



Eighth session
Agenda item 37(d)

UNITED NATIONS KOREAN RECONSTRUCTION AGENCY: FINANCIAL
REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1953,
AND REPORT OF THE BOARD OF AUDITORS

Thirteenth report of the Advisory Committee on Administrative and
Budgetary Questions to the eighth session of the General Assembly

1. The Advisory Committee on Administrative and Budgetary Questions has examined the report of the Board of Auditors on the accounts of the United Nations Korean Reconstruction Agency for the year ended 30 June 1953.^{1/}
2. The statement of resources available and obligations incurred during the year under review shows the following position

	\$	\$	\$
Excess of income over obligations incurred as at 30 June 1952		14,586,357	
Savings on liquidation of prior years' obligations		<u>22,612</u>	14,608,969
<u>Income</u>			
Government contributions in cash	50,677,647		
Government contributions in kind	<u>1,146,589</u>	51,824,236	
Other income as per financial statement II (A/2487)		<u>1,362,758</u>	53,186,994
Total resources			67,795,963
<u>Obligations incurred</u>			
Within the plan of expenditure		51,817,570	
Contributions in kind donated to the Unified Command		<u>1,146,589</u>	52,964,159
Net resources available for future use			14,831,804

^{1/} See Official Records of the General Assembly, Eighth Session, Supplement No. 6 C, document A/2487.

3. Attention is drawn to the fact that the resources available for activities after 30 June 1953 amounted to \$14,831,804.

4. The question of the administrative practices and expenses of the UNKRA programme comes within the purview of the Advisory Committee on Administrative and Budgetary Questions (General Assembly resolution 594 (VI) of 4 February 1952, paragraph 2). In its corresponding report of 1952,^{2/} the Advisory Committee took note of the special circumstances that had produced a disproportionately high ratio of administrative to other costs in the 1951 - 1952 accounts. This situation has now been improved: during 1952 - 1953, the total of obligations incurred (\$51,817,570) included \$1,612,292 in administrative costs, or a ratio of 3.11 per cent. It also notes with satisfaction the statement by the Agent-General in his latest report^{3/} that "with a view to the expansion of UNKRA's programme, ... [he] has had the present organization under review and has developed plans, now approaching finalization, to streamline the UNKRA personnel establishment, to combine activities and to eliminate or reduce intermediate offices and personnel wherever possible, in order to effect administrative savings and thus provide the maximum funds for reconstruction purposes".

5. Obligations incurred during the year to 30 June 1953 include an item of \$278,337 in respect of technical assistance projects. The Advisory Committee is informed that the principal commitments under this heading were:

\$	
162,368	for an economic survey undertaken by a commercial firm;
66,281	for an educational survey undertaken by the United Nations Educational, Scientific and Cultural Organization for the purpose of determining the extent of international assistance required to re-establish and develop the school and adult training systems; and
29,015	for a survey of health conditions conducted by the World Health Organization.

^{2/} See Official Records of the General Assembly, Seventh Session, Annexes, agenda item 39 (d), document A/2239.

^{3/} Ibid., Supplement No. 19B, document A/2222/Addendum 3, paragraph 51.

6. In his financial report (A/2487, paragraph 18(c)), the Agent-General refers to a donation of \$100,000 received from UNESCO, which it has been decided to expend (together with a further \$60,000 allotted by the Agency) on the purchase of a printing plant for the production of textbooks in Korea. The contribution was made by UNESCO in October 1950 and transmitted to UNKRA by the Secretary-General of the United Nations in January 1951. The Advisory Committee takes account of the exceptional circumstances that have resulted in a long delay between the date of the contribution and the actual undertaking of the project.
 7. The Committee also made special inquiry concerning the motor transport equipment now being utilized by UNKRA. It has been assured that, while some passenger cars were shipped in the past to Korea for the use of the Agency, only utility vehicles are now procured for that purpose, and that in general a strict control is exercised over the use of motor vehicles.
 8. The audit report discloses no other points on which the Advisory Committee desires to offer comment.
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