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FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1964 AND REPORTS OF THE BOARD OF AUDITORS: THE UNITED NATIONS AND ITS TRUST FUNDS AND SPECIAL ACCOUNTS; THE UNITED NATIONS REGULAR PROGRAMMES OF TECHNICAL ASSISTANCE AND ITS PARTICIPATION IN THE EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE: THE TECHNICAL ASSISTANCE BOARD SECRETARIAT; THE SPECIAL FUND: UNITED NATIONS AS EXECUTING AGENCY, AND THE ADMINISTRATIVE BUDGET OF THE MANAGING DIRECTOR; THE UNITED NATIONS SUEZ CANAL SURCHARGE OPERATION; THE SPECIAL ACCOUNT OF THE UNITED NATIONS EMERGENCY FORCE AND THE AD HOC ACCOUNT FOR THE UNITED NATIONS OPERATION IN THE CONGO: UNITED NATIONS TEMPORARY EXECUTIVE AUTHORITY FOR THE ADMINISTRATION OF WEST NEW GUINEA (WEST IRIAN)

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

1. The Advisory Committee on Administrative and Budgetary Questions has considered the financial reports and accounts for 1964, and the related reports of the Board of Auditors, in respect of (a) the United Nations and its trust funds and special accounts, (b) the United Nations regular programmes of technical assistance and its participation in the Expanded Programme of Technical Assistance (EPTA), (c) the Technical Assistance Board secretariat, (d) the United Nations Special Fund (United Nations as executing agency and the administrative budget of the Managing Director), (e) the United Nations Suez Canal Surcharge Operation, (f) the Special Account of the United Nations Emergency Force, (g) the ad hoc account for the United Nations Operation in the Congo, and (h) the United Nations Temporary Executive Authority for the Administration of West New Guinea (West Irian).<sup>1/</sup>

<sup>1/</sup> Official Records of the General Assembly, Twentieth Session, Supplement No. 6, (A/6006).

2. The Advisory Committee has also reviewed, and is reporting separately on the 1964 accounts and related audit reports in respect of the following extra-budgetary programmes of the United Nations: the United Nations Children's Fund and the United Nations Children's Greeting Card Fund,<sup>2/</sup> the United Nations Relief and Works Agency for Palestine Refugees in the Near East<sup>3/</sup> and the Voluntary Funds administered by the High Commissioner for Refugees.<sup>4/</sup> The Advisory Committee's reports relating to these programmes are contained in documents A/5942, A/5943 and A/5944 respectively.

3. The Advisory Committee noted the continuing growth in the number of statements and schedules pertaining to the financial reports submitted over the last years as a result of the increased activities of the United Nations. Although most of the schedules provide useful information to Member Governments, it is doubtful whether all the documents are essential. The Committee recommends to the

Secretary-General that he would consider the possibility of combining a number of schedules and deleting others without adversely affecting the information provided.

4. In paragraph 8 of its report the Board of Auditors refers to the establishment of an electronic data processing centre in the Headquarters building. The Advisory Committee noted with satisfaction that one of the experts of the Board had participated in the preparatory work. The Committee was informed that appropriate administrative arrangements were being made to ensure the establishment of priorities of work programmes and the economic utilization of the capacity of the centre.

5. In paragraph 15 of its report the Board of Auditors refers to the non-compliance with the Financial Regulations and Rules, particularly with regard to rule 108.9.<sup>5/</sup> A similar observation had already been made by the Board in its report on the accounts for the year ended 31 December 1963.<sup>6/</sup> The Committee

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<sup>2/</sup> Ibid., Supplement No. 6A (A/6006/Add.1).

<sup>3/</sup> Ibid., Supplement No. 6B (A/6006/Add.2).

<sup>4/</sup> Ibid., Supplement No. 6C (A/6006/Add.3).

<sup>5/</sup> The relevant paragraph (b) of this rule states "Payments shall be made on the basis of supporting vouchers and other documents which indicate that the goods or services have been received in accordance with the documents establishing the obligation, that payment has not previously been made, and that the payment is properly due".

<sup>6/</sup> Official Records of the General Assembly, Nineteenth Session, Supplement No. 6 (A/5806), para. 14.

observed that certain of the difficulties were resolved subsequent to last year's comment by the Board. In its second report to the General Assembly at its nineteenth session,<sup>7/</sup> the Advisory Committee noted that the required certifications had been received from the Governments involved, relating to reimbursement of some \$2 million in respect of "extra costs" incurred in providing contingents to UNEF.

6. The Advisory Committee was informed, however, that there were still cases where payment had been made prior to receipt of the required documentation. The Committee was also informed that essential operational practices developed during the years had resulted in the most economical arrangements and financial advantages to the Organization. The Committee considered the desirability of amending this particular rule but felt that further study should be given to the implications of such a change.

7. The Advisory Committee was given to understand that in general the difficulties reported previously in connexion with the timely submission of accounts had been removed.

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<sup>7/</sup> Ibid., Annex No. 11, document A/5710.