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UN/SA COLLECT

FIFTH COMMITTEE  
3rd meeting  
held on  
Wednesday, 24 September 1980  
at 10.30 a.m.  
New York

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SUMMARY RECORD OF THE 3rd MEETING

Chairman: Mr. BUJ-FLORES (Mexico)

Chairman of the Advisory Committee on Administrative and  
Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 90: FINANCIAL REPORTS AND ACCOUNTS, AND REPORTS OF THE BOARD OF AUDITORS:

- (a) UNITED NATIONS (A/35/5, vols. I-IV);
- (b) UNITED NATIONS DEVELOPMENT PROGRAMME (A/35/5/Add.1);
- (c) UNITED NATIONS CHILDREN'S FUND (A/35/5/Add.2);
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Report of the Advisory Committee on Administrative and Budgetary Questions  
(A/35/437)

Report of the Board of Auditors on the United Nations International School  
(A/C.5/35/5)

1. The CHAIRMAN drew attention to the documentation submitted by the Secretariat in connexion with item 90, which had already been circulated to delegations in all the official languages. He reminded members that the list of speakers on the item would be closed on Friday, 26 September, and requested interested delegations to place their names on the list as soon as possible.

2. Mr. KHAN (Chairman of the Board of Auditors) recalled that, four years previously, some major innovations in the work of the Board of Auditors had been introduced, including the creation of an Audit Operations Committee which comprised the three Directors of External Audit and a Chairman who also acted as Director-General of External Audit. The Executive Secretary of the Board had been made an ex officio member of that Committee in June 1980. At its June 1980 session, the Board had decided not to appoint a successor to the Director-General of

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(Mr. Khan)

External Audit and Chairman of the Audit Operations Committee. Instead, the chairmanship of the Committee was to be rotated on an annual basis among the three Directors of External Audit, commencing on 1 July 1980. In accordance with that procedure, the current Chairman of the Committee was Mr. Gyedu-Saffo of Ghana.

3. He was happy to announce that the Audit Operations Committee had now completed the preparation of the Audit Manual for internal use, as authorized by the Board four years previously. The Board had approved the Manual, which it considered could also be of great assistance to Member Governments, and it had therefore decided to release copies to Member States on request.

4. Once again, the audits had been carried out by the staff of the three members of the Board, namely Canada, Ghana and Bangladesh, under the general direction of the Audit Operations Committee. Whenever feasible, audits had been conducted on an integrated basis and in accordance with the principles of systems-based auditing. A total of 117 audit staff had been deployed throughout the second year of the biennium for periods ranging from a few days to the entire year; that figure compared with 79 the year before. The findings of the Board had been reported in accordance with established practice, and over 70 management letters had been issued to the responsible managers in the various administrations outlining the results of the audits and containing detailed recommendations. The majority of the management letters related to audits of offices away from Headquarters, which demonstrated the extent to which the Board had extended its audits to the field offices. The more significant matters in the management letters had been incorporated in the reports being considered under the present agenda item.

5. As in the past, the reports of the Board were structured along functional lines, a format which lent itself to the systems-based approach to auditing and had facilitated the consideration of broad issues that crossed organizational lines.

6. Among the more significant issues raised in the reports was the Administration's implementation of the recommendations contained in previous reports of the Board on the United Nations. The Administration had taken positive and constructive steps to redress the weaknesses in the system of financial management and control. However, significant improvement was required in the area of monitoring and enforcing policies, procedures and systems. The Board had also been informed that satisfactory progress on the preparation of the United Nations Financial Manual had been achieved and that a number of sections would be issued by the end of 1980.

7. The Board had updated its review of the budgetary control system of the United Nations and offices away from Headquarters and had also reviewed the system used by some of the other United Nations organizations. The review had disclosed that the allotment control of the United Nations had not improved significantly during the

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(Mr. Khan)

biennium. However, the Board had noted that the Administration was introducing new allotment policies which should provide for more effective control, and it intended to follow up on those matters.

8. The Board had made observations on the use of experts and consultants in various organizations of the United Nations system. In particular, it had recommended compliance with administrative guidelines, policies and procedures and improvement in the reporting procedures. The administrations of the various organizations had reacted positively to those recommendations and had taken action to ensure that guidelines, policies and procedures were adhered to.

9. The Board had also reviewed the administration of travel at the United Nations and in other organizations and had concluded that the administration of travel would improve if travel policies and procedures were consolidated, communicated to staff members concerned and adhered to. There again, the Board had noted that the administrations of the various organizations were taking steps to rectify the weaknesses which had been identified.

10. The Board had examined payroll expenditures and reviewed the staffing table controls at the United Nations and in other organizations. It had reported that the existing payroll and personnel systems and procedures did not provide the Administration with the information it needed to manage and control staff resources effectively; that staffing table controls were not operating as intended; and that significant delays in the processing of personnel data were weakening personnel functions, and deficiencies in computerized systems had given rise to a proliferation of manual records. The Administration agreed with the Board that, because of the magnitude of those problems, a review of all payroll and personnel problems should be undertaken.

11. The Board continued to feel that the role of internal audit was very important and believed that more effective and comprehensive audit coverage could be attained through changes in the present organization and work of the Internal Audit Division of the United Nations. The Board had also recommended that the adequacy of audit coverage of offices away from Headquarters should be assessed in the light of the considerable growth in their activities and the financial resources administered by them. Similarly, it had recommended that, because of the substantial increase in UNHCR assistance activities, the internal audit coverage should be strengthened to enable the auditors to pay more visits and carry out more comprehensive audits. The Board was concerned that, although there had been some increase in the number of Professional staff of the UNDP internal audit service, the upgrading of the level of posts stated in the Administration's 1978 financial report had not been fully achieved, and that the present strength of the staff was not adequate to provide full audit coverage of UNDP and UNFPA headquarters and in the numerous field offices and projects around the world.

12. The Board had noted that an encouraging start had been made towards improving cash management. In addition to the Financial Management and Control Systems Unit

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(Mr. Khan)

established in the Office of Financial Services at Headquarters, a Management Improvement Section had been formed at the United Nations Office at Geneva and action had been taken to improve cash monitoring procedures and strengthen internal controls. Unfortunately, improvements in cash management practices at Headquarters had been less noticeable. The Board was also concerned about the problems associated with increasing accumulation of non-convertible currencies and difficulties in collecting and identifying Government contributions. The Board would keep all those questions under review and would give an account in its next report of any progress that was made.

13. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said that he was happy to intervene in the debate because, over the past few years, the Board of Auditors had concentrated not only on the correctness of the account-keeping but also on the over-all performance of the financial arm of the United Nations. That new approach by the Board was very welcome, as it made it easier to pass judgement on the financial management of the United Nations and, if necessary, to institute appropriate remedies.

14. The financial report and audited financial statements (A/35/5, vols. I and II) were concerned with two main themes, namely, the accounts for the financial period 1978-1979 and the state of health of the financial management of the Organization. With regard to the accounts themselves, four points called for clarification. Firstly, as indicated in paragraph 6 of the introduction, a number of changes had been introduced in the titles, nomenclature, contents and sequence of presentation of financial information within the report; they did not affect the substance but had been made in the interest of harmonizing the presentation of the financial data of all the organs and agencies of the United Nations system. The second point was the inclusion of an information table which provided an overview of the total financial position. In that connexion, it should be noted that the principle of fund accounting had been adhered to in the table; in other words, the distinctive nature of the separate accounting entities had been respected and no totals were given, for to do so would not present a realistic picture. Thirdly, the report reflected the precarious financial position of the Organization; the Board's qualified opinion (A/35/5, vol. I, paras. 88 and 89) had been due to its question as to the ultimate realization of \$328.5 million in unpaid assessed contributions as at 31 December 1979. That figure represented an increase of \$88.2 million in unpaid contributions since 31 December 1977.

15. The last point was the introduction of measures to facilitate understanding of the financial information. Such measures included the use in all balance sheets and income and expenditure statements of comparative figures for the 1976-1977 biennium, and a number of graphic illustrations showing the proportionate size of the income and expenditures of the regular budget, technical co-operation and trust fund activities.

(Mr. Ruedas)

16. With regard to the other main theme, namely, the state of health of the financial management of the Organization, he noted first of all that there had been improvements in the system of financial management and control. In paragraphs 16 and 17 of its report (A/35/5, vol. I) the Board acknowledged the progress which had been achieved, and in paragraph 18 it commented on the need to improve the monitoring and enforcing of policies, procedures and systems; the Board's comments would be taken duly into account. A meeting had recently been convened with the heads of administration of departments and offices both in New York and away from Headquarters to discuss the action which must be undertaken and to emphasize the need for central financial control. It was hoped that, as a result of that meeting, it would be possible in the near future to finalize and issue policy procedural guidelines on the administration of extrabudgetary funds and on allotment control.

17. Proper financial management and adequate financial control could not be considered as an objective to be fully achieved within the current biennium or the next, but rather as a continuous dynamic effort of the Organization and, of course, of the Office of Financial Services. In that connexion, attention should be drawn to the recently established Financial Management and Control Systems Unit. The activities of the Unit included, in addition to those mentioned in paragraphs 6 and 7 of the report of the Advisory Committee (A/35/437), the task of perfecting the system of allotment and of allotment control.

18. Paragraphs 8 to 18 of the Advisory Committee's report indicated the current status of work undertaken, in response to the recommendations of the Board of Auditors, in the fields of administration of extrabudgetary funds; development of a financial manual; improvement of cash management; more effective budgetary control; a more integrated personnel/payroll system; and strengthened control of the use of experts and consultants and of travel and procurement. With regard to cash management, emphasis had been placed on the development and installation of a computer-based treasury information system, which it was hoped could begin to be used in 1981. Part of the financial manual could also be issued before the end of the year.

19. On the question of experts and consultants, the special task force appointed by the Under-Secretary-General for Administration, Finance and Management was proceeding with its work and had developed a draft Secretary-General's Bulletin on the subject; it was also developing administrative instructions on temporary assistance, contractual services and the use of consultants and experts, which would take into account such matters as evaluation of the need for outside expertise, determination of fees and reporting to the General Assembly.

20. In conclusion, he said that the situation was a positive one, the objectives were defined and work was under way.

21. Mr. MAJOLI (Italy) said that his delegation had listened carefully to the statements by the Chairman of the Board of Auditors and the Assistant Secretary-General for Financial Services and had made a thorough reading of the report of the Advisory Committee (A/35/437), which it considered to be very useful. However, he wished to draw attention to some short-comings.

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(Mr. Majoli, Italy)

22. For example, the Advisory Committee's report stated that "virtually no significant improvement had been achieved" in the area of the establishment and management of trust funds (A/35/437, para. 8); that "the Board's previous recommendations relating to certain aspects of the cash management function had not been fully implemented" (para. 11); and that the recommendations pertaining to "improving cash flow forecasting procedures ... had not been fully implemented" (para. 12). Similar comments could be found in other parts of the report.

23. The report of the Board of Auditors (A/35/5, vol. I) stated in paragraph 88 that unpaid contributions, as at 31 December 1979 had totalled \$328.5 million compared with \$240.3 million as at 31 December 1977. While the special cases of some States would be considered under item 93, there were some cases where payments were simply not being made on time. He would like to ask the Assistant Secretary-General for Financial Services when interest would be charged on those late payments.

24. Concerning investments, he referred to schedule 7.2 (A/35/5, vol. I, p. 129), showing interest-bearing bank deposits, and noted that there was a wide range of interest rates, some of which were surprisingly low. For example, there was over \$1.8 million in a call account which paid a "historical" interest rate of 2.25 per cent. He assumed that that was merely a temporary situation and that action had probably already been taken to bring the rate of interest into line with current rates.

25. Schedule 7.1, showing which States were making voluntary contributions pursuant to General Assembly resolutions 2053 A (XX) and 3049 A (XXVII), was also very interesting. When the question of States that withheld part of their contributions for political reasons was considered, account should be taken of that list of voluntary contributions and those States should be encouraged to make similar contributions; that would enable them to maintain their position of principle while at the same time helping to improve the financial situation of the United Nations.

26. Mr. SADDLER (United States of America) expressed his appreciation to the Board of Auditors for its valuable work, to the Auditors-General of Bangladesh, Ghana, and Canada and their staff for their fruitful contributions and to the Advisory Committee for its report (A/35/437), which was both concise and to the point. The United States of America agreed with and supported all the views expressed by the Advisory Committee in connexion with agenda item 90.

27. Financial management consisted of a number of important elements, including skilled staff. Member States could be proud of the dedicated and competent staff that carried out the financial tasks of the Organization.

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(Mr. Saddler, United States)

28. The Board of Auditors indicated in its report (A/35/5, vol. I) that, while the United Nations Administration had made some progress with regard to financial management, there were important areas that still required immediate attention. The United States urged the Controller to proceed without delay to implement fully the recommendations of the Board of Auditors that would lead to a sound financial management system in the United Nations. With regard to the use of the term "United Nations Controller", he reminded members of the Committee that during the previous session of the General Assembly his delegation had already expressed its dismay that those words had been needlessly suppressed. His delegation wished to reiterate that position, which was borne out by the report of the Board of Auditors. The report stated that "the functional responsibility of the Assistant Secretary-General for Financial Services had not been fully recognized" (A/35/5, vol. I, para. 22 (a)), that "cash management activities ... were being carried out on an ad hoc basis" (para. 23 (b)), that "improvements in cash management practices at Headquarters have been less noticeable", (para. 24), and that "there were serious deficiencies in the financial and administrative control of trust funds" (para. 43). Accordingly, his delegation believed that the term "United Nations Controller" should be restored in order to strengthen the authority both of the position and of the person who held it.

29. He expressed appreciation for the information provided by the Secretariat in connexion with the financial manual and welcomed the announcement of its forthcoming publication. In that regard, he asked what the cost of preparing the manual had been thus far, since it had originally been estimated to be \$50,000.

30. The representatives of the Secretary-General had informed the Advisory Committee that a task force had been established to review staffing table controls and the relationship between the payroll and personnel systems. The Advisory Committee's report (A/35/437, para. 14) indicated that that work would begin in July 1980 and would include "a complete analysis of how posts are authorized and appointments made". That point seemed to need clarification, since it did not seem logical that, after 34 years of operation, the Secretariat did not know how posts were authorized or appointments made.

31. The Board of Auditors also stated in its report that allotment control procedures were still unsatisfactory, despite repeated requests by members in the Fifth Committee to improve the relevant procedures. The Board noted (para. 60) that there were over 500 people who were paid by the Headquarters payroll system but were not controlled by any staffing table system and whose contracts had expired. He expressed the hope that such information resulted from a misunderstanding, since it did not seem possible that the United Nations was paying salaries to 500 people, about whom no one knew anything.

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(Mr. Saddler, United States)

32. The Board of Auditors indicated that the United Nations hired consultants and charged their cost to other objects of expenditure. He asked whether such action was taken deliberately in order to circumvent General Assembly decisions stipulating that consultant expenditures should be reduced or controlled. The Fifth Committee deserved a clear explanation of such practices.

33. Serious deficiencies had been noted in the operation of United Nations trust funds. His delegation urged the Secretariat to give the highest priority to the development of improved, more effective budgetary and financial systems covering trust fund operations. With regard to procurement practices, his delegation would simply ask the responsible officials to correct existing weaknesses, as noted in the report of the Board of Auditors (paras. 29 to 36), since that question would be dealt with under another agenda item.

34. With regard to the report of the Board of Auditors concerning the International Trade Center (ITC) (A/35/5, vol. III), his delegation endorsed the Board's recommendation that GATT, the United Nations and ITC should improve their co-ordination on budgetary matters, that ITC should regularize its administrative policies, responsibilities and procedures, that project and budget revisions should be properly authorized and that the work of experts and consultants should be better monitored.

35. His delegation attached considerable importance to the audit function as part of responsible financial management, and it would continue to make comments similar to those made during the current meeting until the situation had been improved. It was important to devote the same degree of attention to the way in which funds were utilized as to the way in which they were requested and approved.

36. Mr. FERNANDEZ (Philippines) said that his delegation was concerned about the deficiencies and weaknesses of current financial procedures, which were contrary to the best use of meagre resources. For example, the problems concerning cash management, particularly in offices away from Headquarters, arose because cash resources were not handled in compliance with allotment orders. Programme managers must stay within the authorized resources, particularly in the use of experts, consultants and travel funds, so as not to request supplementary appropriations. His delegation would like to know how often the Internal Audit Division checked on field offices and what would be the financial implications of the cash-flow forecasting and cash management information systems proposed by the Secretary-General.

37. His delegation supported the Advisory Committee's view that the management of United Nations trust funds should be improved, and it would appreciate hearing the Secretary-General's comments on that matter. His delegation would also like to know whether the costs involved in preparing the financial manual would exceed the \$50,000 allotted for related consultant services.

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(Mr. Ferrandez, Philippines)

38. With regard to staff assessments, his delegation wished to request clarification in connexion with the procedure that would be used to cover the expected deficit of \$1.8 million in 1981.

39. As to the International Trade Centre, his delegation felt that there was a need for clarification in connexion with the Centre's request that the United Nations Financial Rules should be amended in order to improve its budgetary control procedures.

40. His delegation would make further comments when the financial implications of the measures to improve the financial procedures of the United Nations were available.

41. Mr. RAKOTO (Madagascar) pointed out that, in paragraph 88 of document A/35/5, volume I, in paragraph 12 of section II of document A/35/5/Add.1 and in document A/35/437, the Board of Auditors and the Advisory Committee had expressed reservations, in particular with regard to certain assets, which included sums valued at \$44 million accumulated by UNDP in non-convertible currencies and contributions of over \$5 million which had been pledged by Governments but which had not been paid. His delegation asked what measures the Secretary-General or the General Assembly could take in the event that those amounts were not realized. He also pointed out that documents A/35/5, volume I and A/C.5/35/5 contained references to the recruitment of competent administrators and staff, in accordance with the recommendation of the Board of Auditors and the Advisory Committee. His delegation requested that the principle of equitable geographic representation of the States Members of the United Nations should be taken into account in such recruitment.

42. Mr. KUYAMA (Japan) said that, for some years, his Government had advocated reinforcing the role of the Controller in order to improve United Nations financial management and control. Accordingly, it had supported a resolution adopted by consensus during the thirty-fourth session of the General Assembly (resolution 34/233 III), strengthening the role of the Controller so that he could provide functional leadership, guidance and central direction of all United Nations financial functions. His delegation welcomed the establishment of the Financial Management and Control Systems Unit, which would provide the Controller or the Assistant Secretary-General for Financial Services with the essential services needed for him to fulfil his responsibilities. In view of its important functions, that Unit must be provided with the necessary resources, and effective co-ordination must be established between it and the Management Improvement Section set up at the United Nations Office at Geneva.

43. With regard to the question of the financial and administrative control of trust funds, the recent investigations carried out by the Board of Auditors indicated that a number of weaknesses still existed in that area in spite of the issuance of "revised policy guidelines" for establishing and managing trust funds. It should also be noted that the Board felt that additional guidelines were required on certain specific points related to the management of such funds. Although his delegation agreed with the Board that the Administration should give

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(Mr. Kuyama (Japan))

priority to monitoring and developing proper systems for the over-all management and control of trust funds within the United Nations, it felt that the Secretariat, in developing such a system, should consult as appropriate with the Member States.

44. His delegation was especially concerned about the weaknesses existing in the project management and financial and budgetary controls of technical co-operation activities, as reflected in the report of the Board of Auditors. It was also concerned about a number of problems connected with personnel and payroll systems, such as the questions of staffing table controls, delays in the processing of information, and the proliferation of manual systems. Lastly, his delegation felt that it was a rather serious matter that the Administration was not in a position to know whether it was complying with the principles and guidelines laid down by the General Assembly for the use of experts and consultants, since the guidelines established by the Administration had not been properly enforced. The Secretariat should provide information with regard to those matters, especially the work undertaken by a special task force appointed by the Under-Secretary-General for Administration, Finance and Management to prescribe actions to improve the administration and accountability for expenditures for experts and consultants. His delegation was also interested in finding out what action had been taken by the Administration to improve staffing table controls and the processing of personnel information. With regard to points other than those he had mentioned, his delegation supported the views expressed by the Advisory Committee in its report (A/35/437).

45. Mr. PIRSON (Belgium) expressed regret that some of the documents pertaining to the agenda item had only been recently distributed. With regard to the report of the Board of Auditors (A/35/5, vol. I) the observations on the trust funds and the technical co-operation activities were especially surprising. For example, paragraph 44 pointed out that "many of the requirements set forth in the revised policy guidelines had not yet been complied with, particularly at offices away from Headquarters" and that "separate bank accounts were not maintained for trust funds at certain offices, with the result that voluntary contributions were sometimes being used to finance regular budget activities". The Administration should clarify those matters. In paragraph 46 the Board pointed out that additional guidelines were required in certain areas, a procedure which seemed justified. Perhaps in the future the Board should specify in an annex to its report the areas in which it would be necessary to apply those guidelines.

46. The extrabudgetary funds of the United Nations were considerably greater than the regular budget of the Organization; they were practically twice as large as that budget. For that reason, those funds should be very strictly monitored.

47. The Committee had always shown a special interest in the effectiveness of technical assistance programmes and projects and of development aid in general. For that reason, it was disturbing to read in the report of the Board that "the Administration has recognized the need for effective project management and has worked to improve the efficiency and effectiveness of its projects and programmes. Despite the existence of defined policies and procedures and the action taken to improve present systems, weaknesses continue to exist ... technical co-operation

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(Mr. Pirson, Belgium)

activities are not being managed as well as they should be" (para. 51), and that "project objectives were not usually expressed in definitive terms and were sometimes confused with outputs and activities. Project documents did not always contain work plans or provide for monitoring and tripartite reviews. There was no independent review and approval of project budgets" (para. 52). With regard to the activities of UNIDO, the Board pointed out that "there were few performance indicators to measure the effectiveness of training projects, either during or at the completion of these projects" (para. 53), and that although the Board "is encouraged by the importance UNIDO places on the need for better project evaluation, little progress had been made, however, in the implementation of the proposed plans" (para. 54).

48. His delegation felt that those responsible for such weaknesses should appear before the Committee to explain why that unfortunate situation still existed and why corrective measures had not been taken. The Committee should not restrict itself to approving the reports. Concrete conclusions were needed when a system was not working.

49. His delegation shared the concern of the delegation of the United States with regard to the technical assistance programmes and projects. The system of audit control should be much more than a purely material control of expenses and, according to the report, that was the view of the Board of Auditors. A thorough evaluation should be undertaken to determine whether the Organization was following its own rules and norms and the responsible officials should explain what they intended to do to correct the situation in the future. His delegation would discuss that matter in greater depth at a later date.

50. Mr. PEDERSEN (Canada) expressed satisfaction that as of March 1980 a Financial Management and Control Systems Unit had been established and hoped that that was only a first step in efforts to overcome the serious weaknesses which, as the Board of Auditors pointed out, existed in the area of monitoring and enforcing policies, procedures and systems. Management of trust funds, monitoring of technical co-operation activities, controlling staff resources, monitoring consultant expenditures and applying travel directives were among those weaknesses. The Secretariat should explain what corrective measures were being taken in that regard. The Board had also referred to procurement practices, the need to improve competition bidding procedures in ESCAP and the need to evaluate present practices with respect to peace-keeping activities with a view to reducing purchasing delays. He asked the Secretariat if those matters had been dealt with in the report requested by the Secretary-General under resolution 34/228 concerning the awarding of contracts.

(Mr. Pedersen, Canada)

51. His delegation would like the Secretariat to explain how it intended to overcome the weaknesses in the area of budgetary controls over extrabudgetary resources and the management of trust funds. Although the Secretariat had taken steps to improve the management of technical co-operation activities, at the thirty-sixth session the Board should submit a report on their implementation.

52. His delegation shared the opinion of the Board that the development of contemporary audit practices could be accelerated and that a guide to ensure uniformity of audit policies, practices and standards should be prepared. He wished to know whether the Secretariat planned to carry out that project in the coming months.

53. The Audit Operations Committee had done excellent work and had used the method of systems-based auditing. That new approach was the result of a study conducted for the Board of Auditors in 1976, updated in 1979 and further elaborated by proposals submitted by his delegation that year. The Canadian proposal was designed to facilitate consistency and continuity of audit and to provide for greater representation at the audit staff level and the application of the most modern techniques in that field. For that purpose, a programme for training and developing staff of national audit services, which would be of benefit to the United Nations and each beneficiary country, had been envisaged.

54. The representative of Canada had stated at the time that his Government would launch a five-year programme amounting to \$2.5 million to provide training in comprehensive auditing for auditors from developing countries. He was pleased to report that the programme had already been launched with the formation of the Canadian Comprehensive Auditing Foundation. The main objective of the Foundation was to serve as a focal point for collecting and communicating comprehensive auditing knowledge and experience. To meet that objective it would foster the development of methodology, organize training programmes and conferences, publish materials and provide professional development opportunities for auditors from developing countries. Fellowships for training in Canada had already been awarded to citizens from countries in Asia, Africa and Latin America. Hopefully, the United Nations would be able to provide that type of training once the Canadian programme was concluded. For those reasons, his delegation was looking forward to the debate on that matter at the thirty-sixth session in accordance with General Assembly decision 34/403. That matter had also been discussed at the meeting of the International Organization of Supreme Audit Institutions in June in Nairobi.

55. His delegation reserved the right to make a further statement at a later date.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS:

(e) APPOINTMENT OF TWO MEMBERS OF THE UNITED NATIONS ADMINISTRATIVE TRIBUNAL (A/35/215/Add.1; A/C.5/35/8)

56. The CHAIRMAN drew the attention of the Committee to the note by the Secretary-General in document A/35/215/Add.1, which stated that a vacancy had

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arisen on the United Nations Administrative Tribunal as a result of the death of Sir Roger Bentham Stevens, and to document A/C.5/35/8, in which the Secretary-General stated that the Government of the United Kingdom of Great Britain and Northern Ireland had nominated Mr. Arnold Wilfred Geoffrey Kean to fill that vacancy. In accordance with the recommendation in paragraph 16 of General Assembly decision 34/401 that the secret ballot should be dispensed with when the number of candidates corresponded to the number of seats to be filled, he suggested that the Committee should recommend to the General Assembly that it should appoint Mr. Arnold Wilfred Geoffrey Kean as a member of the United Nations Administrative Tribunal for the period between the date on which the General Assembly adopted the decision and 31 December of the current year.

57. It was do decided.

58. The CHAIRMAN reminded members of the Committee that, with regard to agenda item 17 (e), it would be necessary to recommend the appointment of two persons to fill the two vacancies that would arise on the Administrative Tribunal on 1 January 1981. He therefore requested delegations wishing to nominate candidates for those posts to transmit to the Secretary-General in good time the names and biographical data of such candidates so that the Committee could proceed on the basis of full knowledge of the facts with the appointments, which would be made in the week from 6 to 10 October.

AGENDA ITEM 92: MEDIUM-TERM PLAN FOR THE PERIOD 1980-1983

Proposed revisions to the medium-term plan for the period 1980-1983 (A/35/6 and Corr.1 and Add.2)

Report of the Committee for Programme and Co-ordination on the work of its twentieth session (A/35/38)

59. The CHAIRMAN drew the attention of the Committee to the documents prepared by the Secretariat in connexion with the item under consideration and said that the list of speakers would be closed on Monday, 29 September.

60. Mr. OKEYO (Chairman of the Committee for Programme and Co-Ordination) said that the Committee for Programme and Co-ordination had tried to streamline its work programme, curtail its requests for documentation and introduce specific adjustments in the format of its report in order to facilitate the latter's consideration by the Economic and Social Council and the General Assembly. Each agenda item was divided into four parts, the first and second parts being explanatory, the third part having been organized according to major themes or trends that had become apparent during the deliberations of the Committee for Programme and Co-ordination, and the fourth part, entitled "Observations and reservations", containing objections voiced by one or a number of delegations.

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(Mr. Okeyo)

61. With regard to the substantive work of the Committee for Programme and Co-ordination, he referred first of all to the planning process. As a result of the work of the past two years the development of a system of programme planning, programme budgeting, monitoring and evaluation had been completed. In particular, the Committee for Programme and Co-ordination had concluded its consideration of the planning process with recommendations based on the medium-term plan, its introduction, the definition of the various levels and the relationship between the plan and the programme budget. One of the major changes resulting from the CPC recommendations was the submission of a revision to the medium-term plan for 1980-1983 instead of a new medium-term plan for 1982-1985. That revision would include the programmes or subprogrammes that had been altered significantly by changes in their legislative basis. The Committee for Programme and Co-ordination had considered the proposed revisions to the plan set forth in document A/35/6, and in its recommendations and conclusions it submitted its comments in that connexion (A/35/38, paras. 319-340). Inter alia, the medium-term plan for the period 1984-1989 should be prepared for review in 1982. The Secretariat should propose revisions in 1984 so that they could be incorporated in the proposed programme budget for the biennium 1986-1987. At the time of the review it would be decided whether the plan would continue in force or whether a new plan would be requested for 1988-1993.

62. With respect to the consideration of programme performance of the United Nations for the biennium 1978-1979 and the identification of activities that had been completed or were obsolete, of marginal usefulness or ineffective, he drew the Committee's attention to paragraphs 295-312 and 378-379 of the report.

63. In the programme planning system, regular in-depth evaluation of selected programmes was an element of great importance for the formulation and implementation of future plans and work programmes. During the most recent session of the Committee for Programme and Co-ordination the programme relating to United Nations activities in the field of manufactures - specifically, the programme of the Manufactures Division of UNCTAD and related activities of UNIDO - had been evaluated. On the basis of the conclusions reached a series of recommendations had been made relating to specific measures that those organizations should adopt in their work on non-tariff barriers, the generalized system of preferences, restrictive business practices, and technical co-operation activities. Furthermore, the Committee for Programme and Co-ordination had made general recommendations regarding further refinement of the methodology to be used in future evaluations. It was gratifying to report that evaluation had finally been incorporated in United Nations planning. It would undoubtedly be highly relevant to the Organization's efficiency.

64. At the request of the Economic and Social Council and the General Assembly, the Committee for Programme and Co-ordination had studied the policy and programme issues relating to the distribution of tasks and responsibilities between the regional commissions and other United Nations units, programmes and organs concerned. Its recommendations were to be found in paragraph 364 of its report.

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(Mr. Okeyo)

65. With regard to the co-ordination side, the work of the Committee for Programme and Co-ordination had been concentrated on two cross-organizational programme analyses: one on energy programmes and the other on rural development programmes of the United Nations system. In that connexion, the Committee for Programme and Co-ordination was recommending to the General Assembly that it should consider the need to strengthen the activities of the United Nations system in the area of energy in order to make them more responsive to the needs of Member States. The Committee for Programme and Co-ordination had also considered the draft report of the Director-General for Development and International Economic Co-operation on policy issues pertaining to operational activities for development undertaken by the United Nations system and the reports of ACC.

66. In implementation of paragraph 1 of General Assembly resolution 34/214 concerning the improvement of communications between ACC and the intergovernmental bodies concerned, the Economic and Social Council had adopted decision 1980/185. CPC felt that the joint meetings of CPC and ACC were important and that they should be a vital instrument for the exchange of views between Governments and the members of ACC. In fact, the joint meetings perhaps provided the only opportunity for the representatives of Governments to meet with all the executive heads of organs, organizations and programmes of the United Nations system.

67. Although CPC had succeeded in accomplishing the difficult tasks assigned to it, it was regrettable that the representatives of the regional commissions had attended only part of the session, and he urged the representatives of the regional commissions to participate actively in the work of the Committee for Programme and Co-ordination in the future.

68. With regard to the work programme for the following year, he believed that the timing and duration of the sessions of the Committee for Programme and Co-ordination should be considered carefully, in view of the numerous difficult tasks entrusted to that Committee.

69. He reminded the members of the Committee that in decision 1980/179 the Economic and Social Council had endorsed the conclusions and recommendations of the Committee for Programme and Co-ordination, except that it had considered that the human settlements programme should be excluded from paragraph 364 (b) of that Committee's report and had passed over the recommendation in paragraph 365 (b) (ii) concerning the study on the impact on the Secretariat of the implementation of General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system.

The meeting rose at 1.10 p.m.