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FIFTH COMMITTEE
Agenda item 41 a

FINANCIAL REPORTS AND ACCOUNTS, AND REPORTS OF THE BOARD OF AUDITORS:
UNITED NATIONS, FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1955

Draft Report of the Fifth Committee

Rapporteur: Mr. Francisco A. FORTIÇA (Uruguay)

1. At its 534th meeting, held on 20 November 1956, the Fifth Committee considered the financial reports and accounts of the United Nations for the financial year ended 31 December 1955 and the reports of the Board of Auditors thereon (A/3124). For its consideration of this item, the Fifth Committee also had before it the observations contained in the fourth report of the Advisory Committee on Administrative and Budgetary Questions to the eleventh session of the General Assembly (A/3162).
2. During the discussion, representatives paid particular attention to the points covered in paragraph 8 of the Report of the Board of Auditors relating to transfers between appropriation sections; and in paragraph 15, relating to the exclusion from the 1955 statement of assets and liabilities of the cash and investments held under the United Nations Children's Fund special account.
3. As regards transfers between appropriation sections, the Advisory Committee pointed out in paragraph 2 of its report that the problems involved at the end of the financial year which lead to the type of transfers in question had been considered by the Fifth Committee at the tenth session (A/3004, paragraphs 3-9); and in paragraph 3, gave the details of a new procedure which had been agreed between that Committee and the Secretary-General with the aim of ensuring the utmost of control under the circumstances without forcing a situation where margins would have to be deliberately left in each appropriation section to cover

possible but not foreseeable requirements. Several representatives, while recognizing the difficulties involved, expressed their concern that the financial regulations and rules be strictly and literally interpreted. The arrangements under the procedure reported on by the Advisory Committee were noted.

4. As regards the question of the exclusion from the 1955 statement of assets and liabilities of the cash and investments held under the UNICEF special account, a number of representatives expressed the view that the statement should include all accounts for which the Secretary-General has responsibility. The Committee was assured by the representative of the Secretary-General that, as suggested by the Advisory Committee in paragraph 5 of its report, consideration would be given in consultation with the Board of Auditors as to how far there is need to strengthen the regulations so as to ensure that the Secretary-General's responsibilities in the matter of trust, special and other funds are clearly defined and can be freely exercised.

5. In the course of the discussion, the Fifth Committee noted that the reports of the Board of Auditors which it was considering were the last of the series in the preparation of which Mr. Watson Sellar, Auditor-General of Canada, had participated as Chairman of the Board. The Committee paid tribute to Mr. Sellar for his part in developing the high standard of financial administration which existed, and expressed its appreciation to the Government of Canada for having made the services of Mr. Sellar and his staff available to the United Nations for so many years.

Recommendation of the Fifth Committee

6. The Fifth Committee decided, by **fifty-five votes to none**, with nine abstentions to recommend to the General Assembly the adoption of the following draft resolution:

UNITED NATIONS: FINANCIAL REPORTS AND ACCOUNTS
FOR THE FINANCIAL YEAR 1955 AND REPORTS OF THE
BOARD OF AUDITORS

The General Assembly

1. Accepts the financial reports and accounts of the United Nations for the financial year ended 31 December 1955 and the certificates of the Board of Auditors (A/3124);

2. Concurs in the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its fourth report to the eleventh session of the General Assembly (A/3162).
