



GENERAL

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ORIGINAL: ENGLISH

Dual DistributionSixth session
Agenda item 39FINANCIAL REPORTS AND ACCOUNTS, AND REPORTS
OF THE BOARD OF AUDITORS

- (a) United Nations, for the financial year ended 31 December 1950
- (b) United Nations International Children's Emergency Fund, for the financial year ended 31 December 1950
- (c) United Nations Relief and Works Agency for Palestine Refugees in the Near East for the period 1 May 1950 to 31 December 1950
- (d) United Nations Korean Reconstruction Agency, from date of inception to 30 June 1951

Report of the Fifth Committee

Rapporteur: Mr. Rafik ASHA (Syria)

1. In accordance with the allocation of agenda items approved by the General Assembly at its 342nd plenary meeting, the Fifth Committee examined the financial reports and accounts, and reports of the Board of Auditors,^{1/} as included in item 39 of the agenda of the sixth session, together with the relevant comments of the Advisory Committee on Administrative and Budgetary Questions.^{2/}
2. At its 285th, 293rd and 298th meetings the Committee considered the financial report and accounts for the United Nations for the financial year ended 31 December 1950, and the report of the Board of Auditors,^{3/} together with the observations of the Advisory Committee included in its second report of 1951.^{4/}

1/ See Official Records of the General Assembly, Sixth session, Supplement Nos. 6, 6A, 6B, 6C.

2/ Ibid., Supplement No. 7. See also A/1951/Rev.1, A/1966, A/1977

3/ A/1800, Official Records of the General Assembly, Sixth session, Supplement No.6

4/ A/1853, Ibid., Supplement No. 7, paragraphs 365 to 372

3. During the discussion it was noted from these reports that the financial affairs of the Organization had been satisfactorily conducted during 1950 and appreciation was expressed for the manner in which the auditors had discharged their important responsibilities under the chairmanship of Mr. Watson Sellar of Canada.
4. The financial report and accounts of the United Nations for the financial year ended 31 December 1950 and the Certificate of the Board of Auditors were accepted by 41 votes to none, with 5 abstentions (see resolution IA); the delegations of the Union of Soviet Socialist Republics and Czechoslovakia had requested a vote on the adoption of the reports since certain expenditures to which those delegations objected in principle were included.
5. Paragraphs 25 - 27 of the report of the Board of Auditors, and paragraph 371 of the Advisory Committee's report both included comments on the demands made on the Working Capital Fund for the temporary financing of an emergency programme pending receipt of voluntary contributions to the Special Fund supporting the programme. It was with particular reference to those observations that the United Kingdom and the United States of America introduced a joint draft resolution requesting the President of the General Assembly to appoint as early as possible a Negotiating Committee for Extra-Budgetary Funds.
6. At the 285th meeting, Mr. Corley-Smith (United Kingdom) addressed the Committee on the work of the Negotiating Committee appointed during 1950, of which he was the Acting Chairman. The joint draft resolution was revised to take into account views which had been expressed by delegations.
7. It was stressed by the sponsors of the joint draft resolution that the proposal was no innovation; a similar body had been appointed by the General Assembly at its fifth session. The Negotiating Committee should be regarded primarily as an instrument for consultation with the governments of Member and non-member States to ensure prompt and full financial support for programmes formally approved by the General Assembly. It was necessary, however, to set up this machinery at the earliest possible moment during the sixth session, so that no organizational delay would occur in approaching the whole question of the financing, on a voluntary basis, of special programmes approved by the Assembly. The Negotiating Committee appointed at the fifth session of the Assembly had been hampered in its activities by being appointed late in the session when many of the leading representatives and financial experts of Members had left.

8. Some delegations considered that the appointment of such a committee raised constitutional issues, since the financing of extra-budgetary programmes was dependent on each country's financial capacity and could not be determined until the amount of assessment required for the United Nations and its affiliated bodies had been made known, and delegations could not commit themselves to the payment of extra-budgetary contributions without proper authorization by their parliaments.
9. Other delegations considered that a negotiating committee should not be set up until definite programmes were ready for its consideration; at the present time the General Assembly had before it no question which would have to be submitted immediately to such a body.
10. It was clearly understood that the appointment of a negotiating committee would in no way prejudice the right vested in the General Assembly to decide which individual programmes should be referred to such a committee. Funds for each programme would remain separate, even though a negotiating committee might deal simultaneously with matters pertaining to the collection of voluntary contributions for more than one such programme;
11. At its 298th meeting, the Committee approved the revised joint draft resolution by 29 votes to 5, with 13 abstentions. (See resolution IB)
12. At its 285th meeting, the Committee considered the financial report and accounts of the United Nations International Children's Emergency Fund for the financial year ended 31 December 1950, and the report of the Board of Auditors^{5/}, together with the observations of the Advisory Committee (A/1951/Rev.1) on the report of the Board of Auditors. The Committee unanimously accepted the financial report as submitted and took note of the observations of the Advisory Committee (see resolution II).
13. At its 301st meeting, the Committee considered and accepted unanimously the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the period 1 May 1950 to 31 December 1950, as well as the certificate of the Board of Auditors^{6/}. It also took note of the observations of the Advisory Committee (A/1966) on the report of the Board of Auditors (see resolution III).

5/ A/1310, Official Records of the General Assembly, Sixth session, Supplement No. 6A

6/ A/1931, Ibid., Supplement No. 6B

14. By 35 votes to none, with 5 abstentions, the Committee also accepted the financial statements of the United Nations Korean Reconstruction Agency for the period from the commencement of operations (1 December 1950) to 30 June 1951, and the certificate of the Board of Auditors^{7/} and took note of the observations of the Advisory Committee (A/1977) on the report of the Board of Auditors (see resolution IV).

15. In the light of the suggestions and observations made during the discussion on the above matters, the Fifth Committee decided to recommend to the General Assembly the adoption of the following resolutions:

I

UNITED NATIONS: FINANCIAL REPORT AND ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1950,
AND THE REPORT OF THE BOARD OF AUDITORS

A

The General Assembly

1. Accepts the financial report and accounts of the United Nations for the financial year ended 31 December 1950 and the Certificate of the Board of Auditors;
2. Concurs in the observations of the Advisory Committee on Administrative and Budgetary Questions with respect to the report of the Board of Auditors.

B

The General Assembly

Noting the observations of the Board of Auditors on the difficulties encountered in financing operational programmes,

Reconsidering the necessity for establishing the procedures for obtaining funds to finance special programmes not provided for in the regular budget of the Organization,

Noting that the experience of the Negotiating Committee appointed at the fifth

^{7/} A/1961, Official Records of the General Assembly, Sixth session, Supplement No. 6C.

session of the General Assembly indicates that any committee appointed for this purpose should start its work at the beginning of the General Assembly session rather than at the end,

1. Requests the President of the General Assembly to appoint a Negotiating Committee for Extra-Budgetary Funds composed of seven members for the purpose of consulting, as soon as possible during the current session of the General Assembly, with Member and non-member States as to the amounts which governments may be willing to contribute on a voluntary basis towards each programme approved by the Assembly for which funds are not available through the regular budget of the United Nations and for which the Negotiating Committee is specifically requested by the Assembly to obtain pledges of voluntary contributions from governments;

2. Authorizes the Negotiating Committee to adopt the procedures best suited to the accomplishment of its task, bearing in mind:

(a) The necessity of maintaining the identity and integrity of each programme;

(b) The necessity of obtaining pledges and payments of contributions to each such programme as soon as possible;

(c) The need for securing the widest possible and most equitable participation in the programmes;

(d) The desirability of ensuring that any contribution in kind is of a nature which meets the requirements of the contemplated programmes;

(e) The degree of assistance which can continue to be rendered by specialized agencies, non-member States and other contributors;

3. Decides that, as soon as the Negotiating Committee has ascertained the extent to which Member States are willing to make contributions, the Secretary-General shall at the Committee's request arrange, during the current session of the General Assembly, an appropriate meeting or meetings of Member and non-member States at which the pledges of Members and non-members may be made known.

II

UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND:
FINANCIAL REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 1950, AND REPORT OF THE
BOARD OF AUDITORS

The General Assembly

1. Accepts the financial report and accounts of the United Nations International Children's Emergency Fund for the financial year ended 31 December 1950, and the Certificate of the Board of Auditors;
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions with respect to the report of the Board of Auditors.

III

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES
IN THE NEAR EAST: ACCOUNTS FOR THE PERIOD 1 MAY 1950
TO 31 DECEMBER 1950, AND REPORT OF THE
BOARD OF AUDITORS

The General Assembly

1. Accepts the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the period 1 May 1950 to 31 December 1950, and the Certificate of the Board of Auditors;
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions with respect to the report of the Board of Auditors.

IV

UNITED NATIONS KOREAN RECONSTRUCTION AGENCY: FINANCIAL STATEMENTS
FOR THE PERIOD FROM THE COMMENCEMENT OF OPERATIONS
(1 DECEMBER 1950) TO 30 JUNE 1951, AND REPORT OF
THE BOARD OF AUDITORS

The General Assembly

1. Accepts the financial statements of the United Nations Korean Reconstruction Agency for the period from the commencement of operations (1 December 1950) to 30 June 1951, and the Certificate of the Board of Auditors.
2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions with respect to the Board of Auditors.