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ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS

REPORT OF THE BOARD OF AUDITORS TO THE GENERAL ASSEMBLY
ON THE AUDIT OF THE ACCOUNTS FOR THE YEAR ENDING
31 DECEMBER 1949

(Note by the Secretary-General)

The Secretary-General has examined the report of the Board of Auditors to the General Assembly on the audit of the accounts for the year ended 31 December 1949 (document A/1256, pages 27 to 34) and makes the following comments on the various matters referred to therein:*

7. Overtime pay

The Board points out that overtime pay amounting to \$254,244 was compensated in cash, although the administrative staff rules contemplate that, whenever practicable, settlement should be by grant of compensatory leave. The greater portion of the stated amount represents overtime pay earned during the General Assembly period, when as a result of the sustained workload, it is not possible to grant compensatory leave within the limited time (i.e., the current or succeeding period) stipulated in the rules. Nevertheless, efforts will continue to be made to restrict settlement in cash to the minimum and consideration will be given to a change in the rules to provide for extension of the time during which settlement by way of compensatory leave can be made.

8. Exceptional payments to staff members

It is the normal practice to record payments which are a concession to the recipient as ex gratia within the provisions of financial regulation 26 when it is clearly established that no legal liability exists.

Exceptional payments which were not dealt with in this way would generally be "marginal" cases where it could not be absolutely determined that no legal

* The numbered references in the present document relate to the corresponding paragraphs in the report of the Board of Auditors.

liability existed. It is probable that cases of this nature will be largely eliminated with the establishment of the more precise rules covering the social security scheme for staff members.

16 to 20. Expenditure in excess of appropriations

The Board draws attention to the fact that obligations incurred under section 27 of the budget (The International Court of Justice - Salaries and expenses of Members of the Court) exceed the appropriation by \$8,349.29. The report sets forth in detail the circumstances leading to this over-obligation which is closely related to the matter of payments to members of the Court, dealt with in paragraphs 11 to 15 of the Board's report.

According to the General Assembly resolution on the Working Capital Fund (252 (III) B), provision is required to be made in the budget estimates to reimburse the Working Capital Fund for advances used to meet unforeseen expenses. No request for a supplemental appropriation with respect to the expenses for experts for the Corfu Channel Case, originally met from the Working Capital Fund, was received from the Court. The Secretary-General did not question this, as he assumed that the revaluation of the florin in September 1949 would result in a sufficient balance, after paying the salaries of the members of the Court in the amounts fixed in General Assembly resolution 19 (I) and 85 (I), to cover the expenses of the Corfu Case.

When the decision of the President of the Court, to pay members of the Court salaries and allowances in the amounts fixed in the budget for 1949, became known to the Secretary-General, he requested the concurrence of the Advisory Committee on Administrative and Budgetary Questions to a transfer of funds, in accordance with the appropriation resolution (resolutions 252 (III), 354 (IV)). The Advisory Committee did not concur.

21. Assessments on Members

The report observes that while Members' contributions for 1949 were computed in accordance with financial regulation 17, no deduction was made in respect of savings effected in 1948 in liquidating prior years' obligations; the Board then suggests that further consideration be given to financial regulation 17 in order to provide that estimated lapsings in appropriations at the close of the year should be taken into account in computing contributions, and points out that if this had been permissible the assessments on Members would have been

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approximately \$1,325,000 less. It is, however, to be noted that in making assessments for the year 1950, credit was given to Members on account of estimated savings in liquidating prior years obligations and also as a result of supplementary estimates which involved a reduction in the original assessments. As a result, the net amount of surplus as of 31 December 1949 not yet applied against contributions is only \$784,164.92.

22. Miscellaneous income

The variations between the detailed estimates of income and actual receipts are explained in paragraph 6 of the financial report. The Board's comments in this paragraph lead to the suggestion that supplementary estimates need not provide for any adjusted estimate of income. There would appear to be no objection to adopting the method proposed, and accordingly to take into account actual income at as late a date in the year as possible.

25. Provision of services to specialized agencies

The problem of establishing scales of charges for services rendered to other agencies which will be acceptable to the agencies and still afford adequate reimbursement to the United Nations has proved difficult to solve, but negotiations are continuing. It is because of the difficulties in arriving at agreements on acceptable scales of charges that services tend to be duplicated by separate agencies in Geneva. This question also is constantly before the Administrative Committee on Co-ordination and its subsidiary Consultative Committee on Administrative Questions, and a good deal of study has already been given to various aspects of the problem, both in the Committees and at the administrative level.
