

**43/215. Current financial crisis of the United Nations**

*The General Assembly,*

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

*Recalling also* its resolutions 41/213 of 19 December 1986 and 42/211 and 42/212 of 21 December 1987,

*Deeply concerned* about the current financial crisis, caused by the non-fulfilment by some Member States of their obligations under the Charter, which threatens the financial solvency, stability and work of the Organization,

*Noting* the renewed efforts by some 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,<sup>17</sup>

*Taking note also* of the views expressed by Member States in the Fifth Committee on the current financial crisis of the United Nations,

1. *Reaffirms* the 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, and calls upon them to pay all their assessed contributions in full and in a timely manner;

2. *Urges* all Member States that have not done so to fulfil their financial obligations under the Charter;

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 magnitude of the current financial crisis facing the Organization and to report thereon in a timely and comprehensive manner to the General Assembly at its forty-fourth session.

*84th plenary meeting  
21 December 1988*

**43/216. 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 1987 of the United Nations, including the International Trade Centre and the United Nations University,<sup>18</sup> the United Nations Development Programme,<sup>19</sup> the United Nations Children's Fund,<sup>20</sup> the United Nations Relief and Works Agency for Palestine Refugees in the Near East,<sup>21</sup> the United Nations Institute for Training and Research,<sup>22</sup> the voluntary funds administered by the United Nations High Commissioner for Refugees,<sup>23</sup> the Fund of the

<sup>17</sup> A/43/932.

<sup>18</sup> *Official Records of the General Assembly, Forty-third Session, Supplement No. 5 (A/43/5)*, vol. I, sects. I and V; vol. II, sects. I and V; and vol. III, sects. I and V.

<sup>19</sup> *Ibid.*, Supplement No. 5A (A/43/5/Add.1), sects. I and V.

<sup>20</sup> *Ibid.*, Supplement No. 5B (A/43/5/Add.2), sects. I and IV.

<sup>21</sup> *Ibid.*, Supplement No. 5C (A/43/5/Add.3), sects. I and V.

<sup>22</sup> *Ibid.*, Supplement No. 5D (A/43/5/Add.4), sects. I and V.

<sup>23</sup> *Ibid.*, Supplement No. 5E (A/43/5/Add.5), sect. III.

United Nations Environment Programme,<sup>24</sup> the United Nations Population Fund,<sup>25</sup> and the United Nations Habitat and Human Settlements Foundation,<sup>26</sup> the reports and audit opinions of the Board of Auditors,<sup>27</sup> the concise summary of the principal findings and conclusions of common interest contained in the reports of the Board of Auditors,<sup>28</sup> and the report of the Advisory Committee on Administrative and Budgetary Questions,<sup>29</sup>

*Having also considered* the report of the Board of Auditors on its expanded audit of the financial report and accounts of the United Nations Children's Fund for the year ended 31 December 1986,<sup>30</sup>

*Recognizing* the progress made in the implementation of General Assembly resolution 42/206 of 11 December 1987,

*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 qualified audit opinions on compliance with the Financial Regulations and legislative authority in the transactions of the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the International Trade Centre,

*Noting also with concern* the delay in the issuance of the reports of the Board of Auditors for consideration by the General Assembly at its forty-third session,

*Taking into consideration* the views expressed by delegations, by the Board of Auditors, by the Advisory Committee on Administrative and Budgetary Questions and by representatives of the United Nations organizations and programmes during the debate in the Fifth Committee on this item,<sup>31</sup> 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,

*Recognizing* that the qualifications on the certification of programme expenditures in the audit opinions on the United Nations Development Programme and the United Nations Population Fund accounts are technical in nature and require co-ordinated action by the administrations and governing bodies of the Programme and the Fund and the executing agencies concerned,

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, the United Nations Population Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the International

<sup>24</sup> *Ibid.*, Supplement No. 5F (A/43/5/Add.6), sects. I and IV.

<sup>25</sup> *Ibid.*, Supplement No. 5G (A/43/5/Add.7), sects. I and V.

<sup>26</sup> *Ibid.*, Supplement No. 5H (A/43/5/Add.8), sects. I and IV.

<sup>27</sup> *Ibid.*, Supplement No. 5 (A/43/5), vol. I, sects. II and III; vol. II, sects. II and III; and vol. III, sects. II and III; *ibid.*, Supplement No. 5A (A/43/5/Add.1), sects. II and III; *ibid.*, Supplement No. 5B (A/43/5/Add.2), sects. II and III; *ibid.*, Supplement No. 5C (A/43/5/Add.3), sects. II and III; *ibid.*, Supplement No. 5D (A/43/5/Add.4), sects. II and III; *ibid.*, Supplement No. 5E (A/43/5/Add.5), sects. I and II; *ibid.*, Supplement No. 5F (A/43/5/Add.6), sects. II and III; *ibid.*, Supplement No. 5G (A/43/5/Add.7), sects. II and III; and *ibid.*, Supplement No. 5H (A/43/5/Add.8), sects. II and III.

<sup>28</sup> See A/43/445, annex.

<sup>29</sup> A/43/674 and Corr.1.

<sup>30</sup> See *Official Records of the General Assembly, Forty-second Session, Supplement No. 5B (A/42/5/Add.2)*, vol. II.

<sup>31</sup> *Ibid.*, Forty-third Session, Fifth Committee, 7th to 10th, 12th to 14th, 27th and 28th meetings, and corrigendum.

Trade Centre to require the executive heads concerned to take immediate steps within their competence to correct the situations or conditions that gave rise to the qualification of audit opinions of the Board of Auditors;

3. *Urges* the panel of external auditors, administrations, governing bodies of the executing agencies and other parties concerned to solve the problem with regard to the certification of programme expenditures executed and reported by United Nations executing agencies in co-operation with the United Nations Development Programme as well as with the United Nations Population Fund;

4. *Endorses* the concurring observations and recommendations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions as contained in their respective reports, duly taking into account the divergent views expressed in the Fifth Committee on the question of the Multinational Programming and Operational Centres and the Pan-African Documentation and Information System;

5. *Requests* the competent governing bodies to ensure that the executive heads concerned take necessary steps on a priority basis to implement the recommendations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions as contained in their respective reports, and to report thereon to the General Assembly at its forty-fourth session;

6. *Requests* the Secretary-General and the executive heads of United Nations organizations and programmes concerned to take without delay appropriate measures within their competence in the light of the comments, observations and recommendations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions, including those relating to financial reporting, budgetary controls, unliquidated obligations, cash management, trust funds, and hiring of consultants, experts and temporary assistance, and to report to the General Assembly at its forty-fourth session, through the governing bodies of these organizations and programmes;

7. *Also requests* the Secretary-General and the executive heads of United Nations organizations and programmes concerned to report to the General Assembly at its forty-fourth session, through the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions, specific measures taken to implement previous recommendations of the Board, and requests the Board and the Advisory Committee to evaluate the efficacy of those measures;

8. *Recommends* that all future reports of the Board of Auditors continue to include separate sections that summarize recommendations for corrective action to be taken by the organizations and programmes concerned, with an indication of relative urgency;

9. *Also 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;

10. *Requests* the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions to continue to cover in their reviews of the 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 areas, 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;

11. *Also requests* the Board of Auditors to study the desirability and feasibility of conducting its reviews as stipulated in regulation 12.5 of the Financial Regulations of the United Nations in a more comprehensive manner and to report thereon to the General Assembly at its forty-fourth session;

12. *Stresses* the need to standardize the presentation and format of financial statements and accounting policies among United Nations organizations and programmes;

13. *Requests* the Secretary-General and the executive heads of United Nations organizations and programmes and other relevant entities, in consultation with the Board of Auditors, to explore the possibility of standardizing the presentation and format of financial statements and accounting policies of all audited organizations and programmes, taking into account previous relevant studies, and to report with proposals thereon to the General Assembly at its forty-fourth session;

14. *Invites* the administrations of the United Nations, the United Nations Development Programme and the United Nations Population Fund to review their accounting policy with respect to unliquidated obligations taking into account generally accepted accounting principles;

15. *Requests* the Secretary-General to reflect the results of the reorganization of the United Nations Postal Administration, as well as the status of implementation of the recommendations of the Board of Auditors, in the proposed programme budget for the biennium 1990-1991;

16. *Invites* Governments that are represented on 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 on Administrative and Budgetary Questions and the comments made thereon in the Fifth Committee;

17. *Encourages* governing bodies of organizations and programmes to invite a representative of the Board of Auditors to be present at their meetings when considering the reports of the Board;

18. *Underlines* the importance of an effective internal audit function in the organizations and programmes reported on, and requests the Secretary-General and the executive heads of United Nations organizations and programmes concerned to ensure that their respective internal audit units carry out follow-up audit work to assess the corrective action taken by the administrations in response to the main recommendations of the Board of Auditors;

19. *Requests* the Board of Auditors and the administrations concerned to co-operate and ensure that all reports under this item are issued in time in accordance with existing rules.