

**UNITED NATIONS  
HABITAT AND HUMAN SETTLEMENTS FOUNDATION**

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**FINANCIAL REPORT AND ACCOUNTS  
for the biennium 1976-1977 ended  
31 December 1977  
and  
REPORT OF THE BOARD OF AUDITORS**

**GENERAL ASSEMBLY**  
OFFICIAL RECORDS: THIRTY-THIRD SESSION  
SUPPLEMENT No. 5H (A/33/5/Add.8)



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**UNITED NATIONS**

New York, 1978

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LETTERS OF TRANSMITTAL

28 March 1978

Sir,

Pursuant to financial regulation 11.4, as amended by General Assembly resolution 3192 (XXVIII), I have the honour to transmit the report and accounts of the United Nations Habitat and Human Settlements Foundation for the biennium 1976-1977 ended 31 December 1977, which I hereby approve.

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) Mostafa K. TOLBA  
Executive Director of the  
United Nations Environment Programme

The Chairman of the Board of Auditors  
United Nations  
New York

26 June 1978

Sir,

I have the honour to transmit to you the financial statements of the United Nations Habitat and Human Settlements Foundation for the biennium ended 31 December 1977, which were submitted by the Executive Director. 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 United Nations Habitat and Human Settlements Foundation for the biennium 1976-1977.

Accept, Sir, the assurances of my highest consideration.

(Signed) Ahenkora OSEI  
Auditor General of Ghana  
and Chairman of the  
United Nations Board of Auditors

The President of the General Assembly  
of the United Nations  
New York





I. FINANCIAL REPORT FOR THE BIENNIUM 1976-1977 ENDED  
31 DECEMBER 1977

1. On the recommendation of the Governing Council of the United Nations Environment Programme (UNEP), the General Assembly, on 16 December 1974, adopted resolution 3327 (XXIX) establishing the United Nations Habitat and Human Settlements Foundation (UNHHSF) as from 1 January 1975, and assigning the responsibility for administering the Foundation to the Executive Director of UNEP.

2. The Executive Director of UNEP, as the Administrator of the Foundation, has the honour to submit herewith the financial report on the accounts of UNHHSF for the biennium 1976-1977 ended 31 December 1977, as follows:

Statements. Statement of assets, liabilities and unencumbered fund balance (I), and statement of income and expenditure for the biennium 1976-1977 ended 31 December 1977

Schedule 1. Status of pledges unpaid as at 31 December 1977

Schedule 2. Summary of appropriations, expenditures incurred and unencumbered balance for the biennium 1976-1977 ended 31 December 1977

Summary of significant accounting policies

3. The Foundation has followed the accounting policies enumerated below:

(a) The accounts are kept in accordance with the Financial Regulations and Rules of the United Nations, and the financial rules of the Fund of UNEP. Up to 31 December 1977, UNHHSF did not have its own set of financial rules, and the financial rules of the Fund of UNEP were followed, to the extent possible, in maintaining the accounts of UNHHSF.

(b) Assets, liabilities, income and expenditures are recorded on an accrual basis.

(c) The financial period of UNHHSF is a biennium consisting of two consecutive calendar years, with effect from 1 January 1976.

(d) The accounts are presented in United States dollars. Transactions in currencies other than United States dollars are recorded at the United Nations operational rate of exchange prevailing at the time when the transaction took place.

Financial position and operating results

4. The financial position and the operating results of UNHHSF for the biennium 1976-1977 ended 31 December 1977 are shown in the attached statement and are summarized as follows:

(a) The Foundation had an unencumbered fund balance of \$1,670,695 available for existing and future commitments (see statement I);

(b) The excess of income over expenditure (net income) for the biennium 1976-1977 amounted to \$1,332,053 (see statement II).

5. The above net income of \$1,332,053 does not include expected contributions to UNHHSF of \$1,000,000 from the Government of the Philippines and of \$50,000 from the Holy See. These pledges will be recorded as income when either a firm and official letter of pledge is received or when remittance is made.

6. The Secretary-General of the United Nations is the custodian of the UNHHSF funds. During the biennium 1976-1977, government pledges in the total amount of \$352,202 were recorded and \$356,869 was collected, of which \$5,000 was in respect of one pledge made in 1975. Pledged contributions in the amount of \$13,000 remained unpaid as at 31 December 1977.

7. By its decisions 72 (IV) of 12 and 13 April 1976 and 94 (V) of 24 May 1977, the Governing Council noted with approval the intention of the Executive Director to operate UNHHSF with a nucleus staff at a limited operating budget of \$1,769,000 for 1976, and \$1,384,600 for 1977.

8. Against the approved budget for the biennium 1976-1977, totalling \$3,153,600, a total amount of \$1,739,498 was spent, as shown by object of expenditure in schedule 2. This same expenditure when analysed by programme is as follows:

<u>Programme</u>	<u>Total expenditure (1976-1977)</u>
Executive direction and management . . . . .	343,320
Programmes (Human Settlements) . . . . .	1,201,699
Administrative and common services . . . . .	194,479
	<u>1,739,498</u>

9. Salary costs of UNHHSF staff and the costs of outside experts, who were directly engaged in projects, are shown as part of the costs of programme activities. UNHHSF has used its staff in the financial and technical department almost exclusively to carry out programme activities.

## II. AUDIT OPINION

We have examined the following appended financial statements, numbered I and II, properly identified, and relevant schedules of the United Nations Habitat and Human Settlements Foundation for the biennium 1976-1977 ended 31 December 1977. Our examination included a general review of the accounting procedures and such tests of the accounting records and their 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 biennium, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1977.

(Signed) Ahenkora OSEI  
Auditor General of Ghana

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

(Signed) A. MARTINEZ ZULETA  
Controller General of Colombia

23 June 1978



III. ACCOUNTS FOR THE BIENNIUM 1976-1977 ENDED 31 DECEMBER 1977

Statement of assets, liabilities and unencumbered fund balance  
and statement of income and expenditure for the biennium  
1976-1977 ended 31 December 1977

(Expressed in United States dollars)

	<u>1976</u>	<u>1977</u>	
I. <u>Statement of assets, liabilities and unencumbered fund balance</u>			
Assets			
Pledged contributions receivable from Governments (Schedule 1)	1 083 205	13 000	
Accounts receivable	-	4 128	
Due from Fund of UNEP	1 542 707	1 717 406	
Seed capital loan - long-term			
Principal	-	100 000	
Interest receivable	-	750	
Total	<u>2 625 912</u>	<u>1 835 284</u>	
Liabilities			
Unliquidated obligations (Schedule 2)	94 498	151 922	
Deferred contributions (Schedule 1)	-	12 667	
	<u>94 498</u>	<u>164 589</u>	
Unencumbered fund balance			
Balance available at 1 January	297 070	2 531 414	
Add: Excess of income over expenditure (see below)	2 192 772	(860 719)	
Savings effected in liquidating prior year's unliquidated obligations	41 572	-	
Balance available at 31 December	<u>2 531 414</u>	<u>1 670 695</u>	
Total	<u>2 625 912</u>	<u>1 835 284</u>	
II. <u>Statement of income and expenditure for the biennium 1976-1977 ended 31 December 1977</u>	<u>1976</u>	<u>1977</u>	<u>Biennium 1976-1977</u>
Income: Allocation from Fund of UNEP	1 500 000	1 200 000	2 700 000
Contributions from Governments (Schedule 1)	1 285 685	(933 483)	352 202
Contributions from non-governmental organizations	3 361	1 000	4 361
Interest income	-	750	750
Public donations	494	-	494
Refund on prior year's expenditure	13 744	-	13 744
	<u>2 803 284</u>	<u>268 267</u>	<u>3 071 551</u>
Less: Expenditures and obligations (Schedule 2)	610 512	1 128 986	1 739 498
Excess of income over expenditure (see above)	<u>2 192 772</u>	<u>(860 719)</u>	<u>1 332 053</u>

CERTIFIED CORRECT

(Signed) Peter OLTMANNS  
Assistant Executive Director  
Fund and Administration

Nairobi, 28 March 1978

Status of pledges unpaid as at 31 December 1977  
(Expressed in United States Dollars)

Countries	Unpaid pledges as at 1 January 1976	Pledges and adjustments For 1976	Pledges for future years	Collections and adjustments During 1976	Unpaid pledges as at 31 December 1977
Bhutan	-	-	-	1 000	-
Bolivia	-	1 000	-	-	1 000
Chile	-	1 000	-	-	2 000
Cyprus	-	-	2 000	-	-
Holy See	-	246	-	246	-
India	-	50 000	-	-	-
Indonesia	-	100 000	-	100 000	-
Ivory Coast	-	-	-	-	-
Jamaica	-	10 000	-	-	10 000
Kenya	-	4 940	-	4 940	-
Kuwait	-	2 000	-	22 000	-
Malawi	-	-	-	7 220	-
Malaysia	-	50 000	-	50 000	-
Malta	-	985	-	-	-
Nigeria	-	5 000	-	985	-
Pakistan	-	234	-	5 000	-
Philippines	5 000	32 000	10 667	234	-
Portugal	-	(10 667)	-	32 000	-
Saudi Arabia	-	1 000 000	-	5 000	-
Tunisia	-	(1 000 000)	-	-	-
Venezuela	-	5 000	-	5 000	-
Zaire	-	27 345	-	-	-
	-	45 899	-	27 345	-
	-	50 000	-	45 899	-
	-	(25 000)	-	50 000	-
	-	25 000	-	(25 000)	-
	5 000	1 285 685	12 667	207 480	13 000
		(933 483)		149 389	

Summary of appropriations, expenditures incurred and unencumbered balance  
for the biennium 1976-1977 ended 31 December 1977  
 (Expressed in United States dollars)

	Appropriations (Allocations issued) 1976-1977	Expenditures incurred 1976-1977			Unencumbered balance
		Disbursements 1976	Unliquidated obligations 1977	Total	
Salaries:					
Established posts	-	226 204	365 819	592 023	-
General temporary assistance	-	15 325	7 956	23 281	-
Consultants	-	40 857	77 269	132 538	-
Overtime and night differential	-	828	1 537	2 365	-
Common staff costs	-	109 330	170 841	289 086	-
Travel on official business	-	56 672	124 964	203 946	-
Contractual services	-	600	223 567	284 714	-
General operating expenses	-	28 259	44 315	72 574	-
Supplies and materials	-	4 927	6 031	13 175	-
Acquisition of furniture and equipment	-	388	12 881	13 269	-
Study tours	-	32 624	36 382	112 527	-
	<u>3 153 600</u>	<u>516 014</u>	<u>1 071 562</u>	<u>1 739 498</u>	<u>1 414 102</u>



#### IV. REPORT OF THE BOARD OF AUDITORS

##### Introduction

1. As required by General Assembly resolution 74 (I) and the Financial Regulations of the United Nations, the Board of Auditors has audited the accounts of the United Nations Habitat and Human Settlements Foundation (UNHHSF) for the biennium ended 31 December 1977.
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 and Specialized Agencies. The examination was conducted at the headquarters in Nairobi.

##### General

3. The audit did not disclose any matters considered to be of significance to the General Assembly.

##### Acknowledgement

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

(Signed) Ahenkora OSEI  
Auditor General of Ghana

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

(Signed) A. MARTINEZ ZULETA  
Controller General of Colombia

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