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Thirty-third session  
Agenda item 99

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

Report of the Fifth Committee

Rapporteur: Mr. Hamzah Mohammed HAMZAH (Syrian Arab Republic)

1. At its 4th and 5th plenary meetings, on 22 September 1978, the General Assembly decided to include in the agenda of its thirty-third session the item entitled:

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

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

and allocated it to the Fifth Committee.

2. At its 4th, 6th, 7th and 10th meetings, on 28 September and 2, 3 and 6 October, the Fifth Committee considered the financial reports and accounts for the financial period ended 31 December 1977 and the reports of the Board of Auditors concerning the United Nations, 1/ the United Nations Development Programme, 2/ the United Nations Children's Fund, 3/ the United Nations Institute for Training and Research, 4/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 5/ the Fund of the United Nations Environment Programme, 6/ the United Nations Fund for Population Activities 7/ and the United Nations Habitat and Human Settlements Foundation. 8/ The Fifth Committee was informed that the financial report and accounts and report of the Board of Auditors on the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East would be submitted to the General Assembly at its thirty-fourth session.

3. The related report of the Advisory Committee on Administrative and Budgetary Questions covering 10 sets of reports and accounts (A/33/171) was also before the Committee.

4. In an oral statement before the Committee at its 4th meeting, on 28 September, the Chairman of the Board of Auditors reported that the most significant element of the Board's reporting for the biennium was the report on the United Nations which included the results of the evaluation of the systems of financial management and control it had conducted during the biennium. The Chairman also stated that the establishment of the Audit Operations Committee had ensured that the principle of joint and several responsibility for the audits had been respected.

5. 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.5/33/SR.4, 6, 7 and 10).

6. During the consideration of this item, the Committee had before it the following draft resolution (A/C.5/33/L.3) proposed by the Chairman of the Committee:

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1/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 5 (A/33/5), vols. I-IV.

2/ Ibid., Supplement No. 5A (A/33/5/Add.1).

3/ Ibid., Supplement No. 5B (A/33/5/Add.2).

4/ Ibid., Supplement No. 5D (A/33/5/Add.4).

5/ Ibid., Supplement No. 5E (A/33/5/Add.5).

6/ Ibid., Supplement No. 5F (A/33/5/Add.6).

7/ Ibid., Supplement No. 5G (A/33/5/Add.7).

8/ Ibid., Supplement No. 5H (A/33/5/Add.8).

"The General Assembly,

"Having considered the reports and accounts for the year ended 31 December 1977 of the United Nations, 1/ the UNCTAD/GATT International Trade Centre, 1/ the United Nations University, 1/ the United Nations Development Programme, 2/ the United Nations Children's Fund, 3/ the United Nations Institute for Training and Research, 4/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 5/ the Fund of the United Nations Environment Programme, 6/ the United Nations Fund for Population Activities 7/ and the United Nations Habitat and Human Settlements Foundation, 8/ the audit opinions of the Board of Auditors 9/ and the report of the Advisory Committee on Administrative and Budgetary Questions, 10/

"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."

7. An amendment (A/C.5/33/L.4) to draft resolution A/C.5/33/L.3 was submitted by the representative of Australia. In its revised form (A/C.5/33/L.4/Rev.1), the amendment provided for the addition of operative paragraphs 4 and 5 reading as follows:

"4. Endorses the proposals of the Board of Auditors for improving the United Nations financial management and control systems, especially the proposal for strengthening the role of the Controller so as to enable him to provide functional leadership, guidance and central direction of all United Nations financial functions;

"5. Calls upon the Secretary-General to proceed as quickly as possible to implement these proposals and to ensure that the allotments control system is improved and made more effective, also as it relates to the proper disbursement of technical assistance funds, and to report to the General Assembly at its thirty-fourth session on the progress made in meeting the concerns expressed by the Board of Auditors in its report (A/33/5)."

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9/ Ibid., Supplement No. 5 (A/33/5), vol. I, sect. II; ibid., vol. III, sect. II; ibid., vol. IV, sect. II; ibid., Supplement No. 5A (A/33/5/Add.1), sect. II; ibid., Supplement No. 5B (A/33/5/Add.2), part one, sect. II; ibid., Supplement No. 5D (A/33/5/Add.4), sect. II; ibid., Supplement No. 5E (A/33/5/Add.5), sect. II; ibid., Supplement No. 5F (A/33/5/Add.6), sect. II; ibid., Supplement No. 5G (A/33/5/Add.7), sect. II; and Supplement No. 5H (A/33/5/Add.8), sect. II.

10/ A/33/171.

8. The representative of the Federal Republic of Germany proposed the following amendments (A/C.5/33/L.5) to draft resolution A/C.5/33/L.3:

"(a) Operative paragraph 2 should read:

"2. Endorses the observations and comments of the Advisory Committee on Administrative and Budgetary Questions.

"(b) Add as operative paragraph 6:

"6. Requests the Board of Auditors to follow up on the implementation of their recommendations contained in their special report on the financial management and control review of the United Nations Headquarters and Office at Geneva (A/33/5, vol. I, sect. IV, annex) and to report to the General Assembly not later than at the thirty-fifth session."

9. The representatives of Pakistan, the Philippines and Sweden orally proposed amendments whereby paragraphs 3 to 5 would read as follows:

"3. Requests the executive heads of the organizations and programmes concerned to take such remedial action as required by the comments and observations of the Board of Auditors;

"4. Endorses the proposals of the Board of Auditors for improving the United Nations financial management and control systems, especially the proposal for strengthening the role of the Controller so as to enable him to provide functional leadership, guidance and central direction of all United Nations financial functions, including the development of a comprehensive financial manual setting out the financial management and control policies, responsibilities and procedures of the United Nations;

"5. Calls upon the Secretary-General to proceed as quickly as possible to implement these proposals and to report to the General Assembly at its thirty-fourth session on the progress made in meeting the concerns expressed by the Board of Auditors in its report (A/33/5);"

All of the oral amendments were adopted.

10. The representative of Poland inquired whether the development of the financial manual would bring any financial implications over and above those already approved.

11. At its 10th meeting on 6 October, the Committee decided, by consensus, to adopt draft resolution A/C.5/33/L.3 including the amendments contained in documents A/C.5/33/L.4/Rev.1 and A/C.5/33/L.5, and the oral amendments submitted by Pakistan, the Philippines and Sweden (see para. 12 below).

RECOMMENDATION OF THE FIFTH COMMITTEE

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

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

The General Assembly,

Having considered the reports and accounts for the financial period ended 31 December 1977 of the United Nations, 11/ the International Trade Centre, 12/ the United Nations University, 13/ the United Nations Development Programme, 14/ the United Nations Children's Fund, 15/ the United Nations Institute for Training and Research, 16/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 17/ the Fund of the United Nations Environment Programme, 18/ the United Nations Fund for Population Activities 19/ and the United Nations Habitat and Human Settlements Foundation, 20/ the audit opinions of the Board of Auditors 21/ and the report of the Advisory Committee on Administrative and Budgetary Questions, 22/

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

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11/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 5 (A/33/5), vol. I, sects. I and III, and vol. II.

12/ Ibid., vol. III, sects. I and III.

13/ Ibid., vol. IV, sects. I and III.

14/ Ibid., Supplement No. 5A (A/33/5/Add.1), sects. I and III.

15/ Ibid., Supplement No. 5B (A/33/5/Add.2), part one, sects. I and III, and part two.

16/ Ibid., Supplement No. 5D (A/33/5/Add.4), sects. I and III.

17/ Ibid., Supplement No. 5E (A/33/5/Add.5), sects. I and III.

18/ Ibid., Supplement No. 5F (A/33/5/Add.6), sects. I and III.

19/ Ibid., Supplement No. 5G (A/33/5/Add.7), sects. I and III.

20/ Ibid., Supplement No. 5H (A/33/5/Add.8), sects. I and III.

21/ Ibid., Supplement No. 5 (A/33/5), vol. I, sect. II; *ibid.*, vol. III, sect. II; *ibid.*, vol. IV, sect. II; *ibid.*, Supplement No. 5A (A/33/5/Add.1), sect. II; *ibid.*, Supplement No. 5B (A/33/5/Add.2), part one, sect. II; *ibid.*, Supplement No. 5D (A/33/5/Add.4), sect. II; *ibid.*, Supplement No. 5E (A/33/5/Add.5), sect. II; *ibid.*, Supplement No. 5F (A/33/5/Add.6), sect. II; *ibid.*, Supplement No. 5G (A/33/5/Add.7), sect. II; and Supplement No. 5H (A/33/5/Add.8), sect. II.

22/ A/33/171.

2. Endorses 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 remedial action as required by the comments and observations made by the Board of Auditors in its reports; 23/

4. Endorses the proposals of the Board of Auditors for improving the United Nations financial management and control systems, especially the proposal for strengthening the role of the Controller so as to enable him to provide functional leadership, guidance and central direction of all United Nations financial functions, including the development of a comprehensive financial manual setting out the financial management and control policies, responsibilities and procedures of the United Nations;

5. Calls upon the Secretary-General to proceed as quickly as possible to implement these proposals and to report to the General Assembly at its thirty-fourth session on the progress made in meeting the concerns expressed by the Board of Auditors in its report; 24/

6. Requests the Board of Auditors to follow up on the implementation of its recommendations contained in its special report on the financial management and control review of the United Nations Headquarters and Office at Geneva 25/ and to report to the General Assembly not later than at its thirty-fifth session.

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23/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 5 (A/33/5), vol. I, sect. IV; *ibid.*, vol. III, sect. IV; *ibid.*, vol. IV, sect. IV; *ibid.*, Supplement No. 5A (A/33/5/Add.1), sect. IV; *ibid.*, Supplement No. 5B (A/33/5/Add.2), part one, sect. IV; *ibid.*, Supplement No. 5D (A/33/5/Add.4), sect. IV; *ibid.*, Supplement No. 5E (A/33/5/Add.5), sect. IV; *ibid.*, Supplement No. 5F (A/33/5/Add.6), sect. IV; *ibid.*, Supplement No. 5G (A/33/5/Add.7), sect. IV; and *ibid.*, Supplement No. 5H (A/33/5/Add.8), sect. IV.

24/ *Ibid.*, Supplement No. 5 (A/33/5), vol. I, sect. IV.

25/ *Ibid.*, annex.