



Seventeenth session
Agenda item 68 (b)

AUDIT REPORTS RELATING TO EXPENDITURE BY SPECIALIZED AGENCIES AND
THE INTERNATIONAL ATOMIC ENERGY AGENCY: (b) EARMARKINGS AND
ALLOTMENTS FROM THE SPECIAL FUND

Audit reports for the year ended 31 December 1961 relating to expenditure
by executing agencies of funds earmarked from the Special Fund

Fortieth 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 considered a note by the Secretary-General (A/5269) submitting to the General Assembly, in accordance with paragraph 23.2 of the Provisional Financial Regulations of the Special Fund, the audit reports for the year ended 31 December 1961 relating to expenditure by executing agencies^{1/} of funds earmarked from the Special Fund.
2. The balance of earmarkings and other available funds as at 31 December 1960 was \$32,088,193, while miscellaneous income and exchange adjustments (net) reverted to the central fund (\$27 deficit) and unliquidated commitments at 31 December 1960 amounted to \$5,004,314. The total of funds earmarked during 1961 to the nine executing agencies amounted to \$49,287,705. During the same period, cash disbursements were \$8,675,201 and the unliquidated balance of commitments and obligations amounted to \$14,756,144 at 31 December 1961.

^{1/} United Nations; International Labour Organisation; Food and Agriculture Organization; United Nations Educational, Scientific and Cultural Organization; International Civil Aviation Organization; International Telecommunication Union; World Health Organization, World Meteorological Organization; International Bank for Reconstruction and Development.

Taking into account miscellaneous income, \$14,239, the balance of earmarkings and other funds left on that date was accordingly \$62,963,079.

3. The Advisory Committee would recall that, in its last report on this item,^{2/} it observed that the statement showing the status of funds of the International Bank for Reconstruction and Development as at 31 December 1960^{3/} did not contain either the audit certificate or the external auditors' report referred to in paragraph 23.2 of the Provisional Financial Regulations of the Special Fund.^{4/} It notes this year the satisfactory outcome of the negotiations which were under way at the time between the Special Fund authorities and the Bank and it would call attention to the following statement made in the report of the external auditors on the accounts of the Bank (A/5269, annex 8):

"Although our opinion relates to the status of funds for the year ended 31 December 1961, we have made our examination of the accounts of the International Bank for Reconstruction and Development as executing agency for the funds earmarked by the United Nations Special Fund to the International Bank for Reconstruction and Development for the entire period that the Bank has served as executing agency."

4. The Committee has studied the reports submitted by the external auditors on the accounts of the several agencies and it notes that, in the case of three of the agencies, the audit certificates were given subject to observations to which it wishes to draw the attention of the General Assembly.

^{2/} Official Records of the General Assembly, Sixteenth Session, Annexes, agenda item 58 (b), document A/4948, para. 6.

^{3/} Ibid., document A/4825, annex 8.

^{4/} Paragraph 23.2 of the Provisional Financial Regulations reads as follows:

"The annual accounts with audit certificates for Special Fund projects executed by agencies, and the reports of the external auditors thereon shall be transmitted to the Governing Council and to the United Nations General Assembly."