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of the
United Nations
Development Programme**

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S U P P O R T

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

AUDIT REPORTS

Addendum

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UNITED NATIONS DEVELOPMENT PROGRAMME
Summary of the Status of Funds Submitted by the Executing Agencies
as at 31 December 1982 (expressed in US dollars)

Operating Fund	United Nations	UNIDO	UNCTAD	ECA	ESCP	ECF	ECIA	ECWA	UNHCR	ILO	EPD	UNESCO	IPO	WHO
Balance at 1 January 1982	(19 625 901)	(24 756 025)	(4 193 179)	(744 296)	(54 304)	(240 002)	(1 807 930)	(44 851)	(7 283 075)	1 039 660	(30 561 405)	(11 392 607)	(9 300 491)	2 331 174
Add: Cash drawings from UNDP	74 927 843	50 732 780	10 737 814	3 377 410	2 258 984	634 498	-	52 000	7 037 480	27 083 626	99 022 573	31 681 606	33 490 552	12 648 500
IOV and other charges (net)	17 260 334	18 555 518	6 503 143	5 074 554	1 885 395	290 320	774 321	407 233	5 228 069	17 699 186	71 199 491	17 730 824	8 342 929	8 610 249
Miscellaneous income and exchange adjustments (net)	(406 363)	(97 167)	22 591	107 728	35 721	2	2 820 000	10 127	92 769	973 970	(749 149)	(276 830)	(157 309)	(40 497)
Miscellaneous items refunded to (by) UNDP (net)	200 646	185 679	4 381	17 119	13 941	6 799	-	-	40 574	3 640	108 200	536 365	19 342	188 780
	72 356 559	44 620 785	13 074 750	7 832 535	4 139 737	691 617	1 786 391	424 509	5 115 817	46 800 082	139 019 710	38 279 358	32 395 023	23 738 206
Deduct: Expenditure during 1982														
for projects	85 468 822	68 106 540	14 429 696	8 711 177	5 090 534	797 820	1 811 012	330 765	12 679 803	51 108 533	145 707 256	44 520 932	35 333 436	20 476 843
for programme support costs	11 879 763	9 238 703	2 020 158	1 132 453	645 958	111 695	235 431	42 999	1 643 012	7 153 665	19 824 780	6 148 866	4 941 697	2 790 275
	97 348 585	77 345 243	16 449 854	9 843 630	5 736 492	909 515	2 046 443	373 764	14 322 815	58 262 198	165 532 036	50 669 798	40 275 133	23 267 118
Balance as at 31 December 1982 ^{1/}	(24 992 026)	(32 724 458)	(3 375 104)	(2 011 115)	(1 596 755)	(217 898)	(260 052)	50 745	(9 206 998)	(11 462 116)	(26 512 326)	(12 390 440)	(7 880 110)	471 088
Represented by:														
Cash at bank, on hand and in transit	4 108 328	1 445 228	132 464	1 470 179	138 474	-	-	122 612	149 438	27 378 126	9 842 979	1 945 227	6 159 495	-
Accounts receivable	2 144 180	16 937 140	876 433	349 807	201 450	17 939	176 017	289 645	293 870	8 522 508	6 398 484	4 053 221	3 003 586	471 088
	6 252 508	18 382 368	1 008 897	1 819 986	339 924	17 939	176 017	412 257	443 308	35 900 634	16 241 463	5 998 448	9 163 081	471 088
Deduct: Accounts payable	3 414 061	22 146 334	706 282	1 583 380	695 409	26 139	299 378	292 678	2 726 354	38 383 269	15 134 415	5 288 744	5 363 655	-
1982 Unliquidated Obligations	27 830 473	28 960 492	3 677 719	2 247 721	1 241 270	209 698	136 681	68 834	6 923 952	8 979 481	27 619 374	13 100 144	11 679 536	-
	31 244 534	51 106 826	4 384 001	3 831 101	1 936 679	235 837	436 089	361 512	9 650 306	47 362 750	42 753 789	18 388 888	17 043 191	-
Balance as above ^{1/}	(24 992 026)	(32 724 458)	(3 375 104)	(2 011 115)	(1 596 755)	(217 898)	(260 052)	50 745	(9 206 998)	(11 462 116)	(26 512 326)	(12 390 440)	(7 880 110)	471 088

^{1/} Explanatory Notes:

The amounts credited to the above Operating Fund Statements are recorded on a cash basis, i.e. cash actually remitted or payments already made by UNDP on behalf of the executing agencies. Expenditure, however, is recorded on an accrual basis, i.e. includes unliquidated obligations for which the executing agencies will receive the necessary funds from UNDP at or near the time of disbursement. At any reporting date, therefore, the expenditure incurred normally exceeds the funds received and for this reason the balance of funds is normally negative.

UNITED NATIONS DEVELOPMENT PROGRAMME
Summary of the Status of Funds Submitted by the Executing Agencies (Cont'd)
as at 31 December 1982 (expressed in US dollars)

	World Bank	UFU	FIU	WHO	IMD	WFO	INRA	WIO	AFESD	AsDB	IIB	GOVERN- MENTS	SUBTOTAL	UNDP	TOTAL
Operating Fund															
Balance at 1 January 1982	(8 117 756)	(133 120)	(2 949 058)	(578 372)	(3 680 197)	(42 243)	(1 821 368)	(44 842)	(699 021)	285 320	31 154	1 242 495	(123 140 240)	(15 843 801)	(138 984 041)
Add: Cash drawings from UNDP	35 161 590	985 000	19 750 357	6 383 936	6 569 297	375 685	2 821 874	673 000	699 021	4 086 182	-	7 851 947	439 043 555	61 426 093	500 469 648
IOV and other charges (net)	9 527 850	1 818 799	9 222 643	4 935 558	1 667 997	165 802	1 829 364	144 641	15 303	77 799	-	7 248 381	216 215 703	-	216 215 703
Miscellaneous income and exchange adjustments (net)	568 013	(83 430)	(192 372)	(116 621)	35 464	(418)	(169 968)	280	-	6 090	-	(3 177)	2 379 454	13 030	2 392 484
Miscellaneous items refunded to (by) UNDP (net)	-	18 844	(37 840)	27 591	1 889	-	(15 306)	2 850	-	(167 855)	-	-	1 155 639	17 610	1 173 249
	37 139 697	2 806 093	25 793 730	10 652 092	4 594 450	498 826	2 644 596	775 929	15 303	4 287 536	31 154	16 339 646	535 654 111	45 612 932	581 267 043
Deduct: Expenditure during 1982 for projects	40 887 575	2 017 784	25 167 727	11 789 363	6 757 600	712 022	4 432 029	778 229	232 781	4 078 341	-	16 671 651	608 098 271	52 480 377	660 578 648
for programme support costs	4 055 454	443 913	3 348 550	1 601 845	1 100 000	156 600	609 255	101 169	30 262	530 184	-	273 193	80 059 880	4 821 079	84 880 959
	44 943 029	2 461 697	28 516 277	13 391 208	7 857 600	868 622	5 041 284	879 398	263 043	4 608 525	-	16 944 844	688 158 151	57 301 456	745 459 607
Balance as at 31 December 1982 a/	(7 803 332)	144 396	(2 722 547)	(2 739 116)	(3 263 150)	(369 796)	(2 396 688)	(103 469)	(247 740)	(320 989)	31 154	(605 198)	(152 504 040)	(11 688 524)	(164 192 564)
Represented by:															
Cash at bank, on hand and in transit	6 294 567	274 101	1 452 734	972 101	21 121	20 201	566 381	986	-	238 585	199 304	140 420	63 073 051	-	63 073 051
Accounts receivable	2 159 758	275 019	823 974	871 524	239 454	32 241	209 657	17 000	-	375 898	-	-	48 739 893	-	48 739 893
	8 454 325	549 120	2 276 708	1 843 625	260 575	52 442	776 038	17 986	-	614 483	199 304	140 420	111 812 944	-	111 812 944
Deduct: Accounts payable	5 844 483	163 517	1 412 048	1 102 932	1 113 959	322 756	630 656	-	-	37 499	168 150	-	106 856 098	-	106 856 098
1982 Unliquidated Obligations	10 413 174	241 207	3 587 207	3 479 809	2 409 766	99 482	2 542 070	121 455	247 740	897 973	-	745 618	157 460 886	11 688 524	169 149 410
	16 257 657	404 724	4 999 255	4 582 741	3 523 725	422 238	3 172 726	121 455	247 740	935 472	168 150	745 618	264 316 984	11 688 524	276 005 508
Balance as above a/	(7 803 332)	144 396	(2 722 547)	(2 739 116)	(3 263 150)	(369 796)	(2 396 688)	(103 469)	(247 740)	(320 989)	31 154	(605 198)	(152 504 040)	(11 688 524)	(164 192 564)

a/ See Note on Page 3.

UNITED NATIONS DEVELOPMENT PROGRAMME

Report of the External Auditor on the statement showing
as at 31 December 1982 the status of funds advanced to
the United Nations Educational, Scientific and Cultural Organization
by the United Nations Development Programme

General

1. The Statement and supporting Schedules relating to the participation of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in the United Nations Development Programme are in the form prescribed by UNDP. My examination of them has been carried out in conjunction with my audit of the regular budget and subsidiary funds of the Organization. This included a general review of the accounting procedures and such tests of the accounting records as I considered necessary. I have also examined the relevant internal audit reports.

Statement I

2. Statement I shows the resources made available to UNESCO by UNDP in 1982, charges to projects during the year for goods and services and for programme support costs at agreed rates, and the balance of funds held by UNESCO at 31 December 1982. Statement I is supported by two Schedules: Schedule I showing aggregate expenditure by source of fund and programme support costs; and Schedule 2 showing expenditure by country, distinguishing between disbursements and unliquidated obligations.

Programme support costs

3. In June 1980, at its twenty-seventh session, the UNDP Governing Council decided that the rate of reimbursement of programme support costs, which had been set at 14 per cent of project expenditure for the years 1972-1981, would be reduced to 13 per cent for the 10 years commencing 1 January 1982. However, for the years 1982-1986, transitional arrangements would apply under which no Executing Agency would receive less US dollars than the amount received in 1981 unless 14 per cent of the project expenditure produced a lower amount. For 1982, the latter situation applied in the case of UNESCO and the reimbursement of programme support costs of \$6,148,866 was based on 14 per cent of project expenditure.

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Implementation of UNESCO-executed UNDP field projects

4. During 1982, as part of their continuing review of regional activities of UNESCO, my staff carried out local examinations of five field projects in various stages of completion in a Middle Eastern country. Four of these projects related to the advancement of scientific, engineering or technical expertise; the fifth was designed to assist the Government in developing and applying on a national scale a co-ordinated programme of research and control in the field of aquatic environmental pollution.

5. For all five projects UNDP agreed to provide, through UNESCO, experts and consultants in the appropriate skills and specialist equipment, at an overall cost of \$5.45 million. The Government undertook to provide the projects with adequate national personnel, suitable accommodation and facilities and certain supplies and equipment. As the success of a project largely depends upon the sponsoring bodies fulfilling their undertakings, my staff examined the extent to which the Organization and the Government had provided the necessary funds, staff, facilities and equipment within the agreed timescale.

UNDP/UNESCO inputs

6. UNDP/UNESCO inputs appeared generally satisfactory, except for the initial phase of a Technical Teacher Training Institute project. Progress on this project, which started in October 1974, had been restricted, partly because the Chief Technical Adviser (CTA) left the project shortly after taking up post. His duties were carried out by a local UNESCO expert until a new CTA was appointed in July 1976. The appointment of consultants to the project was also delayed and it was not until 1978 that all these posts were filled. The Organization informed me that, apart from the normal problems of recruitment, the candidate for the CTA post was no longer available when approved by the Government in November 1975, so the recruitment process had to be repeated. The late appointment of consultants to the project was due partly to delays in receiving replies from the national authorities on the timing of their missions and partly to a shortage of suitable candidates.

Government input

7. All five projects had been delayed to some extent as a result of the Government's failure to meet its obligations under the project documents on time.

/...

8. The most common problem was the failure to provide adequate accommodation and facilities on time. The most serious example of this failing was at a project for the establishment of a Science Centre for the advancement of post-graduate studies. This started in June 1975 but the new building to accommodate the Centre was not completed until October 1981, over two years after the project had effectively ended. The accommodation used throughout the project had been inadequate for all the planned project activities and some had had to be curtailed. In addition, some of the project equipment could not be installed and had not been used.

9. In the case of the aquatic environmental pollution research project (paragraph 4 above), the Government agreed to provide office space, laboratories and equipment, as well as professional and supporting staff, to enable it to start in January 1980. However, the accommodation was to be provided in the Science Centre mentioned in the previous paragraph, which was not ready until October 1981. Even then, the facilities initially met only half the project's needs and it was not until June 1982 that adequate facilities became available. Meanwhile, research work was carried out in various institutions, making co-ordination and exchange of information difficult and time-consuming, and the equipment which had been delivered to the project lay unused.

10. The building provided for the Technical Teacher Training Institute (paragraph 6 above) had been inadequately maintained. The electrical wiring proved unsafe, and rewiring, which should have been completed in 1976, was delayed until 1978 through lack of Government funds. Meanwhile, electrical equipment purchased for the project could not be used. Construction of extra workshops and classrooms, due to be completed in 1981, was also delayed and, until their completion in early 1983, alternative additional accommodation had to be provided.

11. Another problem in three of the projects was a delay in the appointment of national professional and support staff. This contributed to the slow start made by the Training Institute (paragraph 6 above). It was also a major difficulty for the Science Centre referred to in paragraph 8, for which some of the permanent staff had still not been appointed when the project ended in May 1979. In the third case - Advancement of Post-graduate Studies in Engineering Sciences - the Government's delay in appointing national staff to the project was one of the factors which led UNDP to consider terminating it in December 1982.

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12. The Organization told me that it considered the results of my staff's examination to be a fair reflection of the general position on UNESCO-executed projects in the country concerned, as far as the physical inputs to the projects were concerned. But the Organization thought they should be viewed in the light of the local problems and difficulties, and it pointed out that the work programmes had still been wholly or almost entirely completed in accordance with the objectives in the respective project documents.

13. In view of the outcome of the examination, I asked what measures had been taken or were in hand to persuade Governments to meet promptly their obligations under the terms of project documents. The Organization told me that, while it was difficult to put pressure on Governments, UNESCO and UNDP headquarters and local staff had nevertheless sought to persuade them on every possible occasion of the importance of meeting their obligations in order to attain the objectives of projects. The Organization considered that the lack of national professional staff was due to the low salaries of university staff compelling them to take teaching appointments in two or three universities or to do advisory and consultancy work. To ensure that counterpart staff devoted their full time to project-related work they were now permitted to teach at only one university and were paid an additional fee for time spent on research activities.

14. I also enquired whether, in future cases of delay to essential Government inputs, the related UNDP inputs would be re-timed to ensure that the project derived maximum benefit from them. The Organization commented that projects often had to operate under difficult conditions and re-timing UNDP inputs might not always be a solution. Nor was advice of Government delays always received in time to completely reschedule the supply of equipment to a project. The Organization considered that, in the case of large-scale projects, a possible improvement could be to have the CTA and/or national co-ordinator on the site during a pre-project phase to co-ordinate the various inputs.

15. Finally, I asked whether the Organization was satisfied that the long-term objectives of the five projects would be achieved. For the four projects concerned with the advancement of scientific engineering or technical expertise, the Organization told me that it believed the long-term objectives had been or would be largely achieved. It considered that those of the research project could only be decided upon when the results of the research studies were known. Since the project was still in the study phase, it was not possible to indicate with any certainty the extent to which the long-term objectives would eventually be achieved. But the Organization was in no doubt that the immediate objectives of the project would be achieved.

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Conclusions

16. While it is reassuring to note that, notwithstanding the problems they encountered, these projects are expected largely to achieve their main long-term or, where appropriate, their short-term objectives, it is nevertheless disappointing to find that delays by the Government concerned in meeting its obligations under the project document continues to be a rather common feature of UNESCO-executed UNDP projects. My predecessor referred to this problem on a number of occasions in his reports on UNDP accounts. Like him, I recognise the difficulties which the Executing Agency experiences in implementing these projects, but I reiterate his view that steps should be taken at the planning stage to ensure that obligations placed on local Governments are realistic and that they are met. I welcome, therefore, the Organization's suggestion, referred to in paragraph 14 above, of placing a representative on site whenever possible during the pre-project phase of large-scale projects to co-ordinate the various inputs necessary for the smooth running and success of the project. I trust that this arrangement will be introduced as soon as possible.

Ex gratia payments

17. One ex gratia payment of \$830 was made in the circumstances described in paragraph 19 of the Director-General's Financial Report. I have examined the case and found the payment reasonable.

18. I wish to record my appreciation of the willing co-operation of the officers of the Organization during my audit.

3 June 1982

(Signed) GORDON DOWNEY
(Comptroller and Auditor General, United Kingdom)
External Auditor

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STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME

(Participating and Executing Agency: United Nations Educational,
Scientific and Cultural Organization)

Status of funds as at 31 December 1982
(expressed in US dollars)

Operating Fund

Balance at 1 January 1982 (11 392 607)

<u>Add:</u> Cash drawings from UNDP	31 681 606	
IOVs and other charges (net)	17 730 824	
Miscellaneous income and exchange adjustments (net)	(276 830)	
Miscellaneous items refunded to UNDP (net)	<u>536 365</u>	<u>49 671 965</u>
		38 279 358

<u>Less:</u> Expenditure during 1982		
For projects		
Disbursements (Schedule 1)	31 420 788	
Unliquidated obligations (Schedule 1)	13 100 144	
For programme support costs (Schedule 1)	<u>6 148 866</u>	<u>50 669 798</u>

Balance at 31 December 1982 (12 390 440)

Represented by:

Cash at banks, on hand and in transit	1 945 227	
Accounts receivable	<u>4 053 221</u>	<u>5 998 448</u>

<u>Less:</u> Accounts payable	5 288 744	
1982 Unliquidated obligations	<u>13 100 144</u>	<u>18 388 888</u>
		<u>(12 390 440)</u>

Certified correct

Approved

Gilles de Leiris
Comptroller

Amadou-Mahtar M'Bow
Director-General

AUDIT CERTIFICATE

I have examined the above Statement and related Schedules 1 and 2. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that in my opinion the above Statement and related Schedules 1 and 2 are correct.

Gordon Downey
(Comptroller and Auditor General,
United Kingdom)
External Auditor

INTERNATIONAL CIVIL AVIATION ORGANIZATION
UNITED NATIONS DEVELOPMENT PROGRAMME

Notes to the Statement of Status of Funds

(Statement VII)

31 December 1982

1. Nature of activities

Under the United Nations Development Programme (UNDP), the execution of projects related to civil aviation is delegated to the International Civil Aviation Organization (ICAO) and financed by UNDP.

2. Significant accounting policies

(a) Method of accounting

The Statement of the Status of Funds has been prepared on the accrual basis and in accordance with the format and directives prescribed by UNDP. The accounts and records of ICAO, as Executing Agency for UNDP, are maintained, and the financial statements are presented, in United States dollars. All other currencies are converted into United States dollars at exchange rates provided by UNDP.

(b) Expenditures for projects

Expenditures include disbursements and unliquidated obligations for which funds have been provided in approved project budgets in the current year. Unliquidated obligations include unpaid amounts as follows:

- for experts: on the basis of services rendered to the end of the year.
- for equipment: on the basis of purchase orders or signed contractual agreements issued to the end of the year.
- for training: on the basis of the costs incurred for fellowships to the end of the year.
- for sub-contracts: on the basis of the payment schedule included in the contract with the subcontractor.

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(c) Programme support costs

Overhead expenditure is based on a fixed rate determined by UNDP and is calculated on actual project costs.

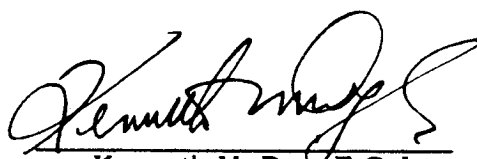
3. Associated agency activities

- (a) During 1982, ICAO executed five UNDP projects in an Associated Agency capacity. According to UNDP practice, the expenditures of these projects, amounting to \$1,993,793 (\$475,364 in 1981) excluding overhead, are reported in the financial statements of the Executing Agencies.
- (b) During 1982, certain components of one UNDP project for which ICAO is the Executing Agency, was subcontracted to another Agency. Its related expenditures, amounting to \$138,325 (\$275,979 in 1981) are reported in ICAO's financial statements.

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AUDIT OPINION

I have examined the Status of Funds of the International Civil Aviation Organization as Executing Agency of the United Nations Development Programme, Statement VII and relevant schedules for the financial period ended 31 December 1982. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances. As a result of the examination, I am of the opinion that the accompanying statement properly reflects the recorded financial transactions for the financial period, which transactions were in accordance with the Financial Regulations and Rules of the United Nations Development Programme and legislative authority, and presents fairly the financial position as at 31 December 1982, in conformity with the accounting policies described in Note 2.



Kenneth M. Dye, F.C.A.
(Auditor General of Canada)
External Auditor

13 May 1983

INTERNATIONAL CIVIL AVIATION ORGANIZATION
UNITED NATIONS DEVELOPMENT PROGRAMME
STATEMENT OF THE STATUS OF FUNDS AS AT 31 DECEMBER 1982
(in United States dollars)

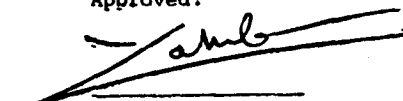
DP/1984/63/Add.1
English
Page 14

	<u>1 9 8 2</u>	<u>1 9 8 1</u>
OPERATING FUND		
Balance at beginning of year	(9 300 491)	(9 723 340)
Add: Cash drawings from UNDP	33 490 552	34 069 963
UNDP inter-office vouchers and other charges	8 342 929	11 895 180
Miscellaneous income and exchange adjustments	(157 309)	(145 625)
Miscellaneous items to be refunded to UNDP	<u>19 342</u>	<u>52 032</u>
	41 695 514	45 871 550
	32 395 023	36 148 210
 Deduct: Expenditures during the year (Schedules E, F, G)		
For projects		
Disbursements	23 653 900	28 611 709
Unliquidated Obligations	11 679 536	11 271 728
For programme support costs	<u>4 941 697</u>	<u>5 565 264</u>
	40 275 133	45 448 701
Balance at end of year	<u>(7 880 110)</u>	<u>(9 300 491)</u>
 REPRESENTED BY:		
Cash in banks, on hand and in transit	6 159 495	2 469 226
Fixed term deposits and accrued interest	-	800 000
Due from other Funds:		
AOSC Fund	717 519	640 668
ICAO General Fund	128 193	-
Governments' Trust Fund accounts	437 002	880 620
UN/UNDP Trust Fund - Lesotho	3 656	33 537
UN/UNDP Trust Fund - Namibia	30 415	13 693
UN/UNDP Trust Fund - Swaziland	<u>1 811</u>	<u>8 600</u>
Accounts receivable and sundry debit balances	1 318 596	1 577 118
	<u>1 684 990 -</u>	<u>2 581 811</u>
	9 163 081 -	7 428 155
 Less: Due to other Funds:		
ICAO General Fund	-	258 253
Termination Payment Fund	43 572	89 385
Governments' Trust Fund accounts	<u>724 174</u>	<u>139 785</u>
	767 746	487 423
Accounts payable and sundry credit balances	4 595 909	4 969 495
Unliquidated obligations - current year	11 679 536	11 271 728
	17 043 191	16 728 646
	<u>(7 880 110)</u>	<u>(9 300 491)</u>

Certified correct


I.C. Bogg
Chief, Finance Branch

Approved:


Yves Lambert
Secretary General



1801 K STREET, N.W.
WASHINGTON, DC 20006
202 296-0800

September 1, 1983

International Bank for Reconstruction
and Development
and
Board of Auditors
United Nations

We have examined the accompanying Statement I of the Status of Funds, Statement II of Expenditure by Source of Funds, and Statement III of Expenditures of the International Bank for Reconstruction and Development as Executing Agency for certain United Nations Development Programme projects for the year ended December 31, 1982. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 2, these statements are prepared in accordance with the format and accounting practices prescribed by the United Nations Development Programme. These practices differ in some respects from generally accepted accounting principles. Accordingly, the accompanying statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. This report is intended solely for filing with the United Nations and is not intended for any other purpose.

In our opinion, the accompanying statements present fairly the status of funds and expenditures of the International Bank for Reconstruction and Development as Executing Agency for certain United Nations Development Programme projects for the year ended December 31, 1982, on the basis of accounting described in Note 2, which basis has been applied in a manner consistent with that of the preceding year.

Price Waterhouse

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Executing agency for
certain United Nations Development Programme projects

Notes to Financial Statements
31 DECEMBER 1982

Note 1 - Organization

The United Nations Development Programme (UNDP) was established to provide, among other services, assistance in making the investment of new capital in less developed countries more feasible and more effective. This primary objective is pursued by participation in such activities as (1) assisting Governments with the improvement of their own capabilities (institution-building); (2) surveys for improved use of physical resources; and (3) analyses of national economic sectors (such as transport and power), which in turn serve as bases for formulating co-ordinated investment programmes, defining investment priorities and preparation of specific projects.

Note 2 - Accounting policies

The accounts and records of the International Bank for Reconstruction and Development (IBRD), as executing agency for UNDP, are maintained, and the financial statements are expressed, in terms of United States dollars. Currencies are translated into United States dollars at rates of exchange specified by UNDP. Exchange adjustments during each year are settled with UNDP as an adjustment of the operating fund balance.

Allocations

UNDP makes contributions, or authorizes them to be made, toward the costs of projects. Allocations are recorded in the accounts on the basis of notification from UNDP. During 1982, \$47,784,061 in net allocations were issued by UNDP and \$40,887,575 in allocations were utilized for project expenditures, leaving a cumulative unspent balance at 31 December 1982 of \$83,023,413.

In most cases, the countries receiving assistance also make contributions toward the projects. Such contributions (referred to as counterpart contributions or Government cost-sharing) are made in cash, services or facilities. Certain amounts are received in cash directly by the IBRD for counterpart contributions and are not included in these Statements. Other cash counterpart contributions and Government cost-sharing, where they form part of the gross project budget and are included in UNDP allocations, are accounted for in Statement I.

Expenditures, accounts payable and 1982 unliquidated obligations

Expenditures are recorded by project consistent with approved budgets to include (1) actual disbursements relating to the current year; and (2) unliquidated obligations at 31 December 1982. However, certain unliquidated obligations are recorded only to the extent that such unliquidated obligations, when combined with actual disbursements, do not exceed budgeted expenditures for 1982. Amounts which were not recorded in 1982 due to this limitation will be recorded as expenditures in 1983. In determining expenditures, the cost of experts is recorded based upon the UNDP system of recording salary items associated with service at the duty station on the basis of actual costs, while salary items and allowances of a personal nature and unique to the individual expert are recorded on the basis of average actual costs. Also, included in expenditures are amounts paid or accrued to the IBRD of the equivalent of \$6,653,779 for services and other costs of its staff members assigned to UNDP projects and of \$4,055,454 as a reimbursement to the IBRD for overhead costs incurred in the performance of its duties as executing agency.

Unliquidated obligations represent amounts accrued or payable for items purchased or services rendered in connection with the projects for 1982, but for which payment was not made prior to 31 December 1982. Accounts payable includes prior years' unliquidated obligations which were still unpaid at 31 December 1982. Additionally, accounts payable at 31 December 1982 includes amounts due to the IBRD for reimbursement of expenditures and the balance of overhead for 1982.

Other

Accounts receivable includes advances and prepaid expenses relating to the various projects.

The IBRD, as executing agency, provides administrative and supervisory services to UNDP projects for which it is reimbursed at a fixed rate of 11 per cent of project expenditures. No overhead is charged for expenditures made from Governments' cash counterpart contributions, certain Government cost-sharing funds, and for certain other projects for which the IBRD has agreed to waive the overhead requirement.

/...

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
EXECUTING AGENCY: INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
STATUS OF FUNDS
YEAR ENDED DECEMBER 31, 1982
(expressed in US dollars)

Operating Fund

Balance as at December 31, 1981 (8 117 756)

Add:

Cash drawings from UNDP	35 161 590	
Other charges (net)	(457 451)	
Inter-office voucher charges	9 985 301	
Miscellaneous income and exchange adjustments (net)	568 013	45 257 453
		<u>37 139 697</u>

Deduct:

Expenditures during 1982 (Statement III)		
For projects		
Disbursements	30 474 401	
Unliquidated obligations	10 413 174	
Programme support costs	4 055 454	44 943 029
		<u>44 943 029</u>

Balance as at December 31, 1982 (7 803 332)

Represented by:

Cash at banks and in transit	6 294 567
Accounts receivable	2 159 758
	<u>8 454 325</u>

Deduct:

Accounts payable	5 844 483	
1982 unliquidated obligations	10 413 174	16 257 657
		<u>(7 803 332)</u>

The accompanying footnotes are an integral part
of the financial statements.

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UNIVERSAL POSTAL UNION

Federal Audit Office

Berne, 12 April 1983

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EXTERNAL AUDITOR'S REPORT

ON THE AUDIT OF THE TECHNICAL CO-OPERATION PROJECT ACCOUNTS OF THE UNITED NATIONS
DEVELOPMENT PROGRAMME KEPT BY THE INTERNATIONAL BUREAU OF THE UNIVERSAL POSTAL
UNION

FINANCIAL YEAR 1982

/...

1. GENERAL

In accordance with article 35 of the Financial Regulations of the Universal Postal Union and article XV of the Financial Regulations and Rules of the United Nations Development Programme, I have, as external auditor appointed by the Government of the Swiss Confederation, examined the Technical Co-operation project accounts drawn up at 31 December 1982, at the headquarters of the International Bureau of the UPU in Berne. In performing my duties I was assisted by Messrs R. Faessler, B. Comm and Econ, and J. P. Vessaz.

I should like to express my appreciation of the helpfulness shown by all the International Bureau officials whom I approached in providing me with the information I required to carry out my task. Mr. M. I. Sobhi, Director-General and Mr. G. Beney, Counsellor, Head of the Finance Section, have been informed of the results of the audit.

2. AUDIT AND OBSERVATIONS

- 2.1 My audit covered the movements of the receipts and expenditure accounts and the balance-sheet accounts during the financial year 1982, and on the values entered in the financial statements relating to financial year 1982. They were conducted in conformity with generally accepted common auditing standards and in accordance with the additional terms of reference annexed to the UPU Financial Regulations. The balances in the bank accounts at 31 December 1982 were compared with the statements submitted to me. By sampling, my colleagues were able to satisfy themselves that the emoluments paid to the experts had been calculated exactly and in application of the scales and regulations in force, that the supporting vouchers for the expenditure had been duly charged to the accounts of the various projects and that they bore the necessary signatures certifying that an internal audit had been performed. In addition, I followed the financial progress of some projects on the basis of the files which were submitted to me, including in particular, in addition to the project documents and the subsequent revisions thereof, the reports concerning the evaluations.
- 2.2 The difference, mentioned in my last year's report, between the (IPF and LDC) allocations placed in the accounts at the UPU and the ones appearing in the UNDP Status of Allocation by Agency statements was adjusted appropriately during the year so that, at the end of 1982, only a few minor overlapping entries were noted, but the Status of Allocation by Agency for 1982 was not yet available when my colleagues were carrying out their work.
- 2.3 The accounts receivable in Statement I contains a sum of \$70,409 corresponding to total 1982 expenditure on sectoral support (consultative services), which the UPU International Bureau expects to be reimbursed by the UNDP which allocated a credit of \$89,000 for that purpose for 1982.

- 2.4 As the UPU International Bureau had not yet received the final Operating Fund Statement (OFS) at the time of our work, my colleagues compared the figures on the basis of an intermediate document (82-07) and examined the amounts which must be recorded or corrected in one set of accounts or the other. Although small amounts are involved, some of them relate to financial years well past and should, in my opinion, be settled during this financial year.
- 2.5 The 1982 support costs put to account by the UPU International Bureau are calculated on the figures of the 1982 expenditure (IPF and LDC), including outstanding obligations, at the rate of 13 per cent to which is added the flexibility allowances granted by UNDP (totalling 22 per cent), in accordance with the decision of the Governing Council, at its twenty-eighth session, and the agreement given by the UNDP Administrator.

3. ATTESTATION

I have examined the accounts and financial statements of the Technical Co-operation projects, kept in United States of America dollars by the International Bureau of the Universal Postal Union in Berne for the financial year ending on 31 December 1982. I have obtained all the necessary information and explanations and I certify, as a result of this audit, that in my opinion the financial statements are correct.

W Frei

Deputy Director
SWISS FEDERAL AUDIT OFFICE

(External Auditor)

/...

UNIVERSAL POSTAL UNION
INTERNATIONAL BUREAU

STATEMENT 1

UNITED NATIONS DEVELOPMENT PROGRAMME
Status of funds as at 31 December 1982
(expressed in US dollars)

Operating Fund

Balance at 1 January 1982		(133 120.46)
Add: Cash drawings from UNDP	985 000.00	
IOVs and other charges (net)	1 818 799.08	
Miscellaneous income and exchange adjustments (net)	-(83 429.89)	
Miscellaneous items refunded to UNDP (net)	18 843.79	2 739 212.98
		<u>2 606 092.52</u>
Less: Expenditure during 1982		
For projects:		
- Disbursements (Schedule 1)	1 776 577.00	
- Unliquidated obligations (Schedule 1)	241 207.00	
For programme support costs (Schedule 1)	443 913.00	2 461 697.00
		<u>144 395.52</u>
<u>Balance at 31 December 1982</u>		<u>144 395.52</u>
Represented by:		
Cash at banks, on hand and in transit		274 100.67
accounts receivable		275 019.04
		<u>549 119.71</u>
Less: Accounts payable	163 517.19	
1982 Unliquidated obligations	241 207.00	404 724.19
		<u>144 395.52</u>

CERTIFIED CORRECT

G BENEY

G BENEY
Head, Finance Section

Audit certificate

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required and I certify, as a result of the audit, that, in my opinion, the above statement is correct. For further details, I refer to my audit report of 12 April 1983.

Bern, 12 April 1983

APPROVED

M. I. Sobhi

M I SOBHI
Director-General

W. Frei
W. Frei
Deputy Director
Swiss Federal Audit Office
External Auditor

UNITED NATIONS DEVELOPMENT PROGRAMME
REPORT OF THE EXTERNAL AUDITOR
ON THE AUDITING OF THE ACCOUNTS OF THE TECHNICAL
CO-OPERATION PROJECTS OF THE UNITED NATIONS
DEVELOPMENT PROGRAMME KEPT BY THE
INTERNATIONAL TELECOMMUNICATION UNION (ITU)

FINANCIAL YEAR 1982

Berne, 4 May 1983

/...

1. GENERAL

In accordance with article 48 of the Financial Regulations of the International Telecommunication Union (hereinafter referred to as ITU) of 1 July 1975 and article XV of the Financial Regulations and Financial Management Rules of the United Nations Development Programme (UNDP), I have, as external auditor appointed by the Government of the Swiss Confederation, together with my colleagues, examined the Technical Co-operation project accounts drawn up at 31 December 1982 at ITU headquarters in Geneva.

I should like to express my appreciation of the helpfulness shown by all the ITU officials whom I approached in providing me with the information I required to carry out my task.

I have had the opportunity to discuss the results of my work with Mr. R. Prelaz, Head of the Finance Section.

2. AUDITS AND OBSERVATIONS

2.1 My financial controls covered the movements of income and expenditure accounts and balance-sheet accounts during the financial year 1982, the balance-sheet values at 31 December 1982 and those contained in the financial statements and other relevant documents.

My audit was conducted in conformity with generally accepted common auditing standards and the additional terms of reference annexed to the Financial Regulations of ITU.

The balances of the bank accounts at 31 December 1982 were compared with the extracts submitted to me. By means of test audits, my colleagues verified, for example, that the payments due to experts were correctly calculated and applied the scales and prescribed rules in force, that expenditure was duly charged to the various project accounts and that the vouchers bore the required signatures indicating that they had been subject to internal audit. In addition, I followed the financial development of a few projects on the basis of the files submitted to me, including, in particular, apart from the project documents and, later, the revised versions of those documents, the evaluation reports.

2.2 In execution of project UGA/80/007 (Restoration of Telecommunications Network), ITU placed an order with an Italian company in Milan on 22 December 1981 for project development equipment and supplies for a telecommunications link in the amount of US\$2,105,258.

According to the arrangement made, down payments were made from February to April 1982 amounting to 50 per cent of the contract price. In addition, in January 1982, ITU deposited US\$1,100,000 in a Swiss banking firm to cover the balance due to the supplier.

At 31 December 1982, according to the ITU accounts, a Deposit Account was opened specifically for that purpose and was credited with the interest accrued on that deposit in the amount of \$143,161.16, which will be used to cover additional expenditure relating to the execution of the aforementioned contract. For that reason that amount is not reflected in the financial statements to be submitted to UNDP.

When asked what he thought about that procedure, the Secretary-General replied:

"Due to the UNDP funds crisis, the \$2.5 million equipment allocation of project UGA/80/007 for 1981 had to be implemented before the end of 1981 otherwise the project would have been cancelled or delayed until 1984.

In view of the importance of this rehabilitation project and under pressure from both the Uganda P & T Corp. and the UNDP Representative in Kampala, ITU convened a meeting in December 1981 with representatives of the Uganda P & T Corp. and the successful bidding firm. The purpose of the meeting was to examine the firm's offer of \$3.3 million and to see if reductions could be made to produce a workable system within the limits of the \$2.5 million budget.

On the basis of decisions taken at this meeting, the firm was able to propose a system which, with the help of considerable inputs from the Uganda P & T and the improved payment terms from ITU could be accommodated within the available budget.

Based upon this proposal, a contract was signed on 22 December 1981 at an initial price of \$2,105,528. The final price was to be fixed after the findings of an on-site survey. It was thus essential to secure the maximum amount of resources in order to face these potential increased costs.

As regards the payment terms, the firm offered to reduce the total price of the contract by a percentage equivalent to the current interest rate on Eurodollars projected 12 months forward for all that part which could be paid at the time of signature of the contract. To counter risks of any future exchange control regulations affecting the firm's possibilities to repay this sum should the contract not be proceeded with for any reason, it was agreed to pay 50 per cent of the initial contract price directly to the firm and to place the other 50 per cent, in US dollars, into an account in Geneva; the interest accrued on the sum deposited would be used for contingencies in relation to this project."

/...

2.3 As I had pointed out under item 2.12 of my report of 2 April 1982 on the 1981 financial year, an amount of \$770,716 in miscellaneous expenses resulting mainly from exchange rate differences and entered in its accounts by ITU in 1981 had been placed in suspense by UNDP, which showed it as such in its 1982 Operating Fund Statements. Although that item is balanced in the UNDP accounts as at 31 December 1982 (82-08 Final) of 16 March 1983, it is explicitly mentioned in the annex to the accounts as an adjustment in suspense carried forward to the 1983 financial year. That means that UNDP has not yet taken a final decision with regard to that cost, which was entered in ITU's accounts in 1981.

2.4 The 1982 support costs entered in its accounts by ITU were determined on the basis of the 1982 project costs and in conformity with the special arrangement for the period 1982-1986 as per decision 80/44 of the UNDP Governing Council.

3. ATTESTATION

I have examined the accounts and financial statements of the Technical Co-operation projects, kept in United States dollars by the International Telecommunication Union in Geneva for the financial year ending on 31 December 1982. I have obtained all the necessary information and explanations and I certify, as a result of this audit, that in my opinion the financial statements are correct.

(Signed) W. Frei
Deputy Director
SWISS FEDERAL AUDIT OFFICE
(External Auditor)

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STATEMENT I
UNITED NATIONS DEVELOPMENT PROGRAMME
INTERNATIONAL TELECOMMUNICATION UNION

DP/1984/63/Add.1
English
Page 27

Status of funds as at 31 December 1982
(expressed in US dollars)

Operating Fund

Balance as at 1 January 1982		(2 949 057.63)
Add : Cash drawings from UNDP		19 750 356.17
IOVs and other charges (net)		9 222 642.52
Miscellaneous expenses and exchange adjustments (net) (to be reimbursed by UNDP)		(192 371.76)
Expenses incurred on completed projects (to be reimbursed by UNDP)		(37 839.71)
		<hr/> 25 793 729.59
Deduct : Expenditure during 1982 (Schedule I)		
For projects : Disbursements	22 967 183.	
Unliquidated Obligations	2 200 544.	
For programme support costs	3 348 550	28 516 277
		<hr/>
Balance as at 31 December 1982		(2 722 547.41)

Represented by :

Cash at banks, on hand and in transit		1 452 734.14
Accounts receivable		823 973.61
		<hr/> 2 276 707.75
Deduct : Accounts payable	1 412 048.16	
1981 Unliquidated obligations	1 386 663	
1982 Unliquidated obligations	2 200 544.	4 999 255.16
		<hr/>
		(2 722 547.41)

Certified correct :

Approved :



R. PRELAZ

Chief of the Finance Department



R.E. BUTLER

Secretary-General

Audit Certificate

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required and I certify, as a result of the audit, that, in my opinion, the above statement is correct. For further details, I refer to my audit report of 4 May 1983.



W. FREI

Deputy Director

Swiss Federal Audit Office
External Auditor

Date : 20 March 1983

UNITED NATIONS DEVELOPMENT PROGRAMME

Report of the External Auditor on the statement showing
as at 31 December 1982 the status of funds advanced to
the World Meteorological Organization
by the United Nations Development Programme

General

1. The Statement and supporting Schedules relating to the participation of the World Meteorological Organization (WMO) in the United Nations Development Programme are in the form prescribed by UNDP. My examination of them, which included an audit of payrolls, has been carried out in conjunction with my audit of the regular budget and subsidiary funds of the Organization.

Statement I

2. Statement I shows the resources made available to WMO by UNDP in 1982, the expenditure incurred by WMO during the year on goods and services for projects and on programme support costs, and the balance of funds held by WMO at 31 December 1982. Schedule 1 shows the programme expenditure by source of funds and associated programme support costs for the year. Schedule 2 shows disbursements and unliquidated obligations charged to projects in each country and region during the year. The total expenditure of \$13,391,208 in 1982 was 6 per cent less than in 1981.

Programme support costs

3. The costs incurred by WMO in administering UNDP and some other extrabudgetary projects are charged to the Organization's Technical Co-operation Fund, which receives contributions from UNDP, Trust Funds and other sources. The UNDP contribution to the Fund in 1982 was \$1,601,845, representing the difference between the costs charged to the Fund and the contributions from Trust Funds and other sources. This sum comprised the normal contribution at the rate of 13 per cent of project expenditure, of \$1,532,617 plus a flexibility allowance \$69,228 and is within the Organization's entitlement to support costs for 1982.

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Monitoring and evaluation of WMO scientific and technical work

4. Paragraphs 17 to 28 of my Report on the Regular Programme Accounts for 1982 review WMO's procedures for monitoring and evaluating its scientific and technical work. The Organization accepted that its procedures could be improved and told me that it intended to use a recently acquired word processor for this purpose. Action sheets recording progress had been registered in the word processor in a prescribed form and could be updated regularly. The Organization was considering extending the use of this facility in controlling and monitoring scientific and technical programmes with the aim of achieving a complete and homogenous system. A pilot scheme was to be started in the first half of 1983 in the field of technical co-operation projects, including those financed by UNDP, and this would be extended to all such projects by the end of the year.

5. I wish to record my appreciation of the willing co-operation of the officers of the Organization during my audit.

(Signed) GORDON DOWNEY
(Comptroller and Auditor General, United Kingdom)
External Auditor

27 April 1983

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STATEMENT I

United Nations Development Programme

WORLD METEOROLOGICAL ORGANIZATION

Status of funds as at 31 December 1982
(expressed in US dollars)Operating Fund

Balance at 1 January 1982			(578 372)
Add: Cash drawings from UNDP			6 383 936
IOVs and other charges (net)			4 935 558
Miscellaneous income and exchange adjustments (net)			(116 621)
Miscellaneous items refunded to UNDP (net)			<u>27 591</u>
			10 652 092
Less: Expenditure during 1982			
For projects			
Disbursements (Schedule 1)	8 309 554		
Unliquidated obligations (Schedule 1)	3 479 809		
For programme support costs (Schedule 1)	<u>1 601 845</u>	13 391 208	
Balance at 31 December 1982			(2 739 116)
			=====

Represented by:

Cash at banks, on hand and in transit			972 101
Accounts receivable			<u>871 524</u>
			1 843 625
Less: Accounts payable	1 102 932		
1982 Unliquidated obligations	<u>3 479 809</u>	4 582 741	
			(2 739 116)
			=====

CERTIFIED CORRECT

A. Weber
(A. Weber)
Chief, Finance and
Budget Division


APPROVED

M. J. Connaughton
(M. J. Connaughton)
Director,
Administration Department

UNITED NATIONS DEVELOPMENT PROGRAMME

**STATEMENT SHOWING AS AT 31 DECEMBER 1982 THE STATUS OF FUNDS
ADVANCED TO THE INTERNATIONAL MARITIME ORGANIZATION BY THE
UNITED NATIONS DEVELOPMENT PROGRAMME**

AUDIT CERTIFICATE

 I have examined the attached Statement and the related Schedules I and II. I have obtained all the information and explanations that I have required and I certify, as a result of the audit, that, in my opinion, the attached Statement and the related Schedules I and II are correct.

GORDON DOWNEY

(Comptroller and Auditor General,
United Kingdom)
External Auditor

- 9 MAY 1983

UNITED NATIONS DEVELOPMENT PROGRAMME

Report of the External Auditor on the statement showing
as at 31 December 1982 the status of funds advanced to the
International Maritime Organization
by the United Nations Development Programme

General

1. The Statement and supporting Schedules relating to the participation of the International Maritime Organization (IMO) in the United Nations Development Programme are in the form prescribed by UNDP for 1982. My examination of them has been carried out in conjunction with my audit of the regular budget and subsidiary funds of the Organization. This included a general review of the accounting procedures and such tests of the accounting records as I considered necessary. I have also examined the relevant internal audit reports.

2. Statement I shows the resources made available to IMO by UNDP in 1982, the expenditure charged to projects during the year for goods and services and for programme support costs, and the balance of funds due to IMO at 31 December 1982. Statement I is supported by two Schedules: Schedule 1 showing the aggregate expenditure by source of funds and programme support costs; and Schedule 2 showing expenditure by country, distinguishing between disbursements and unliquidated obligations.

3. Expenditure is controlled through project budgets which are phased by years over the duration of each project and revised annually when year-end project delivery information becomes available. They are also revised when either the scope of the project or the phasing of expenditure is changed. UNDP allows Agencies a small margin of flexibility on annual budgets. Contractual commitments to be charged against budgets in future years are reported separately to UNDP.

4. Costs of experts' services are divided into two categories: salary and other costs associated with service at the duty station are charged direct to projects; and allowances, etc., which depend on the personal circumstances of the expert are charged at an average rate based on the total of such costs for experts employed by IMO on UNDP work. In the case of fellowships, projects are charged direct with actual costs.

Programme support costs

5. The programme support costs incurred by IMO in the administration of UNDP and other extrabudgetary projects are charged to the Organization's Technical Co-operation Overhead Account. The UNDP Governing Council, at its twenty-eighth session, approved revised arrangements under which smaller agencies, defined as those with a UNDP delivery of less than \$15 million per annum, would be reimbursed support costs, consisting of 13 per cent of annual project expenditures plus a flexibility margin, within overall limits ranging from 22 per cent at a level of activity of \$5 million to 14 per cent at \$15 million. For 1982, IMO estimated that the total support costs for their technical co-operation programme would be \$1.35 million; and they applied to UNDP for support cost reimbursement of \$650,000 plus \$450,000 flexibility margin, the maximum allowed on their estimated programme delivery of \$5 million. Negotiations have taken place with UNDP on the amount of flexibility to be granted but agreement has not yet been reached. In the absence of such agreement IMO have used their estimate of reimbursable support costs in drawing up Statement I. Any adjustment subsequently agreed will be recorded in the accounts for 1983.

6. I wish to record my appreciation of the willing co-operation of the officers of the Organization during my audit.

(Signed) GORDON DOWNEY

(Comptroller and Auditor General, United Kingdom)
External Auditor

9 May 1983

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STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
International Maritime Organization

Status of funds as at 31 December 1982

(expressed in US dollars)

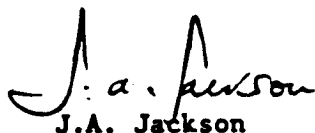
Operating Fund

Balance at 1 January 1982		(3 680 197)
Add: Cash drawings from UNDP	6 569 297	
IOVs and other charges (net)	1 667 997	
Miscellaneous income and exchange adjustments (net)	35 464	
Miscellaneous items refunded to UNDP (net)	<u>1 889</u>	<u>8 274 647</u>
		4 594 450
Less: Expenditure during 1982		
For projects:		
Disbursements (Schedule 1)	4 347 834	
Unliquidated obligations (Schedule 1)	2 409 766	
For programme support costs (Schedule 1)	<u>1 100 000</u>	<u>7 857 600</u>
Balance at 31 December 1982		(3 263 150)

Represented by:

Cash at banks, on hand and in transit	21 121	
Accounts receivable	<u>239 454</u>	<u>260 575</u>
Less: Accounts payable	1 113 959	
1982 Unliquidated obligations	<u>2 409 766</u>	<u>3 523 725</u>
		<u>(3 263 150)</u>

CERTIFIED CORRECT



J.A. Jackson

Head, Project Administrative Services
 Technical Co-operation Division

APPROVED



C.P. Srivastava
 Secretary-General

STATEMENT I

UNITED NATIONS DEVELOPMENT PROGRAMME
WORLD INTELLECTUAL PROPERTY ORGANIZATIONStatus of funds as at 31 December 1982

(expressed in US dollars)

Operating Fund

Balance at 1 January 1982 (42 244.--)

Add:	Cash drawings from UNDP	375 685.38	
	IOVs and other charges (net)	165 802.05	
	Miscellaneous income and (Schedule		
	exchange adjustments (net) 7)	(417.84)	
	Miscellaneous items refunded		
	to UNDP (net)	-	541 069.59

498 825.59

Less:	Expenditure during 1982		
	for projects		
	Disbursements* (Schedule 1)	612 539.54	
	Unliquidated obligations		
	(Schedule 1)	99 482.--	
	for programme support costs		
	(Schedule 1)	156 600.--	868 621.54

Balance at 31 December 1982 (369 795.95)

*Sectoral support expenditure not included.

See Report No 19

Represented by:

Cash at banks, on hand and in transit	20 200.58	
Accounts receivable (Schedule 8)	32 241.28	52 441.86

Less:	Accounts payable (Schedule 8)	322 755.81	
	1982 Unliquidated obligations	99 482.--	(422 237.81)

(369 795.95)

CERTIFIED CORRECT

Gilles Frammery
Gilles Frammery
Senior Finance Officer

APPROVED

M. Lagesse
M. Lagesse
Controller

AUDIT CERTIFICATE

The above statement has been examined in accordance with my directions. I have obtained all the informations and explanations that I have required and I certify, as a result of the audit, that, in my opinion, the above statement is correct.

Bern, 19 May 1983

W. Frei
W. Frei
Deputy Director
Swiss Federal Audit Office
External Auditor

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REPORT OF THE EXTERNAL AUDITOR
ON THE ACCOUNTS OF THE INTERNATIONAL
ATOMIC ENERGY AGENCY AS THE EXECUTING AGENCY
UNDER THE UNITED NATIONS DEVELOPMENT PROGRAMME
FOR THE YEAR ENDED 31ST DECEMBER 1982

1. The Director-General of the International Atomic Energy Agency has submitted to me for audit the following Statements and supporting Schedules relating to the participation of the International Atomic Energy Agency as the Executing Agency under the United Nations Development Programme and the United Nations Financing System for Science and Technology for Development:

United Nations Development Programme (UNDP)

- (i) Statement 1 - Status of Funds as at 31 December 1982
- (ii) Schedule 1 - Expenditures by source of funds for the year ended 31 December 1982
- (iii) Schedule 2 - Expenditures by country for the year ended 31 December 1982

United Nations Financing System for Science and Technology for Development

- (iv) Statement 1 - Status of funds as at 31 December 1982 - Operating Fund
- (v) Statement 2 - Status of funds as at 31 December 1982 - Unspent Allocations
- (vi) Schedule 1 - Project expenditure for the year ended 31 December 1982

2. I have examined these Statements in conjunction with my audit of the Agency's Accounts for 1982 to the extent I have deemed necessary and in conformity with the generally accepted auditing standards. I have obtained all the information and explanations that I have required for the audit and as a result of that audit, I have certified the Statements as being correct.

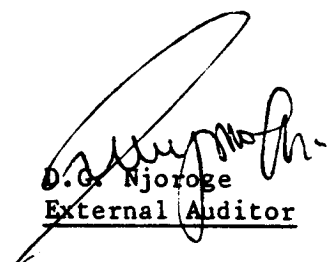
Year-end balance

3. The UNDP status of funds statement reflects a year-end negative balance of \$ 2,396,688. This balance is related to the unliquidated obligations as at 31 December 1982 and is expected to be covered by subsequent cash drawings from UNDP.

United Nations Financing System for Science and Technology for Development

4. With effect from 1 January 1982 the former United Nations Interim Fund for Science and Technology for Development was renamed United Nations Financing System for Science and Technology for Development (UNFSSTD). The UNFSSTD Statements for 1982 are therefore the first to be submitted under the new title.

5. I wish to record my special appreciation for the co-operation that has been extended to me and my staff by the staff of the International Atomic Energy Agency during the audit of these statements.



D.C. Njoroge
External Auditor

Vienna, 21 March 1983

STATEMENT I

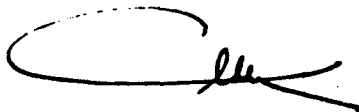
UNITED NATIONS DEVELOPMENT PROGRAMME
INTERNATIONAL ATOMIC ENERGY AGENCY


Status of funds as at 31 December 1982
(expressed in US dollars)

OPERATING FUND

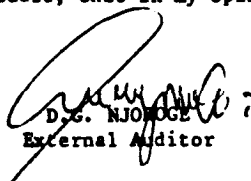
Balance as at 1 January 1982			(1 821 368)
Cash drawings from UNDP			2 821 874
Interoffice vouchers and other charges (net)			1 829 364
Miscellaneous income and exchange adjustments (net)			(169 968)
Miscellaneous items refunded to UNDP (net)			(15 306)
			<u>2 644 596</u>
Expenditure during the year			
For projects			
Disbursements (Schedule 1)	1 889 959		
Unliquidated obligations (Schedule 1)	2 542 070		
For programme support costs (Schedule 1) ^{a/}	609 255		5 041 284
			<u>(2 396 688)</u>
Balance at 31 December 1982			<u>(2 396 688)</u>
REPRESENTED BY:			
Cash (in hand and in transit)			17 572
Cash at banks			548 809
Accounts receivable			209 657
			<u>776 038</u>
Accounts payable	630 656		
1982 unliquidated obligations	2 542 070		3 172 726
			<u>(2 396 688)</u>

^{a/} Excludes the Agency's request for support cost flexibility of \$ 330,000 that had not yet been approved by the UNDP.


BERNARD L. BECHETOILLE
Director, Division of Budget and Finance


HANS BLIX
Director General

The above statement has been examined in accordance with my directions.
I have obtained all the information and explanations that I have required and
I certify, as a result of the audit, that in my opinion the statement is correct.


D. G. NJOMOGÉ
External Auditor

/...

UNITED NATIONS DEVELOPMENT PROGRAMME

REPORT OF THE EXTERNAL AUDITORS ON THE AUDIT OF THE ACCOUNTS OF
THE WORLD TOURISM ORGANIZATION AS AN EXECUTING AGENCY UNDER THE
UNITED NATIONS DEVELOPMENT PROGRAMME
FOR THE YEAR ENDED 31 DECEMBER 1982

OPINION

1. As Auditors, we have the duty of verifying, among other things, that the financial statements of any account we examine are in conformity with the accounting procedures of the organization for which they were established, and that the transactions shown in the statements abide by the financing and budgetary provisions and other applicable directives.

Therefore,

We have examined the financial statement and schedules submitted by the World Tourism Organization on the funds allocated to it as an executing agency by the United Nations Development Programme (UNDP), as contained in pages 52 to 55 of financial document CE/20/5(f) on the administrative accounts for the financial year 1982.

2. As a result of our examination, we are of the opinion that the financial statements properly reflect, from a strictly accounting point of view, the financial transactions recorded for the year, which transactions were in accordance with the relevant provisions, and present fairly the financial position as at 31 December 1982.

3. However, from an absolutely neutral and flexible standpoint, as befits our mandate, and with due respect to the performance of programme staff in the field and to the executing agency whose accounts we are auditing, we deem it our duty to draw the attention of the UNDP Governing Council to some points which, though not substantive, could in our opinion improve the clarity of the accounts rendered, thus satisfying the concerns expressed by the Governing Council.

OBSERVATIONS

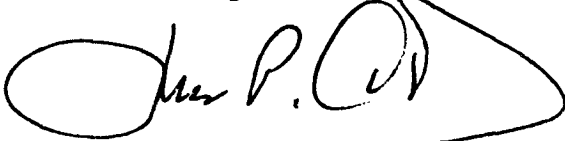
4. Our observations will necessarily be confined to strictly accounting aspects, as they are apparent from the bookkeeping under examination, inasmuch as it is not possible to ascertain from our desk whether expenditure has been exactly and effectively incurred for the due purpose. We may take the instance that this year two minibuses were purchased in Japan and two generators in India destined to project BHU/81/006 in Bhutan. This expenditure is duly supported by accounting vouchers, but we cannot ascertain whether it was to meet the needs of the moment or whether such vehicles and machines fulfil the purpose for which they were acquired. Numerous similar instances could be cited.

5. The bulk of the vouchers examined are properly identified, as they are, so to speak, personalized, and photocopies of the original documents are acceptable as vouchers for such expenditure, though it is important for such photocopies to be certified as true copies of the original invoices. Other expenditure, such as airport taxes, postage, cables, etc., is however not clearly identifiable as being expressly related to the activity controlled by a specific executing agency. If the original vouchers for this non-identifiable expenditure are not sent to each agency, it might happen that one single item could be charged to various agencies.

1.2.83
6. It would be advisable for priced copies of telex and cable messages to be attached to the relevant account when such expenditure is being reported.

7. We wish to express our appreciation to the Secretary-General of the World Tourism Organization and his staff for the good will and courtesy with which they assisted us in performing our audit.

Madrid, 27 April 1983



J. P. Cortés Camacho



F. A. Gethi

STATEMENT I

DP/1984/63/Add.1

English

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UNITED NATIONS DEVELOPMENT PROGRAMME
World Tourism Organization

Status of funds as at 31 December 1982
 (expressed in US dollars)


Operating Fund

Balance at 1 January 1982		(44 842.00)
Add: Cash drawings from UNDP	673 000.00	
IOVs and other charges	144 641.28	
Miscellaneous income and exchange adjustments	280.37	
Miscellaneous items refunded to UNDP	<u>2 849.58</u>	<u>820 771.23</u>
		775 929.23
Less: Expenditure during 1982		
For projects		
Disbursements (Schedule 1)	721 573.56	
Unliquidated obligations (Schedule 1)	56 655.08	
For agency support costs (Schedule 1)	<u>101 169.71</u>	<u>879 398.35</u>
Balance at 31 December 1982		(103 469.12)


Represented by:

Cash at bank	986.32
Accounts receivable	<u>16 999.59</u>
	17 985.91
Less: 1982 unliquidated obligations	<u>121 455.03</u>
	(103 469.12)

CERTIFIED CORRECT

for 
 Eduardo Ramos-Reimundin
 Chief of Finance

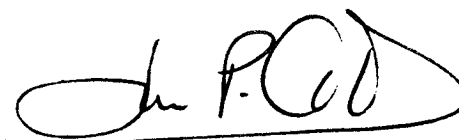
APPROVED


 Robert C. Lonati
 Secretary-General

AUDIT CERTIFICATE

J.P. Cortés Camacho

F.A. Gethi





الصندوق العربي للإنماء الاقتصادي والاجتماعي
تلفوت ٤٣١٨٧ • ص.ب ٢١٩٢٣ • الكويت • بترقية: انسمارين • الكويت

ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT

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RAB/74/011

Programme for the Identification and Preparation of Inter-Country Investment Projects and Related Feasibility Studies

Statement of Expenditures

1/1/1982 - 31/12/1982

UNDP Share

(in US dollars)

No.	Component	M/M	Amount
11-01	Team Leader	-	-
11-02	Project Economist	-	-
11-03	Financial Analyst	-	-
11-04	Project Engineer	-	-
16	Other Costs	-	-
29	Subcontracts	-	232 781.33
49	Equipment	-	-
59	Miscellaneous	-	-
99	Total		232 781.33
	Admin. Expenses per cent		30 261.57
			263 042.90
			=====

Abdel Raouf Al-Kady

R. F. Kady
Acting Director of Finance
Arab Fund for Economic and
Social Development - Kuwait

Talal Abu Ghazaleh & Co.

Talal Abu Ghazaleh & Co.
Auditors

Mita Kokusai Building
4-28, Mita 1-chome
Minato-ku, Tokyo 108
(03)454-1251
Telex J26252

OPINION OF INDEPENDENT AUDITORS

Asian Development Bank - Executing Agency
for the United Nations Development Programme:

We have examined the following statement and supplemental schedules relating to funds for projects as to which the Bank is the Executing Agency for the United Nations Development Programme:

Statement I - Status of Funds as at 31 December 1982

Schedule 1 - Expenditures by Source of Funds for the year ended 31 December 1982

Schedule 2 - Expenditures by Country for the year ended 31 December 1982

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The aforementioned statement and schedules have been prepared in accordance with the format and accounting practices prescribed by United Nations Development Programme ("UNDP"); on such basis, expenditures are recognized when obligations are incurred but allocations are recognized as a fund asset when drawn from UNDP. Accordingly, the statement is not intended to present financial position or results of operations in conformity with generally accepted accounting principles.

/...

In our opinion, the accompanying statement presents fairly the status as of 31 December 1982 of funds for which the Bank is the Executing Agency for the United Nations Development Programme and the receipts and expenditures of such funds for the year then ended on the basis of accounting described in the preceding paragraph, which basis has been applied in a manner consistent with that of the preceding year, and the accompanying supplemental schedules, when considered in relation to the aforementioned statement, present fairly in all material respects the information shown therein.

Deloitte Haskins & Sells

25 February 1983

STATEMENT I
United Nations Development Programme
Asian Development Bank
 (Executing Agency)
Status of funds as at 31 December 1982
 (expressed in US dollars)

Operating Fund

Balance at 1 January 1982		285 319.95
Add: Cash drawings from UNDP	4 086 182.46	
IOVs and other charges (net)	77 798.99	
Miscellaneous income and exchange adjustments (net)	6 089.67	
Miscellaneous items refunded to UNDP (net)	(167 855.36)	4 002 215.76
		4 287 535.71
Less: Expenditures during 1982 - Schedule 1		
For projects:		
Disbursements	3 180 367.32	
Unliquidated obligations	897 973.10	
For programme support costs	530 184.17	(4 608 524.59)
Balance at 31 December 1982		(320 988.88)

Represented by:

Cash at banks, on hand and in transit		238 585.17
Accounts receivable		375 898.10
		614 483.27
Less: Accounts payable	37 499.05	
1982 Unliquidated obligations	897 973.10	(935 472.15)
		(320 988.88)

Certified Correct:



SHAMSHAD ALI KHAN
ASSISTANT CONTROLLER

Approved:


SVEN BLAECKBERG
CONTROLLER

STATEMENT V*

UNDP: UNITED NATIONS DEVELOPMENT PROGRAMME ACCOUNT

United Nations Development Programme as an executing
agency for its projects

Status of funds as at 31 December 1982
(United States dollars)

<u>1981</u>		<u>1982</u>
(11 873 041)	Balance at beginning of year	(15 843 801)
57 352 709	Add: Cash drawings, interoffice vouchers and other charges (net)	61 426 093
(14 970)	Miscellaneous income and exchange adjustments (net)	13 030
10 371	Miscellaneous items refunded to UNDP (net)	17 610
<u>45 475 069</u>		<u>45 612 932</u>
	Less: Expenditure during 1982	
52 350 598	For projects executed by UNDP	46 626 527
358 824	Executed by the Office for Projects Execution	297 452
	Other amounts charged to IPFs (Note 9)	
52 709 422		46 923 979 <u>a/</u>
<u>4 764 574</u>	For projects executed by the United Nations Volunteers programme	<u>5 556 398 a/</u>
57 473 996		52 480 377
	For support costs:	
3 840 940	Administrative costs of the Office for Projects Execution and IAPSU	(Schedule 7) 4 617 177
3 934	Support costs paid by the Office for Projects Execution to associated agencies (net)	(Note 10) 203 902
<u>3 844 874</u>		<u>4 821 079 a/</u>
61 318 870		57 301 456
(15 843 801)	Balance at end of year	(11 688 524)
	Represented by:	
(15 799 236)	Unliquidated obligations	(11 680 694)
(44 565)	Office for Projects Execution	(7 830)
	United Nations Volunteers programme	
(15 843 801)		(Note 4) (11 688 524)

a/ As shown in schedule 6 to the nearest thousand dollars.

The accompanying notes are an integral part of the financial statements.

* Extract from Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 5A (A/38/5/Add.1), which also contains the report of the United Nations Board of Auditors on the UNDP financial statements for 1982.