estimates and the comments and recommendations of the Advisory Committee shall be submitted to the Commission on Narcotic Drugs.

Rule 9.3

Supplementary estimates, prepared in a form consistent with the budget, may be submitted by the Executive Director to the Commission on Narcotic Drugs, together with the comments and recommendations thereon of the Advisory Committee on Administrative and Budgetary Questions.

Rule 9.4

The budget, after it has been considered and approved by the Commission on Narcotic Drugs, shall constitute an authorization to the Executive Director to incur obligations and make payments up to the amounts indicated therein. Rules 110.1 to 110.9 of the Financial Rules of the United Nations shall apply mutatis mutandis to the administration of the biennial budget.

ARTICLE X. ALLOCATION OF FUNDS BY THE EXECUTIVE DIRECTOR**Rule 10.1**

The Executive Director may allocate funds to carry out activities within the Fund programme consistent with policy guidance given by the Commission on Narcotic Drugs.

Rule 10.2

The Executive Director may allocate funds to cover expenditure under the following main categories:

- (a) Fund programme activities;
- (b) Fund programme reserve activities;
- (c) Trust fund activities;
- (d) Administrative and programme support costs.

Rule 10.3

Allocations by the Executive Director for programme, programme reserve and trust fund activities shall constitute Fund assistance to projects as set out in the project budgets contained in the approved project documents or similar instruments. For the purposes of rule 10.4 below, the project budget shall be presented in annual segments.

Rule 10.4

An allocation by the Executive Director, which authorizes the incurring of expenditures and the entering into commitments, shall constitute a ceiling on expenditures for the current year and on commitments for future years in connection with the Fund's assistance to the project for which the allocation was made.

Rule 10.5

Whenever a project budget ceases to reflect actual circumstances or current expectations in any significant respect, it shall be revised accordingly. The approval of the Programme and of the executing agency shall be required for all project budget revisions. Where a revision involves an increase in the total budgeted amount, the approval of the recipient Government will also be required.

Rule 10.6

An allocation shall be available for expenditure and for commitment for the duration of the project to which it relates. Following the operational completion of the project, the project budget shall be revised to reflect actual expenditure incurred and shall constitute the final allocation for the Fund's assistance to the project. The final allocation shall remain available for the period of time required to discharge any outstanding legal obligations of the project. This period shall normally not exceed 12 months after the month in which the project was operationally completed. When all legal obligations against the final allocation have been discharged, the project shall be financially completed, and any balance remaining shall revert to the Fund account or, in the case of trust fund activities, to the relevant trust fund, and shall be classed as miscellaneous income.

Rule 10.7

After the financial completion of a project, any unforeseen disbursements or refunds and any deficit or savings on the liquidation of obligations shall be charged or credited, as the case may be, to the Fund account or, in the case of trust fund activities, to the relevant trust fund, under miscellaneous income. Such net adjustments on account of a financially completed project as exceed \$25,000 shall be referred to the Executive Director.

Rule 10.8

Allocations for the biennial administrative and programme support costs budget shall remain available for twelve months following the end of the financial period to which they relate, to the extent that they are required to discharge obligations in respect of goods supplied or services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the allocations shall revert to the Fund account and shall be classed as miscellaneous income.

Rule 10.9

Staff or consultants whose emoluments will be paid from the resources of the Fund may only be engaged with the written authority of the Executive Director and within the allotments or other limits approved for the purpose. The appointment of such staff and consultants shall be limited to service with the United Nations International Drug Control Programme. The Executive Director, or the officials to whom authority has been delegated by him, shall be responsible for ensuring that the terms of employment of staff or consultants conform to the terms of the Staff Regulations and Rules of the United Nations.

ARTICLE XI. CONTRACTS AND PURCHASES

Rule 11.1

When provision is made in the administrative and programme support costs budget or in project budgets for equipment, supplies or services to be supplied by the Fund, the Executive Director shall be responsible for the purchase of equipment and supplies and the contracting of services. To that end, he may enter into arrangements with the United Nations or an executing agency or agencies to employ the procurement services thereof, in which case the relevant financial rules and procedures of the organization concerned shall apply. Procurement activities which are not covered by the aforesaid arrangements shall be governed by rules and procedures promulgated by the Executive Director; such rules and procedures shall be patterned on rules 110.16 to 110.24 of the Financial Rules of the United Nations.

ARTICLE XII. INTERNAL CONTROLS

Rule 12.1

Only those officials designated by the Executive Director as approving officers may approve obligations for recording in the accounts. Any such obligations must have been duly certified by certifying officers designated by the Executive Director for that purpose. Except in the case of small field offices, no person shall perform the functions of both an approving officer and a certifying officer at the same time.

Rule 12.2

The Executive Director may make such ex gratia payments not exceeding \$40,000 as he deems to be necessary in the interest of the Fund, provided that a statement of such payments shall be submitted to the General Assembly and the Commission on Narcotic Drugs with the accounts. Ex gratia payments may be made in cases where, although in the opinion of the United Nations Office of Legal Affairs there is no legal liability on the Fund, the moral obligation is such as to make payment desirable in the interest of the Fund.

ARTICLE XIII. EXECUTING AGENCIES

Rule 13.1

The following entities may be entrusted by the Executive Director with the implementation of Fund assistance to projects:

- (a) Recipient Governments;

(b) Organizations of the United Nations system, namely the United Nations, the specialized agencies, the International Atomic Energy Agency and other organizations that are or become part of the United Nations system;

(c) Governmental and intergovernmental institutions or agencies which are not parts of the United Nations system;

(d) Non-governmental organizations;

(e) The United Nations International Drug Control Programme itself.

An entity so entrusted shall be known as the executing agency for the project in question.

Rule 13.2

In consultation with and with the agreement of the recipient Government or Governments, the Executive Director shall designate a single executing agency for each project. With the agreement of the recipient Government or Governments and of the Programme, the designated executing agency may associate one or more other agencies with it in the implementation of the project. A project document shall be drawn up for each project.

Rule 13.3

The agreement between the executing agency and the Programme shall include:

(a) The respective responsibilities of the executing agency and the Programme in the formulation, execution, monitoring and evaluation of the project;

(b) Arrangements for the disbursement of funds, including the reimbursement of support costs, to the executing agency;

(c) Arrangements for internal and external audit, financial and non-financial reporting, and other requirements in respect of accountability for funds of the Fund;

(d) Any other arrangements which are necessary for the Executive Director to follow the execution of projects or which would otherwise enable him to exercise his accountability.

Rule 13.4

Allocations issued by the Executive Director to executing agencies for projects to be carried out by the said agencies shall be administered by them under their respective financial regulations, rules, procedures and practices.

Rule 13.5

The Executive Director shall secure from each executing agency assurances that it will maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from the Programme, including in particular their total recorded allocations, disbursements, unliquidated obligations, commitments, cash holdings and other financial data.

ARTICLE XIV. THE ACCOUNTS

Rule 14.1

The Executive Director shall maintain such accounts and records as are necessary to enable him to report to the Commission on Narcotic Drugs and the General Assembly on the Fund account.

Rule 14.2

Financial reports on the Fund account shall be presented in United States dollars. Accounting records, however, may be kept in such currency or currencies as the Executive Director may deem necessary.

Rule 14.3

The Executive Director shall have prepared and certified as correct biennial accounts showing the status of the Fund account and including supporting schedules. The Executive Director shall submit these biennial accounts to the United Nations Board of Auditors not later than 31 March following the end of the year in question.

Rule 14.4

The operational rates of exchange shall be those established by the Secretary-General and communicated to the Executive Director.

Rule 14.5

When the United Nations operational rate of exchange for a particular currency is revised, the Executive Director shall revalue the balance of cash and other assets or liabilities in that currency and shall charge or credit the exchange adjustment to a central account, the balance of which at the year end shall be classified under miscellaneous income. Exchange adjustments resulting from the payment of Government contributions shall be recorded separately from those exchange adjustments from other transactions and shall be offset to those contributions.

Rule 14.6

For the purpose of recording in the Fund account voluntary contributions pledged in currencies other than the United States dollar the United Nations operational rate of exchange in effect on the date of the pledge shall be used.

Rule 14.7

For the purpose of recording all other transactions in the Fund account, the United Nations operational rate of exchange in effect on the date of the transaction shall be used.

ARTICLE XV. AUDIT

Rule 15.1

The accounts showing the status of the Fund account, with audit opinion and report from the United Nations Board of Auditors, shall be transmitted by the Executive Director to the Advisory Committee on Administrative and Budgetary Questions, the Commission on Narcotic Drugs and the General Assembly.

ARTICLE XVI. GENERAL PROVISIONS

Rule 16.1

Every official of the United Nations International Drug Control Programme is responsible to the Executive Director for the regularity of the actions taken by him or her in the course of his or her official duties. Any official who takes any action contrary to these Financial Rules, or to the administrative instructions issued in connection therewith, may be held personally responsible and financially liable for the consequences of such action.

Rule 16.2

These Rules may be amplified by administrative instructions issued by the Executive Director.

Rule 16.3

These Rules shall be effective as of and from 1 January 1992. If a consequential change in these Rules is required to be made in order to conform to a change made by the General Assembly in the Financial Regulations, the effective date of such rule change shall be the effective date of the revision of the applicable regulation.