



Eighth session
Agenda item 46

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

Report of the Fifth Committee

Rapporteur: Mr. H. M. ARSON (Pakistan)

1. In resolution 519 A (VI) adopted on 12 January 1952, the General Assembly "calls on the specialized agencies participating in the Expanded Programme of Technical Assistance to provide, in their regular budget documents, information concerning their estimates for the expenditure of technical assistance funds; and to transmit to the General Assembly, for examination and approval, the audit reports relating to expenditure of technical assistance funds allocated from the Special Account after approval of the appropriate audit reports by the general conferences of their agencies or by such other authorities of the agencies as are constitutionally authorized to approve them".
2. Pursuant to this resolution, the Secretary-General, under cover of a note dated 7 October 1953 (A/C.5/546), transmitted to the General Assembly the reports which had been submitted by the specialized agencies participating in the Expanded Programme of Technical Assistance. These reports comprised, for each agency, a financial statement showing the status of its allocations, in the form prescribed by the Technical Assistance Board, accompanied by the certificate of the external auditors and, where applicable, by such further comments on technical assistance matters as the auditors had included in their reports to the general

conference or equivalent authority of the agency concerned. The Secretary-General's note was also accompanied by a combined financial statement showing the status of allocations to the participating organizations under the Expanded Programme as of 31 December 1952, and summarizing the separate audited financial statements submitted by the agencies, as well as similar information regarding the transactions of the United Nations under the same programme.

3. These various statements, and observations thereon presented by the Advisory Committee on Administrative and Budgetary Questions in its fourteenth report to the eighth session of the General Assembly (A/2545), were considered by the Fifth Committee at its 405th meeting on 16 November 1953.

4. The Fifth Committee was informed that, with the exception of those relating to the accounts of the Food and Agriculture Organization, the audit reports in question had been approved by the general conference or by such other authorities of the agencies concerned, as were constitutionally authorized to approve them. In the case of FAO, the audit report would be submitted to the next session of the Conference, to convene in November 1953.

5. The question was raised whether, in principle, the General Assembly could properly take action until all reports had been considered and approved by the governing bodies of the agencies concerned. It was recognized, however, that, as pointed out by the Advisory Committee, strict adherence to the letter of resolution 519 A (VI) would produce an unreasonable delay, with the possibility that General Assembly consideration might have to be deferred until some four years after certain of the audited transactions had been effected. It was accordingly agreed that the intent of the General Assembly would be appropriately met if note were taken of the reports, including that relating to the expenditures of FAO.

6. In connexion with the accounts of FAO, special attention was drawn to the fact that the external auditor had questioned an amount of approximately \$125,000 recorded as an obligation at 31 December 1952 in respect of certain fellowships. It was understood that had this obligation been omitted from the 1952 accounts (in accordance with the definition of obligations adopted by the Technical Assistance Board in respect of fellowships), the amount available for

redistribution during 1953 among participating organizations (including FAO) would have been correspondingly increased. Consequently, not only was the authority of TAB involved, but also the interest of other agencies participating in the Expanded Programme.

7. Referring to the comments of the Advisory Committee, in paragraphs 8 and 9 of its report (A/2545), regarding entitlement of project personnel to pension rights under the Joint Staff Pension Fund, the representative of Australia inquired as to what would be the effect of the decision of TAB to introduce, as from 1 January 1954, revised conditions of service under which project personnel appointed for one year or more to continuing posts (i.e., posts normally expected to continue for at least five years), would receive appointments governed by the basic conditions of service applied to regular staff members, including eligibility for admission to the Pension Fund. He suggested that the admission as participants in the Fund of any considerable number of such personnel might conceivably have actuarial implications with respect to which the Joint Staff Pension Board should perhaps be consulted.

8. Following replies by the representative of the Secretary-General to a number of points on which clarification had been sought, the Fifth Committee decided, without objection, to recommend to the General Assembly, the adoption of the following resolution:

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

The General Assembly

Takes note of the audit reports relating to expenditure by specialized agencies of technical assistance funds allocated from the Special Account, for the financial year ended 31 December 1952 (A/C.5/546), and of the observations thereon of the Advisory Committee on Administrative and Budgetary Questions (A/2545).
