



Fifth session

Item 37(b) of the agenda

UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND

FINANCIAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 1949, AND REPORT OF THE BOARD
OF AUDITORS

Fourth report of 1950 of the Advisory Committee on
Administrative and Budgetary Questions

1. In accordance with its terms of reference, the Advisory Committee on Administrative and Budgetary Questions has considered the report of the Board of Auditors on the accounts of the United Nations International Children's Emergency Fund for the year ended 31 December 1949 (A/1336).

2. Income received by the Fund during 1949 amounted (in round figures) to \$39,900,000,^{1/} against a corresponding figure for 1948 of \$59,000,000. Expenditure in 1949, by comparison with the previous year, was as follows:

	<u>1949</u> Dollars (U.S.)	<u>1948</u> Dollars (U.S.)
Supplies distributed	42,457,000	28,026,000
Participation in special relief programmes	1,917,000	1,921,000
Administrative costs	2,283,000	1,445,000
Operational services	93,000	62,000
Difference in exchange	108,000	26,000
	<u>46,858,000</u>	<u>31,480,000</u>

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^{1/} This figure is exclusive of "matching" contributions of \$9,500,000 made by the United States of America after the end of 1949.

/3. The Board
A/1413

3. The Board of Auditors has drawn attention in paragraph 25 of its report to the heavy expenditure incurred by the Fund for the insurance of commodities in transit and in warehouses overseas. Since the inception of the Fund, payments in respect of insurance premiums have amounted to approximately \$485,000, against a figure of approximately \$150,000 recovered on claims. In view of the fact that the volume of annual shipments is in the neighbourhood of \$30,000,000, and that the risks are widely distributed, the Advisory Committee recommends that the Administration of the Fund give further and careful consideration to the Auditors' suggestion concerning the establishment of a self-insurance scheme. Provision for such a scheme might be made through an appropriation to a special fund of an amount equivalent to the cost of commercial insurance.

4. The Advisory Committee notes that net proceeds of claims receivable under UNRRA's marine insurance policies amounted at the end of 1949 to almost \$300,000, a figure which rose by the end of August 1950 to \$373,000, representing 19.5 per cent of the book value of the claims submitted. Further claims outstanding under these policies are estimated at a total face value of \$5,500,000.

5. As regards the various recommendations made by the Board of Auditors, the Advisory Committee was informed that the Administration of the Fund has already taken appropriate action on all points except the one concerning the introduction of a self-insurance scheme.

6. Apart from the above observations, the Advisory Committee has no special comment to offer on the report and accounts.
