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Agenda item 96

FINANCIAL REPORTS AND ACCOUNTS, AND REPORTS OF THE  
BOARD OF AUDITORS

Report of the Fifth Committee

Rapporteur: Mr. Ali Ben-Said KHAMIS (Algeria)

1. At its 4th plenary meeting, on 21 September 1979, the General Assembly decided to include in the agenda of its thirty-fourth session the item entitled:

"Financial reports and accounts, and reports of the Board of Auditors:

- "(a) United Nations Development Programme;
- "(b) United Nations Children's Fund;
- "(c) United Nations Relief and Works Agency for Palestine Refugees in the Near East;
- "(d) United Nations Institute for Training and Research;
- "(e) Voluntary funds administered by the United Nations High Commissioner for Refugees;
- "(f) United Nations Fund for Population Activities."

and allocated it to the Fifth Committee.

2. At its 3rd, 6th, 9th, 10th, 11th, 12th and 15th meetings, on 25 September, 1, 4, 5, 8, 10 and 12 October, respectively, the Fifth Committee considered the financial reports and accounts for the year ended 31 December 1978 and the reports

of the Board of Auditors concerning the United Nations Development Programme, 1/ the United Nations Children's Fund, 2/ the United Nations Institute for Training and Research, 3/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 4/ and the United Nations Fund for Population Activities, 5/ and those for the years ended 31 December 1977 and 31 December 1978 for the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 6/ as well as the related report of the Advisory Committee on Administrative and Budgetary Questions (A/34/486).

3. The comments and observations made in the course of the discussion of the item and the replies to queries raised are reflected in the summary records of the Fifth Committee (A/C.5/34/SR.3, 6, 9, 10, 11, 12 and 15).

4. The Committee had before it the following draft resolution (A/C.5/34/L.5) proposed by the Chairman of the Committee:

"The General Assembly,

"Having considered the Financial reports and accounts for the year ended 31 December 1978 of the United Nations Development Programme, 1/ the United Nations Children's Fund, 2/ the United Nations Institute for Training and Research, 3/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 4/ and the United Nations Fund for Population Activities, 5/ and those for the years ended 31 December 1977 and 31 December 1978 for the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 6/ the audit opinions of the Board of Auditors, 7/ and the report of the Advisory Committee on Administrative and Budgetary Questions. 8/

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1/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 5A (A/34/5/Add.1).

2/ Ibid., Supplement No. 5B (A/34/5/Add.2).

3/ Ibid., Supplement No. 5D (A/34/5/Add.4).

4/ Ibid., Supplement No. 5E (A/34/5/Add.5).

5/ Ibid., Supplement No. 5G (A/34/5/Add.7).

6/ Ibid., Supplement No. 5C (A/34/5/Add.3).

7/ Ibid., Supplement No. 5A (A/34/5/Add.1), sect. II; *ibid.*, Supplement No. 5B (A/34/5/Add.2), part one, sect. II; *ibid.*, Supplement No. 5D (A/34/5/Add.4), sect. II; *ibid.*, Supplement No. 5E (A/34/5/Add.5), sect. II; *ibid.*, Supplement No. 5G (A/34/5/Add.7), sect. II; and *ibid.*, Supplement No. 5C (A/34/5/Add.3), part one, sect. I and part two, sect. I.

8/ A/34/486.

"1. Accepts the financial reports and accounts and the audit opinions of the Board of Auditors;

"2. Takes note of the observations and comments made by the Advisory Committee on Administrative and Budgetary Questions in its report;

"3. Requests the executive heads of the organizations and programmes concerned to take such remedial action as may be required by the comments and observations made by the Board of Auditors in its reports."

5. Following suggestions made by the representative of the Union of Soviet Socialist Republics and Bulgaria, the Chairman accepted revision of the draft resolution by the replacement in operative paragraph 2 of the words "Takes note of" by the words "Concurs with", by inserting a new operative paragraph 3 reading as follows:

"3. Requests the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions to continue to give increased attention to areas regarding which they have made observations and comments."

and by renumbering the last paragraph as new operative paragraph 4, beginning with the words "Further requests ...".

6. At its 12th meeting, on 10 October, the Committee adopted, without objection, the revised draft resolution contained in document A/C.5/34/L.5/Rev.1 (see para. 12 below).

7. During the consideration of this item, the Committee also had before it a note verbale (A/C.5/34/L.3) dated 14 September 1979 from the Permanent Representative of Canada to the United Nations addressed to the Secretary-General. During the 12th meeting, on 10 October, the representative of Canada introduced the following draft resolution (A/C.5/34/L.6):

"The General Assembly,

"Recognizing that the growing range and complexity of the United Nations programmes and activities and the deepening interrelationship of the organizations in the United Nations family call for the most effective available system of auditing,

"Believing that improved auditing practices can perform an important role in the management of United Nations activities and can assist Member States to monitor them,

"Noting the proposals contained in document A/C.5/34/L.3 and the relevant comments of the thirty-fourth session,

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"1. Requests both the Board of Auditors and the Panel of External Auditors for their views on the Board's organization and professional practices,

"2. Requests the Secretary-General to solicit the views of Member States, of the specialized agencies and organizations of the United Nations system and to submit a report including his own views and containing the financial and administrative implications of the proposed reforms through the ACABQ to the thirty-fifth session."

8. A discussion ensued, in which the representatives of Egypt, the Union of Soviet Socialist Republics, Italy, France, Australia, Tunisia and Ghana participated, as did the Chairman of the Advisory Committee on Administrative and Budgetary Questions, during which various proposals and suggestions were made to amend the draft resolution. At the suggestion of the Chairman, the representative of Canada agreed to hold further informal consultations with a view to presenting a revised draft for consideration by the Committee.

9. At the 15th meeting, on 12 October, the representative of Canada introduced the following text (A/C.5/34/L.6/Rev.1) in the form of a draft decision:

"The General Assembly notes the proposals contained in document A/C.5/34/L.3 and the comments made by Member States during the thirty-fourth session, and decides to request:

"(a) Both the Board of Auditors and the Panel of External Auditors to submit their views on the Board's organization and professional practices,

"(b) The Secretary-General to submit a report containing his own views to the thirty-sixth session,

"(c) The Advisory Committee on Administrative and Budgetary Questions to submit its views and recommendations on the above reports."

10. The representative of Morocco orally proposed, and the representative of Canada accepted, to amend subparagraph (a) by adding the words "to the thirty-sixth session" at the end of the paragraph.

11. At its 15th meeting, on 12 October, the Committee adopted, without objection, the revised draft decision (A/C.5/34/L.6/Rev.1), as orally amended (see para. 13 below). Explanations of vote were made by the representatives of the Union of Soviet Socialist Republics and Panama.

#### RECOMMENDATIONS OF THE FIFTH COMMITTEE

12. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

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Financial reports and accounts, and reports of the  
Board of Auditors

The General Assembly,

Having considered the financial reports and accounts for the year ended 31 December 1978 of the United Nations Development Programme, 9/ the United Nations Children's Fund, 10/ the United Nations Institute for Training and Research, 11/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 12/ and the United Nations Fund for Population Activities, 13/ and those for the years ended 31 December 1977 and 31 December 1978 for the United Nations Relief and Works Agency for Palestine in the Near East, 14/ the audit opinions of the Board of Auditors 15/ and the report of the Advisory Committee on Administrative and Budgetary Questions, 16/

1. Accepts the financial reports and accounts and the audit opinions of the Board of Auditors;
2. Concurs with the observations and comments made by the Advisory Committee on Administrative and Budgetary Questions in its report;
3. Requests the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions to continue to give increased attention to areas regarding which they have made observations and comments;

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9/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 5A (A/34/5/Add.1), sects. I and III.

10/ Ibid., Supplement No. 5B (A/34/5/Add.2), part one, sects. I and III and part two.

11/ Ibid., Supplement No. 5D (A/34/5/Add.4), sects. I and III.

12/ Ibid., Supplement No. 5E (A/34/5/Add.5), sects. I and III.

13/ Ibid., Supplement No. 5G (A/34/5/Add.7), sects. I and III.

14/ Ibid., Supplement No. 5C (A/34/5/Add.3), part one, sects. II and III, and part two, sects. II, III and IV.

15/ Ibid., Supplement No. 5A (A/34/5/Add.1), sect. II; *ibid.*, Supplement No. 5B (A/34/5/Add.2), part one, sect. II; *ibid.*, Supplement No. 5D (A/34/5/Add.4), sect. II; *ibid.*, Supplement No. 5E (A/34/5/Add.5), sect. II; *ibid.*, Supplement No. 5G (A/34/5/Add.7), sect. II; and *ibid.*, Supplement No. 5C (A/34/5/Add.3), part one, sect. I and part two, sect. I.

16/ A/34/486.

4. Further requests the executive heads of the organizations and programmes concerned to take such remedial action as may be required by the comments and observations made by the Board of Auditors in its reports. 17/

13. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decision:

The General Assembly notes the proposals contained in the note verbale dated 14 September 1979 from the representative of Canada 18/ and the comments made by Member States during the thirty-fourth session of the General Assembly and decides:

(a) To request both the Board of Auditors and the Panel of External Auditors, to submit their views on the Board's organization and professional practices to the General Assembly at its thirty-sixth session;

(b) To request the Secretary-General to submit a report containing his own views to the General Assembly at its thirty-sixth session;

(c) To request the Advisory Committee on Administrative and Budgetary Questions to submit its views and recommendations on the above reports.

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17/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 5A (A/34/5/Add.1), sect. IV; *ibid.*, Supplement No. 5B (A/34/5/Add.2), part one, sect. IV; *ibid.*, Supplement No. 5D (A/34/5/Add.4), sect. IV; *ibid.*, Supplement No. 5E (A/34/5/Add.5), sect. IV; *ibid.*, Supplement No. 5G (A/34/5/Add.7), sect. IV; and *ibid.*, Supplement No. 5C (A/34/5/Add.3), part three.

18/ A/C.5/34/L.3