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AUDIT REPORTS RELATING TO EXPENDITURE BY THE SPECIALIZED
AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY:
ALLOCATIONS FROM THE SPECIAL FUND ACCOUNT OF THE UNITED
NATIONS DEVELOPMENT PROGRAMME

Audit reports for the year ended 31 December 1968 relating to
expenditure by participating and executing agencies of funds
allocated from the Special Fund Account of the United Nations
Development Programme

Forty-third report of the Advisory Committee on Administrative and Budgetary
Questions to the General Assembly at its twenty-fourth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the audited accounts showing the consolidated financial position of the United Nations Development Programme (Special Fund) Account as at 31 December 1968, and the report of the Board of Auditors.^{1/} These reports have been submitted by the Administrator of the United Nations Development Programme (UNDP) in accordance with article 25.3 of the Financial Regulations of UNDP (Special Fund). Detailed supporting schedules furnished by the participating and executing agencies^{2/} have been available to the Committee.

1/ Official Records of the General Assembly, Twenty-fourth Session,
Supplement No. 28, (A/7628).

2/ International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, International Telecommunication Union, World Health Organization, World Meteorological Organization, Universal Postal Union, International Bank for Reconstruction and Development, Inter-American Development Bank and the International Atomic Energy Agency. For the United Nations and the United Nations Industrial Development Organization, see paragraph 2 below.

2. The audited financial statements of the United Nations and the United Nations Industrial Development Organization as participating and executing agencies of UNDP (Special Fund) are presented in the financial report and accounts of the United Nations for the year ended 31 December 1968;^{3/} the audited financial statements of UNDP (Special Fund) Account, the UNDP Administrative Budget of the secretariat, and the UNDP Revolving Fund are presented in the financial report and accounts of the United Nations Development Programme for the same period.^{4/} The Advisory Committee has reported separately on these statements in its second report to the General Assembly at its twenty-fourth session.^{5/}
3. The Advisory Committee noted from the combined statement showing the status of the funds of the thirteen participating and executing agencies (including the United Nations and UNIDO)^{6/} that the balance of allocations and other available funds as at 31 December 1967 amounted to \$213,009,903.^{7/} Miscellaneous income and exchange adjustments (net) surrendered to the central fund totalled \$184,749. The funds allocated during 1968 to the thirteen agencies amounted to \$162,742,364. During 1968, commitments were liquidated by disbursements to the extent of \$129,374,293 and unliquidated commitments increased by \$9,319,303 (from \$96,271,711 at 31 December 1967 to \$105,591,014 at 31 December 1968). Taking into account a net gain of \$199,757 from miscellaneous income and exchange adjustments, the unencumbered balance of allocations and other available funds at 31 December 1968 stood at \$237,443,177.
4. In its examination of the certificates and reports of the external auditors on the accounts of the participating and executing agencies, the Advisory Committee noted that in the case of only one agency were there special observations

^{3/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 7 (A/7607), statements V and VI.

^{4/} Ibid., Supplement No. 7A, (A/7607/Add.1), statements II, III and IV.

^{5/} A/7636.

^{6/} With effect from 1 January 1968, UNIDO assumed responsibility for certain projects previously administered by the United Nations.

^{7/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 28 (A/7628), annex I.

calling for action by the agency concerned. In that case, the External Auditor called attention to the disallowance of marine insurance claims totalling some \$4,000 related to Special Fund projects, partly because of delays and deficiencies in the presentation of claims. He was informed by the agency that revised procedures had been agreed to and new instructions issued to staff with a view to improving the presentation of claims.
