



United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

B-266137

October 20, 1995

The Honorable Jesse Helms  
Chairman  
The Honorable Claiborne Pell  
Ranking Minority Member  
Committee on Foreign Relations  
United States Senate

The Honorable Benjamin A. Gilman  
Chairman  
The Honorable Lee H. Hamilton  
Ranking Minority Member  
Committee on International Relations  
House of Representatives

The Foreign Relations Authorization Act for fiscal years 1986 and 1987 required, as a condition of U.S. contributions, annual program audits of the United Nations High Commissioner for Refugees (UNHCR).<sup>1</sup> These audits were to be conducted by independent consultants selected by UNHCR's Executive Committee. The act also required that the audits be made available to the Department of State and be inspected by us and that we report the results of our inspection to Congress. These requirements were prompted by congressional concerns about the effectiveness of UNHCR's operations and how U.S. contributions were being spent.<sup>2</sup>

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<sup>1</sup>Public Law 99-93, section 113, 99 Stat. 411, codified at 22 U.S.C. 2606.

<sup>2</sup>UNHCR, a specialized agency of the United Nations, receives most of its funds through voluntary contributions by donor nations; it receives some assessed funds through the regular U.N. budget. The U.S. voluntary contributions to UNHCR amounted to about \$255.5 million in fiscal year 1994.

An independent consulting firm conducted the first program audit in 1986, and we subsequently issued our report on it. In 1990, Congress amended the law to allow the U.N. Board of Auditors to conduct the program audits instead of independent consultants.<sup>3</sup> However, the requirement relating to us was retained.

We have attempted to inspect the program audits performed by the Board of Auditors, most recently in April 1995. Although State Department officials endeavored to assist us, we were unable to carry out such inspections because we were not granted access to the management letters, which we were informed constitute the program audit reports, or the supporting documentation, including audit planning documents and the auditors' work papers.<sup>4</sup> These documents, in our opinion, are necessary to evaluate audit scope, access audit methodology, and determine whether audit objectives were met. The documents would also provide information about the extent to which (1) work was adequately planned; (2) staff assigned to the audits were properly supervised; (3) UNHCR's internal controls were assessed; and (4) sufficient, competent, and relevant evidence was used as a basis for the auditors' findings and conclusions.

U.N. officials have determined that an international convention and U.N. rules and regulations prohibit individual donor countries from having access to U.N. documents supporting U.N. audits. Article XII, Regulation 12.6 of the Financial Regulations and Rules of the United Nations, along with the annex to the regulations, gives the Board of Auditors sole responsibility for U.N. audits. Moreover, under the Convention on Privileges and Immunities of the

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<sup>3</sup>Public Law 101-246, 104 Stat. 74.

<sup>4</sup>On April 26, 1995, we sought the assistance of the U.S. Representative for U.N. Management and Reform to obtain the documents necessary to inspect the Board of Auditors' annual program audit summarized in its report entitled Voluntary Funds Administered by the United Nations High Commissioner for Refugees: Audited Financial Statements for the Year Ended 31 December 1993 and Report of the Board of Auditors (U.N. Doc. No. A/44/5/Add. 5, July 28, 1994). On June 28, 1995, and August 30, 1995, the U.N. Under Secretary General for Administration and Management and the Chairman of the Board of Auditors responded, respectively, that we would not be granted access to the necessary documents.

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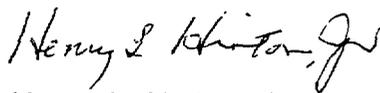
United Nations,<sup>5</sup> which the United States has ratified, the U.N. archives, and, in general, all documents belonging to or held by it are inviolable.

Because we do not have access to the documents necessary to perform the required inspection, we recommend that the functions conferred on the Comptroller General, as set forth in 22 U.S.C. 2606, be repealed.

AGENCY COMMENTS

The Department of State was provided an opportunity to comment on this letter. State officials informed us that they had no comments.

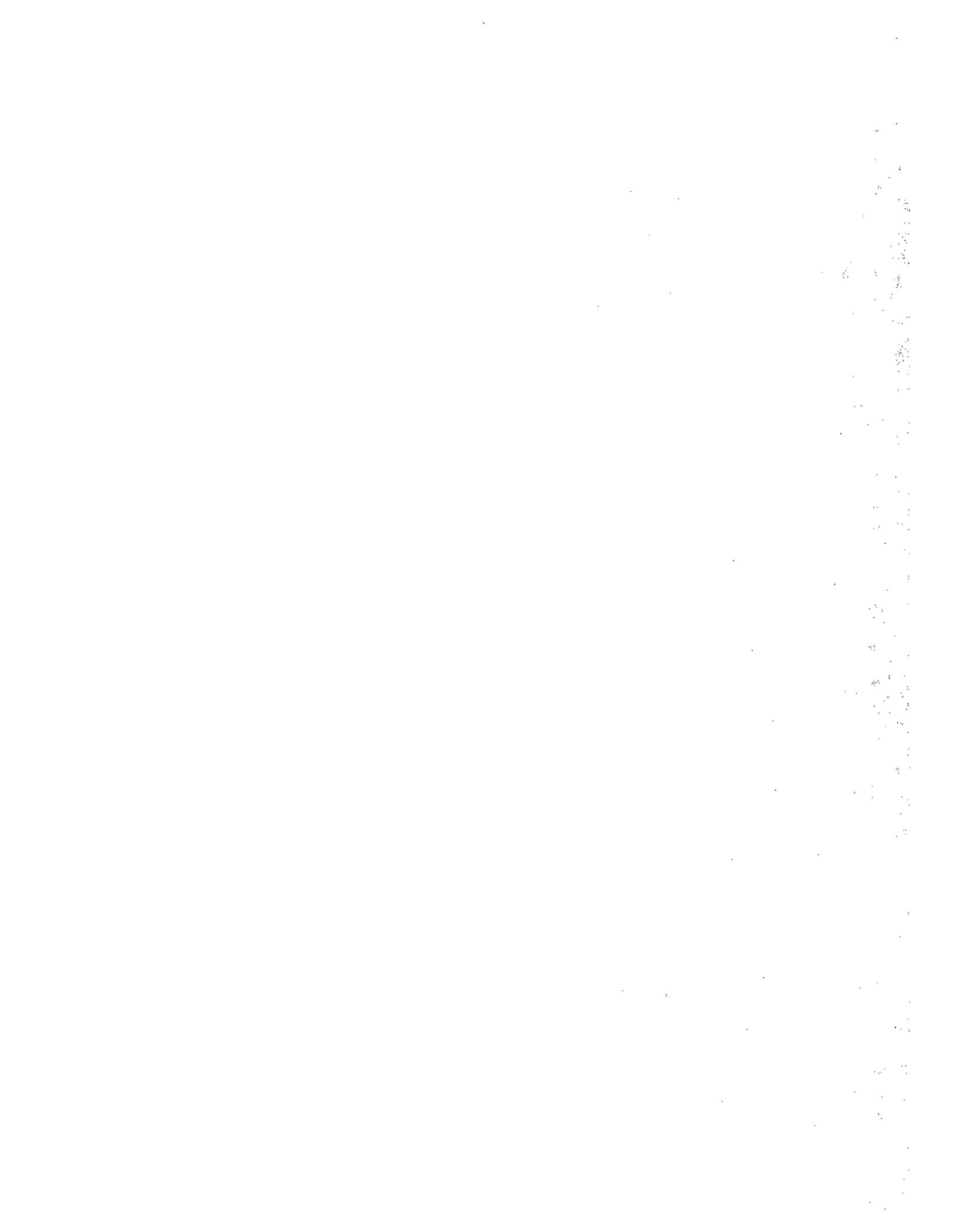
If you or your staff have any questions regarding this matter, please call me at (202) 512-4300, or Harold J. Johnson at (202) 512-4128.



Henry L. Hinton, Jr.  
Assistant Comptroller General

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<sup>5</sup>This Convention was adopted by the U.N. General Assembly on February 13, 1946, and ratified by the President of the United States, subject to some reservations, on April 15, 1970, 21 U.S.T. 1481, T.I.A.S. 6900.



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