

47/211. Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Having considered the financial reports and audited financial statements for the period ended 31 December 1991 of the United Nations, including the International Trade Centre and the United Nations University,⁴³ the United Nations Development Programme,⁴⁴ the United Nations Children's Fund,⁴⁵ the United Nations Relief and Works Agency for Palestine Refugees in the Near East,⁴⁶ the United Nations Institute for Training and Research,⁴⁷ the voluntary funds administered by the United Nations High Commissioner for Refugees,⁴⁸ the Fund of the United Nations Environment Programme,⁴⁹ the United Nations Population Fund,⁵⁰ and the United Nations Habitat and Human Settlements Foundation,⁵¹ the reports and audit opinions of the Board of Auditors,⁵² the concise summary of principal findings, conclusions and recommendations for remedial action of the Board of Auditors,⁵³ and the report of the Advisory Committee on Administrative and Budgetary Questions,⁵⁴

Taking note of the report of the Secretary-General on measures to facilitate reporting by staff members of inappropriate uses of the resources of the Organization, internal controls relating to the payment of allowances and benefits, and efforts to recover outstanding excess income tax reimbursements⁵⁵ and the report of the Secretary-General on the administrative system of the International Trade Centre,⁵⁶ prepared in response to General Assembly resolution 46/183 of 20 December 1991,

Noting the steps taken by executive heads and governing bodies of the United Nations organizations and programmes to give appropriate consideration and attention to the recommendations in earlier audit reports, as commented upon by the Board of Auditors in annexes to its current reports,

Stressing the importance of efficient resource management in all United Nations organizations and programmes,

Concerned about the cases of deficiencies in programme and financial management and inappropriate or fraudulent use of resources reported by the Board of Auditors, and other such alleged cases,

Recognizing that the Board of Auditors conducts its reviews in a comprehensive manner, as stipulated in regulation 12.5 of the Financial Regulations of the United Nations,

1. *Accepts* the financial reports and audited financial statements and the audit opinions and reports of the Board of Auditors regarding the aforementioned organizations;

2. *Also accepts* the concise summary of principal findings, conclusions and recommendations for remedial action of the Board of Auditors;

3. *Notes with concern* that the Board of Auditors issued qualified audit opinions on the financial statements of the United Nations, the United Nations Development Programme and the United Nations Population Fund, and that it also issued a qualified audit opinion on compliance with the financial regulations and legislative authority of the transactions of the United Nations Institute for Training and Research;

4. *Approves* all the recommendations and conclusions of the Board of Auditors and the comments thereon con-

tained in the report of the Advisory Committee on Administrative and Budgetary Questions;⁵⁴

5. *Requests* the Secretary-General to submit to the Board of Auditors in a separate document financial reports and financial statements for peace-keeping operations and then to submit the reports and statements together with the recommendations of the Board thereon to the General Assembly, without precluding the presentation of consolidated financial statements of the United Nations;

6. *Requests* the Board of Auditors to expand its audit coverage of all peace-keeping operations without reducing the coverage of regular budget and extrabudgetary activities, and decides that any additional costs shall be charged to the peace-keeping budgets concerned;

7. *Recalls* the importance for the Board of Auditors to provide the Secretary-General and the executive heads of United Nations organizations and programmes with an adequate opportunity to comment on its findings, in accordance with the relevant financial regulations and rules, before the Board arrives at its final conclusions and recommendations;

8. *Also recalls* its resolution 46/183, and in that connection invites the Board of Auditors to continue to include in its reports separate sections that contain a summary of recommendations for corrective action to be taken by the United Nations organizations and programmes concerned, with an indication of relative urgency;

9. *Takes note with concern* of the findings of the Board of Auditors, and requests the Secretary-General and the executive heads of United Nations organizations and programmes:

(a) To strengthen budgetary control in order to avoid over-expenditure of approved budgets or allotments;

(b) To make purchasing policy on the acquisition of goods and services more cost-effective and transparent, *inter alia*, by reducing the number of exceptions to competitive bidding and ensuring that the reasons for such exceptions are recorded in writing;

(c) To give priority attention to compliance with the recommendations of the Board of Auditors on the hiring, granting of remuneration and performance evaluation of experts, consultants and personnel engaged on a short-term basis;

(d) To install a more effective system of managing and controlling the granting of allowances and benefits to staff members;

(e) To tighten control over the inventory of non-expendable property in all locations, including peace-keeping operations;

and to report on these matters to the General Assembly at its forty-eighth session;

10. *Reaffirms* the importance of timetables for compliance with recommendations of the Board of Auditors approved by the General Assembly, and requests the Secretary-General and the executive heads of United Nations organizations and programmes to submit to the General Assembly at its forty-eighth session, through the Advisory Committee at its spring session in 1993 and through the appropriate intergovernmental bodies, an action-oriented report outlining steps to be taken in response to the recommendations of the Board, including timetables for their implementation;

11. *Notes with appreciation* the action taken by the

United Nations Development Programme to develop an internal mechanism to follow up on the recommendations of the Board of Auditors;

12. *Requests* the Secretary-General and the executive heads of United Nations organizations and programmes to ensure that all existing financial and staff regulations and rules are strictly complied with, including those relating to internal control over expenditure and those which assign staff members personal responsibility and accountability in their performance, and to report to the General Assembly at its forty-ninth session on measures taken to strengthen internal controls in those areas where weaknesses have been identified;

13. *Requests* the Secretary-General to make proposals to the General Assembly at its forty-seventh session on:

(a) Establishing legal and effective mechanisms to recover misappropriated funds, as recommended by the Advisory Committee on Administrative and Budgetary Questions in paragraph 53 of its report;

(b) Seeking criminal prosecution of those who have committed fraud against the Organization;

14. *Encourages* the Secretary-General and the executive heads of United Nations organizations and programmes to take urgent steps to strengthen the independence and effectiveness of the internal audit function, to strengthen measures to ensure an adequate response to internal audit findings and to report thereon to the General Assembly;

15. *Requests* the Board of Auditors to evaluate the extent of compliance with their recommendations, to report thereon to the General Assembly at its forty-ninth session through the Advisory Committee, which shall recommend such measures as it deems appropriate to ensure implementation of those recommendations, and to draw attention to any of those recommendations that have not yet been implemented;

16. *Welcomes* the identification by the Board of Auditors of areas of horizontal study across the organizations audited, and endorses the intention of the Board to continue this practice in future audits;

17. *Invites* the Board of Auditors, in the context of regulation 12.5 of the Financial Regulations of the United Nations, to report at its discretion on the efficient and effective utilization of trust funds under the control of the Secretary-General;

18. *Also invites* the Board of Auditors, in its concise summary of principal findings, conclusions and recommendations, to report in a consolidated fashion on major deficiencies in programme and financial management and cases of inappropriate or fraudulent use of resources together with the measures taken by United Nations organizations in this regard;

19. *Endorses* the efforts of the Panel of External Auditors to ensure that common auditing standards for the United Nations system are consistent with those of recognized international auditing bodies;

20. *Urges* the Secretary-General and the executive heads of United Nations organizations and programmes to accelerate their efforts to develop common accounting standards for the organizations of the United Nations system and to take these standards into account in the preparation of their financial statements for the period ending 31 December 1993;

21. *Requests* the Secretary-General and the executive heads of United Nations organizations and programmes to ensure that future presentations of liquidity position should be made in the context of common accounting standards;

22. *Notes with concern* that the opinion of the Board of Auditors on the financial statements of the United Nations is subject to the ultimate resolution of unpaid assessed contributions from Member States;⁵⁷

23. *Calls the attention* of the Secretary-General to the implications that the findings of the Board of Auditors about the management of the Organization may have for the image of the United Nations.

*94th plenary meeting
23 December 1992*

47/212. Review of the efficiency of the administrative and financial functioning of the United Nations and programme budget for the biennium 1992-1993

The General Assembly,

Recalling its resolutions 41/213 of 19 December 1986, 42/211 of 21 December 1987, 43/213 of 21 December 1988, 44/200 A to C of 21 December 1989 and 45/254 A to C of 21 December 1990 on the review of the efficiency of the administrative and financial functioning of the United Nations,

Reaffirming its resolution 46/232 of 2 March 1992 on the revitalization of the Secretariat,

Recalling its resolutions 46/185 A to C of 20 December 1991 on questions relating to the proposed programme budget for the biennium 1992-1993 and 46/186 A to C of 20 December 1991 on the programme budget for the biennium 1992-1993,

Having considered the documents submitted under the items on the review of the efficiency of the administrative and financial functioning of the United Nations and on the programme budget for the biennium 1992-1993,⁵⁸

Also having considered the relevant parts of the report of the Committee for Programme and Coordination on the work of its thirty-second session⁵⁹ and the reports of the Advisory Committee on Administrative and Budgetary Questions,⁶⁰

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1. *Reaffirms* that the search for efficiency initiated through resolution 41/213 is a continuing process;

2. *Notes* that workload standards and other management techniques which are of crucial importance to the determination of the resources required for the fulfilment of mandates in the various domains of activity of the Organization remain unutilized;

3. *Reiterates its request* to the Secretary-General to develop such standards and to use them to the extent possible for his preparation of the proposed programme budget for the biennium 1994-1995, as well as for the submission of statements of programme budget implications, revised estimates and other documents related to the use of resources of the Organization;

4. *Emphasizes* that the presentation of extrabudgetary resources in the programme budget, in relation to posts,