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PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Revised estimates under sections 1 and 19 in respect of the
United Nations Board of Auditors

Fifth report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General in which he submits revised estimates under sections 1 and 19 in respect of the United Nations Board of Auditors (A/C.5/33/14).
2. The Secretary-General's proposed programme budget for the biennium 1978-1979 1/ included an amount of \$851,800 under section 1 and \$3,900 under section 19 for the external audit costs borne by the regular budget. As stated in paragraph 4 of the Secretary-General's report, the revised requirements would raise total expenditure under the regular budget for 1978-1979 by \$561,900 to \$1,417,600.
3. As indicated by the Secretary-General in his report, the initial estimate represented the cost of maintaining at 1978-1979 rates the 1976-1977 level of reimbursement. The Secretary-General states that "due to a lack of detailed information at the time, no growth in the 1976-1977 level of activity was anticipated" (see A/C.5/33/14, para. 1).
4. In this connexion, the Advisory Committee recalls paragraph 1.8 of its first report on the proposed programme budget for 1978-1979 2/ where it is stated that the Committee was informed that the estimate for the Board could be subject to change after the Board had reviewed its programme of work. The Committee understands that the detailed analysis of anticipated requirements undertaken by the Board (see A/C.5/33/14, para. 3) was only completed in the autumn of 1977.

1/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 6 (A/32/6).

2/ Ibid., Supplement No. 8 (A/32/8 and Corr.1).

5. The Advisory Committee sought further information on the revised estimates themselves, as no analysis is included in the Secretary-General's report. The Advisory Committee was provided with the following breakdown by object of expenditure:

| | \$ |
|-----------------------|------------------|
| Salaries | 848,800 |
| Subsistence | 403,100 |
| Travel | 165,700 |
| | <u>1,417,600</u> |

6. The Advisory Committee recognizes that it is for the Board to determine the audit work-load which would enable it to discharge its responsibilities in a proper and professional manner. However, the Advisory Committee is also of the opinion that there is no incompatibility between such a determination by the Board and the submission to the General Assembly of the supporting data normally provided for other items in the programme budget.

7. In paragraph 2 of his report, the Secretary-General states that the actual costs incurred by the Board of Auditors during the biennium 1976-1977 exceeded the level of reimbursement by the United Nations and that, as a result, the national Governments of the members of the Board incurred expenditures in respect of the audit of United Nations activities for which no full compensation was or is being sought.

8. The Advisory Committee notes that the revised estimate of \$1,417,600 has been prepared on the basis of the Board's evaluation of a minimum audit work-load which would enable it to continue to fulfil its responsibilities in a proper and professional manner (ibid.).

9. The Advisory Committee does not believe that it would be reasonable to expect the Governments of members of the Board to subsidize the staff work involved in the external audit of the Organization. The Advisory Committee therefore recommends approval of the additional amount required to ensure that the expenses of the Board for 1978-1979 can be reimbursed. In this connexion the Advisory Committee understands that the revised estimate presented by the Secretary-General is based on projected actual costs, and notes from paragraph 3 of the Secretary-General's report that it "represents the maximum entitlement, barring unforeseen and extraordinary events, against which the Board may draw in respect of audit activities financed by the United Nations regular budget".

10. For the reasons given in paragraph 6 above, the Advisory Committee trusts that future estimates of the costs of external audit for a particular biennium will be accompanied by appropriate explanations. In the view of the Committee the submission of such information is essential if it is to carry out fully its role vis-à-vis the

Board, and in particular its responsibility relative to the scope of the audit, as set forth in General Assembly resolution 74 (I). Moreover, while recognizing the special circumstances which gave rise to the need for revised estimates this time (see para. 4 above), the Advisory Committee trusts that future estimates will be submitted in the context of the Secretary-General's programme budget proposals prior to the start of a biennium.

11. The Advisory Committee's recommendation in paragraph 9 above, if approved by the General Assembly, would entail additional requirements of \$560,400 under section 1 and \$1,500 under section 19 of the programme budget for 1978-1979.
