



Twelfth session  
Agenda item 46

AUDIT REPORTS RELATING TO EXPENDITURE BY SPECIALIZED AGENCIES OF  
TECHNICAL ASSISTANCE FUNDS ALLOCATED FROM THE SPECIAL ACCOUNT

Fifteenth report of the Advisory Committee on Administrative and  
Budgetary Questions to the twelfth session of the General Assembly

1. The Advisory Committee on Administrative and Budgetary Questions has considered, in accordance with paragraph 7 of General Assembly resolution 519 A (VI) of 12 January 1952, a note by the Secretary-General (A/3599) submitting the audit reports for the year ended 31 December 1956 relating to expenditure by specialized agencies of technical assistance funds allocated from the Special Account of the Expanded Programme of Technical Assistance.
2. The total of allocations (and other credits) made during the year under review to organizations participating in the Expanded Programme amounted to \$32,971,925. In addition, an amount of \$2,011,100 was allotted to the United Nations (Technical Assistance Administration) as a lump-sum appropriation from the Organization's regular budget, bringing the total funds available to all the organizations to \$34,983,025. Obligations were incurred during the year to a total of \$50,892,373, excluding costs charged to funds provided by recipient Governments for local costs. The excess of available funds over obligations incurred thus amounted to \$4,090,652 which, together with a surplus of \$184,793 in the local costs account and other savings and income of \$864,430, results in a total available balance as of 31 December 1956 of \$5,139,875.
3. The following table shows the proportion which administrative and operational services costs have borne to total obligations incurred during the year 1956 by the several participating organizations:

1956

	<u>Total obligations</u> <sup>a/</sup>	<u>Administrative and operational services costs</u>	<u>Column (2) as percentage of column (1) /corresponding percentages for 1955 are given in parentheses/</u>	
	(1)	(2)	(3)	
ILO	3,045,438	390,634	12.83	(12.67)
FAO	8,019,937	1,045,796	13.04	(13.92)
UNESCO	3,801,044	445,585	11.72	(12.53)
ICAO	1,183,862	141,629	11.96	(14.07)
WHO	5,186,588	606,610	11.70	(13.66)
United Nations <sup>b/</sup>	9,655,504	1,309,371	13.56	(15.37)
<b>TOTAL</b>	<b>30,892,373</b>	<b>3,939,625</b>	<b>12.75</b>	<b>(14.01)</b>

a/ Including exchange adjustments on operations, total net addition: \$27,302.

b/ Including amounts in respect of ITU and WMO. Figures also include obligations incurred against funds made available from the United Nations regular budget.

4. The Advisory Committee has submitted to the General Assembly detailed reports<sup>1/</sup> in respect of five of the participating organizations, covering their administrative and financial procedures with particular reference to their participation in the Expanded Programme. As indicated in paragraphs 65 to 71 of the report on FAO (A/3598), the Committee has also under study the question of the identification and allocation of the administrative and operational services costs that are chargeable to the Expanded Programme.

5. In its report on the 1955 expenditures from the Special Account, the Advisory Committee commented on the obligating procedure which was followed by the organizations in respect of fellowships. According to this procedure, the entire cost of the fellowship, regardless of its expected duration beyond the current year, is recorded as an obligation immediately on the award of the fellowship and even prior to the completion of arrangements regarding the placing

<sup>1/</sup> A/3142 (ILO); A/3166 (UNESCO); A/3596 (WHO); A/3597 (WMO); A/3598 (FAO).

of the fellow and his programme of study. The Advisory Committee understands that the Technical Assistance Board has again considered this question and has come to the conclusion that the present procedure should be continued, in order to obviate the need for recipient countries to follow up fellowships already awarded and to re-include appropriate portions of such fellowships in their country programme requests for several succeeding years until the fellowship is completed in each case.

6. Attention has been drawn in the audit report relating to the ILO (A/3599, p. 5, para. 2) to the fact that there are no established rules to govern the allocation, as between the recipient Government and the awarding organization, of the cost of travel of fellows. The Advisory Committee understands that the practice in this regard differs among the organizations: while the ILO and FAO normally ask the recipient Government to provide one-half of the travel cost, other organizations generally meet such costs in full. There would be advantage in the organizations following a uniform policy in this regard; the Committee is informed that this matter will be discussed by TAB shortly.

7. There are no other points in the several audit reports on which the Advisory Committee desires to comment.

-----