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### FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS

#### Report of the Fifth Committee

Rapporteur: Mr. Ali Achraf MOJTAHED (Islamic Republic of Iran)

#### I. INTRODUCTION

1. At its 3rd plenary meeting, on 21 September 1984, the General Assembly decided to include in the agenda of its thirty-ninth session, and to allocate to the Fifth Committee, the item entitled:

"Financial reports and audited financial statements, 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;

"(j) United Nations Industrial Development Fund."

II. FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS,  
AND REPORTS OF THE BOARD OF AUDITORS

2. At its 3rd to 7th and 13th to 16th meetings, on 28 September and 2, 4, 7 to 9, 18, 19, 22 and 24 October 1984, the Fifth Committee considered the financial reports and audited financial statements for the financial period ended 31 December 1983 concerning the United Nations, 1/ the United Nations Development Programme, 2/ the United Nations Children's Fund, 3/ the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 4/ the United Nations Institute for Training and Research, 5/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 6/ the Fund of the United Nations Environment Programme, 7/ the United Nations Fund for Population Activities, 8/ the United Nations Habitat and Human Settlements Foundation, 9/ and the United Nations Industrial Development Fund, 10/ the related reports and audit opinions of the

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1/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 5 (A/39/5 and Corr.1), vols. I-III.

2/ Ibid., Supplement No. 5A (A/39/5/Add.1).

3/ Ibid., Supplement No. 5B (A/39/5/Add.2).

4/ Ibid., Supplement No. 5C (A/39/5/Add.3).

5/ Ibid., Supplement No. 5D (A/39/5/Add.4).

6/ Ibid., Supplement No. 5E (A/39/5/Add.5).

7/ Ibid., Supplement No. 5F (A/39/5/Add.6).

8/ Ibid., Supplement No. 5G (A/39/5/Add.7).

9/ Ibid., Supplement No. 5H (A/39/5/Add.8 and Corr.1).

10/ Ibid., Supplement No. 5I (A/39/5/Add.9).

Board of Auditors 11/ and the related report of the Advisory Committee on Administrative and Budgetary Questions. 12/

3. The comments and observations made in the course of the discussion of the item and the replies to queries raised are reflected in the summary records of the Fifth Committee (A/C.5/39/SR.3-7 and 13-16).

4. At its 13th meeting, on 18 October, the Chairman of the Committee introduced a draft resolution (A/C.5/39/L.3). At the same meeting, the representative of the Philippines proposed that the following phrase be added to the second preambular paragraph (A/C.5/39/L.4):

"particularly in support of measures for the sound financial management and control of the United Nations family of organizations,".

5. At the same meeting, the representative of Ireland proposed the addition of a new operative paragraph reading as follows (A/C.5/39/L.5):

"Invites the governing bodies of the organizations concerned to consider each year at their regular sessions the remedial action taken by the respective executive heads in response to the comments and observations made by the Board of Auditors in its reports."

6. At the 14th meeting, on 19 October, the representative of Ireland orally revised the proposed amendment by replacing the word "Invites" with the words "Renews its invitation to". The Committee then adopted, without objection, draft amendments A/C.5/39/L.4 and A/C.5/39/L.5 as orally revised.

7. At the same meeting, the Committee adopted draft resolution A/C.5/39/L.3, as amended, without a vote (see para. 12, draft resolution I).

### III. CATERING OPERATION AT UNITED NATIONS HEADQUARTERS

8. At the 14th meeting, the representative of the United States of America introduced and orally revised a draft resolution (A/C.5/39/L.6) pertaining to the United Nations Headquarters catering operation.

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11/ Ibid., Supplement No. 5 (A/39/5 and Corr.1), vols. I-III, sects. II and III; ibid., Supplement No. 5A (A/39/5/Add.1), sects. II and IV; ibid., Supplement No. 5B (A/39/5/Add.2), sects. II and III; ibid., Supplement No. 5C (A/39/5/Add.3), sects. I and II; ibid., Supplement No. 5D (A/39/5/Add.4), sects. II and III; ibid., Supplement No. 5E (A/39/5/Add.5), sects. I and II; ibid., Supplement No. 5F (A/39/5/Add.6), sects. II and III; ibid., Supplement No. 5G (A/39/5/Add.7), sects. II and IV; ibid., Supplement No. 5H (A/39/5/Add.8 and Corr.1), sects. II and III; and ibid., Supplement No. 5I (A/39/5/Add.9), sects. II and III.

9. At the 16th meeting, on 24 October, the representative of the United States of America further orally revised draft resolution A/C.5/39/L.6. The Committee then adopted the draft resolution, as orally revised, without a vote (see para. 12, draft resolution II). The representative of Iraq explained his delegation's position after the decision.

#### IV. THE INTERNAL AUDIT DIVISION

10. At the 15th meeting, on 22 October, the representative of Canada introduced a draft decision (A/C.5/39/L.7) relating to the Internal Audit Division.

11. At the 16th meeting, on 24 October, the representative of Canada presented and orally revised a revised draft decision (A/C.5/39/L.7/Rev.1). At the same meeting, the Committee adopted draft decision A/C.5/39/L.7/Rev.1, as orally revised, without a vote (see para. 13).

#### V. RECOMMENDATIONS OF THE FIFTH COMMITTEE

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

##### Draft resolution I

##### Financial reports and audited financial statements and reports of the Board of Auditors

##### The General Assembly,

Having considered the financial reports and audited financial statements for the period ended 31 December 1983 of the United Nations, 13/ the United Nations Development Programme, 14/ the United Nations Children's Fund, 15/ the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 16/ the United Nations Institute for Training and Research, 17/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 18/ the Fund of

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13/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 5 (A/39/5 and Corr.1), vols. I-III.

14/ Ibid., Supplement No. 5A (A/39/5/Add.1).

15/ Ibid., Supplement No. 5B (A/39/5/Add.2).

16/ Ibid., Supplement No. 5C (A/39/5/Add.3).

17/ Ibid., Supplement No. 5D (A/39/5/Add.4).

18/ Ibid., Supplement No. 5E (A/39/5/Add.5).

the United Nations Environment Programme, 19/ the United Nations Fund for Population Activities, 20/ the United Nations Habitat and Human Settlements Foundation 21/ and the United Nations Industrial Development Fund, 22/ the audit opinions of the Board of Auditors 23/ and the report of the Advisory Committee on Administrative and Budgetary Questions, 24/

Taking into account the views expressed by delegations during the debate in the Fifth Committee, particularly in support of measures for the sound financial management and control of the United Nations family of organizations, 25/

1. Accepts the financial reports and audited financial statements and the audit opinions of the Board of Auditors;
2. Concurs with the observations and comments made by the Advisory Committee on Administrative and Budgetary Questions in its report;
3. Requests the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions to continue to give greater attention to areas regarding which they have made observations and comments;
4. Further requests the executive heads of the organizations and programmes concerned to take such remedial action in areas falling within their competence as may be required by the comments and observations by the Board of Auditors in its reports;
5. Renews its invitation to the governing bodies of the organizations concerned to consider each year at their regular sessions the remedial action taken by the respective executive heads in response to the comments and observations made by the Board of Auditors in its reports.

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19/ Ibid., Supplement No. 5F (A/39/5/Add.6).

20/ Ibid., Supplement No. 5G (A/39/5/Add.7).

21/ Ibid., Supplement No. 5H (A/39/5/Add.8 and Corr.1).

22/ Ibid., Supplement No. 5I (A/39/5/Add.9).

23/ Ibid., Supplement No. 5 (A/39/5 and Corr.1), vols. I-III, sect. III; *ibid.*, Supplement No. 5A (A/39/5/Add.1), sect. IV; *ibid.*, Supplement No. 5B (A/39/5/Add.2), sect. III; *ibid.*, Supplement No. 5C (A/39/5/Add.3), sect. II; *ibid.*, Supplement No. 5D (A/39/5/Add.4), sect. III; *ibid.*, Supplement No. 5E (A/39/5/Add.5), sect. II; *ibid.*, Supplement No. 5F (A/39/5/Add.6), sect. III; *ibid.*, Supplement No. 5G (A/39/5/Add.7), sect. IV; *ibid.*, Supplement No. 5H (A/39/5/Add.8 and Corr.1), sect. III; and *ibid.*, Supplement No. 5I (A/39/5/Add.9), sect. III.

24/ A/39/510.

25/ A/C.5/39/SR.3-7 and 13-16.

Draft resolution II

Catering operation at United Nations Headquarters

The General Assembly,

Noting that, in spite of the Secretary-General's statement that the financial objective of the catering operation is "a break-even result", deficits have occurred in the last two bienniums,

1. Confirms that the catering operation should be financially self-supporting to the extent possible;
  2. Requests the Secretary-General to take steps to rectify the situation that is causing the deficit in the catering operation;
  3. Requests the Secretary-General to report to the General Assembly at its fortieth session on the situation.
13. The Fifth Committee recommends to the General Assembly the adoption of the following draft decision:

Internal Audit Division

The General Assembly recognizes the continuing and invaluable contribution of the Internal Audit Division in ensuring that internal controls are operating effectively, and decides to request the Secretary-General to conduct a review of the Internal Audit Division as recommended by the Board of Auditors, 26/ taking into account, inter alia:

- (a) Staff qualifications;
- (b) The adequacy of audit coverage of United Nations programmes particularly in offices away from Headquarters in light of the decentralization of accounting functions;
- (c) The need for training in order to keep abreast of contemporary audit practices and techniques;

and to report thereon in the context of the proposed programme budget for the biennium 1986-1987.

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