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45/235. 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 1989 of the United Nations, including the International Trade Centre and the United Nations University,² the United Nations Development Programme,³ the United Nations Children's Fund,⁴ the United Nations Relief and Works Agency for Palestine Refugees in the Near East,⁵ the United Nations Institute for Training and Research,⁶ the voluntary funds administered by the United Nations High Commissioner for Refugees,⁷ the Fund of the United Nations Environment Programme,⁸ the United Nations Population Fund,⁹ and the United Nations Habitat and Human Settlements Foundation,¹⁰ the reports and audit opinions of the Board of Auditors,¹¹ the concise summary of the principal findings, conclusions and recommendations for remedial action of the Board of Auditors,¹² and the report of the Advisory Committee on Administrative and Budgetary Questions,¹³

Recognizing the progress made in the implementation of General Assembly resolution 44/183 of 19 December 1989,

Noting with appreciation the steps taken by executive heads and governing bodies of the United Nations organizations and programmes to give appropriate consideration and attention to the audit reports,

Taking into consideration the views expressed by delegations, by the Board of Auditors, by the Advisory Committee and by representatives of the United Nations organizations and programmes during the debate in the Fifth Committee on this item,¹⁴ and the widely expressed support for measures to improve the efficiency, management, financial accountability and budgetary control of the United Nations organizations and programmes concerned,

Noting with concern that the Board of Auditors, for the reasons stated in its reports, issued qualified audit opinions on the financial statements of the United Nations, the United Nations Development Programme and the United Nations Population Fund, and also issued a qualified audit opinion on compliance with the financial regulations and legislative authority on the transactions of the United Nations Institute for Training and Research,

Noting the efforts by a number of United Nations organizations and programmes to improve the format of financial statements and the accounting policies followed,

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. *Requests* the governing bodies of the United Nations Development Programme and the United Nations Population Fund to require the executive heads concerned:

(a) To intensify their efforts to correct or improve the conditions that gave rise to the qualification of audit opinions of the Board of Auditors;

(b) To issue and implement comprehensive and specific guidelines in order to delineate appropriately

² Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5 and corrigenda (A/45/5), vol. I and Corr.1 and 2, sects. I and V; vol. II, sects. I and V; and vol. III, sects. I and V.

³ *Ibid.*, Supplement No. 5A (A/45/5/Add.1), sects. I and V.

⁴ *Ibid.*, Supplement No. 5B and corrigendum (A/45/5/Add.2 and Corr.1), sects. I and IV.

⁵ *Ibid.*, Supplement No. 5C (A/45/5/Add.3), sects. I and V.

⁶ *Ibid.*, Supplement No. 5D (A/45/5/Add.4), sects. I and V.

⁷ *Ibid.*, Supplement No. 5E (A/45/5/Add.5), sect. III.

⁸ *Ibid.*, Supplement No. 5F and corrigendum (A/45/5/Add.6 and Corr.1), sects. I and IV.

⁹ *Ibid.*, Supplement No. 5G (A/45/5/Add.7), sects. I and V.

¹⁰ *Ibid.*, Supplement No. 5H and corrigendum (A/45/5/Add.8 and Corr.1), sects. I and IV.

¹¹ *Ibid.*, Supplement No. 5 and corrigenda (A/45/5 and Corr.1 and 2), vol. I, sects. II and III; vol. II, sects. II and III; and vol. III, sects. II and III; *ibid.*, Supplement No. 5A (A/45/5/Add.1), sects. II and III; *ibid.*, Supplement No. 5B and corrigendum (A/45/5/Add.2 and Corr.1), sects. II and III; *ibid.*, Supplement No. 5C (A/45/5/Add.3), sects. II and III; *ibid.*, Supplement No. 5D (A/45/5/Add.4), sects. II and III; *ibid.*, Supplement No. 5E (A/45/5/Add.5), sects. I and II; *ibid.*, Supplement No. 5F and corrigendum (A/45/5/Add.6 and Corr.1), sects. II and III; *ibid.*, Supplement No. 5G (A/45/5/Add.7), sects. II and III; and *ibid.*, Supplement No. 5H and corrigendum (A/45/5/Add.8 and Corr.1), sects. II and III.

¹² See A/45/457, annex.

¹³ A/45/570 and Corr.1.

¹⁴ See Official Records of the General Assembly, Forty-fifth Session, Fifth Committee, 4th, 7th to 11th and 30th meetings, and corrigendum.

programme expenditure, programme support and administrative expenditures;

3. *Takes note* of the recommendation contained in paragraph 52 of the report of the Advisory Committee on Administrative and Budgetary Questions,¹³ and requests the United Nations Children's Fund and all relevant parties, in considering the implementation of the recommendation, to take fully into account the divergent views expressed by Member States in the Fifth Committee in this regard;

4. *Endorses* all other recommendations and observations of the Advisory Committee and approves all of the recommendations and observations of the Board of Auditors subject to the provisions of the present resolution, taking into account the views expressed by Member States in the Fifth Committee;

5. *Requests* the Panel of External Auditors to submit to the General Assembly at its forty-sixth session, through the Administrative Committee on Co-ordination and the Advisory Committee, an interim study on concrete issues to be resolved through the development of appropriate accounting principles and standards for consistent application in the United Nations system, taking into account the feasibility and benefits of such principles, as well as the major problems to be addressed in this regard;

6. *Approves* the changes in the financial procedures of the United Nations Development Programme, as recommended by the Governing Council of the Programme in its decision 90/49,¹⁵ and the United Nations Population Fund, as recommended by the Governing Council of the Programme in its decision 90/36;¹⁵

7. *Decides* that the reporting procedures, including those regarding substantive and management issues, that apply to United Nations organizations and programmes audited on a biennial basis shall also apply to the United Nations Children's Fund;

8. *Invites* the Board of Auditors to issue a special report for United Nations organizations audited on a biennial basis for the first year of each biennium through the Advisory Committee, if in the opinion of the Board there are matters that need to be brought to the attention of the governing bodies and/or the General Assembly;

9. *Requests* the Secretary-General to include in the proposed programme budget for the biennium 1992-1993 resources for the Board of Auditors corresponding to its work-load and adequate to carry out its functions in accordance with the financial regulations, taking into account all relevant decisions of the General Assembly, including those relating to revised reporting procedures approved for the United Nations Development Programme, the United Nations Population Fund and the United Nations Children's Fund;

10. *Expresses its concern* with regard to the findings of the Board of Auditors that procurement procedures are not being fully complied with, requests the administrations involved to take immediate action to correct this problem, and invites the Advisory Committee to monitor the action taken;

11. *Welcomes* the intention of the Secretary-General to renegotiate the existing arrangements for common and joint services at the Vienna International Centre and requests the governing bodies and the executive heads of the United Nations Industrial Development Organization and the International Atomic Energy Agency to co-operate fully with him in this process;

12. *Requests* the Secretary-General to discuss with the executive heads of the United Nations Industrial Development Organization and the International Atomic Energy Agency the problem of compensation for the excessive costs charged by these organizations to the United Nations Office at Vienna for the majority of existing joint and common services at the Vienna International Centre;

13. *Requests* the Secretary-General and the executive heads of United Nations organizations and programmes:

(a) To submit to their respective governing bodies, as well as to the General Assembly at its forty-sixth session, detailed progress reports on steps taken to implement previous recommendations of the Board of Auditors and the related recommendations of the Advisory Committee and to explain if any of those recommendations have not yet been implemented, and requests the Board and the Advisory Committee to evaluate the efficacy of those measures, and to report thereon to the Assembly at its forty-sixth session;

(b) To consider, in consultation with the Board of Auditors and the Advisory Committee, effective measures to facilitate reporting by staff members on a confidential basis of any inappropriate use of the resources of a United Nations organization or programme, and to report to the General Assembly at its forty-sixth session in this regard;

(c) To implement stringent inventory controls on non-expendable property and to report on measures taken in this regard to the General Assembly at its forty-sixth session;

(d) To institute without delay more effective control on the payment of all allowances and benefits to staff members and to report on measures taken in this regard to the General Assembly at its forty-sixth session;

14. *Reaffirms* the importance of strict compliance with financial regulations and rules on the subject of unliquidated obligations, and requests the Secretary-General, in the light of his experience in implementing the new budget process and in the context of the recommendations of the Board of Auditors, to analyse outstanding issues on this subject and to submit a thorough report to the General Assembly at its forty-sixth session;

15. *Expresses its appreciation* to the Secretary-General for the steps taken to eliminate abuses in the payment of income tax reimbursements, and requests him to continue efforts to recover outstanding excess income tax reimbursements;

16. *Urges* the executive heads of other organizations and programmes to investigate possible abuses in

¹⁵ See *Official Records of the Economic and Social Council, 1990, Supplement No. 9 (E/1990/29)*, annex I.

the payment of income tax reimbursements to their staff members and to report on efforts taken in this regard to the General Assembly at its forty-sixth session;

17. *Requests* the Board of Auditors to ensure regular audit coverage of all extrabudgetary expenditures, including the various trust funds managed by the Secretary-General or the executive heads of United Nations organizations and programmes;

18. *Requests* the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East to report to the General Assembly at its forty-sixth session on the measures taken by the Agency to rectify the shortcomings identified by the audit of the Area Staff Provident Fund;

19. *Invites* the governing bodies of organizations and programmes for which audited financial statements have been considered by the General Assembly to ensure that full consideration is given to the reports of the Board of Auditors and the Advisory Committee and the comments made thereon in the Fifth Committee with a view to taking appropriate remedial measures;

20. *Requests* the executive heads of the United Nations organizations and programmes to ensure that expenditures do not exceed the level of funds provided under allotments, in accordance with the financial rules, and to enforce existing disciplinary measures with a view to enhancing accountability and budgetary discipline;

21. *Requests* the Board of Auditors and the Advisory Committee to continue to cover, in their review of organizations and programmes, including peace-keeping operations, the areas relating to the efficiency and effectiveness of the financial procedures and controls, the accounting system and related administrative and management aspects in accordance with regulation 12.5 of the Financial Regulations of the United Nations and to recommend measures, as appropriate, to strengthen financial and management controls and to standardize the financial reporting of the organizations;

22. *Recommends* that all future reports of the Board of Auditors continue to include 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 and a timetable for remedial action;

23. *Encourages* the Board of Auditors to carry out its audits in a comprehensive manner in response to paragraph 13 of General Assembly resolution 44/183;

24. *Welcomes* the review of the Board of Auditors of the liquidity positions of United Nations organizations, and requests the Board to conduct a further review, bearing in mind that the information should be presented in a standardized format;

25. *Recommends* that the Board of Auditors continue to submit to the General Assembly a concise document summarizing its principal findings, conclusions and recommendations of common interest, classified by audit area and, where appropriate, identifying the audited organization.

*72nd plenary meeting
21 December 1990*

45/236. Current financial crisis and financial emergency of the United Nations

A

The General Assembly,

Recalling the purposes and principles of the Charter of the United Nations and, in particular, Article 17 thereof,

Recalling also its resolutions 41/213 of 19 December 1986, 42/211 and 42/212 of 21 December 1987, 43/215 of 21 December 1988 and 44/195 A of 21 December 1989,

Deeply concerned that the current financial crisis threatens the financial solvency, stability and work of the Organization,

Noting the significant efforts made by Member States to pay their assessed contributions in full or to reduce the level of their outstanding contributions,

Reaffirming the need for a durable, reliable and lasting financial foundation for the Organization, in accordance with the Charter,

Taking note of the report of the Secretary-General on the current financial crisis of the United Nations,¹⁶ the related report of the Advisory Committee on Administrative and Budgetary Questions¹⁷ and the views expressed by Member States in the Fifth Committee on this subject,¹⁸

1. *Reiterates* the legal obligation of all Member States, under the Charter of the United Nations, to finance the expenses of the Organization as apportioned by the General Assembly;

2. *Requests* all Member States to pay their outstanding and current assessed contributions in full and in a timely manner in accordance with regulation 5.4 of the Financial Regulations of the United Nations;

3. *Requests* the Secretary-General to continue to monitor the financial situation of the United Nations and to keep the President of the General Assembly and the chairmen of the regional groups informed so as to facilitate consideration by Member States if the situation so requires;

4. *Also requests* the Secretary-General to communicate to all Member States the latest information on the current financial crisis facing the Organization and to submit a report giving his best projections of the financial situation of the Organization to the General Assembly at its forty-sixth session by 15 November 1991, followed by additional and more up-to-date information as soon as possible.

*72nd plenary meeting
21 December 1990*

B

The General Assembly,

Recalling its resolutions 42/216 A of 21 December 1987, 43/220 of 21 December 1988, 44/195 B of 21 December 1989 and all previous related resolutions,

¹⁶ A/45/830.

¹⁷ A/45/860.

¹⁸ See *Official Records of the General Assembly, Forty-fifth Session, Fifth Committee*, 47th to 49th meetings, and corrigendum.