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Thirty-second session  
Agenda item 98

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

Report of the Fifth Committee (Part I)

Rapporteur: Mr. Peter G. BELYAEV (Byelorussian Soviet  
Socialist Republic)

1. At its 5th plenary meeting, on 23 September 1977, the General Assembly decided to include in the agenda of its thirty-second 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 8th to 10th meetings, on 4 and 6 October, the Fifth Committee considered the financial reports and accounts for the year ended 31 December 1976 and the reports of the Board of Auditors concerning the United Nations Development Programme, 1/ the United Nations Children's Fund (including the UNICEF Greeting

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1/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 7A (A/32/7/Add.1).

Card Operation), 2/ the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 3/ the United Nations Institute for Training and Research, 4/ the voluntary funds administered by the United Nations High Commissioner for Refugees 5/ and the United Nations Fund for Population Activities. 6/

3. The related report of the Advisory Committee on Administrative and Budgetary Questions covering six sets of reports and accounts (A/32/145) was also before the Committee.

4. In an oral statement before the Committee at its 8th meeting, on 4 October, the Chairman of the Board of Auditors reported on the progress made by the Board in implementing the changes that, in 1976, it had decided to introduce to the existing auditing procedures in order to ensure that they met the changing requirements of the United Nations system.

5. At the start of the consideration of this item, the Committee had before it the following draft resolution (A/C.5/32/L.4) proposed by the Chairman of the Committee:

"The General Assembly,

"Having considered the financial reports and accounts for the year ended 31 December 1976 of the United Nations Development Programme, 1/ the United Nations Children's Fund, 2/ the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 3/ the United Nations Institute for Training and Research, 4/ the voluntary funds administered by the United Nations High Commissioner for Refugees 5/ and the United Nations Fund for Population Activities; 6/ the audit opinions of the Board of Auditors; 7/ and the report of the Advisory Committee on Administrative and Budgetary Questions; 8/

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

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2/ Ibid., Supplement No. 7B (A/32/7/Add.2).

3/ Ibid., Supplement No. 7C (A/32/7/Add.3).

4/ Ibid., Supplement No. 7D (A/32/7/Add.4).

5/ Ibid., Supplement No. 7E (A/32/7/Add.5).

6/ Ibid., Supplement No. 7G (A/32/7/Add.7).

7/ Ibid., Supplement No. 7A (A/32/7/Add.1), chap. II; ibid., Supplement No. 7B (A/32/7/Add.2), part one, chap. II; ibid., Supplement No. 7C (A/32/7/Add.3), chap. I; ibid., Supplement No. 7D (A/32/7/Add.4), chap. II; ibid., Supplement No. 7E (A/32/7/Add.5), chap. I; and ibid., Supplement No. 7G (A/32/7/Add.7), chap. II, respectively.

8/ A/32/145.

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"2. Takes note of the observations and comments of the Advisory Committee on Administrative and Budgetary Questions;

"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 of the Board of Auditors."

6. The following amendment (A/C.5/32/L.5) to the draft resolution was submitted by the representative of Ghana, to be added as operative paragraph <sup>1</sup>:

"4. Requests the Board of Auditors to include in all its future audit reports to the General Assembly a chapter indicating remedial measures taken to correct financial management practices previously commented on by the Board of Auditors."

7. At the 9th meeting, on 6 October, the representative of Ghana introduced a revised amendment (A/C.5/32/L.5/Rev.1), which incorporated an oral subamendment proposed by the representative of the Federal Republic of Germany. The revised amendment read as follows:

"4. Requests the Board of Auditors to include in all its future audit reports to the General Assembly a chapter drawing attention to any failures by the organizations concerned to take adequate measures to rectify inadequate financial management practices already commented on by the Board of Auditors to the extent that the comments were endorsed by the General Assembly."

8. The representative of the United Kingdom of Great Britain and Northern Ireland orally proposed, with reference to paragraphs 1 and 2 of the draft resolution (A/C.5/32/L.4), that the General Assembly accept the audit opinion of the Board of Auditors "as qualified by the observations and comments of the Advisory Committee". The United Kingdom subsequently withdrew the amendment.

9. The comments and observations made in the course of the discussion of this item and the replies to queries raised are reflected in the summary records of the Fifth Committee (A/C.5/32/SR.8-10).

10. At its 10th meeting, on 6 October, the Committee decided, without objection, to adopt the draft resolution (A/C.5/32/L.4) as amended (A/C.5/32/L.5/Rev.1) including a small revision suggested by the Chairman of the Committee.

#### Recommendation of the Fifth Committee

11. 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 1976 of the United Nations Development Programme, 9/ of the United Nations Children's Fund, 10/ of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 11/ of the United Nations Institute for Training and Research, 12/ of the voluntary funds administered by the United Nations High Commissioner for Refugees 13/ and of the United Nations Fund for Population Activities, 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. Takes note of the observations and comments of the Advisory Committee on Administrative and Budgetary Questions;
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 of the Board of Auditors;
4. Requests the Board of Auditors to include in all its future audit reports to the General Assembly a chapter drawing attention to any failures by the organizations concerned to take the necessary measures to rectify inadequate financial management practices already commented on by the Board of Auditors to the extent that the comments have been endorsed by the Assembly.

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9/ Official Records of the General Assembly, Thirty-second Session, Supplement No. 7A (A/32/7/Add.1).

10/ Ibid., Supplement No. 7B (A/32/7/Add.2).

11/ Ibid., Supplement No. 7C (A/32/7/Add.3).

12/ Ibid., Supplement No. 7D (A/32/7/Add.4).

13/ Ibid., Supplement No. 7E (A/32/7/Add.5).

14/ Ibid., Supplement No. 7G (A/32/7/Add.7).

15/ Ibid., Supplement No. 7A (A/32/7/Add.1), chap. II; *ibid.*, Supplement No. 7B (A/32/7/Add.2), part one, chap. II; *ibid.*, Supplement No. 7C (A/32/7/Add.3), chap. I; *ibid.*, Supplement No. 7D (A/32/7/Add.4), chap. II; *ibid.*, Supplement No. 7E (A/32/7/Add.5), chap. I; and *ibid.*, Supplement No. 7G (A/32/7/Add.7), chap. II, respectively.

16/ A/32/145.