

UNITED NATIONS

FINANCIAL REPORT

and

AUDITED FINANCIAL STATEMENTS
for the biennium ended 31 December 1979

and

REPORT OF THE BOARD OF AUDITORS

Volume III
(International Trade Centre)

GENERAL ASSEMBLY
OFFICIAL RECORDS: THIRTY-FIFTH SESSION
SUPPLEMENT No. 5 (A/35/5)



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New York, 1980

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ABBREVIATIONS

ECA	Economic Commission for Africa
ESCAP	Economic and Social Commission for Asia and the Pacific
GATT	General Agreement on Tariffs and Trade
ITC	International Trade Centre
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund

LETTERS OF TRANSMITTAL

31 March 1980

Sir,

Pursuant to financial regulation 11.4, I have the honour to submit the accounts of the International Trade Centre for the biennium 1978-1979 ended 31 December 1979, which I hereby approve. The financial statements have been prepared and certified as correct by the Assistant Secretary-General for Financial Services.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, Sir, the assurances of my highest consideration.

(Signed) Kurt WALDHEIM

The Chairman of the Board
of Auditors
United Nations
New York

12 June 1980

Sir,

I have the honour to transmit to you the financial statements of the International Trade Centre for the biennium ended 31 December 1979, which were submitted by the Secretary-General. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition to the above, I have the honour to present the report of the Board with respect to the accounts of the International Trade Centre for the biennium ended 31 December 1979.

Accept, Sir, the assurances of my highest consideration.

(Signed) J. J. MACDONELL
Auditor General of Canada
and
Chairman of the United Nations
Board of Auditors

The President of the General Assembly
of the United Nations
New York, N.Y.

I. FINANCIAL REPORT FOR THE BIENNIUM ENDED 31 DECEMBER 1979

1. The Secretary-General has the honour to submit herewith the financial report of the accounts of the International Trade Centre UNCTAD/GATT for the biennium 1978-1979 ended 31 December 1979, together with the audited accounts comprising four statements and five schedules.

General Fund

Statement I. Budget appropriations for the biennium 1978-1979 and expenditures and unencumbered balances as at 31 December 1979

2. The appropriations for the biennium were originally \$16,396,600 and were subsequently reduced to \$16,223,800 (para. 3 (a) below). Expenditures incurred totalled \$16,221,533. After taking account of unliquidated obligations of \$383,733, the net balance of allotments was \$2,267.

Statement II. Combined statement of income and expenditure for the biennium 1978-1979 ended 31 December 1979 and combined statement of assets and liabilities as at 31 December 1979

I. Combined statement of income and expenditure for the biennium 1978-1979 ended 31 December 1979

3. Income

(a) Contributions. Under the terms of General Assembly resolution 2297 (XXII) and the decision of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) dated 22 November 1967, the regular budget of the International Trade Centre should be shared equally between the United Nations and GATT. The final performance report of the Centre (ITC/OD/BUD/6/Rev.1.) provided for estimated expenditures of \$16,396,600, including estimated income of \$128,000 thus requiring a contribution of \$8,134,300 from each of the parent bodies. Schedule 2.1 reflects the appropriations approved by the United Nations totalling \$16,223,800.

(b) Miscellaneous income. As compared with an estimate of \$128,000, income received amounted to \$147,946, comprising savings arising from the liquidation of prior years' obligations (\$58,136), refunds in respect of the organization's contributions to the United Nations Joint Staff Pension Fund (\$47,772), rental of office space (\$14,170) and miscellaneous (\$27,868).

Non-expendable equipment

4. Furniture, equipment and vehicles are charged to the budget at the time of purchase; the value at cost of the items held at 31 December 1979 was \$465,942. This compares with a total value of \$161,040 as at 31 December 1977.

II. Combined statement of assets and liabilities as at 31 December 1979

5. The assets, liabilities and unencumbered balance of the General Fund include:

(a) Assets

- (i) Cash - \$34,037;
- (ii) Unpaid contributions - \$203,400, representing the balance of contributions withheld by GATT pending approval by the General Assembly of the final performance report of the Centre;
- (iii) Accounts receivable - \$949,819, comprising advances to staff members amounting to \$51,761, all of which are in the course of recovery; \$890,313 due from ITC trust funds and miscellaneous items amounting to \$7,745;
- (iv) Deferred charges and other assets - \$40,811.

(b) Liabilities

- (i) Obligations unliquidated as at 31 December 1979 totalling \$383,733;
- (ii) Amount due to ITC support costs - \$706,147; the records for support costs are maintained in a common ledger with the General Fund. This liability represents that portion of the General Fund net assets attributable to support costs.

(c) Fund balance

The fund balance as at 31 December 1979 was \$79,838, including \$57,625 brought forward from the biennium 1976-1977. This latter sum will be transferred to income in the coming biennium (see document ITC/OD/BUD/7 of April 1979).

Write-off of receivables

6. In accordance with financial regulation 10.4, it is reported that two cases totalling \$935 were approved for write-off during the biennium. Each case was examined before being submitted and it was determined that every effort had been made to collect the amounts due and that further efforts would be fruitless.

Programme support costs

Statement III. Combined statement of income and expenditure for the biennium 1978-1979 ended 31 December 1979 and combined statement of assets and liabilities as at 31 December 1979

7. During the biennium, the income derived from contributions to support costs was \$3,292,844. Total expenditures incurred against support costs were \$3,021,625, providing an excess of income over expenditure of \$271,219.

Trust funds

Statement IV. Statement of assets and liabilities as at
31 December 1979

8. The assets, liabilities and unencumbered fund balance of the trust funds include the following:

(a) Assets

- (i) Funds held totalled \$6,082,743 of which \$297,166 represented cash in banks, \$5,706,689 interest-bearing deposits as detailed in schedule 4.4 and \$78,888 held by imprest holders.
- (ii) Deferred charges and other assets totalled \$30,313 and included \$17,813 education grant advances to staff members deemed to be that part of the total advances pertaining to the portion of the school year completed as at 31 December 1979.
- (iii) Miscellaneous accounts receivable amounted to \$389,040, comprising advances to staff members (\$122,970), stamp duty and impot anticipé due for refund by the Swiss Federal authorities (\$74,416), accrued interest (\$90,103) and miscellaneous (\$101,551).
- (iv) Contributions receivable totalled \$8,870,319 in respect of the following:

	<u>US dollars</u>
Swedish International Development Agency	6,860,229
Sweden	999,222
ECA	275,963
Finland	262,919
Switzerland	236,581
Netherlands	170,710
Belgium	49,003
Austria	11,000
Economic Community of West African States	4,692

These sums represent the balances due in respect of approved projects, some of which extend over the years 1980, 1981 and 1982.

(b) Liabilities

- (i) Accounts apyable totalled \$275,378, including \$81,954 in respect of salary assignments and \$48,154 for payment requests issued to field offices. Miscellaneous accounts payable amounted to \$145,270.
- (ii) Unallocated funds held pending disposal instructions from donors amounted to \$403,712. For the biennium 1978-1979, these are recorded as a liability. The previous accounting practice was to record them as part of the fund balance.
- (iii) Unliquidated obligations as at 31 December 1979 amounted to \$1,946,959.

(c) Reserves

Reserves totalled \$1,754,987 and comprised a "project" reserve of \$1,044,740 and a "variance" reserve of \$710,247. The latter, which is a reserve maintained to meet contingencies, such as those arising from the termination of experts, is, inter alia, derived from the difference between the standard costs applied to projects and the actual costs incurred. As reflected in the statement of significant accounting policies (annex), it is the Centre's policy to maintain this reserve at a predetermined level (\$700,000 approximately, for the biennium 1980-1981). With the agreement of donors, the first charge upon interest accruing from the investment of funds is to maintain this reserve at that level. The "project" reserve, within which the balance of interest earned is located under donor accounts, may be used to provide any additional sums which may be needed for a donor's projects, to meet any annual deficit or support costs attributable to currency fluctuations, or for other purposes to which donors may agree.

(d) Unencumbered fund balance

The unencumbered balance as at 31 December 1979 was \$9,846,424.

Balances available from previous years, allocations and expenditures for the biennium 1978-1979 and balance available as at 31 December 1979

Allocations

9. The balance of allocations as at 1 January 1978, inclusive of unliquidated obligations, was \$11,219,041. Additional allocations during the biennium amounted to \$22,765,905 providing a total availability of \$33,984,946. Disbursements amounted to \$22,191,563 of which \$2,636,050 related to support cost contributions. After taking account of unliquidated obligations totalling \$1,946,959, the unencumbered balance on all projects as at 31 December 1979 amounted to \$9,846,424. Of this balance, \$8,870,319 is recorded in statement IV as contributions receivable.

10. Schedules showing details of allocations and disbursements for the individual years of the biennium are provided in schedules 4.2 and 4.3.

Write-off of receivables

11. In accordance with financial regulation 10.4, it is reported that one case totalling \$796 was approved for write-off. Before being submitted, this case was examined; it was determined that every effort had been made to collect the amount due, that further efforts would be fruitless and that the investigation did not attach responsibility for the loss to any official of the United Nations.

Implementation of the recommendations of the Board of Auditors

12. The Board of Auditors in their report on the ITC accounts for the biennium ended 31 December 1977 1/ requested a review of the recording of an outstanding

1/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 5 (A/33/5), vol. III, sect. IV.

contribution to the General Fund of \$78,600 due from GATT. This had occurred as a result of the approval by the General Assembly of the appropriation in the final performance report of the Centre in an amount different to that approved by GATT. Subsequently, in 1978, GATT retrospectively approved the higher appropriation and the additional contribution was received.

13. The Board also recommended the introduction of an allotment control system and the development of guidelines and procedures for the administration of programme support resources. An allotment control system has been operative during the biennium but written guidelines and procedures are still under preparation. In response to a further recommendation that specific administrative guidelines and procedures for extrabudgetary resources should be established, detailed procedures have been instituted and documented. These include policies regarding the charging of support costs and the use of investment income.

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I), the Board of Auditors has audited the accounts of the International Trade Centre (ITC) for the biennium ended 31 December 1979.

2. The examination was conducted in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. The examination was conducted at ITC headquarters at Geneva.

3. During the biennium under review, the Board of Auditors continued its normal practice of reporting the results of specific audits and issuing management letters containing detailed audit observations to the Administration. This practice has helped in developing a continuous dialogue with the Administration and is consistent with the Board's approach of applying systems-based auditing to all the organizations in the United Nations system for which the Board has audit responsibility.

4. The Board of Auditors has noted with appreciation the expeditious manner in which the Administration has dealt with the matters brought to its attention and the continued efforts being made to improve the financial management and control system of the Centre. Our observations are intended to assist the Administration in considering and implementing further improvements. The following are the most significant matters arising from our audit during the biennium 1978-1979. We have discussed these matters with the Administration whose responses are referred to as appropriate.

Financial function

5. Our review of the internal controls of the Centre indicated that ITC had issued guidelines for contracting and procurement as well as for trust funds. We noted, however, that the Centre had no definite and comprehensive documentation of its administrative, budgetary and financial policies, responsibilities and procedures. The lack of such definitive and comprehensive documentation has resulted in ad hoc departures from procedures and in less efficient operation of the systems of internal control.

6. Accordingly, we recommended that, as a priority, ITC should prepare a comprehensive financial manual to incorporate the Centre's policies, responsibilities and procedures relating to all major systems such as budgetary control, travel, experts and consultants services, payroll and cash management. The manual should be communicated to all officers concerned in order to provide a source of ready reference and ensure consistency in the application of procedures.

7. The Administration fully agreed with our recommendation and has expressed its intention to produce a comprehensive administrative manual and financial procedures handbook for the Centre.

Budgetary control

Unco-ordinated revisions to the regular budget

8. Under the terms of General Assembly resolution 2297 (XXII) and the decision of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) dated 27 November 1967, the regular budget of the International Trade Centre is shared equally between the United Nations and the Contracting Parties to GATT. The programme budget submissions as well as the performance reports of ITC are therefore presented for review and approval to the budgetary organs of both parent bodies.

9. Our examination revealed that revisions to the Centre's final performance report for the biennium 1978-1979 were made by the United Nations without consultations with ITC and the Contracting Parties to GATT. As a result, the General Assembly and GATT approved two differing budgets for the Centre for the biennium 1978-1979. The United Nations approved a total amount of \$US 16,223,800 for the biennium 1978-1979; GATT approved \$US 16,396,600. For the biennium 1976-1977, similar revisions made by the United Nations resulted in differing amounts being approved. These unco-ordinated approvals appear to weaken the Centre's budgetary control.

10. We are of the opinion that budgetary control procedures would be improved if closer co-ordination were established between the Centre and the United Nations on the one hand, and between GATT and the United Nations on the other. Accordingly, we recommended that ITC should initiate action to establish procedures acceptable to the Centre and its parent bodies for the preparation, review and approval of its budget submissions and performance reports.

11. The Administration informed us that the Centre has proposed to the United Nations that it requires amendments to the United Nations Financial Rules to cover, inter alia, its unique constitution. The Administration added that these amendments seek to clarify the situation regarding budget submissions and approval and, if they are effected, they will improve the Centre's budgetary control procedures.

Project budget revisions

12. The cost of technical assistance projects financed from extrabudgetary resources for the biennium under review was approximately \$23 million. Individual projects are managed by the Division of Technical Co-operation which also maintains the relevant accounting data and furnishes them to the project managers.

13. Our examination indicated that revisions of project budgets were frequently made within budget lines of project allotments. There was, however, no evidence that the proposed revisions were subjected to an adequate review process. Furthermore, while we appreciated that budget revisions might be necessary to meet changing needs and unforeseen situations we were concerned about the timing, frequency and the substantial amounts involved in the revisions.

14. Accordingly, we recommended that additional effort should be directed towards ensuring that ITC personnel adhere to project work plans and time-tables. We also recommended that detailed procedures for project budget revisions should be established, documented and communicated to all officers concerned, to ensure that such revisions of project budgets are duly authorized and properly undertaken. These procedures should include:

(a) A clear distinction between what constitutes major and minor revisions;

(b) Levels of approving authority for the various types of revisions;

(c) The establishment of a Technical Committee, independent of the Division of Technical Co-operation and preferably made up of representatives from the respective divisions of the Centre who would review proposed major revisions.

15. The Administration agreed in principle that project work plans and time-tables should be followed, but explained that the Centre must react to recipient Governments. This need often takes precedence over the planning undertaken by the Centre. The Administration informed us, however, that the procedures recommended by us for the revision of project budgets will be documented and communicated to the officers concerned.

Utilization of experts and consultants

16. To comply with the principles set out by the General Assembly, the Centre has formulated procedures for processing, approving, recording and evaluating the performance of experts and consultants. These procedures, however, do not cover the accumulation of data on the use of experts and consultants.

17. Our examination revealed that, despite existing procedures, end-of-assignment assessment reports were not always prepared. Under the circumstances, there was no assurance that the performance of the experts and consultants was monitored effectively or that the necessary feedback was provided to the Selection Panel of the Centre. We also noted that before the commencement of work, one half of the contract fee was usually paid to the expert or consultant. In some instances these advance payments involved substantial amounts of money. Should an expert or consultant be unable to carry out the contract, ITC could experience substantial losses or difficulty in collecting amounts owed by individuals.

18. To improve the monitoring of the performance of experts and consultants, we recommended that the system of performance evaluation should be reviewed to ensure that monitoring and evaluation responsibilities are clearly defined and communicated and that assessment reports are redesigned to include appropriate recommendations before final payments are made. We recommended as well that the administrative instruction on the use of experts and consultants should be expanded to cover procedures for accumulating appropriate data on the use of consultants and experts. We also suggested that the Centre should review the practice of paying one half of the contract fee to a consultant or expert before work begins.

19. The Administration concurred with our recommendations and has taken appropriate action to implement them.

Comments on matters dealt with in the report on the biennium
1976-1977

20. The Administration has either provided a satisfactory explanation or has taken appropriate action on most matters raised in the report on the biennium 1976-1977. 2/ In that report, we recommended that written guidelines and procedures for the administration of programme support resources should be prepared. To date, these guidelines have not been written; however, we understand that ITC is awaiting the decisions of the Governing Council of UNDP which is scheduled to meet in June 1980 to discuss, inter alia, a new formula for the reimbursement of programme support costs. It is believed that these decisions will influence the administration and management of the project reimbursement resources of the Centre.

Acknowledgement

21. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Director of the International Trade Centre, his officers and members of their staff.

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Ahenkora OSEI
Auditor General of Ghana

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh

2/ Ibid.

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to IV, properly identified, and relevant schedules of the International Trade Centre UNCTAD/GATT for the biennium 1978-1979 ended 31 December 1979. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial statements properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position of the Centre as at 31 December 1979.

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Ahenkora OSEI
Auditor General of Ghana

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh

June 1980

IV. ACCOUNTS FOR THE BIENNIUM ENDED 31 DECEMBER 1979

INTERNATIONAL TRADE CENTRE
GENERAL FUND

Budget appropriations for the biennium 1978-1979 and expenditures and unencumbered balances as at 31 December 1979
(Expressed in United States dollars)

	Expenditures										Unliqui- dated	Balance of allotments	
	Appropriations	Allotments	Staff services	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Total expenditure	Liquidated by disbursements			
Section 90 Secretariat													
Programme 1 - Policy-making organs	169 000	169 000	164 873	-	-	8 240	-	-	173 113	173 113	-	(4 113)	
Programme 2 - Executive direction	2 197 100	2 197 100	1 757 288	46 546	224 585	1 380	-	-	2 029 799	1 900 089	129 710	167 301	
Programme 3 - Substantive activities	6 669 000	6 669 000	6 910 154	174 163	123 930	1 236	98 817	-	7 308 300	7 199 982	108 318	(639 300)	
Programme 4 - Support services	7 188 700	7 188 700	4 128 475	6 704	22 916	2 068 247	217 129	266 850	6 710 321	6 564 616	145 705	478 379	
	16 223 800	16 223 800	12 960 790	227 413	371 431	2 079 103	315 946	266 850	16 221 533	15 837 800	383 733	2 267	

CERTIFIED CORRECT

(Signed) Patricio RUEDAS
Assistant Secretary-General
for Financial Services
31 March 1980

INTERNATIONAL TRADE CENTRE

GENERAL FUND

I. COMBINED STATEMENT OF INCOME AND EXPENDITURE FOR THE BIENNIUM 1978-1979 ENDED
31 DECEMBER 1979

(EXPRESSED IN UNITED STATES DOLLARS)

	<u>1979</u>	<u>1977 a/</u>
<u>Income</u>		
Contributions approved for biennium	16 095 800	10 509 153
Other income	<u>147 946</u>	<u>-</u>
Total income	<u>16 243 746</u>	<u>10 509 153</u>
<u>Expenditure</u>		
Salaries and common staff costs	12 960 790	8 410 464
Travel	227 413	145 880
Contractual services	371 431	272 434
General operating expenses	2 073 103	1 361 113
Supplies and materials	315 946	209 298
Furniture and equipment	<u>266 850</u>	<u>52 339</u>
Total expenditure	<u>16 221 533</u>	<u>10 451 528</u>
<u>Excess of income over expenditure</u>	<u>22 213</u>	<u>57 625</u>

II. COMBINED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1979

(EXPRESSED IN UNITED STATES DOLLARS)

<u>Assets</u>		
Cash	34 037	48 014
Contributions unpaid - GATT	203 400	-
Due from ITC trust funds	890 313	588 060
Accounts receivable	59 506	125 797
Deferred charges and other assets	<u>40 811</u>	<u>19 358</u>
Total assets	<u>1 228 067</u>	<u>781 229</u>
<u>Liabilities</u>		
Accounts payable	57 717	62 581
Unliquidated obligations	383 733	237 696
Due to ITC support costs	706 147	423 327
Deferred income	<u>632</u>	<u>-</u>
Total liabilities	<u>1 148 229</u>	<u>723 604</u>
<u>Fund balance</u>		
Balance available 1 January 1978	57 625	
Add: Excess of income over expenditure	<u>22 213</u>	<u>57 625</u>
Balance available 31 December 1979	<u>79 838</u>	<u>57 625</u>
Total liabilities and fund balance	<u>1 228 067</u>	<u>781 229</u>

a/ Comparative figures reclassified to conform to current presentation.

CERTIFIED CORRECT

(Signed) Patricio RUEDAS
Assistant Secretary-General
for Financial Services
31 March 1980

INTERNATIONAL TRADE CENTRE
GENERAL FUND

Approved estimates of income and actual income for the biennium 1978-1979
(expressed in United States dollars)

	<u>Approved estimates</u>	<u>Actual</u>
<u>Contributions</u>		
From GATT	8 047 900	8 047 900
From UNCTAD	8 047 900	8 047 900
<u>Other income</u>		
Difference on exchange	-	11 566
Refund of the organization's contributions to UNJSPF in respect of withdrawal of participants	-	47 772
Miscellaneous	128 000	88 608
	<u>16 223 800</u>	<u>16 243 746</u>

INTERNATIONAL TRADE CENTRE
PROGRAMME SUPPORT COSTS

COMBINED STATEMENT OF INCOME AND EXPENDITURE FOR THE BIENNIUM
1978-1979 ENDED 31 DECEMBER 1979 AND COMBINED STATEMENT OF
ASSETS AND LIABILITIES AS AT 31 DECEMBER 1979

(EXPRESSED IN UNITED STATES DOLLARS)

I. <u>Statement of income and expenditure for the biennium 1978-1979 ended 31 December 1979</u>	<u>1979</u>	<u>1977</u>
<u>Income</u>	3 292 844	2 365 641
<u>Expenditure</u>		
Salaries and common staff costs	2 945 043	2 034 033
Others	76 582	131 066
Total expenditure	<u>3 021 625</u>	<u>2 165 099</u>
Excess of income over expenditure	<u>271 219</u>	<u>200 542</u>
II. <u>Statement of assets and liabilities as at 31 December 1979</u>		
<u>Assets</u>		
Due from ITC General Fund	<u>706 147</u>	<u>423 327</u>
Total assets	<u>706 147</u>	<u>423 327</u>
<u>Liabilities and fund balance</u>		
<u>Liabilities</u>		
Unliquidated obligations	11 601	-
Reserve	<u>423 327</u>	-
Total liabilities	<u>434 928</u>	-
<u>Fund balance</u>		
Balance available 1 January 1978	-	222 785
Add: Excess of income over expenditure	<u>271 219</u>	<u>200 542</u>
Balance available 31 December 1979	<u>271 219</u>	<u>423 327</u>
Total liabilities and fund balance	<u>706 147</u>	<u>423 327</u>

CERTIFIED CORRECT

(Signed) Patricio RUEDAS
Assistant Secretary-General
for Financial Services
31 March 1980

INTERNATIONAL TRADE CENTRE

TRUST FUNDS

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1979

(EXPRESSED IN UNITED STATES DOLLARS)

	<u>1979</u>	<u>1977 a/</u>
<u>Assets</u>		
Cash	376 054	358 557
Deposit accounts	5 706 689	4 931 786
Deferred charges and other assets	30 313	94 018
Accounts receivable	389 040	361 727
Contributions receivable	8 870 319	7 367 578
Total assets	<u>15 372 415</u>	<u>13 113 666</u>
<u>Liabilities and fund balance</u>		
<u>Liabilities</u>		
Accounts payable	275 378	43 731
Due to United Nations General Fund	3 558	-
Due to UNCTAD projects	251 084	32 393
Due to ITC General Fund	890 313	588 060
Due to donors - unallocated funds	403 712	-
Unliquidated obligations	<u>1 946 959</u>	<u>3 619 291</u>
Total liabilities	<u>3 771 004</u>	<u>4 283 475</u>
<u>Reserves</u>		
Project reserve	1 044 740	757 872
Variance reserve	<u>710 247</u>	<u>406 721</u>
Total reserves	<u>1 754 987</u>	<u>1 164 593</u>
<u>Fund balance</u>		
Balance of allocations 1 January 1978	7 599 750	7 822 174
Add: Unliquidated obligations 1978	3 619 291	2 155 971
Allocations	<u>22 765 905</u>	<u>17 402 694</u>
Subtotal	33 984 946	27 380 839
Less: Expenditure	22 191 563	16 095 950
Unliquidated obligations	<u>1 946 959</u>	<u>3 619 291</u>
Balance available 31 December 1979	<u>9 846 424</u>	<u>7 665 598</u>
Total liabilities and fund balance	<u>15 372 415</u>	<u>13 113 666</u>

a/ Comparative figures reclassified to conform to current presentation.

CERTIFIED CORRECT

(Signed) Patricio RUEDAS
Assistant Secretary-General
for Financial Services
31 March 1980

INTERNATIONAL TRADE CENTRE

Trust Funds for extrabudgetary projects

Balance available from previous years, allocations and expenditure for the biennium 1978-1979 ended 31 December 1979 and balance available as at 31 December 1979
(Expressed in United States dollars)

Donors	Balance as at 1 January 1978	Unliquidated obligations as at 1 January 1978	1978 Allocations	Total available	Project expenditures	Support costs contributions	Total expenditures	Unliquidated obligations	Unencumbered balance as at 31 December 1979
Austria	14 458	36 500	89 232	140 190	115 981	16 068	132 049	8 000	141
Belgium	6 863	60 780	962 523	1 030 166	646 650	90 531	737 181	50 841	242 144
Canada	24 371	219 754	1 026 498	1 270 623	838 205	117 349	955 554	49 629	265 440
Danish International Development Agency	239 612	159 049	834 095	1 232 756	863 621	120 906	984 527	33 022	215 207
Finland	69 270	82 500	624 894	776 664	364 349	51 009	415 358	17 639	343 667
Germany, Federal Republic of	(37 407)	62 261	830 334	855 188	625 989	87 639	713 628	31 502	110 058
India	-	-	90 716	90 716	25 405	460	25 865	3 922	60 929
Ireland	18 481	-	75 614	94 095	32 213	1 184	33 397	31 500	29 198
Japan	69 784	1 692	139 089	210 565	121 592	17 023	138 615	11 369	60 581
Netherlands	400 107	446 276	2 531 468	3 377 851	2 711 698	327 846	3 039 544	98 580	239 727
Norwegian Agency for International Development	382 677	519 848	3 295 213	4 197 738	3 194 087	436 689	3 630 776	200 435	366 527
Swedish International Development Authority	5 825 808	1 171 860	7 351 597	14 349 265	6 214 553	870 037	7 084 590	983 600	6 281 075
Sweden	524 620	852 142	3 846 821	5 223 583	2 997 991	418 809	3 416 800	356 229	1 450 554
Switzerland	26 690	6 629	393 737	427 056	209 201	29 288	238 489	34 096	154 471
United States of America	-	-	23 183	23 183	20 337	2 846	23 183	-	-
Regional commissions	-	-	68 700	68 700	41 159	-	41 159	19 623	7 918
ESCAP	-	-	275 964	275 964	253 601	25 909	279 510	8 700	(12 246)
ECA	-	-	-	-	-	-	-	-	-
Other United Nations Organizations	-	-	25 961	25 961	22 773	3 188	25 961	-	-
International Labour Office	-	-	14 521	14 521	12 738	1 783	14 521	-	-
UNITO	-	-	-	-	-	-	-	-	-
Other bodies	-	-	21 904	21 904	19 214	2 690	21 904	-	-
European Economic Community	-	-	100 000	100 000	98 709	-	98 709	500	791
Economic Community of West African States	-	-	100 000	100 000	53 368	7 472	60 840	7 772	31 388
West African Economic Community	-	-	43 841	43 841	38 457	5 384	43 841	-	-
Funds-in-trust	-	-	-	-	-	-	-	-	-
Cuba	-	-	-	-	-	-	-	-	-
Cash counterpart contribution Indonesia	34 416	-	-	34 416	33 622	1 940	35 562	-	(1 146)
Undistributed	-	-	-	-	-	-	-	-	-
Balance available as at 31 December 1979	7 599 750	3 619 291	22 765 905	33 984 946	19 555 513	2 636 050	22 191 563	1 946 959	9 846 424

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

Trust Funds for extrabudgetary projects

Balance available from previous years, allocations and expenditure for the year ended 31 December 1979
and balance available as at 31 December 1979
(Expressed in United States dollars)

Donors	Balance as at 1 January 1979	Unliquidated obligations as at 1 January 1979	Allocations 1 January 1979	Total available	Project expenditures	Support costs contributions	Total expenditures	Unliquidated obligations	Unencumbered balance as at 31 December 1979
Austria	40 836	1 832	37 417	80 085	63 080	8 864	71 944	8 000	141
Belgium	420 045	57 022	326 908	803 975	448 237	62 753	510 990	50 841	242 144
Canada	95 338	37 406	555 619	688 363	327 451	45 843	373 294	49 629	265 440
Danish International Development Agency	258 286	33 395	511 030	802 711	486 388	68 094	554 482	33 022	215 207
Finland	69 790	15 776	476 534	562 100	176 135	24 659	200 794	17 639	343 667
Germany, Federal Republic of	56 494	27 752	465 464	549 710	358 026	50 124	408 150	31 502	110 058
India	-	-	90 716	90 716	25 405	460	25 865	3 922	60 929
Ireland	7 095	7 328	67 757	82 180	20 298	1 184	21 482	31 500	29 198
Japan	36 649	1 358	139 089	177 096	92 233	12 913	105 146	11 369	60 581
Netherlands	345 243	210 127	1 300 129	1 855 499	1 359 056	158 136	1 517 192	98 580	239 727
Norwegian Agency for International Development	634 784	114 445	1 497 065	2 266 294	1 499 838	199 494	1 699 332	200 435	366 527
Swedish International Development Authority	5 002 400	818 711	5 200 045	11 021 156	3 295 159	461 322	3 756 481	983 600	6 281 075
Sweden	1 362 250	116 062	2 068 176	3 546 488	1 526 057	213 648	1 739 705	356 229	1 450 554
Switzerland	41 818	5 343	315 211	362 372	152 461	21 344	173 805	34 096	154 471
United States of America	4 645	1 542	(1 817)	4 370	3 834	536	4 370	-	-
<u>Regional commissions</u>									
<u>BSCAP</u>	64 698	-	-	64 698	37 157	-	37 157	19 623	7 918
ECA	275 905	-	(10 036)	265 869	244 746	24 669	269 415	8 700	(12 246)
<u>Other United Nations organizations</u>									
<u>International Labour Office</u>	(5 040)	13 733	7 461	16 154	14 170	1 984	16 154	-	-
UNIDO	3 957	6 383	(994)	9 346	8 198	1 148	9 346	-	-
<u>Other bodies</u>									
<u>European Economic Community</u>	10 336	-	(3 096)	7 240	6 351	889	7 240	-	-
Economic Community of West African States	95 818	1 304	-	97 122	96 184	(353)	95 831	500	791
West African Economic Community	-	-	100 000	100 000	53 368	7 472	60 840	7 772	31 388
<u>Funds-in-trust</u>									
Cuba	(9 373)	880	15 457	6 964	6 109	855	6 964	-	-
<u>Cash counterpart contribution</u>									
Indonesia	18 674	-	-	18 674	18 194	1 626	19 820	-	(1 146)
Undistributed	(2 022)	-	-	(2 022)	(2 022)	-	(2 022)	-	-
Balance available as at 31 December 1979	8 848 626	1 470 399	13 158 135	23 477 160	10 316 113	1 367 664	11 683 777	1 946 959	9 846 424

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

Trust Funds for extrabudgetary projects

Balance available from previous years, allocations and expenditure for the year ended 31 December 1978
and balance available as at 31 December 1978
(Expressed in United States dollars)

Donors	Balance as at 1 January 1978	Unliquidated obligations as at 1 January 1978	Allocations 1978	Total available	Project expenditures	Support costs contributions	Total expenditures	Unliquidated obligations	Unencumbered balance as at 31 December 1978
Austria	14 458	36 500	51 815	102 773	52 901	7 204	60 105	1 832	40 836
Belgium	6 863	60 780	635 615	703 258	198 413	27 778	226 191	57 022	420 045
Canada	24 371	219 754	470 879	715 004	510 754	71 506	582 260	37 406	95 338
Danish International Development Agency	239 612	159 049	323 065	721 726	377 233	52 812	430 045	33 395	258 286
Finland	69 270	82 500	148 360	300 130	188 214	26 350	214 564	15 776	69 790
Germany, Federal Republic of	(37 407)	62 261	364 870	389 724	267 963	37 515	305 478	27 752	56 494
Ireland	18 481	-	7 857	26 338	11 915	-	11 915	7 328	7 095
Japan	69 784	1 692	-	71 476	29 359	4 110	33 469	1 358	36 649
Netherlands	400 107	446 276	1 231 339	2 077 722	1 352 642	169 710	1 522 352	210 127	345 243
Norwegian Agency for International Development	382 677	519 848	1 798 148	2 700 673	1 694 249	237 195	1 931 444	114 445	654 784
Swedish International Development Authority	5 825 808	1 171 860	2 151 552	9 149 220	2 919 394	408 715	3 328 109	818 711	5 002 400
Sweden	524 620	852 142	1 778 645	3 155 407	1 471 934	205 161	1 677 095	116 062	1 362 250
Switzerland	26 690	6 629	78 526	111 845	56 740	7 944	64 684	5 343	41 818
United States of America	-	-	25 000	25 000	16 503	2 310	18 813	1 542	4 645
<u>Regional commissions</u>									
ESCAP	-	-	68 700	68 700	4 002	-	4 002	-	64 698
ECA	-	-	286 000	286 000	8 855	1 240	10 095	-	275 905
<u>Other United Nations organizations</u>									
International Labour Office	-	-	18 500	18 500	8 603	1 204	9 807	13 733	(5 040)
UNIDO	-	-	15 515	15 515	4 540	635	5 175	6 383	3 957
<u>Other bodies</u>									
European Economic Community	-	-	25 000	25 000	12 863	1 801	14 664	-	10 336
Economic Community of West African States	-	-	100 000	100 000	2 525	353	2 878	1 304	95 818
<u>Funds-in-trust</u>									
Cuba	-	-	28 384	28 384	32 348	4 529	36 877	880	(9 373)
<u>Cash counterpart contribution</u>									
Indonesia	34 416	-	-	34 416	15 428	314	15 742	-	18 674
Undistributed	-	-	-	-	2 022	-	2 022	-	(2 022)
Balance available as at 31 December 1978	7 599 750	3 619 291	9 607 770	20 826 811	9 239 400	1 268 386	10 507 786	1 470 399	8 848 626

INTERNATIONAL TRADE CENTRE

Trust funds for extrabudgetary projectsDeposit accounts as at 31 December 1979

<u>Bank</u>	<u>Period and currency</u>	<u>Annual interest rate</u>	<u>Principal (United States dollars)</u>	<u>Accrued interest (United States dollars)</u>
Bank Scandinave Geneva	30.11.79 to 29.02.80 US dollars	13.5625%	431 015	5 033
Banque Scandinave Geneva	04.12.79 to 04.03.80 US dollars	14%	407 969	4 284
Banque Scandinave Geneva	11.10.79 to 11.01.80 US dollars	14.5%	1 500 000	48 939
Banque Scandinave Geneva	28.12.79 to 28.03.80 US dollars	15%	1 374 475	1 489
Banque Scandinave Geneva	At 2 d/n a/ 31.12.79 US dollars	14.25%	196 505	-
Union de Banques Suisses Geneva	19.11.79 to 19.02.80 US dollars	15.25%	500 000	8 895
First National Bank of Chicago Geneva	At 2 d/n a/ 31.12.79 US dollars	14%	320 204	-
First National Bank of Chicago Geneva	19.11.79 to 19.02.80 US dollars	15.25%	436 942	7 774
Société de Banques Suisses Geneva	09.11.79 to 11.02.80 US dollars	15.4375%	520 791	11 605
Union de Banques Suisses Geneva	Savings accounts Swiss francs	2.25%	5 687 901	88 019
			18 788	-
			5 706 689	88 019

a/ At two days' notice.

ANNEX

Summary of significant accounting policies

1. The following are some of the significant accounting policies of the International Trade Centre:

(a) The International Trade Centre accounts are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations, and administrative instructions issued by the Under-Secretary-General for Administration, Finance and Management or the Assistant Secretary-General for Financial Services, and in conformance with generally accepted government accounting principles.

(b) The financial period of the Organization is a biennium and consists of two consecutive calendar years.

(c) The assets and liabilities and revenues and expenditures are recognized on the accrual basis of accounting.

(d) Translation of currencies. The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the Assistant Secretary-General for Financial Services. In respect of such currencies, the financial statements prepared at such intervals as may be prescribed by the Assistant Secretary-General for Financial Services under delegation of authority from the Under-Secretary-General for Administration, Finance and Management, shall reflect the cash, investments, unpaid pledges (other than pledges for future years) and current accounts receivable and payable in currencies other than United States dollars, translated at the applicable United Nations rates of exchange in effect as at the date of the statements.

(e) Deferred charges.

(i) Deferred charges comprise expenditure items which are not properly chargeable in the current financial period and which will be charged as expenditure in the subsequent financial period.

(ii) For balance-sheet statement purposes, only that portion of the education grant advance which is assumed to pertain to the scholastic year completed as at the date of the financial statement is shown under deferred charges. The full amount of the advance is maintained in the accounts receivable from staff members until such time as the staff member produces the required proof of entitlement to the education grant, at which time the budgetary account is charged and the advance recovered.

(f) Gain or loss on exchange. The balance for loss or gain on exchange is debited to the budget if there is a net loss; if there is a net profit, the profit

is credited to miscellaneous income. However, gains or losses on exchange are treated differently for trust funds, as indicated in 2 (g) below.

(g) Fixed assets, consisting of items such as furniture and equipment, are not included in the assets of the Organization. Acquisitions are charged against budgetary accounts in the year of purchase.

(h) Miscellaneous income.

- (i) Refunds of expenditures which have been charged in the current financial period against the budgetary accounts are credited to the same accounts, but refunds of expenditures charged to prior financial periods are credited to miscellaneous income.
- (ii) All moneys accepted for purposes specified by the donors have been treated as trust funds or special accounts. However, moneys accepted in respect of which no purpose is specified have been treated as miscellaneous income.
- (iii) On the closing of the accounts at the end of each financial period, if the balance of the exchange accounts reflects a net loss on exchange, it is debited to the budgetary account. If there is a net gain, this is credited to miscellaneous income.
- (iv) The proceeds from the sale of surplus property are credited to miscellaneous income of the respective funds.
- (v) The refunds from UNJSPF in respect of pension contributions (7 per cent of pensionable remuneration) of participants entering the Fund on or after 1 January 1967 but withdrawing within five years are credited to miscellaneous income.

2. Trust funds

(a) All moneys accepted for purposes specified by the donor are treated as trust funds or special accounts. Separate trust funds are set up for each project as approved by the donor and the recipient country. The accounting for such funds is on a "project" basis as opposed to an annual basis, i.e., allocations comprise the total original budget for the life of the project subject to adjustments which are recorded annually. Expenditures are charged against these allocations on a cumulative basis. Schedules to the financial statements are presented showing prior year and current year expenditures together with a consolidated schedule for the biennium.

(b) Standard costs. Projects are charged at standard costs for the provision of experts' services, the annual difference between the standard applied and the actual costs incurred being transferred to the variance reserve.

(c) Interest. Interest accruing as a result of the short-term investment of funds is credited first to the variance reserve and thereafter to the project reserve (see subparas. (e) and (f) below).

(d) Variance reserve. The Centre's policy is to maintain the variance reserve at a predetermined level and agreement has been reached with donors that the first charge upon interest will be for the purpose of maintaining the reserve at that level.

(e) Project reserve. Balances held within the project reserve and located under donor accounts may be used to meet additional sums needed for ongoing projects and, under an agreement with donors, to meet any annual deficit on support costs attributable to currency fluctuations.

(f) Loss or gain on exchange. Any exchange difference incurred in respect of normal day-to-day transactions is borne by the appropriate trust fund budget. Those differences which cannot be directly attributed to any particular fund are borne by the variance reserve.

(g) The proceeds from the sale of surplus property and any refunds of expenditures are credited to the trust fund from which the purchase or expenditure was originally financed. If the trust fund has been closed these proceeds are credited to the donor's unallocated funds.

(h) Income accruing from the sale of any publication, training pack or similar item financed from trust fund resources is credited to a special account and utilized to finance the costs of reprinting, translation and other related costs of publication.

(i) Refunds of UNJSPF contributions are credited to the project bearing the original expenditure. If the project has been closed the refund is credited to the variance reserve.

(j) Unallocated funds. These funds comprise contributions not yet allocated, plus residual balances of completed projects and refunds described under subparagraph (g) above held pending instructions from the donor as to their disposal. They are constantly under review, prior to final disposition, in the course of continuing discussions which are maintained with all donors.

3. Support costs

Revenue accruing for support costs in respect of activities financed under trust funds is recorded and accounted for in the "support costs" carried forward to the next biennium. A reserve is maintained within the support costs account to meet contingent liabilities.

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