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

Report of the Fifth Committee

Rapporteur: Mr. E. Brian NASON (Ireland)

1. At its 26th and 27th meetings, held on 9 and 10 November 1976, the Fifth Committee considered the financial reports and accounts for the year ended 31 December 1975 and the reports of the Board of Auditors concerning the United Nations, 1/ the International Trade Centre, 2/ the United Nations University, 3/ the United Nations Development Programme, 4/ the United Nations Children's Fund, 5/ the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 6/ the United Nations Institute for Training and Research, 7/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 8/ the Fund of the United Nations Environment Programme 9/ and the United Nations Fund for Population Activities. 10/

1/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7 (A/31/7 and Corr.1), vol. I.

2/ Ibid. (A/31/7 and Corr.2 and 3), vol. II.

3/ Ibid. (A/31/7), vol. III.

4/ Ibid., Supplement No. 7A (A/31/7/Add.1).

5/ Ibid., Supplement No. 7B (A/31/7/Add.2).

6/ Ibid., Supplement No. 7C (A/31/7/Add.3 and Corr.1).

7/ Ibid., Supplement No. 7D (A/31/7/Add.4).

8/ Ibid., Supplement No. 7E (A/31/7/Add.5).

9/ Ibid., Supplement No. 7F (A/31/7/Add.6 and Corr.1).

10/ Ibid., Supplement No. 7G (A/31/7/Add.7).

2. The related report of the Advisory Committee on Administrative and Budgetary Questions covering nine sets of reports and accounts (A/31/140) and the report covering the United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/31/140/Add.1) were also before the Committee.
3. At the 26th meeting, the Chairman of the Board of Auditors orally introduced the reports mentioned in paragraph 1 above.
4. In so doing, the Chairman noted, inter alia, that the Board, for the first time, had in certain instances qualified its opinion in order to present to the General Assembly an accurate picture of the financial situation as at 31 December 1975 in keeping with internationally accepted accounting principles. The Board had also decided to set up a high-level Audit Operations Committee which would plan the audit work on a unified and integrated basis, review all audits, prepare reports in a consistent manner and establish common auditing standards. Moreover, it hoped to complete by 1978 an audit manual which would incorporate those auditing standards. The manual would also provide background information and guidelines which would assist developing countries in establishing their own audit systems. Finally, the Board, while continuing "transaction auditing", had decided to shift its emphasis to "systems-based auditing". Under this new approach, in addition to identifying irregularities in financial transactions in the traditional way, the Board intended immediately to formulate recommendations to the officials concerned and to check on their implementation.
5. At the same meeting, the Chairman of the Advisory Committee on Administrative and Budgetary Questions introduced the related reports of the Advisory Committee (A/31/140 and Add.1). In so doing, he inter alia referred to the innovations which the Board had decided to introduce and noted that the Advisory Committee had been given to understand by the Board that no additional expenditures were expected to arise with respect to these innovations, at least during the experimental period. The Advisory Committee intended to monitor developments in this area in the context of its annual meetings with the Board.
6. The comments made and reservations stated by delegations in the course of the discussion on the different reports, as well as the responses of the Chairman of the Board of Auditors and agency representatives to queries raised, are reflected in the summary records of the Fifth Committee (A/C.5/31/SR.26 and 27).
7. At its 26th and 27th meetings, on 9 and 10 November, the Fifth Committee adopted without objection 10 draft resolutions concerning the item (see para. 8 below, draft resolutions A to J).

RECOMMENDATIONS OF THE FIFTH COMMITTEE

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

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

A

United Nations

The General Assembly

1. Accepts the financial report and accounts of the United Nations for the biennium 1974-1975 and the audit opinion of the Board of Auditors; 11/
2. Concurs with the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 12/
3. Requests the Secretary-General to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 13/

B

International Trade Centre

The General Assembly

1. Accepts the financial reports and accounts of the International Trade Centre for the years 1974 and 1975 and the respective audit opinions of the Board of Auditors; 14/
2. Concurs with the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 15/
3. Requests the Secretary-General to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 16/

11/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7 (A/31/7 and Corr.1), vol. I.

12/ A/31/140, paras. 3-14.

13/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7 (A/31/7 and Corr.1), vol. I, chap. IV.

14/ Ibid., Supplement No. 7 (A/31/7 and Corr.2 and 3), vol. II.

15/ A/31/140, paras. 15 and 16.

16/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7 (A/31/7 and Corr.2 and 3), vol. II, chap. VII.

C

United Nations University

The General Assembly

1. Accepts the financial report and accounts of the United Nations University for the biennium 1974-1975 and the audit opinion of the Board of Auditors; 17/
2. Concurs with the comments of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 18/
3. Requests the Secretary-General to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 19/

D

United Nations Development Programme

The General Assembly

1. Accepts the financial report and accounts of the United Nations Development Programme for the year ended 31 December 1975 and the audit opinion of the Board of Auditors; 20/
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 21/
3. Requests the Administrator of the United Nations Development Programme to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 22/

17/ Ibid., Supplement No. 7 (A/31/7), vol. III.

18/ A/31/140, paras. 33 and 34.

19/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7 (A/31/7), vol. III, chap. IV.

20/ Ibid., Supplement No. 7A (A/31/7/Add.1).

21/ A/31/140, paras. 17-20.

22/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7A (A/31/7/Add.1), chap. IV.

E

United Nations Children's Fund

The General Assembly

1. Accepts the financial report and accounts of the United Nations Children's Fund for the year 1975 and the audit opinions of the Board of Auditors; 23/
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 24/
3. Requests the Executive Director of the United Nations Children's Fund to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 25/

F

United Nations Relief and Works Agency for
Palestine Refugees in the Near EastThe General Assembly

1. Accepts the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the year ended 31 December 1975 and the audit opinion of the Board of Auditors; 26/
2. Requests the Commissioner General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 27/

G

United Nations Institute for Training and Research

The General Assembly

1. Accepts the financial report and accounts of the United Nations Institute

23/ Ibid., Supplement No. 7B (A/31/7/Add.2), part one, chaps. I-III, and part two, chaps. I-III.

24/ A/31/140, paras. 21-24.

25/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7B (A/31/7/Add.2), part one, chap. IV, and part two, chap. IV.

26/ Ibid., Supplement No. 7C (A/31/7/Add.3 and Corr.1).

27/ Ibid., chap. I.

for Training and Research for the Year ended 31 December 1975 and the audit opinion of the Board of Auditors; 28/

2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 29/

3. Requests the Executive Director of the United Nations Institute for Training and Research to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 30/

H

Voluntary funds administered by the United Nations
High Commissioner for Refugees

The General Assembly

1. Accepts the accounts of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 1975 and the audit opinion of the Board of Auditors; 31/

2. Requests the United Nations High Commissioner for Refugees to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 32/

I

Fund of the United Nations Environment Programme

The General Assembly

1. Accepts the financial report and accounts of the Fund of the United Nations Environment Programme for the year ended 31 December 1975 and the audit opinion of the Board of Auditors; 33/

2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 34/

28/ Ibid., Supplement No. 7D (A/31/7/Add.4).

29/ A/31/140, paras. 25-27.

30/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7D (A/31/7/Add.4), chap. IV.

31/ Ibid., Supplement No. 7E (A/31/7/Add.5).

32/ Ibid., chap. III.

33/ Ibid., Supplement No. 7F (A/31/7/Add.6 and Corr.1).

34/ A/31/140, paras. 29-31.

3. Requests the Executive Director of the United Nations Environment Programme to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 35/

J

United Nations Fund for Population Activities

The General Assembly

1. Accepts the financial report and accounts of the United Nations Fund for Population Activities for the year ended 31 December 1975 and the audit opinion of the Board of Auditors; 36/

2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in its report; 37/

3. Requests the Executive Director of the United Nations Fund for Population Activities to take such remedial action as may be required by the comments made by the Board of Auditors in its report. 38/

35/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7F (A/31/7/Add.6 and Corr.1), chap. V.

36/ Ibid., Supplement No. 7G (A/31/7/Add.7).

37/ A/31/140, para. 32.

38/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 7G (A/31/7/Add.7), chap. IV.