



Seventeenth session

FINANCIAL REPORTS AND ACCOUNTS, AND REPORTS OF THE BOARD  
OF AUDITORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1961:  
UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE  
REFUGEES IN THE NEAR EAST

Fourth report of the Advisory Committee on Administrative and Budgetary  
Questions to the General Assembly at its seventeenth session

1. The Advisory Committee on Administrative and Budgetary Questions has examined the financial report and accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the year ended 31 December 1961 and the related report of the Board of Auditors.<sup>1/</sup>
2. The income and expenditure experience in 1961 may be summarized as follows:

Income

|  | \$                |
|--|-------------------|
| Contributions from Governments .....   | 34,693,184        |
| Contributions from others .....        | 1,200,528         |
| Miscellaneous income .....             | 434,483           |
| <u>Add: Exchange adjustments .....</u> | <u>671,282</u>    |
|  | <u>36,999,477</u> |
| Expenditure .....                      | 36,323,181        |
|  | <u>676,296</u>    |

1/ Official Records of the General Assembly, Sixteenth Session,  
Supplement No. 6B (A/5206/Add.2).

As a result of this surplus, in addition to adjustments for prior years and unallocated price variations in the amount of \$194,943, the working capital available to the Agency increased from \$23,061,919 at 1 January 1961 to \$23,933,158 at 31 December 1961.

3. As on previous occasions, the Advisory Committee inquired into the question of losses of supplies mentioned in paragraph 6 of the report of the Board of Auditors. These losses amounted to \$58,833 in 1961 out of total losses of \$63,745, and were comprised of: (a) direct losses (\$43,457) and (b) provision for losses on disposal (\$15,376). In this regard, the following information has been given to the Advisory Committee:

(a) The direct losses related mainly to flour received in the Jordan field. These losses were 453 tons, worth \$40,281 at the 1961 standard price (\$88.92) and were about three times as high per unit as in the Gaza field. As a remedial measure it was suggested by the Internal Audit to the Field Supply Officer that in the future all flour should be test-weighed at the central warehouse before disposal to the field. This system has since been introduced and a recent review of the losses has disclosed much improvement in the position;

(b) The losses on disposal occurred when certain stores, e.g. spare parts for trucks, vehicles, etc. were declared surplus to the Agency's requirements. They originated from the early period of the Agency when the assessment of requirements was not very accurate for obvious reasons.

4. In a separate memorandum to the Advisory Committee, the Board of Auditors has listed several administrative matters involving in particular the procedures followed in procurement transactions and home leave travel where the rules normally applicable do not seem to have been followed in all cases. The Advisory Committee agrees with the Board of Auditors that corrective action is required, and it is confident that the Agency administration whose attention has been called to the various issues in question, in many cases by its own internal audit staff, will take the necessary steps to regularize its practices.