



**VOLUNTARY FUNDS ADMINISTERED
BY THE UNITED NATIONS HIGH COMMISSIONER
FOR REFUGEES**

ACCOUNTS

for the year ended 31 December 1971

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-SEVENTH SESSION

SUPPLEMENT No. 7E (A/8707/Add.5)

UNITED NATIONS



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UNITED NATIONS

New York, 1972

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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LETTER OF TRANSMITTAL

19 June 1972

Sir,

..... I have the honour to transmit to you the financial statements of the Voluntary Funds administered by the United Nations High Commissioner for Refugees as at 31 December 1971. These statements have been examined and certified by the Board of Auditors.

..... In addition to the above, I have the honour to present the report of the Board with respect to the accounts of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the year 1971.

Accept, Sir, the assurances of my highest consideration.

(Signed) A. M. HENDERSON
Chairman
Board of Auditors

The President of the General Assembly
of the United Nations
New York

A. AUDIT OPINION

We have examined the following appended financial statements, numbered I and II, properly identified, and relevant schedules of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 1971. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that, subject to the observation in our foregoing report relating to the audit arrangements for the focal point operations, the financial statements properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1971.

(Signed) A. M. HENDERSON
Auditor-General of Canada

J. E. ESCALLON O.
Controller-General of Colombia

A. I. OSMANY
Auditor-General of Pakistan

19 June 1972



B. ACCOUNTS FOR THE YEAR 1971



STATEMENT I
Balance sheet at 31 December 1971
(In US dollars)

	1970	1971	1971
ASSETS			
Cash and deposits	222,434	577,146	5,810,497
Current accounts	480,000	911,287	135,313
48 hour accounts	6,906,306	6,924,528	155,556
Deposit accounts	7,608,740	8,402,961	(21,585)
			15,493
Accounts receivable - short term			117,614
Governmental contributions pledged (schedule 3)	262,547	252,773	15,679
Private donations pledged (schedule 4)		116,127	
Funds held to the order of the High Commissioner	74,451	49,450	288,053
Interest accrued	381,776	269,168	83,003
Indemnification payments refundable	183,119	49,565	97,550
Unspent balances of projects receivable from implementing agencies	26,146	184,880	
Due from sale of long-playing records	27,658	11,290	
Miscellaneous	21,227	70,842	
	276,924	1,004,095	6,694,615
Accounts receivable - long term			11,406,400
Loans made to or on behalf of refugees (schedule 1)	11,535,145	11,972,956	19,125
Less amounts refundable upon receipt to:			
Contributors of funds loaned	(126,566)	(123,808)	1,500,000
Implementing agencies for collecting fees	(411,571)	(442,748)	500,000
		11,406,400	200,000
Implementing agencies	19,628	19,125	384,576
	11,016,674	11,425,525	127,955
	19,802,338	20,832,581	512,441
LIABILITIES			
Obligations for projects (schedule 2)	5,366,095	5,366,095	5,810,497
United Nations clearing account	97,167	97,167	135,313
Focal point clearing account			155,556
Outstanding United Nations interoffice accounts	18,335	18,335	(21,585)
Funds held in trust	15,351	15,351	15,493
Contributions for following year received-in advance	10,907	10,907	117,614
Miscellaneous accounts payable	23,735	23,735	15,679
Special Trust Fund balances			288,053
Indemnification Fund	210,652	210,652	83,003
Refugee Education Account	237,297	237,297	97,550
Other special trust funds	19,746	19,746	
	5,999,285	5,999,285	
RESERVES			
Contingency reserves	10,997,046	10,997,046	11,406,400
For loans made to or on behalf of refugees			19,125
For accounts receivable from implementing agencies	19,628	19,628	1,500,000
	11,016,674	11,016,674	500,000
Special reserves			200,000
Funds Set Aside	1,500,000	1,500,000	200,000
Emergency Fund	500,000	500,000	
Reserve for fund-raising initiatives	200,000	200,000	
	2,200,000	2,200,000	
SURPLUS			
Programme for current year	86,370	86,370	384,576
Long-playing records account	200,009	200,009	127,955
	286,379	286,379	
	19,602,338	19,602,338	512,441
			20,832,581

The notes to the financial statements are an integral part of the statements.

CERTIFIED

APPROVED

(Signed) J. HEIDLER
Director of Administration
Office of the United Nations High Commissioner for Refugees

(Signed) Badreddin KHA KHAN
United Nations High Commissioner for Refugees

STATEMENT II

Income and expenditure in 1971
(in US dollars)

	Programs for 1971	Prior years' programs	Funds set aside	Emergency Fund	Special Trust Funds			TOTAL
					Indemnification Fund	Refugee Education Account	Long-playing Records Account	
SURPLUS AND BALANCES AT 1 JANUARY 1971								
INCOME								
Contributions								
Governmental contributions (schedule 3)	5,235,595	24,250		205,789	354,386	1,065,837		6,678,068
Private donations (schedule 4)	601,906	126,900			131,807	66,166		1,132,568
Other income								
Repayments of loans				290,365				290,365
Refund of indemnification payments					385,539			385,539
Interest earned	568,612			128				568,740
Net proceeds from sales					66,918			66,918
Miscellaneous	138,679							138,679
Adjustments on prior years' income or projects								
Cancellation of obligations		87,783				87		87,783
Refunds by implementing agencies		85,849		18,208		5,825		129,209
Refund to donor						(4,000)		(4,000)
TOTAL INCOME	6,544,792	324,782		514,362	452,585	1,131,915		9,554,810
TRANSFERS								
Part of accumulated loans repayments			(117,458)	117,458				
Prior years' surplus	237,520	(237,520)						
Adjustments on prior years' surplus	56,174	(173,632)						
Allocations (schedule 8)								
TOTAL FUNDS AVAILABLE	6,838,486	-	1,500,000	1,131,820	663,237	1,336,419		12,408,884
EXPENDITURE								
Obligations incurred in 1971 (schedules 5, 6 and 7)	5,929,832			631,820	677,524	1,238,829		8,478,005
Grant-in-aid to the United Nations budget	523,078							523,078
Payments to refugees								
Administrative expenses								
Ex Gratia payment (note 5)	1,000							1,000
Replenishment of for fund-raising initiatives (schedule 8)								50,530
TOTAL EXPENDITURE	6,453,910	-	-	631,820	677,524	1,238,829		9,427,197
SURPLUS AND BALANCES AT 31 DECEMBER 1971	384,576	-	1,500,000	500,000	288,053	97,590		2,981,087

The notes to the financial statements are an integral part of the statements.

CERTIFIED

APPROVED

(Signed) J. HEIDLER
Director of Administration
Office of the United Nations High Commissioner for Refugees

(Signed) Sadruddin Aga Khan
United Nations High Commissioner for Refugees

SCHEDULES TO THE ACCOUNTS

Schedule 1

Loan operations
(In US dollars)

For the year ended
31 December 1971 Cumulative
to 31 December 1971

Loans made to or on behalf of refugees

Amount paid out	29,241	16,283,888
Adjustments:		
Unused loan funds surrendered or due by implementing agencies		(742,233)
Exchange rate difference	719,162	<u>1,193,053</u>
	<u>748,403</u>	16,734,708
<u>Liquidations</u>		
Repayments	297,347 ^{a/}	4,064,896
Conversion of loans into grants	2,101	246,753
Write-offs	395	351,265
Agencies' collecting fees and other charges	10,749	<u>98,838</u>
	<u>310,592</u>	(4,761,752)
		<u>11,972,956^{b/}</u>

Loans outstanding at 31 December 1971

Less refundable upon receipt to:		
Calouste Gulbenkian Foundation		82,654
Norwegian Refugee Council		41,154
Implementing agencies for collecting fees		<u>442,748</u>
		(566,556)
<u>Net repayments receivable at 31 December 1971</u>		<u>11,406,400</u>

a/ Breakdown of repayments:

UNHCR	290,365
Norwegian Refugee Council	981
Calouste Gulbenkian Foundation	6,001
	<u>297,347</u>

b/ Breakdown of loans outstanding at 31 December 1971:

<u>Programmes for 1963-1970</u>	48,648
<u>Major aid programmes</u>	11,738,771
<u>Special trust funds</u>	185,537
	<u>11,972,956</u>

Obligations incurred, liquidated and outstanding as at 31 December 1971

	<u>Programme for 1971</u>	<u>Prior years' Programmes</u>	<u>Emergency Fund</u>	<u>Special Trust Funds</u>		<u>Total</u>
				<u>Education Account</u>	<u>Others</u>	
<u>Unliquidated obligations at 1 January 1971</u>		3,928,490	152,830	504,244	780,573	5,366,137
<u>Obligations incurred during 1971</u>	6,452,910 ^{a/}		631,820	677,524	1,238,829	9,001,083
	6,452,910	3,928,490	784,650	1,181,768	2,019,402	14,367,220
<u>Liquidated during 1971</u>						
By payments		1,472,598	683,985	817,527	1,415,595	8,459,489
By cancellations of prior years' obligations		87,825		9,322	87	97,234
	4,069,784	1,560,423	683,985	826,849	1,415,682	8,556,723
<u>Obligations outstanding at 31 December 1971</u>	2,383,126	2,368,067	100,665	354,919	603,720	5,810,497
<u>Consisting of:</u>						
Prior years' obligations		2,368,067		178,388	145,932	2,692,387
Current year's obligations	2,383,126		100,665	176,531	457,788	3,118,110

a/ Including the grant-in-aid to the United Nations budget (€523,078).

Governmental contributions paid or pledged in 1971

(In US dollars)

<u>Country</u>	<u>Programme for 1971</u>	<u>Special trust funds</u>			<u>Total</u>
		<u>Prior years' Programmes</u>	<u>Education Account</u>	<u>Others</u>	
Argentina	20,000				20,000
Australia	97,918				97,918
	98,082 ^{a/}				98,082
Austria	30,000				30,000
Bahamas	3,086				3,086
Belgium	208,459				208,459
Botswana	1,000				1,000
Burundi	1,100				1,100
Cameroon	360 ^{a/}				360
Canada	396,040				396,040
Chile	6,000 ^{a/}				6,000
China*	10,000				10,000
Congo	1,000 ^{a/}				1,000
Cyprus	600 ^{a/}				600
Dahomey		250			250
Denmark	309,729			133,713 ^{b/}	443,442
Dominican Republic	1,000 ^{a/}				1,000
Dubai	3,000				3,000
Ecuador	2,000 ^{a/}				2,000
Egypt	6,900				6,900
Federal Republic of Germany	491,458				491,458
Finland	75,000				75,000
France	450,000				450,000
Gabon	1,216				1,216
Gambia	240				240
Ghana	4,617				4,617
Greece	15,000				15,000
Holy See	10,000				10,000
	2,500 ^{a/}				2,500
Iceland	5,788 ^{a/}				5,788
India	13,333 ^{a/}				13,333
Iran	8,000				8,000
Iraq	9,857				9,857
Ireland	15,000				15,000

* Received prior to 25 October 1971. By resolution 2758 (XXVI) of 25 October 1971, the General Assembly, inter alia, decided "... to restore all its rights to the People's Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China to the United Nations, and to expel forthwith the representatives of Chiang Kai-shek from the place which they unlawfully occupy at the United Nations and in all the organizations related to it".

<u>Country</u>	<u>Programme for 1971</u>	<u>Special trust funds</u>		<u>Total</u>
		<u>Prior years' Programmes</u>	<u>Education Account</u>	
Israel	8,500		2,857	11,357
Italy	20,000			20,000
Ivory Coast	2,698			2,698
Jamaica	600 ^{a/}	600		1,200
Japan	30,000			30,000
Kenya	1,000			1,000
Khmer Republic	1,000 ^{a/}	1,000		2,000
Kuwait	3,000 ^{a/}			3,000
Lebanon	1,982			1,982
Liberia	5,000 ^{a/}			5,000
Liechtenstein	4,630			4,630
Luxembourg	4,000			4,000
Madagascar	904			904
Malawi	360 ^{a/}			360
Malaysia	1,500			1,500
Malta	1,000			1,000
Mauritius	1,000			1,000
Monaco	180			180
Morocco	10,000			10,000
Nepal	2,290 ^{a/}			2,290
Netherlands	195,798		5,572 ^{a/} 67,202)	268,572
New Zealand	23,015	22,400		45,415
Nigeria	5,600 ^{a/}			5,600
Norway	344,393		75,598	419,991
Pakistan	2,500 ^{a/}			2,500
Panama	500			500
People's Democratic Republic of Yemen	600 ^{a/}			600
Peru	1,284 ^{a/}			1,284
Philippines	1,250			1,250
Saudi Arabia	8,000			8,000
Senegal	3,597			3,597
Sierra Leone	10,400 ^{a/}			10,400
Sudan	3,733			3,733
Sweden	600,000		275,931	1,048,281
Switzerland	208,333		172,350	208,333
	26,042 ^{a/}			26,042
Togo	2,629 ^{a/}			2,629
Trinidad and Tobago	1,500 ^{a/}			1,500
Tunisia	2,500			2,500
Turkey	5,000			5,000
Uganda	5,000 ^{a/}			5,000
United Kingdom of Great Britain and Northern Ireland	359,971			359,971
United Republic of Tanzania	3,500			3,500
United States of America	1,000,000			1,000,000

<u>Country</u>	<u>Special trust funds</u>				<u>Total</u>
	<u>Programme for 1971</u>	<u>Prior years' Programmes</u>	<u>Education Account</u>	<u>Others</u>	
Uruguay	523 ^{a/}				523
Venezuela	4,000 ^{a/}				4,000
Yugoslavia	10,000				10,000
Zaire	3,000 ^{a/}				3,000
Zambia	5,000				5,000
	5,235,595	24,250	354,386	378,837	5,993,068
<u>Multilateral contributions</u>					
United Nations Trust Fund for South Africa				70,000	70,000
United Nations Fund for Namibia				15,000 ^{a/}	15,000
Focal point for United Nations assistance to Bengali refugees				600,000 ^{c/}	600,000
	5,235,595	24,250	354,386	1,063,837	6,678,068

a/ Pledged but not paid at 31 December 1971	205,991			20,572	226,563
Contributions pledged in previous years not paid at 31 December 1971					
Niger (1967)		250			
Colombia (1968)		1,000			
Dominican Republic (1968)		1,000			
Botswana (1970)		1,000			
Congo "		1,000			
Ecuador "		1,000			
Ethiopia "		3,000			
Jamaica "		600			
Kenya "		1,000			
Kuwait "		3,000			
Malawi "		360			
Saudi Arabia "		8,000			
Uganda "		5,000			26,210
Total governmental pledges not paid at 31 December 1971					252,773

a/ Originally \$410,380, of which an amount of \$276,667 was received in advance in 1970 for the repatriation of Nigerian children and included in the accounts for that year.

b/ Trust fund for administrative costs of the "focal point" which cannot be absorbed within the regular budget of UNHCR.

Private donations received in 1971

Schedule 4

(In US dollars)

	Programme for 1971	Programme for 1970	Special trust funds		Emergency Fund	Total
			Education Account	Others		
Australian Care for Refugees (AUSTCARE)	154,459				205,789	360,248 ^{a/}
British Council of Churches	41,275			4,800		46,075
Danish Refugee Council	105,257					105,257
Ecole internationale de Genève			1,389			1,389
Finnish Refugee Council	2,000					2,000
Howard Karagheusian Commemorative Corporation, United States of America				2,000		2,000
Icelandic Refugee Council	35,900	50,000				85,900
Individuell Mannisköhhjalp, Sweden			87,895			87,895
Jinishian Memorial Program, United States of America				10,000		10,000
NATO Music Festival			12,295			12,295
New Zealand Council of Organizations for Relief Service Overseas, Inc. (CORSO)	17,260	6,625				23,885
Norwegian Refugee Council	58,394		28,151		2,948	89,493
Norwegian Special Committee for Aid to Refugees				20,000		20,000
OXFAM, United Kingdom of Great Britain and Northern Ireland				11,999		11,999
Rådda Barnen, Sweden				14,160		192,718
Swedish Red Cross		63,412				63,412
United Nations Association, Canada		6,863				6,863
UNESCO - Gift Coupons	1,262		643			1,905
Legacies and miscellaneous	7,541		1,434		259	9,234
TOTAL	601,906	126,900	131,807	66,166	205,789	1,132,568

^{a/} Of which \$116,127 firmly pledged in 1971 and paid in January 1972.

UNHCR Programme for 1971

Allocations and expenditure by area and purpose

(In US dollars)

<u>Purpose of allocation</u>	<u>Allocations approved by Executive Committee</u>	<u>Allocations made from Programme Reserve and adjustments between allocations</u>	<u>Expenditure</u>	<u>Unused balances of allocations</u>
1. <u>Austria</u>				
Local settlement	30,000	20,000	50,000	
Legal assistance	6,000		6,000	
2. <u>Botswana</u>				
Rural settlement in Etsha	16,900	6	16,906	
Rural settlement in Toromoja	30,000	(6)		29,994
3. <u>Central African Republic</u>				
Rural settlement at M'Boki	120,000	61,000	181,000	
4. <u>Egypt</u>				
Counselling	3,500		3,500	
Local settlement	21,500	8,000	26,555	2,945
Primary education	3,250		3,250	
Supplementary aid	7,000	2,712	9,712	
5. <u>Ethiopia</u>				
Rural settlement in Gambela area	233,000		233,000	
6. <u>Far East</u>				
Contribution to administrative expenses of joint ICEM/UNHCR Office in Hong Kong	23,000		23,000	
Care and maintenance of refugees in transit	20,000		20,000	
7. <u>Federal Republic of Germany</u>				
Local settlement	8,000	5,000	13,000	
Legal assistance	32,000		31,940	60
8. <u>France</u>				
Local settlement	25,000		25,000	

<u>Purpose of allocation</u>	<u>Allocations approved by Executive Committee</u>	<u>Allocations made from programme reserve and adjustments between allocations</u>	<u>Expenditure</u>	<u>Unused balances of allocations</u>
9. <u>Greece</u>				
Counselling	24,000		22,837	1,163
Local settlement	30,000		30,000	
Housing	46,000	46,693	92,693	
10. <u>India</u>				
Rehabilitation scheme	50,000		50,000	
Handicrafts	50,000		50,000	
Health facilities	35,000		35,000	
Vocational training	20,000		16,667	3,333
Local settlement	20,000		20,000	
Mundgod hospital		30,000	30,000	
11. <u>Italy</u>				
Local settlement	30,000		30,000	
Legal assistance	2,500		2,500	
12. <u>Khmer Republic</u>				
Local settlement		10,000	10,000	
13. <u>Latin America</u>				
Counselling	18,000		10,750	7,250
Legal assistance	15,000		11,278	3,722
Local settlement	185,000	10,000	195,000	
Resettlement	100,000	(10,000)	12,885	77,115
Supplementary aid	7,000		7,000	
14. <u>Macau</u>				
Housing	150,000		150,000	
Home for mentally handicapped	25,000		25,000	
Medical equipment	20,000		20,000	
Revolving loan fund	20,000			20,000
Vocational training centre	18,000		18,000	
Training workshop	5,000		5,000	
Home for single girls		20,000	20,000	
15. <u>Middle East</u>				
Counselling	6,000		5,800	200
Local settlement	40,000		40,000	
Supplementary aid	15,000		15,000	

<u>Purpose of allocation</u>	<u>Allocations approved by Executive Committee</u>	<u>Allocations made from programme Reserve and adjustments between allocations</u>	<u>Expenditure</u>	<u>Unused balances of allocations</u>
16. <u>Nepal</u>				
Counselling	3,500	4,790	8,290	
Local settlement-				
Northern areas	35,000		20,000	15,000
Revolving loan fund	10,000		10,000	
Fund for permanent solutions	10,000		10,000	
Medical care	6,500		6,500	
17. <u>Republic of Viet-Nam</u>				
Local settlement	80,000		80,000	
Administrative expenses		52,000	52,000	
18. <u>Senegal</u>				
Rural settlement in Casamance	72,000		69,385	2,615
19. <u>Spain</u>				
Counselling	23,000		22,620	380
Local settlement	65,000		65,000	
Emergency assistance	45,000	20,000	63,500	1,500
20. <u>Sudan</u>				
Rural settlement at Qala en Nahal	287,200		287,200	
Rural settlement at Rajaf	330,000		330,000	
21. <u>Turkey</u>				
Legal assistance	1,500		550	950
Resettlement	5,000		3,667	1,333
22. <u>Uganda</u>				
Rural settlement at Kahunge, Kyaka, Kyangwali, Nakivale, Rwamwanja	395,000		395,000	
Rural settlement at Onigo, Ibuga, Nakapiripirit, Agago/Acolpii	129,000		69,000	60,000
Nakapiripirit, Agago/Acolpii (Supplementary allocation)	400,000		400,000	

<u>Purpose of allocation</u>	<u>Allocations approved by Executive Committee</u>	<u>Allocations made from programme Reserve and adjustments between allocations</u>	<u>Expenditure</u>	<u>Unused balances of allocations</u>
23. <u>United Arab Emirates</u> Local settlement	10,000		10,000	
24. <u>United Republic of Tanzania</u> Rural settlement at Mwesi	16,950	72,850	89,800	
Rural settlement at Rutamba	59,100		59,100	
Rural settlement at Lu.fo	47,700	4,000	51,700	
Rural settlement at Muhukuru	77,400		77,400	
Rural settlement at Mputa	241,000	4,900	245,900	
Rural settlement at Matekwe	111,900	700	112,600	
Rural settlement at Pangale	3,000			3,000
Over-all contingency reserve	10,000	(9,600)		400
25. <u>Zaire</u> Rural settlement in Bas Zaire, Bandundu, Kasai, Shaba	175,000		80,000	95,000
Rural settlement in Haut Zaire	800,000	115,362	915,362	
Rural settlement in Shaba	225,000			225,000
26. <u>Zambia</u> Rural settlement at Mayukwayukwa	47,600	8,407	56,007	
Rural settlement at Meheba	246,000	13,646	259,646	

<u>Purpose of allocation</u>	<u>Allocations approved by Executive Committee</u>	<u>Allocations made from programme Reserve and adjustments between allocations</u>	<u>Expenditure</u>	<u>Unused balances of allocations</u>
27. <u>Over-all allocations</u>				
Legal assistance	13,000		11,000	2,000
Local settlement	80,000		75,240	4,760
Repatriation	50,000		35,138	14,862
Resettlement	260,000		250,516	9,484
Supplementary aid	60,000	30,000	86,250	3,750
Public Information Fund		53,188	53,188	
28. <u>Reserve</u>	600,000	(586,726)		13,274
29. <u>Grant-in-aid</u>	510,000	13,078	523,078	
	<u>7,052,000</u>	<u>-</u>	<u>6,452,910</u>	<u>599,090</u>

Emergency Fund
Allocations and expenditure in 1971
(In US dollars)

<u>Purpose of allocation</u>	<u>Amount allocated and expended during 1971</u>
<u>Chile</u>	
Assistance to Latin American refugees	20,000
<u>Ethiopia</u>	
Anti-cholera campaign	1,066
<u>India</u>	
Assistance to Bengali refugees	400,000
<u>Republic of Viet-Nam</u>	
Assistance to refugees from the Khmer Republic	80,000
<u>Senegal</u>	
Assistance to refugees in Casamance	13,975
<u>Uganda</u>	
Assistance to Sudanese refugees	99,279
<u>Zambia</u>	
Assistance to Mozambiquan refugees	17,500
	<u>631,820</u>
	<u>TOTAL</u>

Special trust funds
funds available and expenditure during 1971
by area and purpose

(In US dollars)

<u>Area and purpose</u>	<u>Total funds available</u>	<u>Expenditure during 1971</u>	<u>Balances at 31 December 1971</u>
I REFUGEE EDUCATION ACCOUNT			
1. <u>Burundi</u>			
Post-primary education	22,700	22,700	
Books for refugee children	1,389	1,389	
2. <u>Central African Republic</u>			
Secondary education	5,755	5,755	
Scholarships	25,296	23,935	1,361
3. <u>Egypt</u>			
Educational assistance	12,990	12,990	
4. <u>Ethiopia</u>			
Construction of a secondary school	185,970	185,970	
School fees and ancillary cost for 50 refugees	23,376	23,376	
Educational assistance	1,500	1,500	
Scholarships	30,000	30,000	
Counselling	12,252	12,252	
5. <u>India</u>			
Scholarships	1,200	1,200	
6. <u>Kenya</u>			
Scholarships for Sudanese and Rwandese refugees	25,640	21,447	4,193
Scholarships for 20 Mozambiquan refugees	23,499	23,499	
Administration of scholarships	5,080	5,080	
7. <u>Latin America</u>			
Educational assistance	9,335	9,335	
8. <u>Liberia</u>			
Scholarships	28,930	28,930	
9. <u>Nepal</u>			
Educational assistance	745		745
10. <u>Senegal</u>			
Construction of multipurpose centre for literacy and mother and child health care	11,000	11,000	
Construction of 3 school units	14,389	14,389	
Enlargement of primary school	4,200	4,200	
Construction of sanitary unit at Nansen school	7,591	7,591	
Vocational training	2,000	2,000	
Construction of a centre at Kirkama	3,360		3,360
11. <u>Sudan</u>			
Educational assistance	15,000	15,000	
Equipment of technical school	13,275	13,275	
Scholarships	16,800	16,800	
12. <u>Uganda</u>			
Secondary education	22,500	22,500	
Promotion of education	17,100	17,100	
Educational assistance	5,000	5,000	
Assistance to 5 refugee students	10,000	10,000	
Kahunge training centre	4,867		4,867

<u>Area and purpose</u>	<u>Total funds available</u>	<u>Expenditure during 1971</u>	<u>Balances at 31 December 1971</u>
13. <u>United Republic of Tanzania</u> Secondary education and vocational training	15,666	15,666	
14. <u>Zaire</u> Isiro secondary school	34,000	34,000	
Sonta secondary school	48,281	48,281	
15. <u>Zambia</u> Secondary education and vocational training	6,364	6,364	
16. <u>Miscellaneous and unspecified</u> Educational measures for individual refugees in various countries	25,000	25,000	
Educational needs of African refugees	2,857		2,857
Unspecified	65,620		65,620
<u>Total Refugee Education Account</u>	<u>760,527</u>	<u>677,524</u>	<u>83,003</u>

II OTHER SPECIAL TRUST FUNDS

1. <u>Algeria</u> Aged refugees	480		480
Relief operation	2,434		2,434
2. <u>Egypt</u> Monthly allowances to Armenian refugees	10,000	10,000	
Local settlement of aged and stateless Armenians	2,000	2,000	
Purchase of a television set for the old age home in Heliopolis, Egypt	343		343
3. <u>Ethiopia</u> OAU Bureau for Placement and Education of African refugees	70,000	70,000	
4. <u>France</u> Local settlement	25,000	25,000	
5. <u>Greece</u> Housing for Assyrian refugees	3,500	3,500	
6. <u>India</u> Assistance to Bengali refugees	100,000	100,000	
Assistance to 9 refugee girls	2,116	2,116	
7. <u>Kenya</u> Resettlement of individual refugees	11,000	11,000	
8. <u>Middle East</u> Housing project for Armenians in Beirut	8,000	8,000	
Armenian old folks' home in Aleppo	2,949		2,949
9. <u>Netherlands</u> Contribution towards cost of eligibility procedure	10,352	10,352	
10. <u>Spain</u> Purchase of coats	5,000	5,000	
11. <u>Sudan</u> Emergency clothing	16,799	16,799	
12. <u>Uganda</u> Grant to Makerere University, Kampala	14,160	14,160	

<u>Area and purpose</u>	<u>Total funds available</u>	<u>Expenditure during 1971</u>	<u>Balances at 31 December 1971</u>
13. <u>United Republic of Tanzania</u>			
Materials and supplies for a hospital at Mtwara and a primary school at Tunduru	83,713	83,713	
Rural settlement	20,000	20,000	
Seminar of settlement commandants	2,000	1,768	232
Resettlement of individual refugees	17,000	17,000	
Equipment for issuance of identity cards to refugees	2,941	2,941	
14. <u>Zaire</u>			
Consolidation of the Kivu development project	7,350	7,350	
15. <u>Zambia</u>			
Issuance of identity cards to refugees	5,000	5,000	
16. <u>Various countries</u>			
Assistance to refugees from South Africa in African countries	70,000	70,000	
Survey of public information activities of UNHCR Junior Professional Officers	9,500	9,500	
Transportation costs of clothing, food and other donations in kind	62,700	62,700	
Treatment and rehabilitation of handicapped cases	10,000	10,000	
Assistance to Southern Rhodesians	5,000	5,000	
Assistance to individual cases in Europe	10,000	10,000	
Assistance to refugees from Namibia	130,000	40,814	89,186
Administrative costs of the "focal point"	15,000	15,000	
600,000	600,000		
17. <u>Miscellaneous</u>	2,082	116	1,966
<u>Total other special trust funds</u>	<u>1,336,419</u>	<u>1,238,829</u>	<u>97,590</u>

Long-playing Records AccountAllocations and expenditure

(In US dollars)

ALLOCATIONS

To Education Account

Construction of 3 school units in Senegal	14,388
---	--------

To Special Trust Funds:

Assistance to Southern Rhodesians	10,000	
Resettlement ex Kenya and United Republic of Tanzania	15,000	
Purchase of coats for refugees in Spain	5,000	
Equipment for issuance of identity cards to refugees in the United Republic of Tanzania	2,941	
Survey of public information activities of UNHCR	9,500	
Local settlement of refugees in France	25,000	
Emergency assistance to Bengali refugees in India	100,000	
Assistance to 9 refugee girls in India	2,117	
Issuance of identity cards to refugees in Zambia	5,000	
Transportation costs of clothing, food and other donations in kind	10,000	
Purchase of a television set for the old age home in Heliopolis, Egypt	<u>200</u>	184,758

EXPENDITURE

Replenishment of reserve for fund-raising initiatives	<u>50,530^{a/}</u>
	<u>249,676</u>

^{a/} This replenishment brought up to its ceiling of US\$ 200,000 the reserve for fund-raising initiatives, which was used in 1971 to cover the cost to UNHCR of selling the record World Star Festival, of preparing the record Top Star Festival and of other fund-raising initiatives, as follows:

Salaries	38,741
Travel	7,046
General expenses	3,508
Other fund-raising initiatives	<u>1,235</u>
	<u>50,530</u>

Income and expenditure of the indemnification funds
in 1971 and cumulative
(In US dollars)

	<u>For the year ended</u> <u>31 December 1971</u>	<u>Cumulative to</u> <u>31 December 1971</u>
<u>Balance at 1 January 1971</u>	210,652	
<u>Income</u>		
Received from the Government of the Federal Republic of Germany		11,596,785
Interest earned	128	1,629,690
Exchange rate differences	66,918	353,262
	<u>277,698</u>	<u>13,579,737</u>
<u>Refund of payments to refugees</u>	385,539 ^{a/}	2,646,445
<u>Total funds available</u>	<u>663,237</u>	<u>16,226,182</u>
<u>Expenditure</u>		
Payments to refugees	317,250	15,495,030
Write offs	-	122,568
Administrative expenses	57,934	320,531
<u>Total expenditure</u>	<u>375,184</u>	<u>15,938,129</u>
<u>Balance at 31 December 1971</u>	<u>288,053^{b/}</u> =====	<u>288,053^{b/}</u> =====

^{a/} In addition, a total of \$30,016 refundable by 30 refugees was waived in agreement with the indemnification authorities of the Federal Republic of Germany during 1971.

^{b/} Consisting of :

Cash	238,489
Accounts receivable	49,564
	<u>288,053</u> =====

C. REPORT OF THE BOARD OF AUDITORS TO THE GENERAL ASSEMBLY ON
THE ACCOUNTS AND FINANCIAL STATEMENTS OF THE VOLUNTARY
FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER
FOR REFUGEES FOR THE YEAR ENDED 31 DECEMBER 1971

1. The Board of Auditors, established under General Assembly resolution 74 (I), is required to audit the accounts of the United Nations, including all trust and special accounts, in accordance with article XII of the Financial Regulations and Rules of the United Nations and the annex to these Regulations, as well as in accordance with paragraph 22 of the statute of the Office of the United Nations High Commissioner for Refugees and article XII of the Financial Rules for Voluntary Funds (A/AC.96/316) promulgated by the High Commissioner.

2. The United Nations High Commissioner submitted the following financial statements for audit together with other supporting detailed analysis and schedules:

Statement I.	Balance-sheet as at 31 December 1971.
Statement II.	Income and expenditure in 1971.
Schedule 1.	Loan operations.
Schedule 2.	Obligations incurred, liquidated and outstanding as at 31 December 1971.
Schedule 3.	Governmental contributions paid or pledged in 1971.
Schedule 4.	Private donations received in 1971.
Schedule 5.	UNHCR Programme for 1971 - allocations and expenditure by area and purpose.
Schedule 6.	Emergency Fund - allocations and expenditure in 1971.
Schedule 7.	Special trust funds - funds available and expenditure during 1971 by area and purpose.
Schedule 8.	Long-playing Records Account - allocations and expenditure.
Schedule 9.	Income and expenditure of the indemnification funds in 1971 and cumulative.

Scope of the audit

3. The responsibilities of the Board of Auditors are governed by the principles set out in the annex to the Financial Regulations and Rules of the United Nations referred to in article XII, paragraph 1 of which reads as follows:

"The Board of Auditors shall perform jointly and severally such audit of the accounts of the United Nations, including all trust funds and special accounts, as it deems necessary in order to satisfy itself:

(a) That the financial statements are in accord with the books and records of the Organization;

(b) That the financial transactions reflected in the statements have been in accordance with the Rules and Regulations, the budgetary provisions and other applicable directives;

(c) That the securities and moneys on deposit and on hand have been verified by certificate received direct from the Organization's depositaries or by actual count;

(d) That the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereupon;

(e) That procedures satisfactory to the Board of Auditors have been applied to the recording of all assets, liabilities, surpluses and deficits."

4. The examination of the accounts and financial statements has included a review of the accounting procedures and system of internal control, test of the transactions and accuracy of the accounting records and other supporting evidence, information and explanations to the extent considered necessary in the circumstances.

5. Following its examination, the Board of Auditors transmitted a long-form report containing its findings and recommendations to the Secretary-General of the United Nations, the United Nations High Commissioner of Refugees and to the Chairman and members of the Advisory Committee on Administrative and Budgetary Questions. In submitting this long-form report to the Secretary-General and the High Commissioner, the Board of Auditors proposed, and they agreed, that distribution of this report should be solely at their direction and copies are accordingly made available by the Secretary of the Board only upon receipt of that direction.

Follow-up action

6. In paragraph 7 of last year's report of the Board of Auditors, it was recommended that certain clarifications be obtained about the operations of the Emergency Fund and the Funds Set Aside. As a result of some misunderstanding about the need for these clarifications, the matter was not brought before the General Assembly last year. It is expected, however, that the necessary clarifications will be secured before the end of this year.

Loan situation in Greece

7. A reference to the loan situation in Greece was made in paragraphs 8 to 10 of last year's report of the Board of Auditors. The whole question was examined at length by the external auditors both at the High Commissioner's headquarters office, as well as at the UNHCR Branch Office at Athens. The following table compares the position of amounts given as loan and mortgage bonds issued at the end of each of the last three years.

	<u>1971</u>	<u>1970</u>	<u>1969</u>
Amount loaned by UNHCR	\$3,112,796	\$3,085,736	\$2,929,379
Number of housing units occupied and establishment assistance cases completed	3,070	2,916	2,866
Number of mortgage bonds issued	1,963	1,570	1,260
Number of provisional bonds issued	957	1,235	1,397

8. As in 1970, the Internal Audit Service also carried out a review of the loan repayments in Greece. It was found by the external auditors themselves as well as the Internal Audit Service that the situation both with regard to the effecting of timely recoveries of loan instalments due from the refugees and preparation of the prescribed financial statements by the Greek authorities had not shown much improvement. The UNHCR Branch Office was continuing, however, to apply the utmost pressure possible and it was expected that tangible progress would be made in the near future.

9. In the light of UNHCR's past experience and the slow progress being made in bringing the Greek loan situation under proper control, the Board recommends the revival of the proposal made to the Government of Greece in July 1964 that an ad hoc lump sum repayment of the loan instalments due may be made by the Government to UNHCR, without waiting for actual recoveries from each loan recipient. The Board also recommends that similar complications in future loan operations may be prevented by UNHCR making a quick survey of the financial and administrative systems of the recipient country, so as to make the requirements of the loan agreements more realistic and in closer conformity with the actual conditions prevailing in that country.

Execution of agricultural resettlement projects

10. A review of some of the agricultural resettlement projects for refugees in Africa revealed that two of them had been set up without thorough and independent feasibility studies, with the result that later they turned out to be unworkable and had to be abandoned after a considerable amount of UNHCR funds had been spent on them. In both cases, UNHCR had relied entirely on the feasibility reports provided by the government departments of the countries concerned at a time when UNHCR was just entering the field of agricultural resettlement projects in Africa and did not have alternative arrangements for making independent feasibility studies. This situation has now been largely rectified and UNHCR has working arrangements with other United Nations specialized agencies to carry out such studies. Mistakes of this type are thus not likely to occur again.

Submission of financial statements by operational partners

11. In respect of all UNHCR projects implemented either by governmental or private agencies, the relevant agreements require that the operational partners should submit to the UNHCR interim as well as final financial statements by specified dates. As a result of a review, it was found that as many as 47 such statements were awaited at the end of the year 1971. In order to improve the High Commissioner's financial control through these statements, the Board recommends that greater attention should be paid to the punctual submission of these

statements, that the form of the statements should be standardized, and that all the statements should be supported with the audit certificates of the auditors of the agencies concerned, which should be submitted by a fixed date to be provided in the agreements.

Statute of the Office of the United Nations High Commissioner for Refugees

12. It was noticed that, in order to maintain the effectiveness of its action, the Office of the High Commissioner has provided assistance to persons who are not or who have ceased to be refugees within the meaning of paragraph 6 of the statute of UNHCR. The question arises whether it is sufficient in such marginal cases to rely on an implied authority, which can be considered to derive from subsequent resolutions of the General Assembly on various subjects and from references which are made to such facts in the High Commissioner's report to the Assembly, or whether this contingency should be made the subject of a specific authorization by the General Assembly. The position not being free from doubt, the Board feels that it needs to be clarified.

Administrative expenses

13. The administrative costs of the Office of the High Commissioner for 1971 amounting to \$4,779,615 were, as in previous years, met from section 18 of the regular budget of the United Nations, in accordance with paragraph 20 of the statute of UNHCR. The administrative costs have been partially offset, since 1965, by a grant-in-aid from the voluntary funds, which is computed at 10 per cent of the High Commissioner's programme commitment for the previous year. For the year 1971, this grant-in-aid amounted to \$523,078.

Audit arrangements for "focal point" operations

14. In its resolution 2790 (XXVI) of 6 December 1971, the General Assembly endorsed and authorized establishment of an ad hoc organization by the United Nations High Commissioner for Refugees known as "focal point", the purposes of which is to organize relief of East Pakistan refugees in India. Since it was not clear from the resolution how the "focal point" expenditure should be audited, the Board was unable to take up the audit of these operations during the year. The Board has noted, however, that upwards of \$180.69 million had been donated in cash and in kind by Member States for this purpose up to 31 December 1971. In accordance with the request of the Secretary-General, which is likely to be endorsed by the General Assembly, the Board has undertaken to examine the accounts and financial statements of the "focal point" operations and to report thereon to the Secretary-General, the United Nations High Commissioner for Refugees and the General Assembly in the usual way next year when dealing with the 1972 accounts of the United Nations.

Acknowledgement

15. The Board of Auditors records its appreciation for the co-operation and assistance extended by the High Commissioner, the Directors and staff of his Office, during the course of the work.

(Signed) A. M. HENDERSON
Auditor-General
of Canada

J. E. ESCALLON O.
Controller-General
of Colombia

A. I. OSMANY
Auditor-General
of Pakistan

19 June 1972

D. NOTES TO FINANCIAL STATEMENTS

1. Firm pledges for 1972 received from Governments in a total of \$1,761,514 are not recorded in the accounts at 31 December 1971.
2. Agreements were signed or Letters of Instruction were issued prior to 31 December 1971 committing 1972 funds in the amount of \$1,198,738. These commitments are not recorded in the accounts.
3. The ex gratia payment of \$1,000 was made upon the cancellation of the planned production of a film for the twentieth anniversary of UNHCR which had to be abandoned.

E. FINANCIAL STATISTICS FOR THE PERIOD 1967-1971

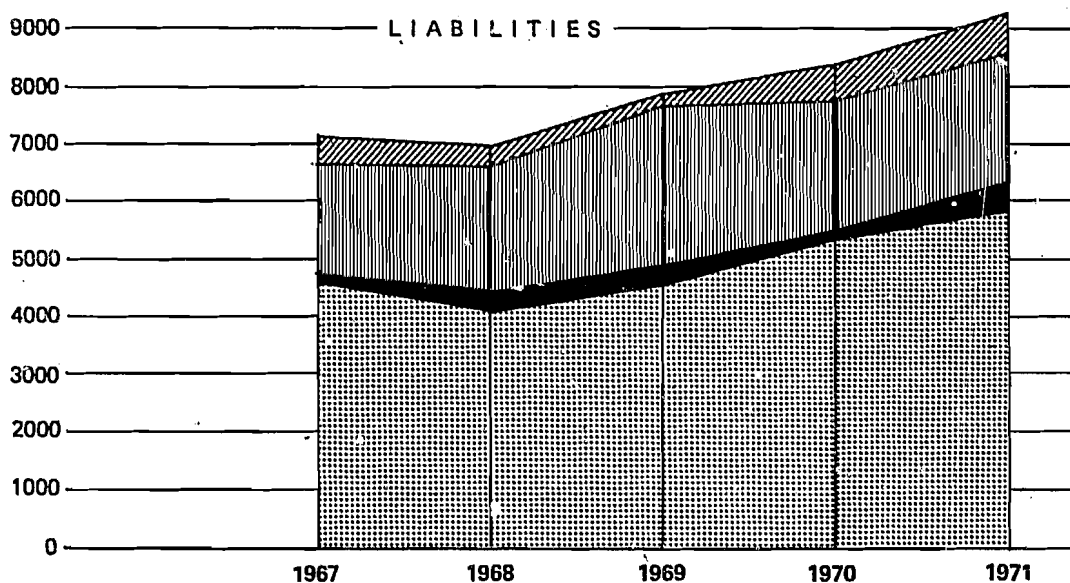
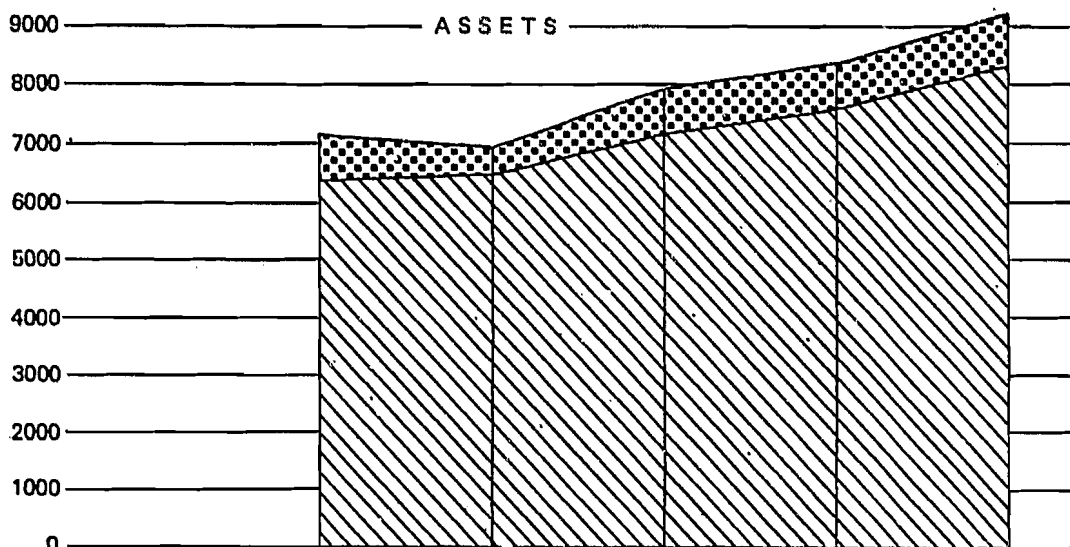


Chart 1

ASSETS AND LIABILITIES OF UNHCR^{a/} AT YEAR END, 1967 to 1971

(In thousands of US dollars)

	1967	1968	1969	1970	1971
Cash and Investments	6,387	6,427	7,011	7,582	8,332
Accounts receivable	743	499	801	813	954
Obligations for projects	4,593	4,060	4,558	5,366	5,810
Other liabilities	181	320	349	185	583
Reserves ^{b/}	1,950	2,182	2,797	2,200	2,200
Surplus and balances	406	364	108	644	693



a/ Excluding loans made to or on behalf of refugees, and indemnification funds.

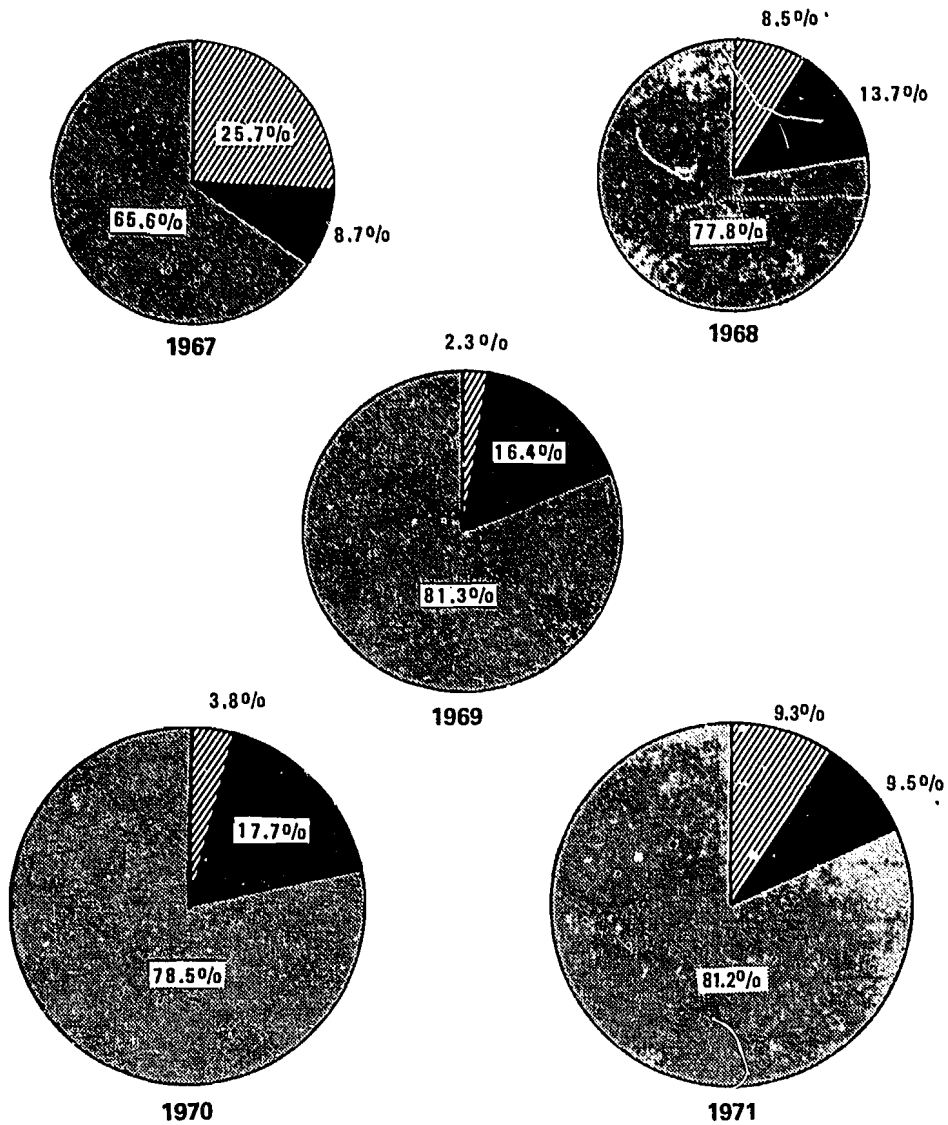
b/ Includes the Emergency Fund, the funds set aside and the Reserve for fund-raising initiatives.

Chart 2

FINANCING OF UNHCR ANNUAL PROGRAMMES, 1967 to 1971

(In thousands of US dollars)

	1967	1968	1969	1970	1971
Total expenditure ^{a/}	4678	4558	5277	5877	6453
Financed by					
Governmental contributions	3069	3545	4289	4613	5236
Private donations	1203	390	124	222	601
Other income ^{b/}	406	623	864	1042	616



^{a/} Including the grant-in-aid to the United Nations budget.

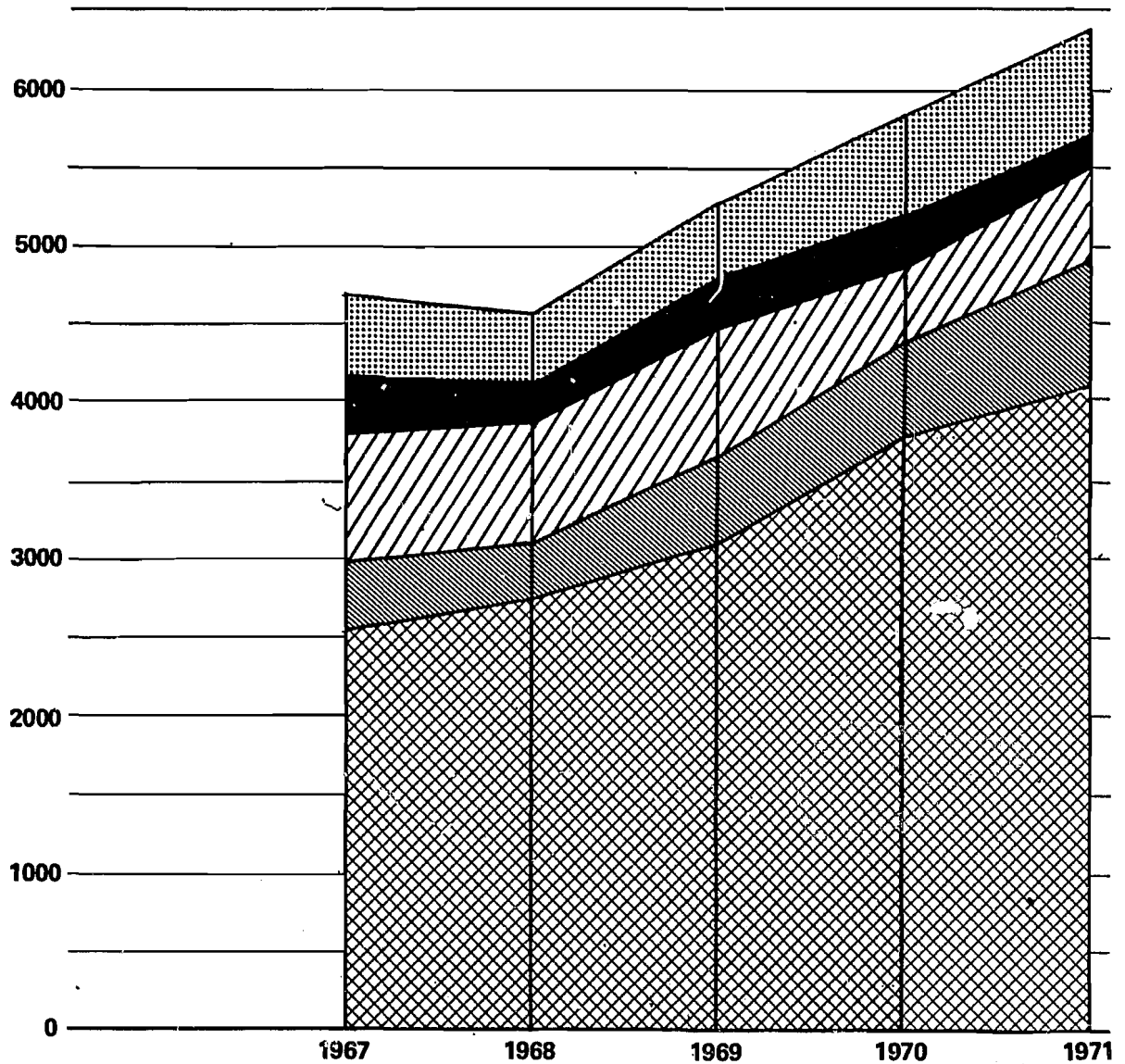
^{b/} Including interest from investments.

Chart 3

UNHCR ANNUAL PROGRAMMES: EXPENDITURE BY AREA, 1967 to 1971

(In thousands of US dollars)

	1967	1968	1969	1970	1971
AFRICA	2544	2730	3089	3794	4132
ASIA	430	332	531	593	797
EUROPE	801	763	803	465	575
LATIN AMERICA	351	241	303	318	239
Various areas ^{a/}	552	492	551	707	710
TOTAL	4678	4558	5277	5877	6453

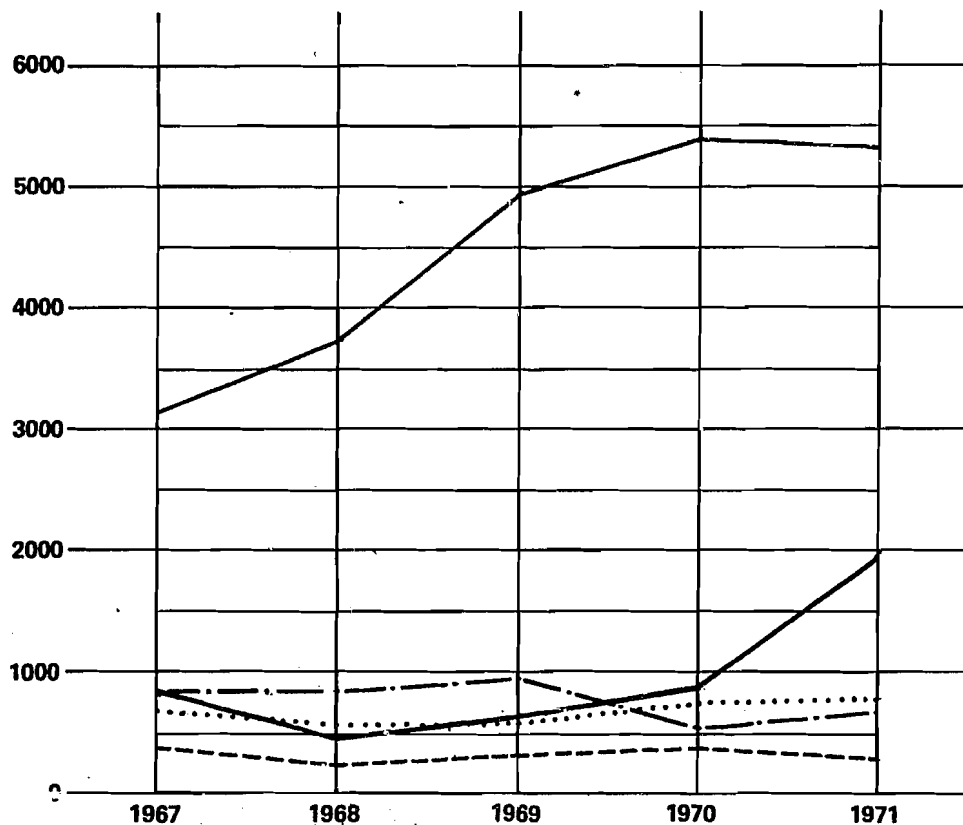


^{a/} Including the grant-in-aid to the United Nations budget.

Chart 4

UNHCR EXPENDITURE BY AREA, ^{a/} 1967 to 1971
 (In thousands of US dollars)

		1967	1968	1969	1970	1971
————	AFRICA	3135	3723	4922	5398	5316
————	ASIA	844	460	641	894	1988
.....	EUROPE	831	830	946	517	659
-----	LATIN AMERICA	366	241	303	357	268
.....	Various areas ^{b/}	667	552	572	741	770
	TOTAL	5843	5806	7384	7907	9001



^{a/} Excluding indemnification funds.

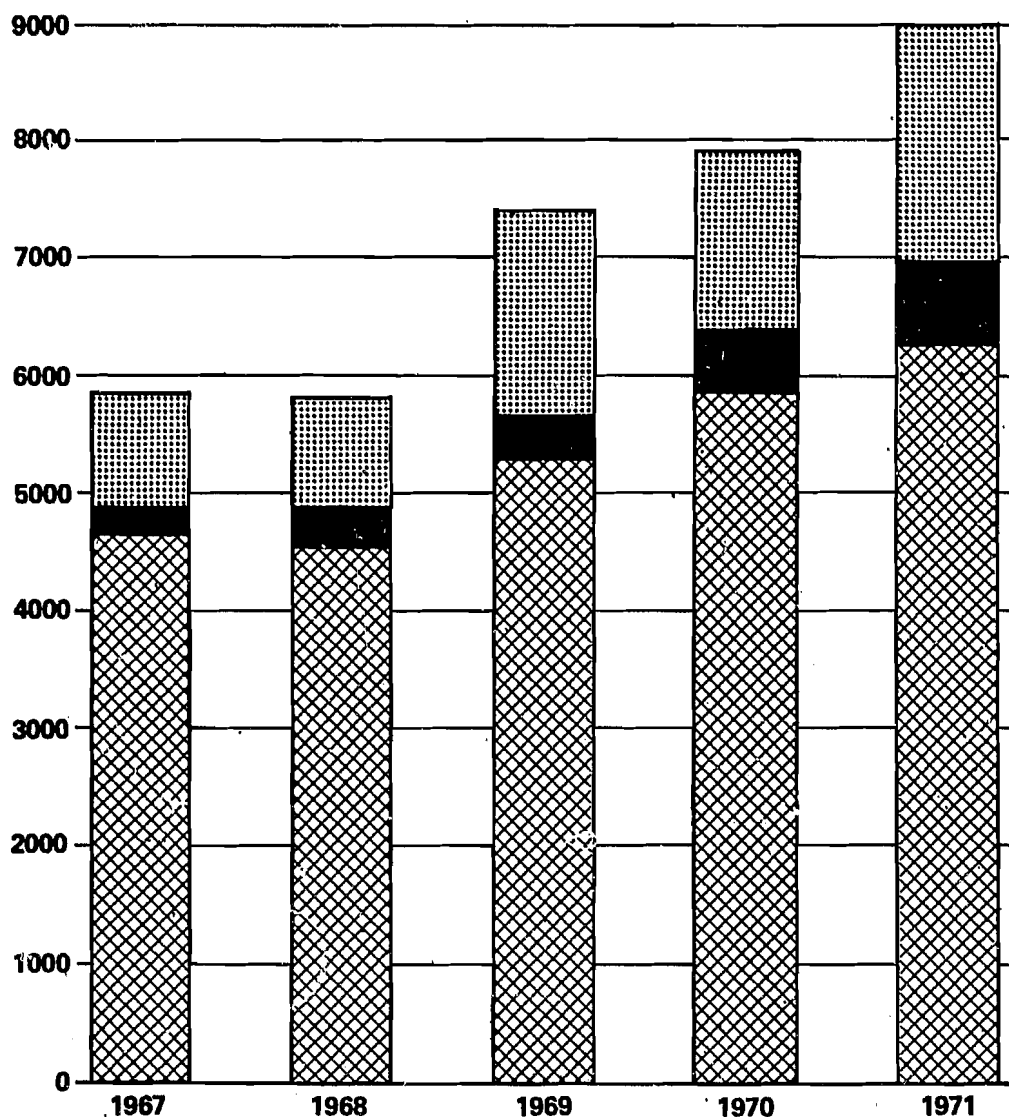
^{b/} Including the grant-in-aid to the United Nations budget.

Chart 5

TOTAL UNHCR EXPENDITURE BY PROGRAMME OR FUND, ^{a/} 1967 to 1971

(In thousands of US dollars)

	1967	1968	1969	1970	1971
Annual programmes ^{b/}	4678	4558	5277	5877	6453
Emergency Fund	207	322	365	532	632
Special trust funds	958	926	1742	1498	1916
Total	5843	5806	7384	7907	9001



^{a/} Excluding indemnification funds.

^{b/} Including the grant-in-aid to the United Nations budget.

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