

**UNITED NATIONS  
FUND FOR POPULATION ACTIVITIES**

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**FINANCIAL REPORT AND ACCOUNTS  
for the year ended 31 December 1978  
and  
REPORT OF THE BOARD OF AUDITORS**

**GENERAL ASSEMBLY**

OFFICIAL RECORDS: THIRTY-FOURTH SESSION

SUPPLEMENT No. 5G (A/34/5/Add.7)



**UNITED NATIONS**

New York, 1979

**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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**LETTERS OF TRANSMITTAL**

30 April 1979

**Sir,**

Pursuant to financial regulation 15.1, as amended, I have the honour to submit the annual accounts of the United Nations Fund for Population Activities as at 31 December 1978, 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)* **Rafael M. SALAS**  
Executive Director  
United Nations Fund for  
Population Activities

**The Chairman of the Board of Auditors**  
United Nations  
New York

19 June 1979

Sir,

I have the honour to transmit to you the financial statements of the United Nations Fund for Population Activities as at 31 December 1978, 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 United Nations Fund for Population Activities accounts for the year 1978.

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, N.Y.

## I. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1978

1. The Executive Director of the United Nations Fund for Population Activities has the honour to submit herewith the annual financial report of the United Nations Fund for Population Activities (UNFPA) for the year ended 31 December 1978, together with the audited accounts comprising four statements supported by eight schedules.

2. This submission is made in conformity with regulation 15.1, as amended, of the Financial Regulations and Rules of the United Nations Fund for Population Activities originally approved by the Governing Council of the United Nations Development Programme at its seventeenth session.

### Participating and executing agency accounts

3. In accordance with UNFPA financial regulation 15.2, the UNFPA financial accounts include the accounts of the status of funds allocated to the participating and executing agencies for the execution of UNFPA activities in 1978.

As of the date of this report, the following participating and executing agency has transmitted audited accounts to UNFPA:

#### World Health Organization (WHO)

The following participating and executing agencies have provided a statement of their accounts as submitted for audit:

#### International Labour Organisation (ILO)

#### Food and Agriculture Organization of the United Nations (FAO)

#### United Nations Educational, Scientific and Cultural Organization (UNESCO)

#### United Nations Children's Fund (UNICEF)

The United Nations accounts, under the cycle of biennial budgets, are not audited for 1978; however, an interim financial statement has been prepared and transmitted to UNFPA.

Should any changes be reported in the audited accounts of any of the participating and executing agencies, they will be reported to the General Assembly at its next session and to the Governing Council. The Executive Director will submit to a subsequent session of the Governing Council copies of the audited statements and reports, if any, of the participating and executing agencies and copies of any relevant resolutions adopted by their governing bodies, as required under UNFPA financial regulation 15.2.

### Financial status of the Fund

4. On 1 January 1978, the unencumbered balance of the Fund was \$38,042,990, which consisted of \$14,965,925 in unspent 1977 allocations and \$23,077,065 in unallocated funds.

5. During 1978, UNFPA received income of \$104,764,289 and had expenditures of \$95,699,314.

6. The balance of the Fund at 31 December 1978 was \$47,107,965, comprising \$21,039,025 previously appropriated to implement the 1978 programme which remained unspent at year-end, and \$26,068,940 which is available to finance the 1979 annual programme.

### 1978 programme budget and expenditures

7. The Governing Council, at its twenty-fourth session, authorized a 1978 programme of \$105 million. At its twenty-fifth session, the Governing Council increased the 1978 programme to \$115 million to meet the increased programme demand by utilizing increased resources made available to UNFPA in 1977. Based on programme requests received for 1978, UNFPA allocated a total of \$116.8 million for the year including the carryover of unspent project allocations from the previous year. Of this total, \$110.4 million was allocated for project costs, \$1.7 million for overhead costs to the United Nations and \$4.7 million for administrative and programme support costs. Total allocations for 1978 were 33.6 per cent higher than those for 1977.

8. Expenditures for 1978 totalled \$95.7 million, an increase of 32.7 per cent over 1977 expenditures of \$72.1 million. In 1978, \$89.4 million was spent on project costs, \$1.7 million on overhead costs and \$4.6 million on administrative and programme support costs.

9. Project implementation rose from \$66.5 million in 1977 to \$89.4 million in 1978, an increase of 34.4 per cent. Calculated as the ratio of expenditures to allocations, project implementation equalled 81 per cent in 1978, approximately the same level as for 1977.

### Contributions for special population programmes

10. As authorized by the Governing Council at its seventeenth and twentieth sessions, UNFPA received contributions from several Governments which were designated for special population programmes. In 1978, UNFPA received \$8,008,326 from three Governments for transfer to the International Planned Parenthood Federation and \$200,000 from one Government for transfer to the Inter-Governmental Co-ordinating Committee. These transactions are performed at the request of the Governments concerned and UNFPA responsibility is limited solely to remitting the funds to the recipients. No accounting for the funds is performed by UNFPA.

11. The Governing Council, at its twenty-second session, authorized UNFPA to accept a trust fund established by the Government of Sweden to support a population programme in Mexico. The Trust Fund is in the amount of approximately \$2 million over a period of several years. As shown in schedule 7, the paid-in balance of the Fund at the beginning of 1978 was \$266,233. The Trust Fund received income of

\$12,144 during the year and had expenditures of \$227,655, leaving a balance of \$50,722 at the end of the year.

12. In 1977, the Governing Council, by correspondence, authorized UNFPA to accept a trust fund established by the Government of Norway to support basic population needs studies in developing countries and other population projects. The Trust Fund had a paid-in balance of \$771,222 at the beginning of 1978. Income of \$43,513 was credited to the Trust Fund during the year. Expenditures of \$744,567 were charged to the Trust Fund in 1978, leaving a balance of \$70,168 at the end of the year.

#### **Operational reserve**

13. During 1978, UNFPA maintained a fully funded operational reserve of \$20 million as established by the Governing Council at its fifteenth session.

#### **Response to the report of the Board of Auditors for 1978**

14. The following paragraphs set forth the response of the Executive Director to the comments contained in paragraphs 4 through 6, and 9 and 10 of the report of the Board of Auditors on the UNFPA accounts and financial statements for the financial year ended 31 December 1978. For ease of reference, the pertinent paragraph numbers are referred to in the same order as they appear in the report of the Board of Auditors.

#### **Internal review and monitoring system (paras. 4-6)**

15. In order to obtain more complete internal audit coverage of UNFPA accounts, UNFPA has agreed to fund an additional internal auditor post in the UNDP Internal Audit Service. In addition, procedures which provide for timely follow-up and review of project audits are being put into effect by UNFPA.

#### **Other matters (para. 9)**

16. All of the matters mentioned in the report of the Board of Auditors have been agreed to by UNFPA and are either already implemented or in the process of being implemented. These include strengthening the system of monitoring field co-ordinators' expenditures, clarifying UNFPA procurement procedures and improving internal control at the field level, and improving internal control of non-expendable property purchased for UNFPA projects. As recommended in the report of the Board of Auditors, formal guidelines for the UNFPA Contracts Committee have been issued, and the suggestions with regard to the treatment of overhead costs from trust funds and the disclosure of useful information in the financial statements have been adopted and are contained in these financial statements.

#### **Comments on matters dealt with in the 1977 report (para. 10)**

17. As noted in the report of the Board of Auditors, the balances in both the accounts receivable and the deferred charges have been substantially reduced. UNFPA is making every effort to maintain these accounts on a more current basis.

## II. AUDIT OPINION

We have examined the following appended financial statements, numbered I to IV, properly identified, with relevant schedules of the United Nations Fund for Population Activities for the year ended 31 December 1978. 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 as at 31 December 1978.

*(Signed)* Ahenkora OSEI  
Auditor General of Ghana

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

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

15 June 1979



**III. ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1978**

## United Nations Fund for Population Activities

Statement of income and expenditure for the years ended 31 December 1978 and 1977  
(In United States dollars)

1977		1978
	<b>INCOME</b>	
	<b>Contributions from Governments</b>	
85 425 368	Pledges for current year ..... (Schedule 1)	100 875 980
432 206	Additions and adjustments to pledges for prior years ..... (Schedule 1)	836 522
<u>257 105</u>	Exchange adjustments on collection of contributions ..... (Note 1)	<u>811 266</u>
86 114 679		102 523 768
1 320 711	Interest income .....	2 526 136
594	Donations .....	1 307
<u>1 633 808</u>	Miscellaneous income (expense) ..... (Schedule 2)	<u>(286 922)</u>
<u>89 069 792</u>		<u>104 764 289</u>
	 <b>EXPENDITURE</b>	
	<b>Programme expenditure</b>	
61 508 591	By agencies ..... (Schedule 3)	77 899 920
<u>6 594 235</u>	By non-governmental organizations and special population grants ..... (Schedule 3)	<u>13 171 775</u>
68 102 826		91 071 695
<u>4 028 353</u>	UNFPA administrative and programme support costs ..... (Schedule 4)	<u>4 627 619</u>
<u>72 131 179</u>		<u>95 699 314</u>
<u>16 938 613</u>	<b>EXCESS OF INCOME OVER EXPENDITURE</b> ..... (Statement III)	<u>9 064 975</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT:

(Signed) W. H. ZIEHL  
Director  
Division of Finance

## United Nations Fund for Population Activities

Balance-sheet as at 31 December 1978 and 1977

(In United States dollars)

1977		1978
	<b>ASSETS</b>	
716 974	Cash .....	180 028
25 000 000	Government letters of credit .....	—
24 695 625	Investments .....	35 050 858
<u>50 412 599</u>	(Schedule 5)	<u>35 230 886</u>
	<b>Advances and accounts receivable</b>	
1 719 795	Due from United Nations Development Programme .....	1 960 771
4 662 963	Operating funds provided to participating and executing agencies, net .....	1 925 414
262 213	(Note 3)	74 231
575 636	Accounts receivable .....	312 341
112 411	Deferred charges .....	309 484
<u>7 333 018</u>	Accrued interest .....	<u>4 582 241</u>
	<b>Pledges receivable from Governments</b>	
7 981 194	For current and prior years .....	32 669 493
21 250	(Schedule 1)	—
<u>8 002 444</u>	For future years .....	<u>32 669 493</u>
<u>65 748 061</u>		<u>72 482 620</u>
	<b>LIABILITIES AND RESERVES</b>	
	<b>Liabilities</b>	
6 231 143	Unliquidated obligations of participating and executing agencies .....	4 986 947
1 037 455	Due to UNFPA trust funds .....	120 890
415 223	(Schedule 7)	266 818
21 250	Accounts payable .....	—
<u>7 705 071</u>	Deferred income .....	<u>5 374 655</u>
	<b>Unencumbered funds</b>	
	<b>Balance 31 December</b>	
14 965 925	Unspent allocations for the current year .....	21 039 025
23 077 065	Unallocated funds .....	26 068 940
38 042 990	(Note 4)	47 107 965
20 000 000	(Statement III)	20 000 000
<u>58 042 990</u>	Operational reserve .....	<u>67 107 965</u>
<u>65 748 061</u>		<u>72 482 620</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT:

(Signed) W. H. ZIEHL

Director

Division of Finance

## United Nations Fund for Population Activities

Statement of unencumbered funds as at 31 December 1978 and 1977  
(In United States dollars)

1977		1978
21 104 377	Balance 1 January .....	38 042 990
<u>16 938 613</u>	Add: Excess of income over expenditure ..... (Statement I)	<u>9 064 975</u>
<u>38 042 990</u>		<u>47 107 965</u>
14 965 925	Unspent allocations ..... (Schedule 8)	21 039 025
<u>23 077 065</u>	Unallocated funds .....	<u>26 068 940</u>
<u>38 042 990</u>	(Statement II)	<u>47 107 965</u>

The accompanying notes are an integral part of the financial statements.

CERTIFIED CORRECT:

(Signed) W. H. ZIEHL  
Director  
Division of Finance

## United Nations Fund for Population Activities

Statement of changes in financial position for the years ended 31 December 1978 and 1977  
(In United States dollars)

1977		1978
	<b>SOURCE OF FUNDS</b>	
89 069 792	Total income for the year ..... (Statement I)	104 764 289
—	Decrease in accounts receivable and deferred charges .....	254 204
813 118	Increase in liabilities .....	—
21 250	Increase in deferred income .....	—
—	Decrease in operating funds provided to the executing agencies .....	2 737 549
<u>89 904 160</u>	Total funds provided .....	<u>107 756 042</u>
	<b>APPLICATION OF FUNDS</b>	
72 131 179	Total expenditure for the year ..... (Statement I)	95 699 314
2 105 198	Increase in funds provided to the United Nations Development Programme ..	240 976
2 968 578	Increase in pledges receivable from Governments .....	24 667 049
753 167	Increase in accounts receivable and deferred charges .....	—
—	Decrease in liabilities .....	2 309 166
—	Decrease in deferred income .....	21 250
<u>3 984 822</u>	Increase in operating funds provided to the executing agencies .....	—
<u>81 942 944</u>	Total funds used .....	<u>122 937 755</u>
<u>7 961 216</u>	<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b> .....	<u>(15 181 713)</u>
42 451 383	Cash and investments 1 January .....	50 412 599
<u>7 961 216</u>	Increase (decrease) in cash and investments .....	<u>(15 181 713)</u>
<u>50 412 599</u>	Cash and investments 31 December ..... (Statement II)	<u>35 230 886</u>

The accompanying notes are an integral part of the financial statements.

**CERTIFIED CORRECT:**

(Signed) W. H. ZIEHL  
Director  
Division of Finance

## NOTES TO THE FINANCIAL STATEMENTS

### *Note 1. Accounting policy*

The financial statements reflect the application of the accounting policies described in this note.

(a) *Income.* Under the annual funding principles adopted by UNFPA, income (including pledges from Governments, investment income and miscellaneous income) is recorded on the accrual basis.

(b) *Expenditures.* The financial statements incorporate UNFPA project expenditures as shown in the accounts received from the participating and executing agencies. Project expenditures are recorded at actual costs and include unliquidated obligations for goods and services provided for in project budgets for 1978 and contracted for by the end of that year.

Expenditures for administrative and programme support costs are recorded on the accrual basis.

(c) *Exchange rates.* UNFPA financial rule 114.6 provides that the official par values or other appropriate exchange rates agreed between the Secretary-General and the contributing Governments shall be used for recording voluntary contributions. Exchange adjustments on collection of contributions are identified on statement I. All other transactions are recorded at the United Nations operational rate of exchange in effect on the date of the transaction as specified in UNFPA financial rule 114.7. Exchange adjustments on these transactions are recorded as an offset to miscellaneous income in accordance with UNFPA financial rules 110.1 and 114.9.

(d) *Capital expenditures.* The full cost of non-expendable equipment used for administrative purposes is charged to the Administrative and Programme Support Budget in the year in which it is purchased. An inventory is maintained of all non-expendable equipment (defined as items of equipment valued at \$250 or more a unit, and with a serviceable life of at least five years, and items of equipment included in any special lists, for which formal inventory records are maintained).

### *Note 2. Programme expenditures*

The programme expenditures include UNFPA field co-ordinator costs in the amount of \$2,459,455 against allocations of \$2,406,721.

### *Note 3. Operating fund balances*

Operating funds of \$1,925,414 shown in statement II are made up of \$4,138,044 provided to participating and executing agencies less \$2,212,630 payable to participating and executing agencies. These figures, when offset against the relevant amounts included in unliquidated obligations of \$3,519,637, agree with the operating fund balances reported by participating and executing agencies.

### *Note 4. Future year allocations*

Allocations for future years issued to participating and executing agencies are \$117,591,379 as shown in schedule 8.

## SCHEDULES TO THE ACCOUNTS

## United Nations Fund for Population Activities

## Status of voluntary pledges as at 31 December 1978

(In United States dollars)

Government	Unpaid pledges as at 31 December 1977	Additions and adjustments	Pledges for 1978	Total	Payments received in 1978	Unpaid pledges as at 31 December 1978	Composition of balance due	
							For 1978	For 1979
Algeria	250 000	—	—	250 000	—	250 000	250 000	—
Australia	—	—	798 560	798 560	798 560	—	—	—
Austria	—	—	29 000	29 000	29 000	—	—	—
Barbados	—	2 000	—	2 000	2 000	—	—	—
Burma	—	—	7 042	7 042	7 042	—	—	—
Canada	—	—	7 067 630	7 067 630	7 067 630	—	—	—
Chile	—	—	2 000	2 000	2 000	—	—	—
Colombia	—	—	40 000	40 000	40 000	—	—	—
Denmark	—	—	4 363 560	4 363 560	4 363 560	—	—	—
Egypt	—	—	214 286	214 286	214 286	—	—	—
Finland	—	—	296 122	296 122	296 122	—	—	—
France	—	—	163 000	163 000	163 000	—	—	—
Germany, Federal Republic of	—	—	10 094 455	10 094 455	10 094 455	—	—	—
Ghana	—	21 739	21 739	43 478	43 478	—	—	—
Honduras	500	—	—	500	—	500	500	—
Hungary	—	—	4 800	4 800	—	4 800	4 800	—
India	—	—	231 481	231 481	231 481	—	—	—
Indonesia	—	—	125 301	125 301	125 301	—	—	—
Iran	—	—	3 002	3 002	3 002	—	—	—
Iraq	14 000	—	1 000 000	1 014 000	1 000 000	14 000	14 000	—
Ivory Coast	10 000	—	—	10 000	—	10 000	10 000	—
Jamaica	—	738	—	738	738	—	—	—
Japan	—	—	9 500 000	9 500 000	9 500 000	—	—	—
Jordan	106 329	338	—	106 667	—	106 667	106 667	—
Liberia	1 000	1 500	1 500	4 000	4 000	—	—	—
Libyan Arab Jamahiriya	1 000 000	—	20 000	1 020 000	1 000 000	20 000	20 000	—
Luxembourg	—	—	7 721	7 721	7 721	—	—	—
Malawi	—	1 099	—	1 099	1 099	—	—	—
Mauritania	—	—	2 226	2 226	2 226	—	—	—
Netherlands	—	—	10 874 930	10 874 930	10 874 930	—	—	—
New Zealand	—	—	366 170	366 170	366 170	—	—	—
Nigeria	—	—	32 000	32 000	—	32 000	32 000	—
Norway	—	—	11 289 286	11 289 286	11 289 286	—	—	—
Pakistan	—	250 000	—	250 000	250 000	—	—	—
Panama	250	250	—	500	500	—	—	—
Papua New Guinea	—	—	1 250	1 250	—	1 250	1 250	—

Philippines	251 701	251 701	251 701	251 701	251 701	251 701	251 701	251 701	251 701
Poland	—	—	843	843	843	843	843	843	843
Qatar	1 000 000	—	—	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Republic of Korea	—	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000
St. Kitts	—	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Saudi Arabia	1 054 615	(46 934)	—	1 007 681	1 007 681	1 007 681	1 007 681	1 007 681	1 007 681
Somalia	—	50 000	—	50 000	50 000	50 000	50 000	50 000	50 000
Sri Lanka	—	4 500	—	15 000	15 000	15 000	15 000	15 000	15 000
Sudan	170 000	—	10 000	180 000	180 000	180 000	180 000	180 000	180 000
Sweden	—	—	8 296 943	8 296 943	8 296 943	8 296 943	8 296 943	8 296 943	8 296 943
Switzerland	—	—	1 149 425	1 149 425	1 149 425	1 149 425	1 149 425	1 149 425	1 149 425
Syrian Arab Republic	200 000	—	1 000	201 000	201 000	201 000	201 000	201 000	201 000
Tunisia	—	—	6 250	6 250	6 250	6 250	6 250	6 250	6 250
Turkey	—	2 500	—	2 500	2 500	2 500	2 500	2 500	2 500
Uganda	500	27	—	527	527	527	527	527	527
United Kingdom of Great Britain and Northern Ireland	—	297 064	6 800 000	7 097 064	7 097 064	7 097 064	7 097 064	7 097 064	7 097 064
United States of America	4 000 000	—	28 000 000	32 000 000	32 000 000	32 000 000	32 000 000	32 000 000	32 000 000
Viet Nam	1 000	—	—	1 000	1 000	1 000	1 000	1 000	1 000
Yemen	170 000	—	10 000	180 000	180 000	180 000	180 000	180 000	180 000
Yugoslavia	3 000	—	2 958	5 958	5 958	5 958	5 958	5 958	5 958
	<u>7 981 194</u>	<u>836 522</u>	<u>100 875 980</u>	<u>109 693 696</u>	<u>109 693 696</u>	<u>77 024 203</u>	<u>32 669 493</u>	<u>32 669 493</u>	<u>32 669 493</u>
		(Statement I)						(Statement II)	

Note: Pledges and payments do not include contributions from Governments for special population programmes in the amount of \$8,208,326, shown in schedule 6.



**United Nations Fund for Population Activities**

*Miscellaneous income for the year ended 31 December 1978*  
*(In United States dollars)*

Savings on liquidating prior years' obligations .....	99 696
Gains and losses on exchange and revaluation of currencies, net ...	(458 181)
Miscellaneous income (net) from executing agencies .....	58 780
Other .....	<u>12 783</u>
<b>TOTAL</b> .....	<b>(286 922)</b>

United Nations Fund for Population Activities

1978 expenditures by agencies, non-governmental organizations  
and special population grants  
(In United States dollars)

	Personnel services	Sub- contracts	Training (fellowship)	Equipment and supplies	Miscellaneous	Project expenditures total	Administrative overhead	Total
United Nations (Work programme)	2 357 119	188 351	93 710	48 709	204 588	2 892 477	—	2 892 477
United Nations (Department of Technical Co-operation for Development)	7 877 424	22 183	2 093 996	1 715 591	687 960	12 397 154	1 733 910	14 131 064
ILO	3 026 851	228 425	275 819	149 932	195 454	3 876 481	—	3 876 481
FAO	1 309 336	(4 000)	335 185	149 028	503 810	2 293 359	—	2 293 359
UNESCO	2 379 960	373 263	791 745	246 443	166 342	3 957 753	—	3 957 753
WHO	6 722 235	797 713	2 019 278	4 300 229	398 958	14 238 413	—	14 238 413
UNICEF	238 592	—	236 385	5 441 926	160 032	6 076 935	—	6 076 935
UNFPA	12 421 414	1 925 640	7 505 214	6 038 360	2 514 168	30 404 796	—	30 404 796
UNIDO	28 642	—	—	—	—	28 642	—	28 642
Agencies total	<u>36 361 573</u>	<u>3 531 575</u>	<u>13 351 332</u>	<u>18 090 218</u>	<u>4 831 312</u>	<u>76 166 010</u>	<u>1 733 910</u>	<u>77 899 920</u>
Non-governmental organizations and special population grants						13 171 775		13 171 775
						<u>89 337 785</u>		<u>91 071 695</u>
								(Statement I)

**United Nations Fund for Population Activities**

*Administrative and programme support costs  
Budget appropriations and expenditures for the year ended 31 December 1978  
(In United States dollars)*

	Expenditure			Unencumbered balance	
	Appropriations 1978	Disbursements*	Unliquidated obligations 31 December 1978		Total expenditure
I. Executive direction and management .....	779 100	747 362	26 268	773 630	5 470
II. Administrative and public information support services .....	1 477 302	1 406 509	52 820	1 459 329	17 973
III. Programme planning, appraisal and monitoring .....	2 399 795	2 320 753	73 907	2 394 660	5 135
Net appropriations and expenditures .....	<u>4 656 197</u>	<u>4 474 624</u>	<u>152 995</u>	<u>4 627 619</u>	<u>28 578</u>
				(Statement I)	

\* The disbursement figures are net after adjustment of staff assessment income totalling \$834,994.

**United Nations Fund for Population Activities**

*Investments as at 31 December 1978*  
(In United States dollars)

<i>Type</i>	<i>Currency</i>	<i>Interest rate</i>	<i>Amount</i>
Savings accounts .....	United States dollars	5.00	1 419 690
Call accounts .....	United States dollars	a	8 000 000
Time deposit accounts .....	United States dollars	12.0625	5 000 000
	United States dollars	11.75	5 000 000
	United States dollars	11.50	3 000 000
	United States dollars	11.375	6 800 000
	United States-dollars	9.55	3 139 339
	Japanese yen	2.50	2 691 829
			<u>25 631 168</u>
Total investments .....	(Statement II)		<u><u>35 050 858</u></u>

\* Fluctuating interest rate.

**United Nations Fund for Population Activities**

*Contributions from Governments for special population programmes in 1978 and 1977*

*(In United States dollars)*

<u>1977</u>		<u>1978</u>
<u>3 000 000</u>	Amount payable 1 January .....	<u>—</u>
	<b>Amounts received</b>	
	<b>For International Planned Parenthood Federation</b>	
1 740 622	Germany, Federal Republic of .....	2 000 000
3 500 000	Japan .....	4 800 000
<u>881 925</u>	Netherlands .....	<u>1 208 326</u>
6 122 547		8 008 326
	<b>For Inter-Governmental Co-ordinating Committee</b>	
<u>100 000</u>	Japan .....	<u>200 000</u>
<u>6 222 547</u>		<u>8 208 326</u>
6 222 547	<b>TOTAL .....</b>	8 208 326
<u>6 222 547</u>	<b>Amounts remitted in 1978 .....</b>	<u>8 208 326</u>

**United Nations Fund for Population Activities**

*Swedish and Norwegian Trust Funds*  
*Statement of account as at 31 December 1978*  
*(In United States dollars)*

	<i>Sweden</i>	<i>Norway</i>	<i>Total</i>
Unexpended balance 1 January .....	266 233	771 222	1 037 455
Interest income .....	<u>12 144</u>	<u>43 513</u>	<u>55 657</u>
	278 377	814 735	1 093 112
Less: Programme expenditure including administrative and programme support costs .....	<u>227 655</u>	<u>744 567</u>	<u>972 222</u>
Unexpended balance 31 December .....	<u><u>50 722</u></u>	<u><u>70 168</u></u>	<u><u>120 890</u></u>
			(Statement II)

United Nations Fund for Population Activities

Unspent allocations as at 31 December 1978  
(In United States dollars)

Agency	Allocations	Expenditure	1978 unspent allocations	Future years allocations	Total unspent allocations
United Nations (Work programme) .....	3 390 701	2 892 477	498 224	2 638 124	3 136 348
United Nations (Department of Technical Co-operation for Development) .....	18 021 084	12 397 154	5 623 930	26 991 685	32 615 615
ILO .....	4 068 366	3 876 481	191 885	8 400 609	8 592 494
FAO .....	2 570 732	2 293 359	277 373	4 236 473	4 513 846
UNESCO .....	4 551 062	3 957 753	593 309	7 195 649	7 788 958
WHO .....	19 146 084	14 238 413	4 907 671	16 938 067	21 845 738
UNICEF .....	5 627 877	6 076 935	(449 058)	14 524 909	14 075 851
UNFPA .....	37 409 652	30 404 796	7 004 856	30 857 880	37 862 736
UNIDO .....	55 000	28 642	26 358	—	26 358
	94 840 558	76 166 010	18 674 548	111 783 396	130 457 944
Non-governmental organizations and special population grants .....	15 536 252	13 171 775	2 364 477	5 807 983	8 172 460
	110 376 810	89 337 785	21 039 025	117 591 379	138 630 404

(Statement III)

## IV. REPORT OF THE BOARD OF AUDITORS

### Introduction

1. As required by General Assembly resolution 74(I) and article X of the Financial Regulations and Rules of the United Nations Fund for Population Activities, the Board of Auditors has audited the accounts of UNFPA for the year ended 31 December 1978.

2. The examination was made in accordance with article XII of the Financial Regulations and Rules 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 Headquarters in New York.

3. The audit identified strengths and weaknesses in the financial systems and those weaknesses found to exist in the system have been reported to the Administration with appropriate recommendations for corrective action. The following are the most significant of these and other matters arising out of our examination. Where appropriate, the comments of the Administration have been taken into account in this report.

### Internal review and monitoring system

4. The Internal Audit Staff of the United Nations Development Programme (UNDP) is responsible for conducting the internal audit of UNFPA. The Board of Auditors has recommended in the past that the UNDP internal audit function should be expanded. Again this year, the Board is of the view that the existing resources, scope, and organizational arrangements do not make it possible for UNDP to provide adequate internal audit coverage for UNFPA.

5. There are considerable delays in the receipt of audited financial statements of ongoing and completed projects from the participating and executing agencies. Thus, UNFPA has not been in a position to conduct timely review and follow-up procedures. We have recommended that specific time limits and review procedures should be prescribed and adhered to, and are pleased to report that UNFPA is in the process of establishing the necessary procedures.

6. In order to ensure that UNFPA derives the full benefit from an effective internal audit and the timely review of agencies' financial statements and audit reports, we recommended that UNFPA obtain more complete internal audit coverage and develop a more timely system of follow-up and review of agencies' reports.

### Agencies' statements

7. The financial statements of UNFPA include amounts reported by the participating and executing agencies. The Board of Auditors, as in the past, and with regard for UNFPA financial regulation 15.2 has

not audited these balances (which aggregate approximately 67 per cent of total UNFPA programme expenditures) and has relied upon certificates provided to UNFPA by the agencies' external auditors.

8. As auditors for the United Nations, we have reviewed the various United Nations entities which are participating and executing agencies for UNFPA; in addition, audit certificates have been received from the external auditors of most of the other participating and executing agencies.

### Other matters

9. During the course of our audit, a number of pertinent issues were discussed with officials of UNFPA and incorporated in our management letters. We wish to acknowledge the positive and constructive response we received to the recommendations made, and note briefly below some of the areas covered:

#### (a) *Budgetary control*

We recommended a strengthening of the system of monitoring field coordinators' expenditures, and improvements in the system of internal control.

#### (b) *Procurement system*

We reported on certain ambiguities in the purchasing procedures, some laxity in the internal control at the field coordinators' level, and on the need for formal guidelines for the UNFPA Contracts Committee.

#### (c) *Inventory control*

We made specific recommendations designed to improve the internal control over UNFPA non-expendable property, including that held by the participating and executing agencies.

#### (d) *Matters affecting financial statements*

We pointed out the need to establish procedures for ensuring that administrative and programme support overhead costs from trust funds are properly charged and reflected in the financial statements. We also made other suggestions providing for more disclosure of useful information in the financial statements.

We are pleased to report that the Administration has taken appropriate action or agreed to give further consideration to all the matters referred to above.

### Comments on matters dealt with in the 1977 report

10. In paragraph 4 of our 1977 report, we noted that we had not verified whether advances of \$212,000 and \$575,000 in accounts receivable and deferred charges had been reconciled.<sup>1</sup> While the balance in

<sup>1</sup> Official Records of the General Assembly, Thirty-third Session, Supplement No. 5G (A/33/5/Add.7), chap. IV.



these accounts have been substantially reduced and UNFPA is in the process of identifying and reconciling the individual entries, we continue to be concerned at the extent of unidentified items and urge that special attention be paid to maintaining these accounts on a more current basis.

**Acknowledgement**

11. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Executive Director, United Nations Fund

for Population Activities, his officers and members of their staff.

(Signed) Ahenkora OSEI  
Auditor General of Ghana

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

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

15 June 1979

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