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UNITED NATIONS RELIEF FOR PALESTINE REFUGEES

FINANCIAL REPORT AND ACCOUNTS FOR THE PERIOD 1 DECEMBER 1948
TO 30 APRIL 1950, AND REPORT OF THE BOARD OF AUDITORS

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UNITED NATIONS RELIEF FOR PALESTINE REFUGEES
FINANCIAL REPORT AND ACCOUNTS FOR THE PERIOD 1 DECEMBER 1948
TO 30 APRIL 1950, AND REPORT OF THE BOARD OF AUDITORS

Note by the Secretary-General

1. The United Nations Relief for Palestine Refugees was established by resolution 212 (III) adopted by the General Assembly on 19 November 1948. In paragraph 7 of that resolution, the General Assembly:

"Instructs the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to establish regulations for the administration and supervision of the Fund".

2. Regulation 29 of the regulations established in accordance with the provision quoted above provides:

"The accounts of the Fund shall be audited by the Board of Auditors and a separate report thereon shall be submitted to the General Assembly".

3. Pursuant to the provisions of resolution 302 (IV) adopted by the General Assembly on 3 December 1949, establishing the United Nations Relief and Works Agency for Palestine Refugees in the Near East, arrangements were made for the transfer of the Palestine Refugee Fund to the administration of that Agency as at 30 April 1950. Except for residual liquidation questions, the activities of UNRPR were terminated as at that date.

4. There are attached to the present report the financial report and accounts and the report of the Board of Auditors covering the period of operations of UNRPR from 1 December 1948 to 30 April 1950.

5. In accordance with the practice which has been followed in regard to the reports of the Board of Auditors on the accounts of the United Nations, these reports have also been transmitted to the Advisory Committee on Administrative and Budgetary Questions for consideration and report to the General Assembly.

UNITED NATIONS RELIEF FOR PALESTINE REFUGEES

FINANCIAL REPORT FOR THE PERIOD OF OPERATIONS

1 DECEMBER 1948 - 30 APRIL 1950

1. The accounts of the United Nations Relief for Palestine Refugees for the period of operations 1 December 1948 - 30 April 1950 are presented herewith. The accounts comprise the following principal statements, duly certified by the Board of Auditors:

(a) Statement of assets and liabilities as of 30 April 1950

(b) Statement of income and expenditure for the period from the commencement of operations to 30 April 1950

together with supporting schedules.

2. The operations of the Palestine Refugee Fund for the period 1 December 1948 - 30 June 1949 were the subject of a report to the fourth session of the General Assembly (A/1060, paragraphs 155 et seq.). The accounts of the Fund for that period were also submitted to the General Assembly, together with the report of the Board of Auditors on the interim audit of the accounts (A/1060/Add.1).

Financing the operations

3. For the period from 1 July 1949 to the end of the programme, the financing of UNRPR operations was met from three major sources:

Dollars (US)

(a) Cash advances from the Working Capital Fund of the United Nations	4,500,000
(b) Loan from the International Refugee Organization of £1,000,000 sterling	2,800,000
(c) Cash donations by Governments and others	11,311,615

The first of these is covered by General Assembly resolution 302 (IV), paragraph 14 of which authorizes the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to advance funds not exceeding \$5,000,000 from the Working Capital Fund. It was necessary to call forward a total of \$4,500,000, which amount was outstanding at 30 April 1950, the date on which UNRPR terminated its operations. This amount becomes a liability of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, and will be repayable by that Agency under the terms of paragraph 14 of the resolution, which states that such sums are "to be repaid not later than

/31 December 1950

31 December 1950 from the voluntary governmental contributions" to UNWRAPRNE requested in paragraph 13.

4. Under the terms of paragraph 15 of the same resolution, an interest-free loan of £1,000,000 sterling was negotiated with IRO. This amount was outstanding as at 30 April 1950 and, according to the agreement dated 18 January 1950 between IRO and the Secretary-General, this sum is to be repaid as follows:

"£500,000 on or before 30 June 1950, and £500,000 on or before 31 July 1950, or at such later dates as, at the request of the United Nations, the Director-General of the International Refugee Organization may specify".

5. Cash donations by Governments and others for the period from 1 July 1949 to 30 April 1950 amounted to the equivalent of \$11,311,615. The major items consisted of \$8,000,000 from the United States of America; 442,664,409 French francs (\$1,674,467) from France; £100,000 (\$403,226) from the United Kingdom; £190,000 (\$334,334) from the Egyptian Government; £100,000 (\$329,290) from the Hashimite Kingdom of the Jordan. Total donations in cash for the entire period of operations amounted to \$23,980,118. A complete list of the donors, with the amount of contributions in national currencies and the equivalent in US dollars, will be found in schedule A attached to the financial statements which are annexed to the present report.

6. Various contributions were made by Governments and others in the form of commodities and services. These were valued by the respective donors and entered on the records of the Fund. The total amount for the period from 1 July 1949 to 30 April 1950, in the various national currencies converted into US dollars at the official rate of exchange, was \$2,334,068. For the period from the commencement of operations to 30 June 1949, contributions of this nature amounted to \$1,762,850, making the total for the entire period \$4,096,918. A complete list of the contributors, the kind of commodity donated, and the recorded value in US dollars will be found in schedule B of the financial statements already referred to.

7. In addition to the commodities donated, direct aid and services were rendered by the Near East Governments for the period from 1 July 1949 to 30 April 1950, to a value of \$3,526,473. The value of this type of aid for the period from the commencement of operations to 30 June 1949 was \$4,865,321, making the total for the entire period \$8,391,794. Those Near East Governments which gave this aid are listed in schedule C of the financial statements; together with the recorded value

/of the

of the aid in US dollars. Explanatory notes are appended to the schedule, giving the manner in which the various amounts were computed.

8. Total contributions in cash, plus contributions in kind and direct aid and services rendered, to the programme for the entire period therefore amounted to \$36,468,830.

Expenditures

9. Total expenditures charged on the books of the Fund for the entire period, amounting to \$39,115,975, are summarized as under:

	<u>Dollars (US)</u>
Relief supplies distributed	\$22,844,620
Operational expenses	6,714,719
Depreciation of equipment	171,579
Insurance on automotive equipment	25,901
Grants to national charitable organizations	450,608
Expenditures incurred by Governments in the Near East	8,391,794
Administrative expenses	506,407
Losses in transit and on exchange	10,347
	<u>\$39,115,975</u>

10. In order to obtain a more realistic conception of the expenditures and the relative percentages, the following table has been prepared. It indicates that, out of a total of \$39,115,975, the refugees received food, shelter, blankets, medical and public health services (including transport costs), and aid by the local Governments to the extent of 88.83 per cent. It indicates, also that the operational costs of the operative agencies, including termination costs, absorbed 8.25 per cent and the administrative expenses of UNRPA headquarters and field offices accounted for 1.29 per cent. The operational, administrative, and termination costs together aggregated 9.54 per cent.

<u>Item</u>	<u>Amount</u> <u>Dollars (US)</u>	<u>Percentage</u>
Basic foods	\$18,673,545	47.74
Medical and public health programme	2,003,789	5.12
Shelter, blankets	3,404,368	8.70
Transport	2,176,244	5.56
Aid by local Governments	8,391,794	21.45
Miscellaneous - Local	102,288	.26
UNRPR (Administration 473,492 (Termination 33,117	506,609	1.29
Carried forward	\$35,258,637	90.12
Agencies:		
Operational costs 3,121,570		
Termination costs <u>103,234</u>	3,224,804	8.25
Depreciation of equipment	171,579	.45
Donations to national charitable organizations	450,608	1.15
Losses in transit and on exchange	10,347	.03
	<u>\$39,115,975</u>	<u>100.00</u>

These figures do not take into account the United Nations International Children's Emergency Fund supplies for the period of approximately \$9,000,000, which were distributed by the UNRPR operating agencies, nor the capital cost of automotive, operating, office and medical equipment, which amounted to \$678,725. They do, however, include an amount of \$171,579, representing depreciation of that equipment. Included also is an amount of \$450,608 as donations to national charitable organizations.

Financial position at time of turnover to the United Nations Relief and Works Agency for Palestine Refugees in the Near East

11. As noted above, the total expenditures for the seventeen-month period of operations amounted to \$39,115,975, against total income from contributions in cash, kind, and direct aid and services and from miscellaneous income of \$36,471,894. Expenditures, therefore, exceeded income by \$2,644,081. This deficit was financed, under the authority of the General Assembly, by advances from the United Nations Working Capital Fund and by a loan from IRO. Liabilities of UNRPR totalling

/ \$7,761,785

\$7,761,785 were assumed by UNWRAPRNE at the time of the transfer of responsibility for the programme to the latter agency. \$7,300,000 of this total related to the advance from the Working Capital Fund (\$4,500,000) and the loan from IRO (\$2,800,000). Against these liabilities, assets totalling \$5,117,704 were also transferred to UNWRAPRNE, of which cash on hand and at banks totalled \$3,411,966.

12. In this respect, it is noted that resolution 302 (IV) continued UNRPR until 1 April 1950, or to such other date as might be agreed between the Secretary-General and the Director of UNWRAPRNE for the transfer of UNRPR assets and liabilities to that agency. The resolution contained, in paragraph 6, an estimate of \$54,900,000 as the amount required for the programme for the period 1 January 1950 to 30 June 1951; and, in paragraph 13, a request urging Member States to make voluntary contributions to provide the supplies and funds required as set out in paragraph 6 of the resolution. The programme was treated as a whole in that resolution and there was no separate financial provision for UNRPR operations as distinct from UNWRAPRNE operations.

13. As at 31 December 1949, UNRPR income exceeded its expenditures to that date, and there was no deficit. From 1 January 1950, UNRPR began to operate against the \$54,900,000 estimate approved by the General Assembly. The \$4,500,000 advance from the Working Capital Fund and the \$2,800,000 loan from IRO were called forward during the period 1 January 1950 to 30 April 1950. These funds were necessary to finance expenditures relating to the \$54,900,000 approved programme. Therefore, in incurring expenditures during that period and accepting the advances and the loan, UNRPR was, in fact, acting as the agent of its successor.

General financial administration

14. The financing of the UNRPR programme has been carried out through the headquarters finance office of UNRPR in Geneva. As soon as the quarterly budgets had been approved at Lake Success, this office advanced to the three operating agencies and to the two field offices sufficient funds to meet each monthly programme under the approved quarterly budget. These advances accounted for the major portion of the UNRPR disbursements, although certain expenditures were made directly from the Geneva finance office. Advances for local purchases by the field offices were made by the Finance Officer, after taking into consideration the value of contributions received in kind.

15. The Geneva office of UNRPR has made direct disbursements for the major part of automotive and operating equipment for the use of the three operating agencies. It has also purchased tents and blankets, etc., from that part of the United Kingdom contribution which was not converted into Middle East currencies.

16. The administrative expenses of the Geneva office have been paid by the United Nations European Office and reimbursed to it monthly. A comparable arrangement existed with United Nations Headquarters for payment of expenditures authorized for or by the Lake Success Liaison Office of UNRPR.

Letter of transmittal

Lake Success, 2 August 1950

I have the honour to transmit the financial statements which were submitted by the Acting Director of United Nations Relief for Palestine Refugees, for the period from the commencement of operations (as of 1 December 1948) to 30 April 1950, as of which latter date the assets and liabilities were transferred to United Nations Relief and Works Agency for Palestine Refugees in the Near East. These statements have been examined and certified by the Board of Auditors.

In accordance with the requirement contained in the Regulations for the Administration and Supervision of the Fund administered by United Nations Relief for Palestine Refugees, I have the honour to present the report of the Board on the audit of the accounts for the indicated period.

(Signed) Ian STEVENSON
for Chairman,
Board of Auditors

President of the General Assembly
of the United Nations

UNITED NATIONS RELIEF FOR PALESTINE REFUGEES

FINANCIAL STATEMENTS

for the period from the commencement of operations

(as of 1 December 1948) to 30 April 1950

1. Statement of Assets and Liabilities as of 30 April 1950
2. Statement of Income and Expenditure for the period from the commencement of operations to 30 April 1950
3. Schedules to the Statement of Income and Expenditure:
 - "A" Contributions Received in Cash
 - "B" Contributions Received in Kind
 - "C" Direct Contributions by Governments
in the Near East

UNITED NATIONS RELIEF FOR PALESTINE REFUGEES

Statement of Assets and Liabilities as of 30 April 1950

<u>Assets</u>	<u>\$ U.S.</u>	<u>Liabilities</u>	<u>\$ U.S.</u>
Cash on Hand and at Banks	3,411,966	Accounts Payable	404,468
Due from Operational Agencies	159,814	Provision for Termination Costs (other than those to be incurred by Operational Agencies, deducted contra)	33,117
Less: Provisions for termination costs	<u>103,796</u>		
Accounts Receivable	3,710	Advances from United Nations Working Capital Fund	4,500,000
Inventories of Relief Supplies in the charge of Operational Agencies, at cost or (in the case of contributed supplies) estimated value	899,180	(These advances are repayable not later than 31 December 1950, from the voluntary governmental contributions requested under paragraph 13 of General Assembly Resolution 302(IV))	
Relief Supplies in Transit	159,669	Loan from International Refugee Organization	2,800,000
Sugar receivable from United Nations International Children's Emergency Fund, under commodity exchange and loan agreements	10,388	(This loan is one of £ 1,000,000 Sterling, repayable - from the contributions paid into the Special Fund in accordance with paragraph 16 of General Assembly Resolution 302(IV) - as follows:	
Advances for refugees' weaving project, initiated by Operational Agency	21,577	£ 500,000 on or before 30 June 1950, and	
Prepaid Expenses	23,050	£ 500,000 on or before 31 July 1950,	
Duties and taxes recoverable in respect of purchases of gasoline and kerosene - Estimated	25,000	or at such later dates as, at the request of the United Nations, the Director-General of the International Refugee Organization may specify)	
Equipment, at cost or (in the case of contributed items) estimated value at time of acquisition:		Deferred Credit - Advance contributions received re municipal water projects	24,200
Automotive equipment	521,086		
Operating equipment	54,626		
Office equipment	58,690		
Medical equipment	<u>44,323</u>		
	678,725		
Less: Provision for depreciation	<u>171,579</u>		
	507,146		
Total Assets	5,117,704		
Excess of Expenditure over Income, per Statement of Income and Expenditure	2,644,081		
	<u>7,761,785</u>		<u>7,761,785</u>

NOTE: As of 30 April 1950, the assets were taken over and the liabilities assumed, by the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

Certified correct:

.....*James E. M. Brown*.....
Chief Finance Officer

Approved:

R. H. Hamlin
.....
Acting Director

AUDIT CERTIFICATE. We have audited the accounts maintained by United Nations Relief for Palestine Refugees, with respect to the transactions of the Fund established pursuant to General Assembly Resolution 212 (III) of 19 November 1948, for the period from the commencement of operations (as of 1 December 1948) to 30 April 1950. We have obtained all the information and explanations that we have required. As the result of the audit, we certify, subject to the observations in our report dated 31 July 1950, that, in our opinion, the above Statement of Assets and Liabilities presents a true and correct view of the state of the Fund's affairs as at 30 April 1950, and the related Statement of Income and Expenditure correctly summarizes the operations for the period, according to the best of our information and the explanations given to us and as shown by the books of the Fund.

Jan. Stevenson, Canada
Luis C. ..., Colombia
Alf. ..., Denmark

UNITED NATIONS RELIEF FOR PALESTINE REFUGEES

Statement of Income and Expenditure

for the period from the commencement of operations (as of 1 December 1948) to 30 April 1950

	<u>£ U.S.</u>	<u>£ U.S.</u>
<u>Income</u>		
Contributions received in cash (Schedule "A")	23,980,118	
Contributions received in kind (Schedule "B")	4,096,918	
Direct contributions by Governments in the Near East (Schedule "C")	8,391,794	
	<u>36,468,830</u>	
Miscellaneous Income	3,064	
Total Income		36,471,894
<u>Expenditure</u>		
<u>Relief Supplies Distributed:</u>		
Food (less sales of containers	18,673,545	
Blankets and clothing	2,140,534	
Tents	1,263,833	
Medical supplies	514,189	
Public health supplies	150,230	
Fuel	102,289	
	<u>22,844,620</u>	
<u>Operational Expenses (incurred by Operational Agencies):</u>		
Personnel costs (exclusive of those relat- ing to public health services) including per diem allowances at field stations	2,510,727	
Public health services	1,080,056	
Travel	310,903	
Communications	109,188	
Erection and maintenance of camps	266,511	
Transportation costs, including operation and maintenance of automotive equipment	1,985,345	
Port and shipping charges	136,500	
Local warehousing	28,559	
Miscellaneous	286,930	
	<u>6,714,719</u>	
<u>Depreciation of Equipment:</u>		
Automotive equipment	161,309	
Operating "	3,299	
Office "	4,100	
Medical "	2,871	
	<u>171,579</u>	
<u>Insurance on Automotive Equipment</u>	25,901	
Carried forward	29,756,819	36,471,894

	£ U.S.	£ U.S.
Brought forward	29,756,819	36,471,894
<u>Grants to National Charitable Organizations operating relief services in the Near East</u>	450,608	
<u>Expenditures incurred by Governments in the Near East (Schedule "C")</u>		
Relief supplies and services provided to refugees	7,200,756	
Transportation, warehousing and other services provided to UNRPR	1,191,038	8,391,794
<u>Administrative Expenses:</u>		
Headquarters:		
Personnel costs	168,854	
Travel	27,443	
Communications	19,275	
Transportation	6,198	
Public relations	8,415	
Miscellaneous	9,397	
	<u>239,582</u>	
Field Offices:		
Personnel costs (including per diem allowances to internationally recruited staff members at field stations)	179,278	
Travel	19,380	
Transportation	28,244	
Communications	13,435	
Insurance	12,717	
Office expenses	8,649	
Miscellaneous	5,122	
	<u>266,825</u>	506,407
<u>Losses in Transit</u>		10,154
<u>Loss on Exchange</u> (See Schedule "A", Note 2)		193
Total Expenditure		<u>39,115,975</u>
<u>Excess of Expenditure over Income</u>		<u>2,644,081</u>

Note: Included among the amounts shown for operational expenses and Headquarters' administrative expenses in the above statement, are estimated termination costs (to be incurred subsequent to 30 April 1950) to a total of £ 136,913, including £ 103,796 estimated for the termination costs to be incurred by the operational agencies.

Certified correct:

James E. M. Brown
.....
Chief Finance Officer

Approved:

Robert Hamilton
.....
Acting Director

UNITED NATIONS RELIEF FOR PALESTINE REFUGEES

Schedule "A"

Contributions Received in Cash

during the period from the commencement of operations (as of 1 December 1948) to 30 April 1950

<u>Contributor</u>	<u>Contribution</u>	<u>Recorded value in \$ U.S.</u>
MEMBERS OF UNITED NATIONS:		
United States of America	\$ 16,000,000 U.S.	16,000,000
United Kingdom of Great Britain and Northern Ireland	£ 1,100,000 Sterling	4,435,484 (1)
France	482,064,409 French francs	1,826,002 (2)
Egypt	£ 130,000 Egyptian	499,623
Pakistan	£ 54,058 Egyptian	223,380
India	230,800 rupees	69,666
Lebanon	£ 70,000 Lebanese	32,373 (3)
Syria	£ 35,145 Syrian	16,070 (3)
Dominican Republic	\$ 10,000 U.S.	10,000
Yemen	£ 21,569 Lebanese (proceeds of sale of grain)	9,863
Afghanistan	£ 2,000 Sterling	5,600
Israel	£ 300 Israeli	1,209
		<hr/> 23,129,270
OTHER GOVERNMENTS:		
Hashemite Kingdom of Jordan	£ 100,000 Palestinian	329,290 (3)
Eire	£ 24,000 Sterling	96,774 (4)
Switzerland	200,000 Swiss francs	46,593
Bahrein	111,686 rupees and £ 823 Egyptian	35,812
		<hr/> 508,469
OTHER CONTRIBUTORS:		
Kuwait Oil Company Limited	£ 25,000 Sterling	100,806
World Health Organization	\$ 100,000 U.S.	100,000
UNESCO	£ 11,241 Egyptian; £ 8,230 Palestinian and £ 2,200 Sterling	65,081
UNICEF	£ 2,122 Egyptian; \$ 2,000 U.S. and £ 593 Syrian	10,082
United Nations Mediator for Palestine	\$ 5,526 U.S.	5,526
Shell Oil Company	£ 1,000 Egyptian	4,132
American Mission, Cairo	£ 916 Egyptian	3,785
Dharan Women's Club	\$ 2,000 U.S.	2,000
Sudan Red Cross Society	£ 375 Egyptian	1,331
International Refugee Organization	£ 242 Egyptian	1,002
Sundry other contributors (to value of under \$ 1,000 U.S. each)	Various currencies	48,634
		<hr/> 342,379
	TOTAL	<hr/> 23,980,118 <hr/>

Notes:

- (1) This amount comprises an outright contribution of £ 1,000,000, together with a supplementary contribution of £ 100,000 which was made subject to the proviso that £ 90,000 be paid over to the British Red Cross Society and £ 10,000 to the Save the Children Fund, towards their relief work among the refugees.
- (2) At the request of the Government of France, this contribution was valued at the rate of 264 francs to \$1 U.S., rather than at the bank rates of exchange ruling on the dates the several portions of the contribution were made available (other contributions were converted into U.S. dollars at the official rates of exchange at the time the donations were received). To 30 April 1950, the French contribution had been utilized - and the

Schedule "A" -2.

Notes (Cont'd):

expenditures charged at the rate mentioned - except for 208,394 French francs remaining at 30 April 1950. This balance was adjusted to the bank rate on that date (349.70 French francs to \$1 U.S.) for purposes of transfer to UNRWA - resulting in a recorded loss on exchange of \$ 193.45.

- (3) As at 30 April 1950, additional contributions were regarded as due from the Hashemite Kingdom of Jordan (£ 40,000 Palestinian), the Government of Lebanon (£ 46,099 Lebanese), and the Government of Syria (£ 21,389 Lebanese), under agreements requiring them to contribute towards the cost of port, shipping and transport charges incurred.
- (4) This contribution was subject to the proviso that it be used for the purchase of a certain shipment of oatmeal, half of which was to be delivered to the Catholic Relief Committee for Palestine.

Contributions Received in Kind

during the period from the commencement of operations (as of 1 December 1948) to 30 April 1950

<u>Contributor</u>	<u>Contribution</u>	<u>Recorded value in \$ U.S.</u>
MEMBERS OF UNITED NATIONS:		
Canada	Canned fish; dried peas; flour	1,040,616
Australia	Wheat	325,806
Belgium	Textiles; medical supplies; canned beans; operating equipment	441,180
New Zealand	Dehydrated vegetables; dried peas; canned meat; canned butter; powdered skimmed milk; medical supplies	320,732
Turkey	Tents	206,333
Sweden	Powdered skimmed milk; tents	90,218
Saudi Arabia	Gasoline; kerosene; gas oil	142,356
Norway	Smoked fish; canned fish; cod liver oil	60,475
Greece	Dried fruit	38,221
Israel	Flour; jam; sugar	50,000
France	Dates; figs	41,378
Union of South Africa	Canned fish; canned meat	39,687
Yugoslavia	Wheat; barley	35,200
Venezuela	Canned foods; blankets; clothing	14,925
Luxembourg	Canned vegetables; barley	5,209
Egypt	School books; tents	4,067
		<hr/> 2,856,403
OTHER GOVERNMENT CONTRIBUTORS:		
Indonesia	Rice; sugar	93,396
Italy	Textiles	27,764
Switzerland	Medical supplies	21,771
		<hr/> 142,931
OTHER CONTRIBUTORS:		
International Refugee Organization	Blankets; tents; clothing; soap; operating, automotive and office equipment	834,009
Superior Council of Arab League	Clothing; blankets	88,788
The American National Red Cross	Medical supplies; ambulances	70,200
American Middle East Relief Inc.	Medical supplies	39,638
American Friends Service Committee	Used clothing	25,547
Friends Service Council in London	Used clothing	10,000
International Union for Child Welfare	Tents	8,468
Municipality of Gaza	Ambulance	3,000
Council of British Societies for relief abroad	Powdered buttermilk	2,851
S.A. Zionist Federation	Shipping space (for canned fish)	2,413
Church Mission Societies	Used clothing; blankets; medical supplies	2,478
Swedish Red Cross Society	Medical supplies	2,228
Netherlands Red Cross Society	Medical supplies	1,636
Sundry other contributors (to value of under \$ 1,000 U.S. each)	Used clothing, etc.	6,328
		<hr/> 1,097,584
	TOTAL	<hr/> 4,096,918 <hr/>

NOTE: The contributions were recorded at the valuations placed upon them by the contributors concerned.

In addition, contributions to the Palestine refugee relief programme were made by:

- (i) The Government of Denmark - which made available directly to the Danish Red Cross and the Save the Children Fund, funds for commodities and equipment totalling \$130,480, and -
- (ii) The Government of Sweden - which made available directly to the Swedish Red Cross and the Save the Children Fund, funds for commodities and equipment totalling \$14,239.

These contributions were made to the organizations specifically for their Palestine refugee relief work and were so notified to UNRPA by the Governments.

Schedule "C"UNITED NATIONS RELIEF FOR PALESTINE REFUGEESDirect Contributions by Governments in the Near Eastduring the period from the commencement of operations (as of 1 December 1948) to 30 April 1950

<u>Contributor</u>	<u>Recorded value in \$ U.S.</u>		
	<u>Aid to Refugees</u>	<u>Services to UNRPR</u>	<u>Total</u>
Egypt	1,531,314	787,048	2,318,362 (Note 1)
Syria	2,309,101		2,309,101 (Note 2)
Lebanon	1,000,094	270,448	1,270,542 (Note 3)
Hashemite Kingdom of Jordan	933,481		933,481 (Note 4)
Iraq	892,598		892,598 (Note 5)
Israel	534,168	133,542	667,710 (Note 6)
Totals	<u>7,200,756</u>	<u>1,191,038</u>	<u>8,391,794</u>

Notes:

- (1) Calculated as follows: \$ 1,923,050 confirmed by Egyptian Government for period from 1 December 1948 to 30 June 1949; \$ 253,616 estimated by operational agency concerned, for period from 1 July to 31 December 1949; and \$ 141,696 estimated for period from 1 January to 30 April 1950, on basis of latest confirmed monthly average.
- (2) Calculated as follows: \$ 1,851,853 confirmed by Syrian Government for period from 1 December 1948 to 31 December 1949; and \$ 457,248 estimated for period from 1 January to 30 April 1950, on basis of latest confirmed monthly average.
- (3) Calculated as follows: \$ 1,058,378 confirmed by Lebanese Government for period from 1 December 1948 to 31 December 1949; and \$ 212,164 estimated for period from 1 January to 30 April 1950, on basis of latest confirmed monthly average.
- (4) Calculated as follows: \$ 858,689 confirmed by Hashemite Kingdom of Jordan for period from 1 December 1948 to 28 February 1950 (except December 1949); \$ 22,400 estimated by operational agency concerned, for December 1949; and \$ 52,392 estimated for period from 1 March to 30 April 1950, on basis of latest confirmed monthly average.
- (5) Calculated as follows: \$ 718,870 confirmed by Iraqi Government for period from 1 December 1948 to 31 December 1949; and \$ 173,728 estimated for period from 1 January to 30 April 1950, on basis of latest confirmed monthly average.
- (6) Calculated as follows: \$ 113,104 confirmed by Israeli Government, as to the value of services to UNRPR during period from 1 December 1948 to 31 December 1949; \$ 20,438 estimated for value of services to UNRPR during period from 1 January to 30 April 1950, on basis of latest confirmed monthly average; and \$ 534,168 estimated for value of aid to refugees during period from 1 December 1948 to 30 April 1950, on basis of the ratio of 80 : 20 between "aid to refugees" and "services to UNRPR" (which ratio had been used by other Governments, in making estimates of their contributions).

REPORT OF THE BOARD OF AUDITORS ON THE AUDIT OF THE ACCOUNTS MAINTAINED
BY UNITED NATIONS RELIEF FOR PALESTINE REFUGEES FOR THE PERIOD
FROM THE COMMENCEMENT OF OPERATIONS (AS OF 1 DECEMBER 1948)
TO 30 APRIL 1950

1. General Assembly resolution 212 (III) of 19 November 1948 authorized the Secretary-General to establish a Fund from contributions received for the aid of Palestine refugees; and requested him to appoint a Director of United Nations Relief for Palestine Refugees. The resolution instructed the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to establish regulations for the administration and supervision of the Fund.
2. The Regulations include the requirement that "the accounts of the Fund shall be audited by the Board of Auditors of the United Nations and a separate report thereon shall be submitted to the General Assembly". In accordance with this requirement, an audit has been made of the accounts maintained by United Nations Relief for Palestine Refugees for the period from the commencement of operations (as of 1 December 1948) to 30 April 1950. As of the latter date, the assets and liabilities of the Fund were transferred to United Nations Relief and Works Agency for Palestine Refugees in the Near East, in conformity with the direction contained in resolution 302 (IV) of 8 December 1949.
3. An audit certificate is given, subject to the observations in this report, to the Statement of Assets and Liabilities as of 30 April 1950, submitted by the Acting Director of United Nations Relief for Palestine Refugees. The certificate also embraces the related Statement of Income and Expenditure for the period from the commencement of operations to 30 April 1950.
4. The Regulations for the Administration and Supervision of the Fund include the provision that the Director shall be responsible to the Secretary-General, among other things, for:
"the appointment of an operational agency or agencies to assume complete responsibility for the implementation of a relief programme in the field and for the distribution of supplies donated under United Nations auspices"
and further provide that:
"the agreement or agreements entered into with the said agency or agencies will recognize their complete autonomy and independence in the performance of this task".

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Although the operational agencies provided monthly summaries showing the amounts disbursed by them, under prescribed expenditure headings, they were not required to submit vouchers in support of disbursements made by them on behalf of the Fund; and the agreements provided that the accounts maintained by them be audited by accredited auditors appointed by them. Accordingly, no examination was made by the Board, of vouchers relating to the operational expenses shown in the Statement of Income and Expenditure, as having been incurred by the operational agencies.

5. Copies of reports made periodically by the agencies' auditors were furnished to the Chief Finance Officer of the Fund, and were made available to the Board. In the cases of two of the agencies, the reports cover disbursements made during the period from the commencement of operations to 30 April 1950 (and in one of these cases, additional expenditures incurred but not yet paid, were also audited). The reports made (up to 24 July 1950) by the auditors of the third agency, cover disbursement during the period from the commencement of operations to 30 September 1949. With respect to the accounts maintained by one of the operational agencies, the auditors' report for the period from 1 January to 30 April 1950 includes the following comments (repeating similar observations made in their report with respect to the period from 1 July to 31 December 1949):

"Philadelphia and Geneva: Only monthly statements are received from these offices, which are not supported by vouchers".

"Gaze: As on previous occasions the vouchers examined by us were not altogether satisfactory. In some cases statements of expenses were unsigned and not supported by invoices or receipts, and in others cash payments were completely unsupported".

"Acro: A considerable number of vouchers in support of petty cash expenditure could not be produced to us including staff salaries receipts for the month of April 1950".

6. The Regulations for the Administration and Supervision of the Fund include the requirement that "the accounts of the special fund shall be accompanied by statements showing ... full details of all known losses and shortages". An amount of \$10,154 is shown for "losses in transit", in the Statement of Income and Expenditure. This amount represents losses which occurred in the transportation of supplies which had been shipped as contributions in kind. We were informed that notifications of the shortages had been given to the contributors concerned, for such action as they might deem advisable. The greater part of the supplies

/was purchased

was purchased locally - and since payments were made for these on the basis of the quantities actually delivered to the operational agencies, no losses in transit could occur so far as the Fund was concerned. With respect to supplies (mainly tents and blankets) purchased abroad, no losses occurred while such supplies were in transit to the ports of delivery.

7. Information provided is to the effect that when delivery of supplies - whether purchased or contributed - was accepted by the operational agencies, on behalf of the Fund, the supplies were at once checked either into the main port warehouses, operated by the agencies, or into the charge of trucking contractors, for delivery to regional warehouses. Transportation of supplies between the main port warehouses and the regional warehouses, and between the regional warehouses and the distributing centres, was also by trucking contractors. These contractors were held accountable in all cases for supplies placed in their charge, so that no losses could occur so far as the Fund was concerned.

8. No losses of supplies in their charge, were reported to officers of the Fund by the operational agencies. Audit reports made by auditors of two of the agencies, indicate that their text-examinations of accounting records for warehoused stores, showed such records to have been satisfactorily maintained and the stocks properly accounted for to the extent tested. It was learned from an officer of the third agency that, although accounting records were maintained with respect to warehoused stores, these accounts had not been made subject to audit by the agency's auditors.

The audit was facilitated by the willing co-operation and assistance of officers and employees of the Fund, for which the members of the Board wish to record their appreciation.

(Signed)	Ian Stevenson	Canada
"	Luis Cuervo	Colombia
"	Otto F. Renko	Denmark

31 July 1950
