



Financial report and audited financial statements

**for the 12-month period
from 1 July 2011 to 30 June 2012**

and

Report of the Board of Auditors

**Volume II
United Nations peacekeeping operations**

**General Assembly
Official Records
Sixty-seventh Session
Supplement No. 5**



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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

AMIS	African Union Mission in the Sudan
AMISOM	African Union Mission in Somalia
e-MOP	Electronic movement of personnel system
IMIS	Integrated Management Information System
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observation Mission in Angola
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
OIOS	Office of Internal Oversight Services
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMID	African Union/United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNISFA	United Nations Interim Security Force for Abyei
UNLB	United Nations Logistics Base at Brindisi, Italy

UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISS	United Nations Mission in South Sudan
UNMISSET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission in Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPSG	United Nations Civilian Police Support Group
UNSMIH	United Nations Support Mission in Haiti
UNSMIS	United Nations Supervision Mission in the Syrian Arab Republic
UNSOA	United Nations Support Office for AMISOM
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization

Letters of transmittal

28 September 2012

Dear Mr. Chairman,

In accordance with financial regulation 6.5, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 2011 to 30 June 2012, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(Signed) **BAN** Ki-moon
Secretary-General

Mr. Liu Jiayi
Chair of the United Nations Board of Auditors
United Nations
New York

17 January 2013

Sir,

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2012, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(Signed) Amyas **Morse**
Comptroller and Auditor-General of the United Kingdom of
Great Britain and Northern Ireland
Chair of the United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Report on the financial statements

We have audited the accompanying financial statements of the United Nations peacekeeping operations, which comprise the statement of income and expenditure and changes in reserves and fund balances for the year ended 30 June 2012 (statement I), the statement of assets, liabilities and reserves and fund balances as at 30 June 2012 (statement II), the statement of cash flows for the year ended 30 June 2012 (statement III), and the notes to the financial statements, including the related statements (statements IV-LI) and annexes.

Management's responsibility for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of these financial statements in accordance with the United Nations system accounting standards, and for such internal control as management deems necessary to permit the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2012 and its financial performance and cash flows for the year then ended, in accordance with the United Nations system accounting standards.

Emphasis of matter

We draw attention to note 14 to the financial statements, in which the Organization discloses for the first time the \$889 million incurred cost of constructing buildings and structures for the peacekeeping missions. Our opinion is not qualified in respect of this matter. We comment further on this matter in the long-form report.

Report on other legal and regulatory requirements

In our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

(Signed) Amyas **Morse**
Comptroller and Auditor-General of the
United Kingdom of Great Britain and Northern Ireland
(Chair of the United Nations Board of Auditors)

(Signed) **Liu Jiayi**
Auditor-General of China
(Lead Auditor)

(Signed) Ludovick **Utouh**
Controller and Auditor-General of the
United Republic of Tanzania

17 January 2013

Chapter II

Long-form report of the Board of Auditors

Summary

The United Nations Board of Auditors has reviewed the operations and audited the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2012. The audit was carried out through visits to Headquarters and to 16 active field missions, and an examination of the accounts of 27 completed missions and the four special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, United Nations Logistics Base at Brindisi, Italy, and after-service health insurance for peacekeeping operations.

Audit opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2012 and their financial performance and cash flows for the period then ended, in accordance with the United Nations system accounting standards.

The Board draws attention to note 14 to the financial statements, which discloses for the first time the \$889 million incurred cost of constructing buildings and structures for the peacekeeping missions. The Board's opinion is not qualified in respect of this matter. The Board comments further on this matter in the report.

Financial overview

Total income increased to \$8.02 billion from \$7.84 billion in the previous financial year, owing to an increase in assessed contributions. Overall expenditure was \$7.54 billion, a moderate decrease compared to the prior year's expenditure of \$7.57 billion. As a result, there was an excess of income over expenditure of \$479 million, compared to an excess of \$266 million in the preceding financial year.

Follow-up of previous recommendations

Of the 40 recommendations made for 2010/11, 18 (45 per cent) were fully implemented and 22 (55 per cent) were partially implemented in the period under review. This implementation rate remained at nearly the same level as the previous year (2009/10), when 44 per cent of the recommendations were fully implemented and 56 per cent were partially implemented.

Key findings

The Board recognizes the efforts made by the Administration to address the concerns expressed by the Board in the previous reports and to enhance financial control and management. The Board has, however, still identified weakness and deficiencies as set out in the present report. In summary the main concerns are that:

(a) Project governance for the global field support strategy has not functioned adequately. Despite being in its third year of implementation, the project lacks a benefits realization plan, a cost capturing and reporting mechanism and robust risk management processes;

(b) There is insufficient accountability on the part of senior mission management for success in the implementation of IPSAS;

(c) There are continued deficiencies in asset management as well as weaknesses in relation to asset disposal activities at liquidated missions. \$83.55 million of non-expendable property had not been used for more than one year, of which \$23.5 million had a high risk of loss or waste;

(d) There are weaknesses in procurement processes, which present risks to the fairness, transparency, efficiency and effectiveness of procurement;

(e) Insufficient consideration of historical trends and other key factors in budget formulation at the mission level, and deficiencies in the budget formulation of UNMISS by using the standardized funding model, could result in a possible budget overestimation of \$246 million.

Implementation of the International Public Sector Accounting Standards

Peacekeeping operations aim to deliver their first set of IPSAS-compliant financial statements for the year ending 30 June 2014. The schedule for implementation is tight and significant risks remain. While the Board acknowledges the Administration's efforts towards implementation, it noted (a) deficiencies in IPSAS progress management in missions; and (b) a lack of firm commitment and accountability of missions' top management for IPSAS implementation.

Asset management

As at 30 June 2012, peacekeeping operations held \$2.23 billion of non-expendable property, based on historical costs, and an estimated \$0.40 billion of expendable property. While the Board recognizes the progress made by the Administration in addressing the deficiencies in asset management raised by the Board in previous reports, it continued to note:

(a) Lack of separate accounts to record the costs of each constructed asset;

(b) Insufficient physical verification of \$56.53 million of non-expendable property which was in transit from liquidated missions to other missions as well as expendable property at some missions;

(c) As of 30 June 2012, \$83.55 million of non-expendable property had not been used for more than a year. Of this total, \$9.97 million was pending write-off and disposal and \$13.53 million had not been used for more than three years, which presents a high risk of loss or waste;

(d) Deficiencies in relation to asset disposal activities at liquidated missions: (i) assets in bad condition transferred to other missions; (ii) inadequate asset transfer procedure at liquidated missions; and (iii) lack of prior approval of amendments to the asset disposal plan.

Procurement and contract management

Effective procurement is vital if missions are to successfully fulfil their mandates. For the year ended 30 June 2012, expenditure on procurement for peacekeeping missions was \$2,617 million, of which \$950 million was through Headquarters and \$1,667 million through local Missions. The Board reviewed acquisition planning, solicitation processes, contract management and vendor management and noted:

- (a) Inadequate consideration of available stock before requisition leading to potential wastage and other unnecessary costs;
- (b) Lack of coordination when missions were procuring the same or similar products, potentially impairing economies of scale and the efficiency of the procurement process;
- (c) Deficiencies in solicitation processes such as lack of fairness, integrity and transparency in vendor invitations;
- (d) Weaknesses in contract administration and management, including (i) using the “eight months rule” to avoid review by the Headquarters Committee on Contracts; (ii) cases of ex post facto procurement which did not meet the exigency criteria; and (iii) lack of consideration of vendor performance evaluations when awarding or extending contracts.

Budget formulation and management

The Board reviewed missions’ budget formulation processes and identified:

- (a) Lack of consideration of key factors during budget formulation, such as non-operational days in setting aviation guaranteed fleet costs and the “unaccepted factor” in contingent-owned equipment costs;
- (b) Lack of due consideration of historical trends for key budget assumptions such as estimated flight hours;
- (c) The need for improved guidance in certain areas, such as clear criteria for the selection of different construction approaches (outsourced versus in-house).

Taken together, the deficiencies in budget formulation could have resulted in a possible \$144.5 million overestimation of the 2011/12 budget.

Travel management

The Board reviewed travel management at missions and Headquarters and noted risks to value for money arising from insufficient use of videoconferences and non-compliance with the advance purchase policies for air ticket booking.

Implementation of the global field support strategy

The global field support strategy is a significant business transformation project aimed at expediting and improving the service delivery to field missions. While noting the aims of the strategy as well as efforts and progress made towards their achievement, the Board identified some key deficiencies, including the following.

Key deficiencies in overall project management. Despite the project being in its third year of implementation there is a lack of a sufficiently detailed project implementation plan and a comprehensive timeline for each pillar of the strategy, insufficient risk management and a lack of a cost capturing and reporting mechanism.

Ineffective functioning of project governance mechanisms was noted at both the Headquarters and pillar levels, such as the Global Field Support Strategy Steering Committee and Client Board, the Global Service Centre Steering Committee and governance of the modularization project.

Significant deficiencies in benefits management. There is no benefits realization plan for the strategy and insufficient tracking of both qualitative benefits and the projected \$49.4 million quantitative benefits. The envisaged benefits of \$6.8 million and savings of \$61.3 million reported in the Secretary-General's second progress report on the strategy (A/66/591) could not be substantiated.

The Administration moved six posts from the Global Service Centre to the United Nations Support Base in Valencia, Spain, without the General Assembly's approval and subsequently had to move the posts back. Similarly, the Board noted that 163 posts were moved to the Regional Service Centre prior to the General Assembly's approval.

Significant deficiencies were noted in the budget methodology underpinning the standardized funding model, with an overall net impact on resource requirements estimated at \$18.54 million. In addition, the assets transferred from UNMIS and the actual situation at UNMISS were not duly considered in the 2011/12 budget proposal, with a net impact on the resource requirements amounting to \$120.83 million.

The modularization project had been delayed by 10 months at the time of audit owing to (i) the lack of a senior responsible owner for the project who is ultimately accountable for its success and benefits delivery; and (ii) delays in finalization of the project's statement of work. The Board has yet to see how the delays will be resolved or mitigated and considers that further slippage in project implementation may ensue.

Recommendations

The Board has made a number of recommendations based on its audit. The main recommendations are that the Administration:

Financial and operational management

(a) **Provide formal feedback or advice to missions regarding their delays in IPSAS implementation activities, and ensure that senior mission managers are adequately committed to and held accountable for the successful implementation of IPSAS and the achievement of the envisaged benefits;**

(b) **Establish separate accounts to record the costs of constructed assets and take steps to expedite the development of the valuation methodology in compliance with the requirements of IPSAS;**

(c) Conduct sufficient physical verification of both non-expendable and expendable property and ensure that missions in the process of liquidation comply fully with the regulations of the liquidation manual with regard to the transfer and handover of assets;

(d) Ensure that missions' requests for new assets are based on a review of the quantities already in stock and a realistic estimate of demand;

(e) Enhance the strategic planning of peacekeeping procurements by consolidating demand for goods and services across the missions to identify and secure economies of scale;

(f) Strengthen control over procurement solicitation and the administrative aspects of contracts;

(g) Duly consider historical trends and other key factors while formulating the budget and conduct, both at Headquarters and in missions, more stringent reviews of budget submissions to ensure that they are formulated in a consistent, accurate and appropriate manner;

(h) Develop a policy with respect to the prior consideration of using telephone and videoconferencing before undertaking official travel, and make efforts to improve the rates of compliance with the advance purchase policy;

Implementation of the global field support strategy

(i) Develop a comprehensive project implementation plan setting out detailed goals, timelines, key activities, milestones, benchmarks/baselines and project deliverables to ensure that the end-state vision of each pillar under the global field support strategy can be achieved in a timely manner;

(j) Improve the global field support strategy project management by expediting the development of a risk management framework, ensuring that the communication strategy is sufficiently implemented and establishing a cost recording and reporting mechanism to facilitate improved oversight and governance;

(k) Improve the functioning of the Global Field Support Strategy Steering Committee, the Client Board and the Global Service Centre Steering Committee to ensure more transparent and effective decision-making; and review and revise the current governance structure of the modularization project to establish single-point accountability for the project's success and benefits delivery;

(l) Improve benefits management by (i) developing a benefits realization plan to track, quantify and manage the intended benefits of implementation of the strategy; and (ii) establishing key performance indicators, baselines and expected outcomes and a system to monitor and report on their achievement for each pillar of the strategy;

(m) Conduct a thorough review to validate the savings achieved by the Transport and Movements Integrated Control Centre at the Regional Service Centre from January 2010 to June 2011 and accurately report the savings achieved in this period and in financial year 2011/12 in the Secretary-General's third progress report;

(n) **Ensure that the General Assembly's approval is sought prior to any transfer of functions/posts to the Global Service Centre or the Regional Service Centre;**

(o) **Address the deficiencies in relation to budget assumptions and methodology in the standardized funding model to make the indicative budget more realistic and well-justified and ensure that the actual situation and requirements of a new mission are duly considered when making budget proposals based on the standardized funding model;**

(p) **Establish an action plan for the expeditious finalization of the statement of work to avoid further slippage in the implementation of the modularization project.**

A. Mandate, scope and methodology

1. The Board of Auditors has audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2011 to 30 June 2012, in accordance with General Assembly resolution 74 (I). The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto, as well as with the International Standards on Auditing.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements fairly presented the financial position of the United Nations peacekeeping operations as at 30 June 2012 and the results of operations and cash flows for the financial period then ended, in accordance with the United Nations system accounting standards. This included an assessment of whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenditure had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls, and an examination of the accounting records and other supporting evidences to the extent that the Board considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its audit coverage at Headquarters and 16 active field missions, the accounts of 27 completed missions and the four special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, UNLB and after-service health insurance for peacekeeping operations, as detailed in annex I.

4. In addition to the audit of accounts and financial transactions, the Board carried out reviews of the peacekeeping operations under financial regulation 7.5. This requires the Board to make observations with respect to the efficiency of financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the peacekeeping operations.

5. The Board continued to report the results of audits to the Administration through management letters containing detailed observations and recommendations. This practice allows for ongoing dialogue with the Administration. In this regard, 15 management letters were issued covering the financial period under review. The Board followed up on previous recommendations and presented its observations and recommendations on specific missions in an additional annex (annex III to the present report) as the Advisory Committee on Administrative and Budgetary Questions requested in its report (A/64/708).

6. The Board coordinated with OIOS in the planning of its audits in order to avoid duplication of efforts and to determine the extent to which the Board could rely on the work of OIOS.

7. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views have been appropriately reflected in the report.

B. Main findings and recommendations

1. Follow-up of previous recommendations of the Board

8. Of the 40 recommendations made for 2010/11, 18 (45 per cent) were fully implemented and 22 (55 per cent) were partially implemented in the period under review. This implementation rate remained at nearly the same level as the previous year (2009/10), when 44 per cent of the recommendations were fully implemented and 56 per cent were partially implemented (annex II).

9. The Board noted that the Administration improved the monitoring of the implementation of the Board's recommendations and reinforced the guidance to the missions on issues concerned. Particular improvements were noted in the area of personnel, where most of the recommendations were implemented. The Board welcomes the progress made by the missions and encourages the Administration to intensify its efforts to implement the Board's recommendations.

Recommendations under implementation

10. Of the 22 partially implemented recommendations, 4 were of an ongoing nature, 5 were due to be implemented in the fourth quarter of 2012 and after and the remaining 13 were expected to be implemented by the end of the third quarter of 2012. The Board would like to draw the Administration's attention to the 13 recommendations whose target implementation dates have not been met. A review needs to be conducted to determine the reasons for the delays, and efforts need to be intensified to get those recommendations implemented in an expeditious manner.

2. Financial overview and management

11. Compared with the previous year, total income increased from \$7.84 billion to \$8.02 billion owing to an increase in assessed contributions. Overall expenditure showed a moderate decrease, from \$7.57 billion to \$7.54 billion. As a result, there was an excess of income over expenditure of \$479 million, compared to \$266 million in the preceding financial year.

12. The \$479 million surplus of income over expenditure is mainly attributable to (a) the Administration's inability to obligate the budgeted funds in a timely manner before the end of the financial year and (b) overestimated budgets, a point elaborated on in more detail later in this report.

Unliquidated obligations

Creation of significant amount of obligations at the end of the financial year

13. In its previous report, the Board expressed concern over the creation of significant obligations near the end of the financial year. For the period under review, the Board sampled three missions and noted that the average ratio of unliquidated obligations created in the last month to total unliquidated obligations was 42 per cent, with the highest ratio 53 per cent found at UNMISS (table II.1).

Table II.1

Unliquidated obligations created in the last month of the financial year

(Millions of United States dollars)

<i>Mission</i>	<i>Unliquidated obligations as at the end of the financial year</i>	<i>Unliquidated obligations raised in the last month of the financial year</i>	<i>Percentage</i>
UNAMID	93.00	36.40	39
UNMISS	78.17	41.45	53
MONUSCO	58.23	18.96	33
Total	229.40	96.81	42

Note: Based on the outstanding obligation list of sampled missions.

High cancellation rates of prior-period obligations

14. In its previous reports, the Board highlighted the high incidence of cancellation of prior-period unliquidated obligations and recommended that the Administration ascertain the reasons for it and take appropriate measures to minimize the cancellation of prior-period unliquidated obligations. For the period under review, the ratio of cancellation stood at 12.9 per cent, lower than the 17.5 per cent registered in the previous financial year but still higher than the ratio in 2008/09 and 2009/10 (see table II.2).

Table II.2

Analysis of cancellation of unliquidated obligations for the past four financial years

(Millions of United States dollars)

	<i>2008/09</i>	<i>2009/10</i>	<i>2010/11</i>	<i>2011/12</i>
Unliquidated obligations at period end	1 500	1 384	1 152	1 017
Prior-period obligations cancelled in the following year	170	188	242	149
Percentage of prior-period obligations cancelled in the following year to prior-period unliquidated obligations	12.2	12.5	17.5	12.9

Note: Based on the audited financial statements.

15. The Board is concerned about the significant values of obligations created near the end of the year and the high rates of cancellation of obligations in the following period. This may indicate inadequate budget management in the course of the year, difficulties in accurately profiling expenditures through the year or in effective management of unliquidated obligations. There is also a risk that missions are creating obligations to reserve current-year funds for application in the following year. For example, the Board noted that in MINURSO, three obligations with a total value of \$62,252 were raised at the end of the financial year for activities expected to occur in 2012/13 in order to utilize the available budget, as the funds had remained unspent in 2011/12.

16. The Board recommends that the Administration improve financial planning and management to avoid significant creation of obligations near the end of the year and high rates of cancellation of obligations subsequently.

After-service health insurance

17. After-service health insurance, a major component of end-of-service liabilities, is determined on the basis of an actuarial valuation which applies an appropriate discount rate to future costs. This discount rate forms a key actuarial assumption for the valuation of after-service health insurance. As the current actuarial valuation is conducted biennially and the applied discount rate does not change during the biennium, the estimated annual after-service health insurance liability of peacekeeping operations might not reflect any volatility or changes in the economic environment. The Board noted there was a sharp increase of \$388 million of accrued after-service health insurance for the period under review, which was mainly due to the discount rate decrease from 6 per cent to 4.5 per cent under a new biennial actuarial valuation.

18. The Administration agreed with the Board's recommendation that it annually review the key actuarial assumptions of the after-service health insurance, particularly the discount rate.

3. Implementation of the International Public Sector Accounting Standards

19. The Secretary-General's second progress report on the adoption of IPSAS (A/64/355) states that IPSAS will go live for peacekeeping operations from 1 July 2013.

20. The Board has presented stand-alone IPSAS reports since 2011 following the request made by the Advisory Committee on Administrative and Budgetary Questions in 2010 (A/65/498). These reports are concerned mainly with the progress made by the United Nations at Headquarters level, as well as seven funds and programmes. The present report focuses on those areas requiring improvement at mission level and on the monitoring of field missions' IPSAS implementation activities by Headquarters.

Deficiency in missions' IPSAS implementation progress management

21. The Board noted delays in key IPSAS implementation activities and the lack of formal feedback from Headquarters on missions' IPSAS progress reports:

(a) At the time of audit, several major IPSAS-related tasks such as recruitment and workforce planning, development of guidance on cleansing and accurate recording of property, plant and equipment data, and developing mission-specific plans to adjust opening balances, were behind schedule or had not yet started;

(b) Monthly reports submitted by missions on IPSAS progress, which are consolidated by the Department of Field Support, were not validated by the IPSAS team at Headquarters. The Board also found that when missions' progress is behind schedule, there is no formal feedback or guidance from Headquarters on how to get implementation back on track.

22. The Board recommends that the Administration provide formal feedback or advice to missions regarding their delays in IPSAS implementation activities and take effective measures to get the missions' IPSAS progress on track.

23. The Administration indicated that (a) it would seek to improve the communication flows; (b) a field IPSAS implementation monitoring team was being

launched at the Regional Service Centre in Entebbe, Uganda, with responsibility to monitor progress, exercise quality control activities and provide support for missions' IPSAS activities; and (c) a new field support suite was being deployed to facilitate the opening balance preparation for mission real estate and infrastructure assets.

Lack of clear accountability of senior mission managers for IPSAS implementation

24. The implementation of IPSAS is a major business transformation process requiring the whole business to engage and derive the expected benefits. Successful implementation requires strong leadership, an effective governance structure and disciplined change management. The Board found, however, that mission senior managers have no clear accountability for successful IPSAS implementation. Without clear accountability there is a risk that senior management will direct mission resources and efforts into those areas and mandates where they have defined accountability. There needs to be an improved balance and consistency in senior management accountabilities for all United Nations critical business transformation activities reflected in the compacts of senior managers.

25. The Administration agreed with the Board's recommendation that it ensure that senior mission managers are adequately committed to and are held accountable for the successful implementation of IPSAS and the achievement of the envisaged benefits.

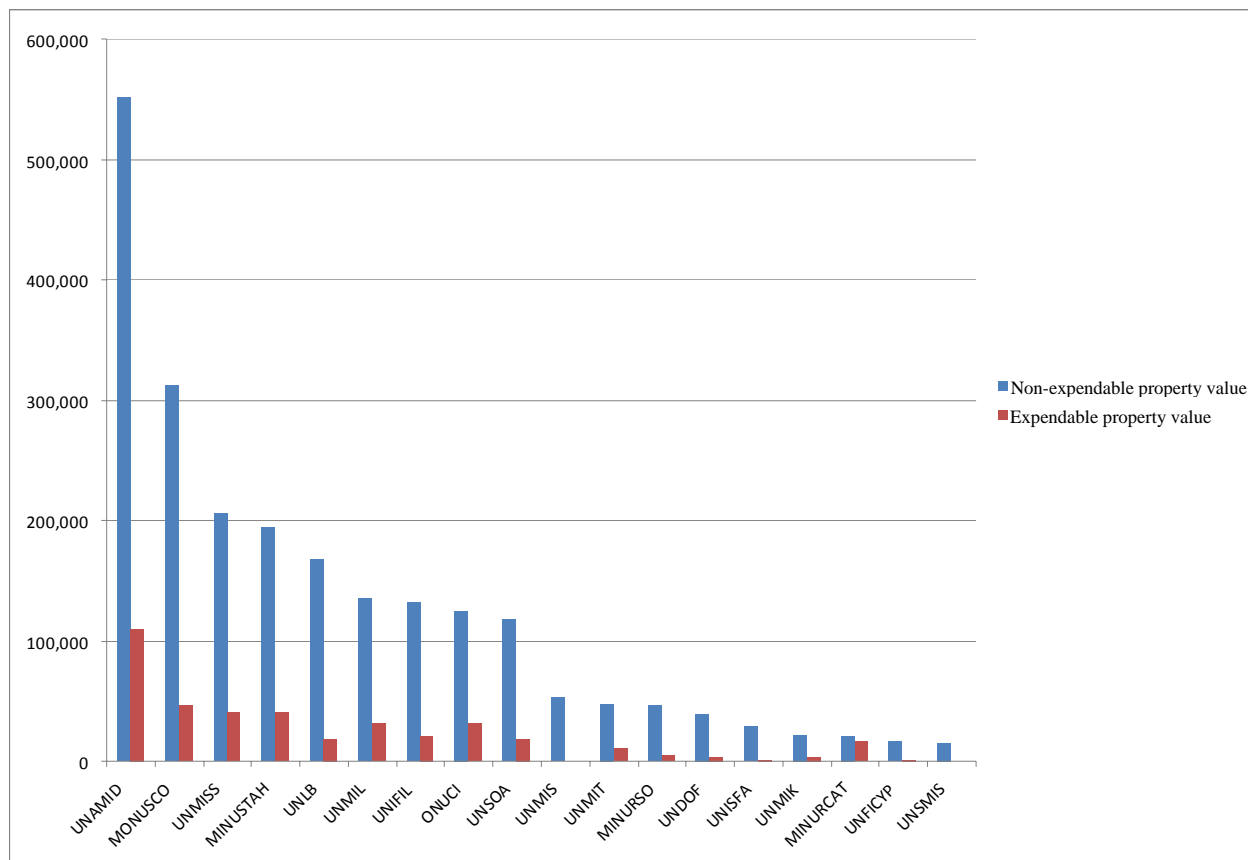
26. The Administration concurred that IPSAS implementation requires strong commitment from the senior management of the missions. A process to include indicators in the compacts of special representatives of the Secretary-General is already in progress.

4. Asset management

27. At the end of the financial year 2011/12, in 15 active missions, two closed missions (MINURCAT and UNMIS) and UNLB, non-expendable property amounted to \$2.23 billion based on historical costs, a decrease of 0.2 per cent over the previous year, while expendable property according to the Administration's accounting records was estimated at \$0.40 billion, a decrease of 9 per cent over the previous year (see figure II.1).

Figure II.1
Assets held by missions as at 30 June 2012

(Thousands of United States dollars)



Note: The assets of UNLB, strategic deployment stocks, Department of Peacekeeping Operations Transshipment and United Nations Reserve all reside in Italy; all are included in UNLB.

28. During the financial year, the Department of Field Support continued its efforts to strengthen the management of property and improve inventory accuracy and data reliability for disclosure in the financial statements in preparation for IPSAS implementation. The Board noted improvement in several areas, in particular (a) continuous improvement in physical verification of NEP (98 per cent in 2011/12 compared to 97 per cent in 2010/11 and 91 per cent in 2009/10); and (b) the discrepancies of items of non-expendable property “not found yet” reduced by 39 per cent in value from \$40.71 million in 2010/11 to \$24.71 million in 2011/12.

29. The Board continued to observe some deficiencies in asset management in 2011/12, particularly, the absence of a unified and standard mechanism for recording the cost of self-constructed buildings, insufficient assurance over the value of part of non-expendable property and expendable property, a high-risk of loss/wastage from unused non-expendable property and deficiencies in asset disposal activities at liquidated missions.

Lack of separate accounts to record the costs of each constructed asset

30. The Board notes that the Administration has for the first time disclosed the accumulated incurred cost of \$889 million of constructed assets in note 14 to the financial statements. Although the Board is satisfied that this balance is fairly stated, the Board considers that the \$889 million of incurred costs cannot be allocated directly to individual assets owing to insufficiently detailed accounting records and the lack of separate accounts to record the costs of each constructed asset.

31. From 1 July 2013, peacekeeping operations are aiming to apply IPSAS, under which the constructed assets will be disclosed at “fair value” rather than historic cost. Initial recognition of these assets in the financial statements under the IPSAS framework will require peacekeeping missions to implement improved asset accounting systems and to review the costing methodology used to value all property assets, including constructed assets.

32. The Department of Field Support informed the Board that it had initiated a programme to create a detailed inventory of the real estate held by each mission since February 2012 and was close to finalizing this exercise at the time of audit. The Department had appointed external consultants to devise a methodology to develop a standard list for the cost of homogeneous assets constructed across all field missions. Once the Administration approves the methodology, it will be circulated to all missions for compliance.

33. The Board recommends that the Administration establish separate accounts to record the costs of constructed assets and take steps to expedite the development of the valuation methodology in compliance with the requirements of IPSAS.

Insufficient assurance over the value of non-expendable property

34. To fairly disclose the value of non-expendable property in the note to the financial statements, it is essential to obtain sufficient assurance over the value of such property. For the period under review, the Board noted a number of deficiencies in obtaining assurance over the value of non-expendable property.

35. Firstly, the Board found that there had been no physical verification of \$56.53 million of non-expendable property transferred from the liquidated missions. At the end of financial year 2011/12, note 13 to the financial statements includes non-expendable property worth \$10.26 million for MINURCAT and \$46.27 million for UNMIS which was actually transferred out from the two liquidated missions. Based on data held in Galileo (the peacekeeping asset management system), the items were in fact still in transit and pending acknowledgement by the receiving missions:

(a) For MINURCAT (\$10.26 million), the Administration could not provide accurate information about the location and status of the non-expendable property at the time of our audit. The Board was subsequently informed that a special task force had been established at the Global Service Centre to reconcile the inventory records of MINURCAT;

(b) For UNMIS (\$46.27 million), approximately \$24 million of non-expendable property destined for UNMISS and UNISFA had been held in Kosti, Sudan, since January 2012. Those assets were not under the control of or being inspected by the

United Nations, making it difficult to confirm their existence and completeness, increasing the risk of obsolescence, depreciation or even loss. For the remaining approximately \$22 million of non-expendable property, the Board was informed that it had been transferred to UNISFA, but owing to staff shortages UNISFA did not have the ability to conduct receiving and inspection and physical verification procedures in 2011/12. Therefore, the Board could not confirm the accuracy of the amount of the non-expendable property at UNISFA either.

36. The Administration stated that the value of items in transit in respect of MINURCAT and UNMIS was down to \$5.93 million and \$32.46 million as of 26 November 2012. In addition, the transfer of assets from MINURCAT and UNMIS had been documented in the Galileo system. However, the Board holds the view that the documentation itself cannot reflect the real status of assets in transit. Urgent action is needed to investigate the status of these assets and any discrepancy, once identified, should be reconciled in a timely manner.

37. Secondly, the Board noted that \$25.9 million of assets which had been donated to UNAMID had not been disclosed in the financial statements. In April 2008, UNAMID received 7,783 asset items (mainly vehicles and engineering equipment) with a residual value of \$25.9 million, which had been donated by the former African Union mission in the Sudan. The assets had been in use or controlled by UNAMID since then, but were neither recorded in Galileo nor disclosed in the financial statements. Moreover, information about the status and location of the 7,783 items was not available, nor were inventory lists of equipment in the category of “engineering and supply”. In addition, the Board’s checks of 164 vehicles among the 7,783 items received revealed a discrepancy of 116 vehicles (7 not located, 52 found elsewhere and 57 marked with incorrect status).

38. The Board noted the explanation by UNAMID that the assets had not been disclosed in the financial statements owing to the absence of an approval from Headquarters. Nevertheless, the Board holds the view that these assets should be managed, verified and disclosed, since they were actually controlled by the mission.

39. On 14 December 2012, the Board was informed that the Controller’s approval had been obtained and UNAMID was in the process of identifying the donated assets for inclusion in the Galileo system. The process commenced in September 2012 and is merged with the annual physical verification programme for non-expendable property for the 2012/13 financial period.

40. Thirdly the Board noted \$12.67 million of non-expendable property recorded as “not found yet”. According to the key performance indicator¹ reports of 16 active missions, 4,194 items of non-expendable property valued at \$24.71 million could not be found as of 30 June 2012. This represents an improved performance compared to 2010/11, when 7,041 items (\$40.71 million in value) remained unfound at the equivalent date. As stipulated by the key performance indicators manual, the discrepancy of assets “not found yet” should be reconciled within 90 days; but by 17 October 2012, a report generated by the Administration indicated that of the 4,194 non-expendable property items, 2,144 items valued at \$12.67 million remained unfound.

¹ The key performance indicators are the standard operational tools to measure field missions’ performance results against the corporate targets set forth by the Department of Field Support.

41. The Administration stated that in many instances, hostile security conditions on the ground impede easy access to sites where assets are located. By 26 November 2012, the number of items that remained in “not found yet” status had fallen to 1,798 (\$11.16 million), representing 0.52 per cent of the total value of assets of peacekeeping operations.

42. The Board recommends that the Administration (a) take measures to determine the location and real status of the liquidated missions’ assets still in transit; (b) register donated assets on the basis of comprehensive physical verification and make disclosure in financial year 2012/13; and (c) require the missions to expedite the process of reconciliation of discrepancies.

Insufficient physical verification of expendable property

43. Under the United Nations system accounting standards, disclosure of the value of retained expendable property in the notes to financial statements is not required. However, peacekeeping missions need to prepare for the forthcoming implementation of IPSAS, which requires full disclosure of inventory in 2013/14, and will therefore require the maintenance of reliable inventory records in missions.

44. The Board noted that some 81 per cent of expendable property items held by peacekeeping missions had been physically verified as at the end of 2011/12. This represented an improvement in comparison with the previous financial year (61 per cent). However, five missions still had very low verification rates: UNISFA (2 per cent, \$21,724), UNSMIS (4 per cent, \$36,149), UNOCI (29 per cent, \$9.17 million), UNMISS (44 per cent, \$17.96 million) and UNDOF (48 per cent, \$1.71 million).

45. Additionally, the Board conducted physical verification at missions and noted the following deficiencies: at UNMIT, 15,270 items, or 11.5 per cent of the total number sampled, showed discrepancies between quantities recorded in Galileo and physical quantities; at UNFICYP, expendable property worth \$18,878 was not recorded as issued in Galileo when it left stock. The Board is of the view that comprehensive and effective physical verification is not only critical for asset management, but also for the reliability of the expendable property’s value records under IPSAS.

46. The Board also found material discrepancies in the records of releasing and recipient missions for transferred expendable property. The Business Objects² reports of UNMIS showed that as at 16 August 2012, \$59.18 million worth of expendable property of UNMIS had been shipped to and acknowledged by UNMISS and UNISFA. However, the Business Objects reports of UNMISS and UNISFA indicated that they had only received \$38.22 million and \$1.69 million, respectively, indicating that some \$19.27 million worth of expendable property is currently unaccounted for. The liquidation team of UNMIS explained that the discrepancies might result from years of expendable property consumption without the electronic records being adjusted. The Board also noted the coverage rate of physical verification of expendable property at UNMIS in 2010/11 was only 27 per cent. The lack of effective management of expendable property creates a risk of missions being unable to detect loss or misappropriation of assets.

² Reporting system for asset and procurement management.

47. The Administration agreed with the Board's recommendation that it (a) ensure that all missions conduct sufficient physical verification of expendable property and reconcile the discrepancies in a timely manner; (b) continually identify the reasons for expendable property discrepancies during the liquidation period of UNMIS; and (c) enhance the liquidation guidance to ensure that missions in liquidation carry out complete and robust physical verification of expendable property prior to any transfer.

48. The Department of Field Support commented that measures has been or were being taken to strengthen the management of expendable property, including (a) issuing guidance regarding data accuracy and reliability in the Department's directive on property management and the revised liquidation manual; (b) establishing the Department's oversight and performance analysis framework; (c) rolling out the Galileo inventory management system solutions in the areas of stock taking, inventory control and so on; and (d) developing enhancements to the Galileo system to improve financial reporting.

High risk of loss or waste of "never-used" non-expendable property

49. In its previous report, the Board highlighted a high risk of loss or waste of non-expendable property items which had been in stock for more than a year but never used. The Department of Field Support issued a directive on property management for the financial year 2011/12 to urge missions to review their stockholdings with the aim of identifying slow-moving and surplus non-expendable property items on a regular basis. However, similar observations were found again in this audit. As of 30 June 2012, \$83.55 million worth of non-expendable property (12,102 items) in the missions had not been used for more than one year, accounting for 29 per cent of the total value of non-expendable property in stock, including \$53.89 million worth of non-expendable property procured locally or by Headquarters and \$29.66 million worth transferred from other missions (table II.3).

Table II.3

Analysis of never-used non-expendable property in stock for more than one year

<i>Mission</i>	<i>In stock more than one year</i>		<i>Write-off pending or recommended (United States dollars)</i>	<i>Passed life expectancy (United States dollars)</i>	<i>In stock more than three years (United States dollars)</i>
	<i>Number of items</i>	<i>Value (United States dollars)</i>			
UNAMID	7 718	48 931 704	6 790 001	2 395 596	9 088 685
MINUSTAH	1 959	15 775 008	540 751	1 875 786	477 994
MONUSCO	814	6 950 557	930 265	159 878	941 754
UNMIL	474	4 803 459	299 426	697 612	1 987 874
UNSOA	369	3 421 052	1 078 914	113 873	160 195
UNOCI	274	1 170 008	102 279	136 958	404 238
UNLB	105	637 668	4 250	7 616	12 972
UNIFIL	107	561 203	3 658	63 290	93 633
UNMIT	96	508 992	28 339	0	231 161
MINURSO	77	314 532	183 127	2 300	28 956
UNFICYP	45	252 472	0	1 299	71 833

Mission	<i>In stock more than one year</i>		<i>Write-off pending or recommended (United States dollars)</i>	<i>Passed life expectancy (United States dollars)</i>	<i>In stock more than three years (United States dollars)</i>
	<i>Number of items</i>	<i>Value (United States dollars)</i>			
UNMIK	28	127 780	8 503	76 753	26 283
UNDOF	36	94 646	0	0	0
Total	12 102	83 549 081	9 969 513	5 530 960	13 525 577

Note: Based on the Business Objects reports stored in the database at United Nations Headquarters.

50. Further analysis revealed that of the aforementioned \$83.55 million worth of non-expendable property, (a) \$9.97 million worth was in bad condition or pending write-off and disposal, which should be considered as loss or waste; and (b) \$5.53 million worth had passed its life expectancy and \$13.53 million worth had never been used for more than three years, which indicates a high risk of loss or waste.

51. As identified in the Board's previous report, one of the main reasons for holding "never-used" assets was that both Headquarters and missions did not take full account of assets already in stock when making requisitions. The Board again addresses this issue in the procurement section of the present report. In addition, some unused non-expendable property was transferred from other missions, indicating that the receiving missions may not have fully evaluated their requirements and that the Headquarters review and examination of the transfer requests may have been insufficient.

52. The Board reiterates its previous recommendation (see A/66/5 (Vol. II, para. 69)) that the Administration (a) closely monitor never-used non-expendable property and do a full review to ascertain what should be impaired or written off; and (b) periodically review the implementation of the acquisition plans and ensure that they are used to facilitate procurement being carried out in an appropriate manner.

53. The Board also recommends that the Administration ensure that missions review the amount of assets already in stock before acquisition and request new assets on the basis of a realistic estimate of demand, and that it strengthen the validation of the reasonableness of asset transfers requested by missions.

54. The Department of Field Support commented that it had taken measures to monitor the performance of missions on a quarterly basis and provided guidance to those that had underperformed. The improvement during the 2011/12 financial period was significant and represented a 39 per cent reduction of unused items in terms of value from \$136.56 million to \$83.55 million. Furthermore, the Department has requested missions to review existing stock levels before making new acquisitions and introduced several documents such as a bill of quantity to ensure a realistic estimate of demand. In addition, an asset management section will be established at the Global Service Centre to oversee and coordinate acquisition planning and inter-mission transfer of non-expendable property.

Delayed write-off and disposal

55. The Board noted that, across 16 active missions, 15,518 items of non-expendable products valued at \$86.17 million were pending write-off and

disposal as of 30 June 2012. Of those, 4,384 items with a value of \$23.17 million had been pending write-off and disposal for more than 12 months, higher than the benchmark 270 days in the key performance indicators manual. Furthermore, the figures for write-off timeline and the disposal by commercial sales (timeline completed) in 2011/12 were 149 days and 402 days respectively, against the benchmark of 90 days and 180 days in the key performance indicators manual.

56. Two missions had particularly lengthy average times to write off non-expendable products: MINUSTAH (299 days) and MONUSCO (181 days). In addition, three missions had particularly lengthy average times for disposing of non-expendable products by commercial sale: MINUSTAH (807 days), UNMIL (411 days) and UNMIT (331 days). Additionally, the Board noted that at the liquidated mission (MINURCAT), there were 1,389 items of non-expendable products valued at \$10.47 million pending write-off and disposal as of 30 June 2012, more than one year after the mission was closed.

57. The Board is of the view that delays in write-off or disposal not only lead to excessive asset depreciation and deterioration, but also increase maintenance and storage costs. The Department of Field Support stated that the performance results for the financial period 2011/12 indicated continuous improvement in the process of write-off and disposal: the write-off timeline had been reduced from 167 days in 2010/11 to 149 days in 2011/12, and the average timeline for pending commercial sales had improved substantially to 197 days in 2011/12, which was within the 30-day tolerance span of the 180-day target level established in the key performance indicators manual. At some missions, the process of disposal was hampered by lack of cooperation and restrictions imposed by the local authorities, poor and unfavourable local market conditions and lack of qualified vendors.

58. The Administration agreed with the Board's recommendation that it ensure that missions expedite the write-off and disposal process through the established key performance indicators and regular reporting and performance analysis.

Asset disposal activities at liquidated missions

59. The Board reviewed the asset disposal activities and asset transfers of the liquidated missions.

60. The Board noted that a number of items of non-expendable products held by UNMIS that could not be used anymore had still been transferred to other missions during the liquidation period from July to December 2011. For example, at UNISFA, 97 per cent of the information technology items inherited from UNMIS could be classed as obsolete and recommended for write-off; 162 items valued at \$0.53 million had been confirmed as being in bad condition before they were transferred from UNMIS; and 148 items had been recommended for write-off. In addition, at UNAMID, 29 per cent of the non-expendable products (\$0.12 million) received from UNMIS were in bad condition before being transferred and were recommended for write-off.

61. The Board is concerned that the transfer of unusable assets creates various risks, including adversely impacting the deployment of new missions and incurring wasteful expenditure on, for example, shipping costs.

62. The Board recommends that the Administration ensure that missions in liquidation (a) evaluate the quality of assets on the basis of a thorough physical inspection at the beginning of the liquidation phase; and (b) only transfer assets to other missions which are suitable for reuse in line with the liquidation manual and are cost-effective for shipment.

63. The Administration commented that subsequent to the Board's recommendation, the Department of Field Support had initiated stricter scrutiny of surplus assets and their remaining serviceable life, operational condition and freight cost before transferring them to other missions.

64. The Board also reviewed the asset transfer procedure between the liquidated missions and the recipients and noted the following deficiencies:

(a) *Lack of packing lists when transferring assets.* When transferring assets to other missions, UNMIS did not provide the receiving missions with packing lists for the assets loaded in containers. The receiving missions only knew how many containers and large-size assets were transferred. They then conducted the receipt and inspection procedure and acknowledged the receipt of assets in Galileo, but could not check the completeness of the assets in containers in a timely manner. A stock record check at UNISFA revealed a universal discrepancy between actual items in containers transferred and those recorded in the Galileo system. The Board is concerned that if the assets packed in the containers were lost or damaged in transit, it would be difficult for the receiving missions to identify whether it was the mission or the forwarder who was responsible for the loss, to check for completeness or to identify discrepancies in a timely manner;

(b) *Discrepancies between assets shipping data and physically transferred assets.* Galileo data showed that 86 items valued at \$0.62 million had been transferred from UNMIS to UNAMID and 67 items valued at \$0.44 million were in shipping as of 21 June 2012. However, UNAMID had received only 59 items valued at \$0.41 million as of 16 August 2012, of which 25 items were not in the above-mentioned assets list. Similarly, the Galileo records of MINURCAT showed that 245 items valued at \$0.95 million had been shipped to UNAMID. While none of the items were physically received by UNAMID, 69 had been redirected to other missions and six were physically received by UNMISS. In addition, UNAMID had to accept in Galileo, without physically receiving them, a number of assets valued at \$1.18 million which were shown as transferred from UNMEE.

65. The Administration agreed with the Board's recommendation that it ensure that missions in liquidation comply fully with the regulations of the liquidation manual with regard to handover of assets.

66. The Administration commented that the Department of Field Support would provide the necessary guidance and enforce the importance of packing lists and load lists for assets prepared for shipment. Furthermore, the Department will keep regular track of shipment status while the assets are in transit, give instructions to the concerned receiving missions for an expeditious receipt and inspection process, initiate timely updates of the Galileo database and issue damage and discrepancy reports where appropriate.

67. Finally, the Board found an absence of appropriate prior approval of the amendments to the asset disposal plan at UNMIS. The Board understands that no changes should be made to the asset disposal plan unless approved by Headquarters.

The Board noted that UNMIS did not comply with the asset disposal plan when disposing of assets and amended the plan during the liquidation period without approval from Headquarters. For example, UNAMID had received \$0.41 million worth of assets from UNMIS as of 30 June 2012 while assets worth \$1.37 million were to be received according to the plan. Similar inconsistencies were also noted in other recipient missions such as MONUSCO and UNDOF. The Department of Field Support stated that supervision of the asset disposal plan was conducted by monitoring asset management activities through daily updates from the Galileo system and weekly liquidation reports submitted by the mission. The Board considers, however, that supervision of the implementation of the plan was *ex post facto*, and the arrangements it saw in practice could lead to a loss of control of the asset disposal process.

68. The administration agreed with the Board's recommendation that it enhance the supervision of the implementation of the asset disposal plan in the phase of mission liquidation, and ensure that adjustments to the plan made by the missions be reviewed and approved by Headquarters in advance.

69. The deficiencies noted in asset disposal activities not only indicated inadequate management of asset disposal at liquidated missions, but also inadequate accountability for the management of mission liquidation. It was difficult to assign accountability and responsibility for major problems after the mission was liquidated; for example, \$1.18 million worth of UNMEE assets could not be found and had to be written off; and the discrepancies of \$19.27 million in expendable property at the liquidated UNMIS could not be clarified at the time of audit. The Board encourages the Administration to strengthen accountability for disposal and liquidation at mission level.

5. Procurement and contract management

70. The total value of procurement by peacekeeping missions increased from \$2,251 million in 2009/10 to \$2,617 million in 2011/12. Of the latter amount, \$950 million was spent through Headquarters and \$1,667 million was spent through field missions. In the period under review the Board examined four major procurement functions: acquisition planning, the solicitation process, contract management and administration and vendor management.

Acquisition planning

71. Effective acquisition planning involves the reasonable and realistic formulation of requirements, adequate consideration of existing stocks before requisition and realistic projections of demand for goods and services. The Board found that mission acquisition plans for 2011/12 were incomplete. The Board was therefore unable to fully review all aspects of acquisition planning, but it did identify a number of associated and recurring deficiencies in requisitioning processes.

Inadequate consideration of current stock levels prior to requisition

72. Although the 14 active missions³ had a total of 1,475 power generators in good condition in stock at the end of 2010/11, 158 additional new generators were

³ The 14 missions active in 2011/12 were MINURSO, UNFICYP, UNDOF, UNIFIL, UNMIK, MONUSCO, UNMIL, UNOCI, MINUSTAH, UNMIT, UNAMID, UNSOA, UNISFA and UNMISS.

purchased in 2011/12, resulting in 1,583 items held in stock at the end of the period. To illustrate the issue further the Board noted that MINUSTAH had 10 generators of 25 kVA capacity in stock at the beginning of 2011/12, sufficient to meet its routine demand for electricity (based on the historic data). Nonetheless, the mission purchased an additional 20 generators in 2011/12. The 20 new generators had not been used as at the end of 2011/12.

73. The Board noted similar cases involving items such as computers and prefabricated facilities across missions. The Board is concerned that missions are purchasing unneeded stock or purchasing too far in advance of need. This increases the risk not only of nugatory expenditure, but of loss, theft or impairment, and unnecessarily increases storage and security overheads.

74. The Department of Field Support explained that it had circulated an instruction to all active missions to exhaust their in-stock assets and check if goods and services were available in the system contract, strategic deployment stock or surplus before requesting technical clearance from the Department.

75. In the previous section (see para. 53 above), the Board has recommended that the assets in stock be fully considered before new acquisitions are made. In the present context, the Board will not repeat the recommendation but emphasize the importance of its full implementation.

Lack of consolidation of requisitions for the same or similar products

76. Consolidating mission acquisition needs would help identify opportunities for improved value for money from, for example, economies of scale. There appear to be many missed opportunities in this regard. For example, a system contract was initiated by the Department of Field Support in April 2009 for the provision of satellite imagery to the missions. The not-to-exceed amount was increased by more than 600 per cent, from \$0.4 million to \$2.8 million, only two months after the original contract was signed. The main reason was that the missions' projected needs had not been collected and aggregated, resulting in the inaccurate estimated demand. The Board considers that realistic and integrated acquisition plans and demand projections would have enabled the Procurement Division of the Department of Management to have secured an improved price when tendering the requirement.

77. The Administration agreed with the Board's recommendation that it enhance control of strategic planning of peacekeeping procurements by consolidating demand for goods and services across the missions to identify and secure economies of scale.

Solicitation process

78. The Board noted weaknesses in the solicitation process within peacekeeping operations which could impair the fairness and transparency of procurements:

(a) *Lack of clear criteria for vendor invitations.* To ensure the fairness, integrity and transparency of the solicitation process, it is essential to invite all vendors registered for the particular goods, services or works being procured. The Board, however, noted that this was not always the case, and there were instances where procurement officers chose the vendors to be invited on the basis of their judgement. For example, during a procurement of automotive workshop tools and

equipment in support of missions in 2010, only six of the 72 registered vendors with approved status were invited to bid;

(b) *Vendors not registered for certain goods and services being invited to bid.* From 2009 to 2011, out of 1,873 solicitations, 1,478 (some 79 per cent) included vendors not registered to provide the items being procured. While the Procurement Division could not explain this overall position, it did inform the Board that exceptions arose, for example (a) where no commodity code matched the complexity of the goods or services being procured, (b) where the requisitioner might submit an inappropriate code in error, which would not represent the goods/services being procured, and (c) where vendors selected the wrong code during their registration;

(c) *Insufficient time allowed for the submission of bids.* To provide sufficient time for vendors to respond properly the Procurement Manual recommends minimum times for the submission of various types of bids by prospective vendors. The Board reviewed all the solicitations issued for peacekeeping operations between 2008/09 and 2011/12 and noted that in 71 per cent of the cases (1,071), the allowed submission time was shorter than recommended. This accounted for 30.5 per cent (\$1.6 billion) of the total expenditures for procurement. In 2011/12, 72.9 per cent of the requests for proposal⁴ and 76.1 per cent of the invitations to bid⁵ did not conform to the minimum recommended bid submission times stipulated by the Procurement Manual. Similar issues were also found at the missions from 2009/10 to 2011/12, where 40 per cent of solicitations (4,576 cases) with a total value of \$588.1 million did not follow the Procurement Manual requirements, accounting for 45 per cent of the total value of procurements (\$1.3 billion). The Board is concerned that too many vendors have insufficient time to formulate appropriate proposals, increasing risks to the fairness and cost-effectiveness of procurement activities.

79. The Board recommends that the Administration strengthen the control over procurement solicitation across all of peacekeeping, especially the criteria for the invitation of vendors to bid, and ensure that all procurement offices provide sufficient time for the submission of bids.

80. The Administration commented that solicitation timelines are only a recommendation in the Procurement Manual. The Procurement Division is cognizant and has implemented suitable submission timelines for solicitations with complex requirements, allowing sufficient time for the bidders to prepare and submit proposals. It is in the process of amending the Procurement Manual as it relates to recommended timelines for submissions of bids for short-term logistics requirements.

Contract management and administration

81. The Board examined the management and administration of contracts across peacekeeping operations and identified a number of areas for improvement.

⁴ A request for proposal is one of the formal methods of solicitation specified by the United Nations Procurement Manual (see www.un.org/Depts/ptd/manual.htm).

⁵ An invitation to bid is one of the formal methods of solicitation specified by the United Nations Procurement Manual (see www.un.org/Depts/ptd/manual.htm).

82. Certain procurement procedures such as ex post facto ⁶ and multiple amendments should occur only as exceptions and only if the relevant criteria are met in full. The Board found:

(a) *A lack of clarity in the use of the “eight months rule”.* The Procurement Manual stipulates that any extension of original contracts for a period of more than eight months should be reviewed by the Headquarters Contract Committee. On the other hand, the Procurement Division has separate authority to extend contracts for up to eight months without review by the Committee. In a review of all contracts established for peacekeeping operations by the Procurement Division from 1 January 2011 to 30 June 2012, the Board noted that 92 of the 220 contracts (42 per cent) were amended either through extension of the contract period or through the alteration of the relevant not-to-exceed amounts.⁷ These 92 contracts had an aggregate value of \$876.7 million. Some of them had been extended several times using the “eight months rule”. In particular, one case was extended six times, at least four times under the “eight months rule”. While the Procurement Division explained that the “eight months rule” can be utilized multiple times, the Board is concerned that multiple use of the “eight months rule” could potentially be applied to avoid review by the Headquarters Committee on Contracts, undermining the competitive bidding process;

(b) *Use of ex post facto procurement without meeting the exigency criteria.* The Board noted that, from 2008/09 to 2011/12, the total value of ex post facto procurements increased from \$179.9 million to \$233.7 million (30 per cent). From a sample of ex post facto cases submitted to the Headquarters Committee on Contracts in 2011/12, the Board found that eight did not meet the exigency criteria. The eight cases involved expenditures amounting to \$97.1 million.

83. The Board recommends that the Administration systematically enhance the controls over the administration of contracts, in particular, the approval of ex post facto cases and amendments to contracts, to ensure that they comply with the Procurement Manual.

84. The Board also recommends that the Administration clarify the “eight months rule”, in particular how many times a contract can be extended within the authority of the Procurement Division.

85. The Department of Field Support commented it had promulgated a new contract management policy effective April 2012 and the chief contract management position at the Global Service Centre had been filled to assist missions with the implementation of the new policy and contract management issues. Furthermore, a new feature has been added to the electronic Headquarters Committee on Contracts to enhance monitoring of ex post facto cases. Meanwhile, the Department now requires all missions to provide a statement with their ex post facto cases confirming what measures have been put into place to avoid a reoccurrence.

86. The Procurement Division further commented that it had revised the instructions on the delegation of procurement authority matrix outlining the

⁶ Ex post facto procurement is a procurement action, whether a written contractual instrument exists or not, in which goods or services have been fully furnished or provided in part prior to submission of the procurement action to the relevant contracts committee(s) and all appropriate officials.

⁷ The not-to-exceed amount is a maximum amount of goods or services, stipulated in a contract, which may be acquired under that contract.

approval process and the signatures required to authorize contract extensions. The instructions require the missions to continue to adhere to the Procurement Manual when exercising extensions under the eight months rule. Meanwhile, the Headquarters Committee on Contracts concurred with the Board's recommendation that it advise the Assistant Secretary-General in the Office of Central Support Services to clarify the rules pertaining to the Procurement Division's authority to use the "eight months rule", with particular reference to the number of times it can be used.

Vendor management

87. Vendor management involves vendor registration, management of vendor performance, maintenance of vendor data and ensuring that registered vendors are suitably qualified and the pool of prospective vendors is periodically refreshed and kept as wide as possible. We noted the following deficiencies in vendor management.

88. **Lack of accessible vendor information.** To track the performance of vendors in a timely manner, performance evaluation reports should be recorded in an accessible manner to facilitate serving as reference material in future vendor selection processes. The Board found that the performance evaluation reports in the Procurement Division were not being systematically managed, and that some reports were not being updated. In addition, some of the financial statements upon which the evaluation of the levels of registration for vendors⁸ is based were not updated annually.

89. **Unreliable vendor database.** In a review of the vendor database in the United Nations Global Marketplace, the Board noted that there were 259 registered vendors whose commodity code was left blank and 392 registered vendors whose commodity code was filled in such a way as to indicate that the vendor could offer everything under the indicated section (the highest level of commodity category). This impairs the quality of vendor information and undermines the quick location of the proper vendors for the items being procured.

90. At the mission level the Board noted the lack of a reliable vendor database at UNMISS. At the end of 2011/12, UNMISS had a total of 2,181 provisional vendors, of which 1,272 had no data on the Mercury system to show the duration of their provisional status in the system. This makes it impossible to identify and deal with prospective vendors who fail to fulfil the requirements of registration within the prescribed three months. Moreover, there were another 627 provisional vendors who had not been blocked despite having held the provisional status for more than three months, contrary to the stipulations of the Procurement Manual.

91. **The Administration agreed with the Board's recommendation that the Procurement Division ensure the reliability of vendor data by regularly updating vendor information and incorporating vendor performance records into its vendor database.**

92. Regular monitoring and reporting on vendor performance and taking appropriate actions where necessary are important to secure value for money. The actions to be taken may include the termination of contracts with poor-performing

⁸ The level of registration represents the contractual value per transaction that the vendor contemplates undertaking with the United Nations Secretariat.

vendors and/or claiming compensation. The Board identified the following weakness in the area of vendor performance management at the mission level:

(a) **Providing contract extensions to poorly performing vendors.** At MONUSCO, although the performance of the vendor selected to provide and manage the duty-free commissary, welfare and recreational facilities was evaluated “unacceptable” during the first half of 2012, MONUSCO continued to extend its contract with the vendor;

(b) **Lack of effective vendor performance evaluation.** At UNISFA, no evaluations of vendor performance had been conducted in 2011/12. A similar issue happened at MINURSO, where performance evaluation reports were not being regularly prepared because the post responsible (chief of the Contract Management Unit) was vacant throughout the financial period;

(c) **Not claiming damages for delivery delay.** At UNISFA the Board noted that items procured with a total value of \$1.4 million were delivered later than the prescribed date. The delays amounted to 41 days on average as at 15 August 2012. However, no damages or compensation had been claimed despite this being clearly provided for in the contracts.

93. The Board further recommends that the Department of Field Support strengthen the controls over the management of vendor performance by the missions, as well as other managerial aspects of contracts such as the claiming of damages/compensation, etc.

94. The Administration commented that, subsequent to the Board’s recommendation, (a) MONUSCO had improved contractors’ performance evaluation by establishing new indicators; since the contract in question would expire in less than a year, a new tender process was already under way; (b) at MINURSO the recruitment of the chief of the Contract Management Unit had been completed in October 2012 and the mission had then commenced vendor performance evaluations on a semi-annual basis; and (c) UNISFA had implemented procedures to monitor and enforce the contractual clause against vendors for non-compliance with delivery terms.

6. Budget formulation and management

95. In its previous report, the Board reviewed budget formulation and management of field missions and noted some key weaknesses, including a lack of full justifications for budget assumptions, inappropriate cost estimation methods, inconsistency of budget assumptions and miscalculation of cost estimates, ex-post approval of redeployments and frequent and widespread redeployments. In this year’s audit, the Board continued to review missions’ budget formulation processes to determine (a) whether the 2011/12 budget for missions had been formulated in a realistic and well-justified manner, taking full account of historical trends and foreseeable factors; and (b) whether any improvements could be made to the current budget formulation processes.

96. The Board noted a significant number of areas for improvement, including unjustified disparities between budget assumptions and relevant historical data and lack of consideration of key factors. The Board therefore reiterates that it is essential to ensure that all relevant factors which may have an impact on budgets are taken fully into account and that any impacts on cost estimates or assumptions are

quantified where possible, so that the budgets presented to the governing bodies are realistic and transparent.

Aviation budgets

97. The total aviation budget in 2011/12 amounted to \$980 million, representing 12.5 per cent of the total approved budget of \$7.84 billion. In estimating aviation costs, key budget assumptions including flight hours, fuel usage and so on need to be duly considered to make the aviation budget more realistic. However, the Board noted the following deficiencies in this regard.

Unrealistic flight hours included in the aviation cost estimation

98. The number of flight hours is an important factor in estimating aviation fuel costs as well as aircraft rental and operational costs. The Board recognizes the missions had a number of situational challenges that led to the variances between the recorded flight hours and the budgeted ones, including restrictions for visa/clearances or political restrictions imposed on aircraft already deployed. The Board considers, however, that in cases where such challenges continue to impact budget execution, causing significant variances between budgeted flight hours and actual ones, they should be factored into each mission's budget formulation process and quantified if possible.

99. In 2011/12, the total number of budgeted and actual flight hours for 12 missions with aviation transactions was 135,215 and 110,880, respectively, indicating an unused balance of 24,335 hours (or 18 per cent). Of those 12 missions, seven⁹ had had unused flight hours for three consecutive years. This consistent overestimation is indicative of poor consideration of historical trends and other factors that may affect the use of flight hours. Details are shown in annex IV.

100. Aviation cost estimation is usually based on the number and types of aircraft in use within a mission. The Board sampled 54 aircraft operating across nine missions and carried out an in-depth analysis of the completion of budgeted flight hours. The results revealed a number of instances where historical trends were not fully considered in the formulation of the aviation budget. For example, at UNIFIL, the MI-8MTV logged 574 and 343 hours in the two financial years preceding 2011/12. However, 720 flight hours were budgeted for this aircraft in 2011/12, but none of these flight hours was actually used.

101. Owing to the lack of consideration of historical trends of flight hours in missions, the aviation cost for 2011/12, including fuel costs, aircraft rental and operational costs will have been overestimated. At UNAMID, the Board recalculated the resource requirements for aviation operations on the basis of the actual flight hours recorded in 2011/12 and concluded that the aviation fuel budget and the aircraft rental and operational budget were overestimated by about \$13.8 million¹⁰ and \$19.4 million, respectively. While recognizing that there may be forecast demands and operational imperatives that override the consideration of historical usage of aircraft, the Board considers there is significant scope for making aviation budgets more realistic and better justified through more robust budget formulation and review processes, and monitoring of budget execution.

⁹ MONUSCO, UNAMID, MINUSTAH, MINURSO, UNFICYP, UNIFIL and UNMIT.

¹⁰ A variance of 13,186,898 litres between budgeted and actual fuel usage in 2011/12 resulted from the variance of flight hours. Theoretically, this would correspond to an overestimation of fuel consumption of about \$13.8 million by applying the budgeted fuel price (\$1.048 per litre).

102. The Board recommends that the Administration ensure that missions take into account the historical data relating to the budget assumptions and foreseeable factors, in particular, the actual flight hours recorded for types of aircraft, when formulating their aviation budgets.

No consideration of non-operational days¹¹ in setting the guaranteed fleet cost

103. Missions currently estimate the guaranteed fleet costs (a major part of the aviation budget) using an assumption of aircraft being in full operation for the whole year. However, in reality, there are days when aircraft are not deployed (non-deployment days¹²) or not available for operation owing to various factors including crew unavailability (non-available days¹³). The non-consideration of non-operational days in budget preparation will lead to guaranteed fleet costs being overestimated. Taking UNAMID as an example, the number of non-deployment days and non-available days across the fleet of aircraft in the 2011/12 financial year was 754 and 2,002, respectively, accounting for 18 per cent of the budgeted days in operation, the failure to take account of which resulted in an overestimation of aviation costs of \$26.91 million.¹⁴

104. While noting the Administration's explanation that restrictions placed by the host Government on air operations at UNAMID significantly impeded the utilization of flight hours and, subsequently, fuel utilization and other cost factors in Headquarters and field allotments, the Board is of the view that this situation is of a recurring nature and the non-operational days could have been budgeted for in a more realistic manner if the historical data had been more closely considered.

105. The Board recommends that the Administration ensure that non-operational days be given due consideration in estimating aviation costs to make the estimates more realistic and reasonable.

Use of an unrealistic standard rate of fuel usage

106. As stipulated by Headquarters, missions use the standard fuel consumption rates (fuel usage per hour) when developing the aviation fuel budget. Regarding the current methodology for the planning and budgeting of aviation fuel, the Advisory Committee on Administrative and Budgetary Questions expressed its concerns about the appropriateness of the application of standard fuel usage rates throughout peacekeeping operations and requested the Board to "review this issue, including actual fuel usage in the 2010/11 period and the appropriateness of the [standard] rates used for budgeting for 2012/13" (A/66/718, para. 131).

¹¹ The number of non-operational days is the sum of non-deployment days and non-available days.

¹² In practice, aircraft contracts do not begin and end on the same dates as the same financial year. Non-deployment days are the days not covered by the contracts of aircraft within one given financial year.

¹³ Non-available days are the days when aircraft cannot meet the operational requirements of a mission due to reasons of carriers. Non-available days exclude maintenance time and mandatory time off for air crews under the host country's civil aviation authority regulations, which should be reimbursed by the Organization.

¹⁴ Budgeted guaranteed fleet costs less actual guaranteed fleet costs under the contracts (\$182,298,411 minus \$155,392,962).

107. The Board compared the actual to the budgeted aviation fuel consumption for financial year 2010/11 at 10 missions¹⁵ and noted a shortage (expense over budget) of 31.2 million litres at four missions and an excess (budget over expense) of 22.85 million litres at six missions (see annex V). The variances were partly explained by variances between the actual fuel consumption rates and the standard rates used for budgeting. In this regard, for the types of aircraft that account for the majority of the total fleet composition in each mission, the actual fuel consumption rates for these aircraft vary significantly from the standard rates set by Headquarters, leading to a significant distortion in the total aviation fuel budget.

108. For example, at UNAMID, there was an excess of 10.93 million litres of aviation fuel budgeted in 2011/12, accounting for 30 per cent of actual fuel consumption in that year. The Board focused its analysis on the fuel usage of the MI-8MTV helicopters, representing 56 per cent of the total 41 mission aircraft, which dominated the total number of flight hours of all aircraft. We noted that the standard fuel consumption rate applied in the budget was 665 litres/hour, 14 per cent more than the average actual consumption rate recorded for these helicopters over the last three financial years. The failure to sufficiently consider the actual fuel consumption rate in UNAMID relating to this type of aircraft led to an overestimation of the fuel usage by 7.13 million litres.

109. The Board also sampled 23 aircraft and compared the actual fuel consumption rate and the budgeted standard rate for each aircraft in different missions during financial years 2010/11 and 2011/12. The analysis showed that in 2011/12, the actual fuel consumption varied significantly from the standard fuel consumption, with the variance rate ranging from -63.42 per cent to +36.43 per cent (in 2010/11 the variance rates ranged from +49.69 per cent to -13.24 per cent). These significant variances suggest that standard rates do not reflect the specific situation on the ground. In addition, there were a number of instances where the actual fuel consumption rate had been consistently different from the standard rate in the same mission, again indicative of the inappropriateness of standard rates. Taking the Bell-212 in MINUSTAH, for example, the variance between the standard rate and the actual rate was +24.27 per cent for 2010/11 and +28.63 per cent for 2011/12. In UNOCI, for the same aircraft, the variances were -9.74 per cent and -9.90 per cent. Details are shown in annex VI.

110. The Board is of the view that given the prevailing specific circumstances of each mission the rigid use of a standard fuel consumption rate may not be the most realistic and prudent basis on which to budget, especially without proper consideration of historical trends in relation to aircraft fuel consumption.

111. The Board recommends that the Administration consider the feasibility of applying mission-specific fuel consumption rates taking into account the historical trends at each mission.

¹⁵ There were only 10 missions whose fuel consumption data for 2010/11 were available to the Board.

*Personnel budget**Inadequate consideration of historical delayed deployment factor*

112. The delayed deployment factor¹⁶ is a major budget assumption in formulating personnel costs. The lower the delayed deployment factor a mission applies, the more resources a mission will require. In its last report, the Board noted a potential \$29.79 million overestimation of the personnel budget as a result of applying delayed deployment factors without taking full account of historical trends.

113. The Board followed up on this issue and noted that during the current financial period, the overall budgeted delayed deployment factors were closer to the actual delayed deployment factors in 2011/12 than 2010/11, indicating improvements on the part of the Administration. The Board continued, however, to observe instances where the historical delayed deployment factor trend was not fully considered in formulating the budgets and projections of future deployment were not adequately justified.

114. For example, in UNAMID, the actual average delayed deployment factor of formed police units was 65.4 per cent in 2008/09 and 30 per cent in 2009/10; but for the 2011/12 budget a factor of 10 per cent was applied. The actual factor for financial planning units in 2011/12 was 16.1 per cent, 6.1 per cent higher than budgeted. If the actual average factor of 16.1 per cent had been used, it would have resulted in the budget of formed police units being reduced by \$3.3 million. The Board noted other cases of unrealistic and unjustified factors¹⁷ being applied in the budget formulation for military observers and United Nations police at UNAMID, United Nations police and National Professional Officers at UNMIT and National Professional Officers at UNSOA and UNMIL. Altogether, the total potential overestimation of the personnel budget was just under \$19 million (annex VII).

115. The Administration explained that the budgets were based on the available information at the time of their preparation, well in advance of the budget implementation period. Any parameters used for the budget were projections of what might happen one year ahead, and most of the missions operated in volatile environments. There were always specific reasons for the variations between the budgeted and actual delayed deployment factor. In the case of the United Nations police at UNAMID, there had been continuing difficulties in getting the entry visas for the police personnel during 2011/12, delaying deployment. It was, therefore, not unreasonable that variances should occur between the approved budget and its actual implementation. The Administration also noted that historical trends must be calibrated to take into account efforts being made to expedite the deployment of military and police personnel and recruitment of civilian staff.

116. While acknowledging the Administration's explanations, the Board considers that it is important to take both the historical trend and foreseeable future deployment plans into account. In many cases the factors mentioned by the

¹⁶ The term delayed deployment factor is commonly applied to military and police personnel; it is the equivalent of the vacancy rate or delayed recruitment factor which is commonly used for the civilian personnel approved by the General Assembly. In the present report, to avoid confusion, the Board uses the term delayed deployment factor for both military and police personnel as well as for civilian personnel.

¹⁷ Budgeted delayed deployment factor had a large variance compared with the historical trend and was 4 per cent less than the actual factor in 2011/12.

Administration, such as visa delays, are of a recurring nature, and thus can be counted among the historical factors to be considered. Any deviation from historical delayed deployment factor rates or any other foreseeable future judgments that affect the budget should be fully justified, and if possible quantified, to facilitate realistic and transparent budget setting.

Inadequate consideration of historical trends in contingents' rotation frequency

117. The frequency of rotation of each troop or police contingent is a critical factor in the estimation of rotation costs. The Board noted large variances for years between the budgeted rotation frequencies and the actual frequencies. The Board also noted planned rotation for contingents that failed to deploy for years. As a result, the overall rotation budget could be overestimated by \$25.6 million in UNAMID alone in 2011/12. Again there appeared to be no proper consideration of historical trends or robust justifications for the rotation frequencies assumed in budgets.

118. The Board recommends that missions (a) take due consideration of the historical records of relevant factors, such as delayed deployment factors and rotation of troops, when formulating budget assumptions; and (b) provide sufficient justifications and quantify the impact of foreseeable factors where possible if there are large variances between historical performance records and the figures applied within the formulation of the budget.

Contingent-owned equipment costs

119. Non-deployment and unserviceability are two important budget assumptions factors in formulating the budget for major contingent-owned equipment. The Board reviewed the application of these two factors during the budget formulation process and noted the unrealistic application of the same non-deployment and unserviceability factors to all troops and police, which does not reflect the reality. Taking UNAMID as an example, in the last three financial years, the non-deployment factor in the budget for the military contingents and formed police units has been kept fixed at 5 per cent and the unserviceability factor used for the military contingents and formed police units was either 2 or 5 per cent while in reality, the actual value of these two factors varied greatly across different troop/police units in 2011/12. The Board also noted that in most cases, the factors used in budgets were much smaller than their respective historical trends, which is indicative of possible budget overestimation. If the non-deployment and unserviceability factors used in the contingent-owned equipment budgets had taken full account of historical trends, the major equipment budget might have been \$21.6 million lower in 2011/12. The Administration explained that UNAMID had inherited AMIS units that faced difficulties equipping their troops on time and up to standard (one major troop contributor inherited from AMIS accounts for about 61 per cent of the 2011/12 \$21.6 million variance) despite assurances that the situation would be rectified. Noting the failure by the troop contributor to rectify the situation during the past three years, the Department of Field Support had applied higher non-deployment and unserviceability factors in the 2012/13 and 2013/14 budgets.

120. For contingent-owned self-sustainment equipment, only the equipment specifically agreed to in the memorandum of understanding that pass United Nations inspection is to be reimbursed. To guarantee the availability of funds, the current

budget assumption for self-sustainment equipment is that all will pass inspection and be accepted by the United Nations. But in practice a considerable proportion of self-sustainment equipment does not pass inspection (defined as the “unaccepted factor”) and in such cases, under the agreements made between contributing countries and the United Nations, no reimbursements should be made. As a result, there could be great variances between the budgeted and actual expenditure of self-sustainment equipment. Taking UNAMID as an example, based on the historical inspection records for the last three years of self-sustainment equipment budget execution, the budget overestimation could amount to \$14.7 million, \$12.2 million and \$14 million in 2009/10, 2010/11 and 2011/12, respectively.

121. The Board recommends that the Administration (a) apply more realistic assumptions in calculating the non-deployment factor and unserviceability factor by taking account of the specific situations and historical deployment trends of military contingents and formed police units when budgeting for major items of contingent-owned equipment; and (b) take the unacceptable factor into account when budgeting for contingent-owned self-sustainment equipment.

Vehicle budget

122. The Board noted insufficient consideration of the actual light passenger vehicle ratio on the ground in reviewing the vehicle budget at Headquarters. The Board noted that Headquarters had agreed to the light passenger vehicle acquisition budget despite missions holding more light passenger vehicles than entitled to. For example, in the Board’s last report, UNIFIL was found to have more light passenger vehicles on the ground than it was entitled to. However, UNIFIL still requested \$0.49 million in its 2011/12 budget proposal for the acquisition of light passenger vehicles, and Headquarters approved that amount. The \$0.49 million was left unspent at the end of 2011/12. The Board was informed that inaccurate data on the actual number of vehicles held in the field may be one of the reasons for inappropriate approval of the vehicle budget by Headquarters.

123. On a related note, the Board noted that the consumption rates of spare parts for vehicles applied in budgeting were not consistent with their historical usage trends, and there was insufficient justification for the inconsistencies. For example, in UNAMID, the assumed consumption rate of spare parts against vehicle value for heavy vehicles was 3 per cent in financial year 2011/12. However, the corresponding actual rates were 0.7 and 0.8 per cent in financial years 2010/11 and 2011/12, respectively. Similarly, the consumption rate of spare parts for light vehicles was set at 4 per cent while the corresponding actual rates were 2.5 and 2.1 per cent in 2010/11 and 2011/12. If the actual spare parts consumption factor had been applied to the budget for 2011/12, it would have been \$1.2 million lower.

124. The Administration explained that the low consumption rate of vehicle spare parts at UNAMID was affected by factors such as long lead times in receiving spare parts in mission areas, delays in forwarding spare parts to sectors owing to government restrictions, and scheduled maintenance and repairs being largely impaired as facilities were not fully established or up to the required safety standards. The Board, however, is of the view that these difficulties have existed for years, as reflected in the consistent variances between budgeted and actual rates.

125. The Board recommends that the field missions and Headquarters take the actual holdings of vehicles and historical spare parts consumption rates into account in preparing and reviewing the vehicle budget.

Construction budgets

126. The Board noted a lack of clear criteria for estimating construction engineering project costs. For example, UNAMID, like many missions, conducted some engineering projects in-house. The Mission converted 10 projects from commercial outsourcing to in-house projects, reducing by \$13.6 million the expected cost, as there was no budget for the projects in 2011/12 (in general in-house delivery of projects tends to be cheaper than outsourcing). While acknowledging the efforts to reduce costs, the Board noted that the envisaged efficiency gains were not factored into the budget for engineering projects (mainly because of an absence of clear criteria for determining which engineering projects should be outsourced or conducted in-house or on what basis the budgets should be formulated). There is a risk of budgets being overestimated if the project budgets are based on outsourcing costs. Given the increasing number of in-house engineering projects among missions there is a need to establish clear criteria to determine the conditions under which projects could be conducted and the basis for estimating costs.

127. The Board recommends that UNAMID (a) develop clear criteria for choosing between outsourced and in-house construction at the budget planning stage; and (b) formulate construction budgets in line with the criteria and ensure that justifications are submitted to the Project Management Group for approval when changing the construction approach.

128. UNAMID commented that it would apply and document, at the planning stage of the individual project, the criteria used for the selection of the construction project.

Freight costs in operational budgets

129. United Nations Headquarters applies a universal rate (15 per cent) when estimating freight costs, including transportation, accommodation and engineering, for all missions. The Board noted that this percentage did not reflect the actual costs of freight. For example, at UNAMID, the average actual freight cost (excluding spare parts) in 2011/12 was only 8.4 per cent of the total value of the purchased assets. If the actual rate had been applied in formulating the budget, the freight budget could have been reduced by \$2.6 million in 2011/12.

Overall conclusion on budget management

130. In summary, the deficiencies identified in budget formulation and management are as follows: (a) no consideration of a number of key factors in budget formulation, such as non-operational days in setting aviation guaranteed fleet costs and the unaccepted factor in contingent-owned equipment costs; (b) lack of due consideration of historical trends for certain budget assumptions, including budgeted flight hours in aviation cost; and (c) the need for improved guidance in certain areas, such as clear criteria for choosing between outsourced and in-house construction approaches.

131. Taken together, the deficiencies in budget formulation and management account for a potential overestimation of the 2011/12 budget at some \$144.5 million (table II.4).

Table II.4

Summary of possible budget overestimation owing to deficiencies in the application of budget assumptions

(Millions of United States dollars)

<i>Category</i>	<i>Mission</i>	<i>Reason for overestimate</i>	<i>Possible value of overestimation</i>
Aviation	UNAMID	Unrealistic flight hours for fuel cost	13.8
	UNAMID	Unrealistic flight hours for rental and operational budget	19.4
	UNAMID	No consideration of non-operational days in guarantee cost	26.91
	Cross-mission	Inadequate consideration of historical delayed deployment factor	18.9
Personnel	UNAMID	Unrealistic rotation budget for uniformed personnel	25.6
	UNAMID	Unrealistic non-deployment and unserviceability factor for major equipment	21.6
Contingent-owned equipment	UNAMID	No consideration of unaccepted factor for self-sustainment equipment	14
	UNIFIL	Lack of considering actual light passenger vehicles held on the field	0.49
Vehicle	UNAMID	Lack of considering actual consumption rates in spare parts budget formulation	1.2
Freight cost	UNAMID	Unrealistic freight cost in operational budget	2.6
Total impact (at least)			144.5

132. The Board noted that the budget implementation rate was 96.17 per cent, with unspent balances of \$301.58 million. Unspent balances may be attributable to the possible budget overestimations outlined above, while some of the overbudgeted resources had been utilized under other classes through redeployments. Considering the high percentage of cancellation of unliquidated obligations as well as cases where missions established unliquidated obligations to reserve funds, the Board is concerned that there may be a risk that these funds were utilized for unbudgeted purposes ineffectively and inefficiently.

133. The Board has drawn upon its work at UNAMID in particular to illustrate its concerns about budget formulation, but considers that most of its findings are common to most if not all missions. To address the identified deficiencies, the Board reiterates that the budget should be formulated in a more realistic, transparent and well-justified manner. In particular, when formulating budgets, missions should take into account all relevant factors which may have an impact on budgets, especially historical trends. For any factors closely linked to historical records, missions should demonstrate clearly in their budgets how they arrive at their underlying budget assumptions and quantify the impact of those factors individually where possible.

134. In addition, the respective cost centres¹⁸ at Headquarters in the Field Budget and Finance Division of the Department of Field Support and the Peacekeeping Financing Division of the Office of Programme Planning, Budget and Accounts, need to collect detailed data relating to the budget submissions from missions and review them closely to check that all historical trends and foreseeable factors are duly considered, projections are well justified, calculations are correct and assumptions are applied consistently.

135. The Board reiterates its previous recommendation that field missions and Headquarters implement more stringent reviews of the budget submissions to ensure that they are formulated in a consistent, accurate and appropriate manner.

136. The Administration commented that the actual implementation of the budget is impacted by a number of factors, including Security Council decisions and factors beyond missions' control. The variances between the approved budget and its actual execution are reported to the General Assembly in the context of missions' performance reports and taken into account in the preparation of subsequent budgets. Nevertheless, the Department of Peacekeeping Operations and the Department of Field Support have implemented a decision-making process to facilitate the budget formulation process that requires early engagement of senior management of both Departments. This process focuses on outlining the strategic and major resourcing priorities of a field mission at an early stage of the budget process. The outcome of the process results in the strategic guidance that forms the core budget parameters for both the results-based-budgeting framework and the resourcing in achieving the mandate. To ensure sufficient detail in budget formulations, field missions are given a specific set of costing sheets that standardize inputs and a significant number of parameters where necessary.

7. Human resources management

Inaccurate data in HR Insight

137. HR Insight is a United Nations-wide online reporting tool to manage the achievement of human resource targets. It is potentially of significant value as it allows instant online access to key performance information. Timely data are necessary for HR Insight to be used effectively and to inform decision-making. The data in HR Insight are compiled by Headquarters from other human resource systems, including IMIS and Nucleus, the recruitment database.¹⁹ However, the data collected by missions from the Nucleus system are integrated in HR Insight one month later than the data collected by Headquarters from IMIS. While noting the Administration's explanation that the data collected from Nucleus are delayed in relation to IMIS data because of quality checking and validation, the Board considers that such delays may result in data inconsistency, weakening the role of HR Insight as an effective tool to monitor performance in human resources management on a real-time basis.

¹⁸ Cost centre here refers to the sections in the Department of Field Support that are responsible for reviewing a mission's budget submission in a specific area, such as the Surface Transport Section, which is responsible for reviewing the vehicle budget.

¹⁹ Nucleus is a key human resources management system used by both Headquarters and field missions for daily human resources administration.

138. The Board recommends that the Department of Field Support and the Office of Human Resources Management take steps to address the one-month delay in the uploading of data from the Nucleus system into HR Insight.

Vacancy rates

139. In its previous report the Board noted the high vacancy rate of civilian staff at peacekeeping missions. The Board noted that the overall vacancy rate for all peacekeeping missions stood at 14.5 per cent at the end of the period under review compared to 12 per cent at the end of the previous year. For staff in the Professional and higher categories, the average vacancy rate as at 30 June 2012 was 24.7 per cent, while the highest rate was 43.9 per cent (UNISFA).

140. In addition, the Board noted that some senior posts, such as chiefs of section, had not been filled for a long time. For example, at UNMIL, five senior management posts were not filled within the normal 120 days after the position became vacant. At UNISFA, the chief procurement officer post had been vacant for one year as of the time of audit.

141. High vacancy rates can impose significant challenges to the delivery of a mission's mandates and the proper functioning of internal control systems. Furthermore, the Board considers long-standing vacancies in senior positions to have had a negative impact on the daily functions of certain sections. For example, at UNISFA, the absence of a chief procurement officer led to non-compliance with existing delegations, while vacancies in the property control and inspection unit caused a low physical verification rate on assets.

142. The Board recommends that the Administration take urgent measures to fill vacancies in peacekeeping operations, especially for the senior and key posts, in an expeditious manner.

8. Vehicle fleet management

143. The total value of United Nations vehicles owned by peacekeeping missions amounted to \$588 million, or 26 per cent of the total non-expendable property. Given the size of the vehicle budget and the risks involved, the Board examined the utilization of vehicles and the management of vehicle entitlements.

144. In accordance with the Standard Cost and Ratio Manual, light passenger vehicle entitlements are calculated by applying various standard ratios to the staffing table. In its previous reports, the Board has repeatedly identified the existence of light passenger vehicles at several missions above the entitlements specified by the Manual. The Board continued to observe similar deficiencies for the period under review.

145. For example, as of 30 June 2012, UNAMID had 2,904 light passenger vehicles,²⁰ 500 more than the standard entitlement. Furthermore, some categories of personnel had particularly high vehicle allocations. For instance, the vehicle occupancy rate for the Integrated Support Service was 1.2, much lower than the standard ratio of 2.5. UNAMID commented that it would take action to reduce the

²⁰ The figure of 2,904 light passenger vehicles, including 647 ex-AMIS vehicles, refers only to those vehicles in use, while the remaining 439 vehicles donated by AMIS are not included.

number of light passenger vehicles, including writing off and transferring to other missions where necessary. Similar surpluses were found at UNMIK and UNDOF.

146. The Board reiterates its recommendation that the Department of Field Support carry out a thorough review of vehicle entitlements at missions to identify the scope for savings.

9. Rations management

147. For the period under review, the total budget appropriation for rations was \$339 million, while expenditures amounted to \$309 million. The Board noted the following deficiencies in rations management.

Insufficient control over rations at UNAMID

148. As rations are for the uniformed staff in the Mission, any kind of unauthorized distribution of United Nations rations to the local market brings high political risk to the Mission. As indicated in its internal memo, UNAMID had experienced difficulties in the past with the host country relating to unauthorized distribution of rations outside of United Nations facilities. The Board noted some cases from the 1 June 2011 report of the property management section of UNAMID where rations were distributed outside of United Nations facilities and identified the following deficiencies which may have contributed to the unauthorized distribution of rations:

(a) *Failure to strictly enforce ration inspections.* As regulated by the Rations Management Manual, the Rations Unit is required to carry out frequent inspections of the ration stock held by contingents to supervise ration consumption, and in particular to check whether excessive or deficient food exists. We noted such inspections were carried out less frequently than required and lacked rigour, which impaired the Mission's ability to detect the unauthorized distribution in a timely manner;

(b) *Insufficient remedial action.* Although some rations were found distributed outside of United Nations facilities without authorization, the Board noted that sufficient remedial action was not taken. The Board is of the view that there should be further remedial actions, including education in the proper use of rations, penalties for misuse and misconduct and further investigation of the concerned soldiers and police officers;

(c) *No tracing of responsibility for ration outflow.* According to the property management section report, the rations outflow to the local market emanated from certain soldiers and police officers. However, the Board noted that there was no further investigation or responsibility tracing.

149. UNAMID agreed with the Board's recommendation that it strengthen the management of rations, specifically by (a) implementing regular inspection of rations with particular focus on those contingents with known higher risks; (b) taking effective remedial action to address identified shortcomings, including education in the proper use of rations and penalties for misuse and misconduct; and (c) strengthen responsibility tracing for ration outflow actions, including investigation of the concerned contingents and soldiers or police officers.

150. The Administration commented that UNAMID had (a) instituted measures to strengthen the control weaknesses identified, including labelling the rations boxes as “not for sale” and enhancing security access controls within the premises; (b) conducted an investigation which concluded that the sale of rations may have emanated from certain contingents, but that no individuals could be implicated; and (c) developed an inspection schedule for the 2013 period, in which each of the 73 locations in the sectors would be inspected at least once in every four months, including increased unannounced inspections for contingent locations where the anomalies had been detected. The Board is concerned that the deficiencies noted at UNAMID could be occurring at other missions and urges the Administration to ensure that rigorous processes are in place at all missions.

Deficiencies in the management of composite ration packs

151. Composite ration packs are emergency rations supplied to troops and police officers in extreme circumstances. According to the Rations Management Manual, missions must keep at least 14 days of composite ration packs as strategic stock. However, the Board noted inadequate stock levels at some missions. For example, as of 8 August 2012, UNMISS should have had 77,168 composite ration packs in its strategic reserves, but had only 41,808 (54 per cent of the required amount). Also, as at 30 June 2012, UNISFA had 36,762 composite ration packs in stock, only 67 per cent of the required amount. Furthermore, 10,410 composite ration packs were identified by the Board as consumed without authorization in 2011/12 at UNAMID, accounting for 8 per cent of the total consumption.

152. The Administration agreed with the Board’s recommendation that it request all field missions to monitor composite rations pack stock levels periodically to maintain stock levels in line with minimum strategic reserve requirements.

153. The Administration indicated that subsequent to the Board’s recommendation, UNMISS had received two consignments of 90,000 packs (which had been delayed at the port of Mombasa) to replenish the temporary decrease in strategic reserves maintained as of 30 September 2012; UNISFA had increased the composite ration pack reserve to 20 days as of 23 October 2012; and UNAMID had deducted the number of unauthorized composite ration packs consumed from the orders of fresh rations made by the respective contingents.

10. Travel management

154. At the request of the Advisory Committee on Administrative and Budgetary Questions, the Board reviewed the use of official travel budgets in peacekeeping operations and found that, while the level of travel expenditure had decreased annually in the past three years, the actual expenditures incurred had exceeded the approved budget for every year. At UNISFA, UNOCI and UNAMID in particular, the budgets for official travel were overspent by 384 per cent, 71 per cent and 49 per cent, respectively, for the period under review.

155. In the course of its review, the Board analysed the usage of videoconference facilities as an alternative to travelling to meetings. The Board also examined the implementation at Headquarters and at the missions of the policy of purchasing travel tickets well in advance in order to achieve the best prices (the advance purchase policy).

Videoconference usage

156. Making full use of information and communication technology, such as telephone conferencing, videoconferencing or webcasting, will contribute to reducing travel costs. While noting the efforts made by the Department of Field Support to increase the use of video and teleconferencing services, the Board noted that there was no formal travel policy to encourage staff in the use of these technologies as low-cost alternatives to travel. The Board also noted that for most missions, the potential for videoconferencing had not formally been taken into consideration before the authorization of travel requests. For example, owing to the lack of an official travel policy promoting videoconferencing as an alternative to travel, videoconferencing facilities were infrequently used in UNDOF as an alternative to official travel.

157. The Board acknowledges that it may not always be possible to use videoconferencing to meet with entities outside the United Nations system, but for entities within the system, electronic forms of communication should be utilized as much as possible where they present a viable alternative to travel. For example, at Headquarters, the Board examined a sample of the travel records for the monthly steering committee meetings of the Regional Service Centre and noted that in the period from September 2010 to August 2012, 14 meetings were held in Entebbe, Nairobi, Brindisi, Valencia and New York. The Board considers that such regular meetings internal to peacekeeping operations should be held by videoconferencing as far as possible.

158. The Administration agreed with the Board's recommendation that it develop a policy to require all staff to consider the use of telephone and videoconferencing as an alternative to official travel, and to ensure that those options are considered before requests for official travel are authorized.

159. The Administration commented that the utilization of video and teleconferencing services in the Departments of Peacekeeping Operations and Field Support had increased by 16 per cent during the 2011/12 financial period and that the Department of Field Support would continue to urge staff to increase the use of video and teleconferencing services to reduce the cost of travel.

Non-compliance with the advance purchase policy

160. On 4 April 2011, the Under-Secretary-General for Management instructed the travel offices at duty stations not to approve any official travel requests and related ticket issuances less than two weeks prior to departure, unless appropriate justification is provided by the directors of concerned offices. The instructions also required statistical data on requests made within two weeks of travel to be provided by all offices on a monthly basis from the third quarter of 2011 onward.

161. The Board reviewed the advance purchase policy compliance report covering the first and second quarters of 2012, which summarized the official travel purchases of all the departments at Headquarters, and noted that the peacekeeping operations departments were the two top non-compliant departments. The rates of non-compliance in the first and second quarters of 2012 were 68 per cent and 51 per cent for the Department of Peacekeeping Operations and 52 per cent and 38 per cent for the Department of Field Support. Within the missions, the Board also noted that the rates of non-compliance with the policy ranged from 35 per cent to 83 per cent.

162. The Board acknowledges that the nature of United Nations peacekeeping operations often requires staff members to travel on short notice to respond to crises or immediate operational requirements, but considers that significant scope remains for improvements in the rates of compliance with the advance purchase policy and that continuous efforts should be made to reduce the instances of non-compliance with the policy.

163. The Administration agreed with the Board's recommendation that it (a) continue to monitor the rates of compliance with the advance purchase policy; and (b) provide further guidance to peacekeeping missions to enhance internal controls over the approval of travel requests made within two weeks of the date of travel.

164. The Administration commented that the Department of Field Support had circulated the advance purchase policy and travel guidelines to its staff at Headquarters and field missions and would continue its efforts to raise awareness of the requirements of the travel policy.

C. Audit of the implementation of the global field support strategy

165. Following the adoption of General Assembly resolution 64/269, the global field support strategy is being implemented over a five-year period starting from July 2010. The objectives of the strategy as set out in the report of the Secretary-General (A/64/633) are to accelerate mission start-up and deployment and improve the quality and timeliness of delivery of services to field missions, while achieving greater efficiency and economies of scale. The strategy comprises four distinct yet integrated pillars: a financial framework; predefined modules and service packages (modularization); service centres; and a human resources framework. A summary of the key achievements to date against each pillar, three years into the project, is set out in table II.5.

166. The strategy spans most of the administrative and support functions of peacekeeping across six areas: finance, supply chain and procurement, human resources, budgeting, central support services and programme and project management. It also encompasses many entities within the United Nations Secretariat and the field missions. The strategy is therefore a very challenging and complex business transformation project requiring professional and robust project and change management.

Table II.5

Progress made under each pillar of the global field support strategy as at the time of audit

<i>Pillar</i>	<i>Key activities^a</i>	<i>Main areas of progress^b</i>
Service centres	Reprofiling of UNLB to serve as the Global Service Centre and establishment of the Regional Service Centre in Entebbe, Uganda to provide support services to missions in the region	UNLB was reprofiled as the Global Service Centre with 31 transactional and operational posts being transferred to it. The Regional Service Centre began to host some back-office functions, including human resources management and financial functions, check-in/out, educational grant, regional training and conference centre. Also, the Transport

<i>Pillar</i>	<i>Key activities^a</i>	<i>Main areas of progress^b</i>
		and Movements Integrated Control Centre was established to optimize the utilization of air assets.
Finance	Modifying mission financing arrangements to expedite the timely deployment of material and human resources to missions and the expansion of access to existing financing mechanisms, in support of start-up operations	<p>A standardized funding model was developed, presenting three different profiles depending on the number of mandated uniformed personnel (5,000, 10,000 or 15,000), each with two different scenarios based on mission-related factors of size and logistical challenges. The standardized funding model was applied in UNMISS for the first year of its operation (2011/12 financial year).</p> <p>Critical support to both UNOCI and UNSMIS was made possible through the expanded authorities provided to the Secretariat. In the case of UNOCI, an amount of \$85.3 million was accessed from the Peacekeeping Reserve Fund to support the mission's response to the crisis in Côte d'Ivoire in December 2010, while \$11 million was drawn from strategic deployment stocks to support the rapid start-up of UNSMIS in April 2012.</p>
Modularization	Establishing deployment modules to improve the speed and predictability of the deployment of the military, police and civilian components of field missions, particularly in start-up or surge operations	22 modules were identified and developed including the design and identification of materials for six conceptual camps (excluding the enabling capacity). Modular service packages were applied in Somalia.
Human resources framework	Reinforcing external and internal capacities including stand-by arrangements with contractors, military support capacities, short-term consultants and individual contractors and rapidly deployable stand-by capacities	Over 10,000 qualified civilian candidates were rostered. The Field Central Review Board reduced the average time to process a case from 68 days to 35 days.

^a The key activities are based on the report of the Secretary-General (A/64/633).

^b As described by the Administration at the time of audit.

167. In its previous report, the Board identified deficiencies relating to the project implementation plan, performance framework and cost-benefit analysis. Subsequent to the Board's recommendation, the Department of Field Support has made proactive efforts to strengthen the management of the project. A strategic-level end-state vision, overall communication strategy, risk management framework and performance framework are all being developed and will be presented in the third progress report of the Secretary-General on the global field support strategy. During

the period under review, the Board continued to assess the Administration's approach to designing, initiating and managing the project in terms of five key elements (table II.6).

Table II.6

Five key elements for designing, initiating and managing successful projects

<i>Key element</i>	<i>Criteria</i>
Vision	<p>Is the end-state vision of the project clearly defined, well communicated to and understood by the parties involved?</p> <p>Does the organization have an implementation plan to realize the end-state vision?</p>
Governance	<p>Are effective governance and accountability arrangements in place for the project?</p> <p>Are effective arrangements in place to manage business transformation?</p> <p>Is the project governance well-functioning in discussing and making decisions on significant issues?</p> <p>Are the governance arrangements conducive to transparent and effective decision-making?</p>
Project management	<p>Is the organization monitoring and managing delivery effectively against a clear project timetable and implementation plan?</p> <p>Are the decisions of the governing bodies properly followed?</p> <p>Could the governing bodies and other parties involved buy into the project concept and commit themselves sufficiently to the project delivery?</p> <p>Are the risks timely identified and duly addressed in the project implementation?</p>
Benefits management	<p>Could the envisaged benefits be well justified?</p> <p>Are the costs fully considered in the cost-benefit analysis?</p> <p>Could the reported benefits be duly supported and fully substantiated?</p>
Cost management	<p>Are the costs of the project duly captured and properly reported?</p>

168. In the implementation of the strategy, United Nation Headquarters is responsible for establishing and implementing the high-level end-state vision, communication strategy, risk management framework and performance measurement framework for each pillar to follow, and overall project monitoring. Each pillar then implements its own project management methodology. The Board notes some general and cross-pillar deficiencies in the global field support strategy in section 1 below and some pillar-specific issues in sections 2 to 5 below.

1. General and cross-pillar observations

169. The Board comments in this first section on deficiencies in five areas: (a) end-state vision and implementation plan; (b) governance arrangements; (c) project management; (d) benefits management; and (e) cost management.

Lack of a sufficiently detailed implementation plan

170. The global field support strategy has continued for three of its five-year implementation period without a clearly defined end-state vision or a comprehensive implementation plan which sets out clear goals, timelines, key activities, milestones and project deliverables. While noting the Administration's explanation that the end-state vision for each pillar will be contained in the Secretary-General's third progress report, the Board notes that a sufficiently detailed implementation plan has yet to be developed to realize that vision. The Board sets out in annex VIII the key issues it considers important to the development of the implementation plan. The Board considers that a clear vision and a detailed implementation plan are essential to the successful delivery of this (and indeed any) complex, multi-year, organization-wide initiative.

171. The Board reiterates its previous recommendation that the Administration develop a comprehensive plan elaborating in greater detail goals, timelines, key activities, milestones, benchmarks/baselines and project deliverables for each pillar of the global field support strategy to ensure that the end-state vision of each pillar can be achieved in good time.

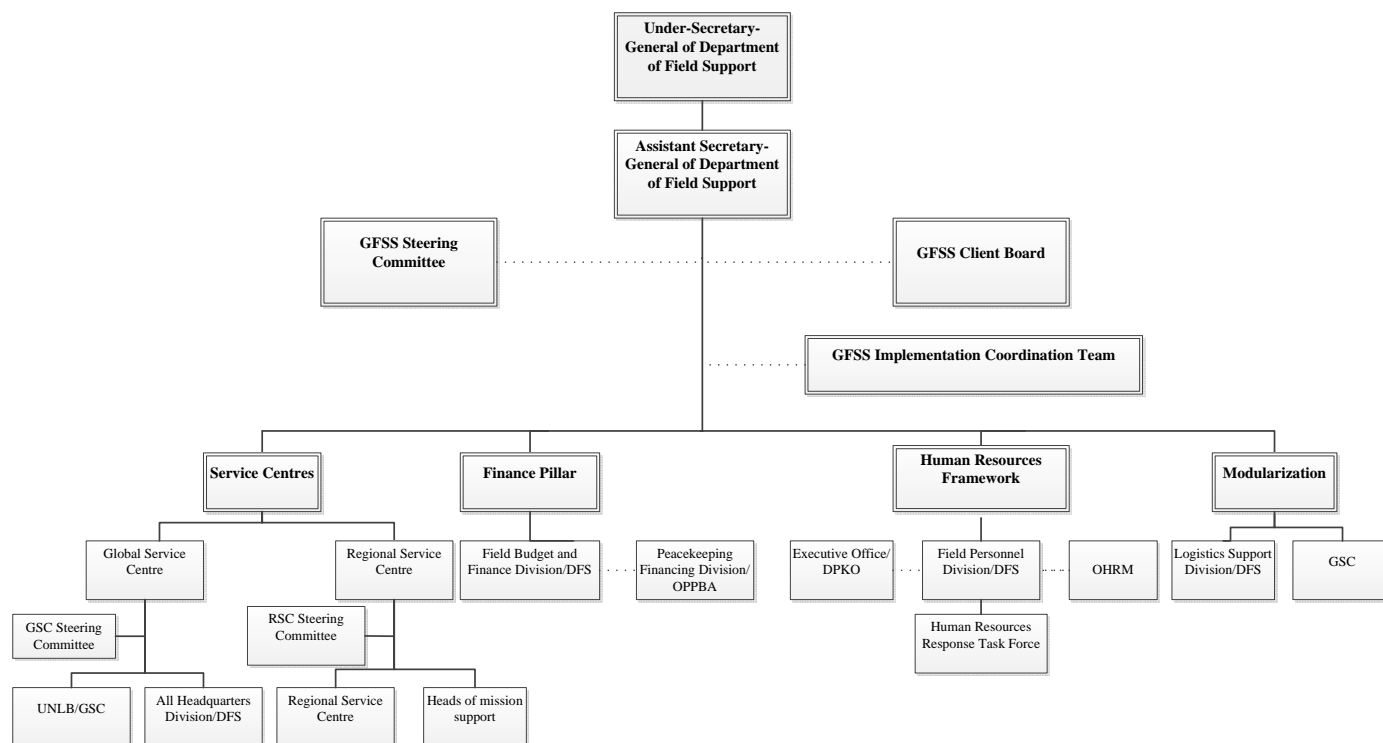
Weaknesses in project governance

172. Robust project governance should be well-structured, with key project owners clearly identified, implementing partners sufficiently represented, and decision makers well informed of project progress and issues and risks. There is also a need for strong senior-level ownership of the project, with roles, responsibilities and accountabilities clearly defined and well understood by the whole organization.

173. The Under-Secretary-General of the Department of Field Support is the senior owner of the project with ultimate responsibility and accountability for the delivery of the envisaged benefits. The Department has implemented a governance framework that includes (a) the Global Field Support Strategy Steering Committee as the advisory body to the Under-Secretary-General; (b) the Global Field Support Strategy Client Board as the advisory body to the Steering Committee; and (c) a Global Field Support Strategy Implementation Coordination Team responsible for monitoring, coordinating and reporting on the implementation of the strategy and its impact in improving service delivery to the field. Other governance structures include the Regional Service Centre Steering Committee and the Global Service Centre Steering Committee ²¹ and the project governance structure for the Transportation and Movements Integrated Control Centre and modularization project. The components of the overall governance framework are illustrated below.

²¹ The Regional Service Centre Steering Committee and the Global Service Centre Steering Committee are the decision-making bodies of the Regional Service Centre and Global Service Centre, respectively.

Figure II.2

Governance structures and responsibilities for the implementation of the global field support strategy

Note: The Office of Programme Planning, Budget and Accounts, the Office of Human Resources Management and the Department of Peacekeeping Operations are the stakeholders outside the Department of Field Support who provide comments and inputs to that Department in the implementation of the global field support strategy.

174. The Board identified the following deficiencies in the existing governance structures:

(a) *The Global Field Support Strategy Steering Committee has provided insufficient guidance and critical challenge on the feasibility of the proposed project actions and initiatives.* As of October 2012, the Steering Committee had met seven times²² since its establishment in 2009. Review of the minutes of the meetings showed that the contents were mainly updates on progress, with little evidence of challenge and effective decision-making;

(b) *Despite being a key project implementer, the Regional Service Centre is not represented on the Steering Committee.*²³ The Board considers that the Regional Service Centre, as a key service supplier, needs to be represented on the Steering Committee, especially as it (a) hosts most of the human resources management and financial functions for peacekeeping missions in Africa; and (b) is where the most

²² Twice in 2009, once in 2010, twice in 2011 and twice in 2012.

²³ The Steering Committee comprises (a) Secretariat implementing partners including the Department of Political Affairs, Department of Peacekeeping Operations, Department of Management and Office of Information and Communications Technology; (b) service suppliers represented by the Department of Field Support and UNLB/Global Service Centre; and (c) service recipients represented by the director or chief of mission support.

significant and tangible benefits of the global field support strategy implementation will be achieved through the Transportation and Movements Integrated Control Centre. Representation would facilitate effective communication of challenges to those responsible for project governance. Subsequent to the Board's recommendation, the Administration included the Regional Service Centre in the Steering Committee at its meeting held on 28 November 2012;

(c) *The Client Board has not met since October 2011.* The Client Board is responsible for identifying challenges and providing early warning of potential risks for global field support strategy activities from the perspective of military and police mission leadership. It represents the perspectives of troop- and police-contributing countries. The Board noted that it had met only once (October 2011) but not since. As a result the Board sees a risk that operational realities on the ground, as well as military and police mission needs, may not be properly understood or acted upon in taking forward the strategy.

175. More generally, the Board encountered difficulties in establishing the basis upon which key decisions about the project have been made. The Board noted that most of the strategic planning, risk management and monitoring and reporting on progress was conducted through meetings between directors and other field support managers, including the directors/chiefs of mission support in field missions, and at times during the weekly directors' meetings chaired by the Assistant Secretary-General of the Department of Field Support. These decision-making mechanisms are not reflected in the formal governance framework of the strategy, and no detailed minutes of the meetings were available. As a result, important deliberations, decisions and actions arising from those meetings and other interactions concerning the implementation of the strategy are not routinely documented. This falls short of recognized best practice for major multi-year business transformation projects.

176. The Board also noted deficiencies in relation to the Global Service Centre Steering Committee, Regional Service Centre Steering Committee and the governance frameworks for the Transportation and Movements Integrated Control Centre²⁴ and modularization project:

(a) *The Global Service Centre Steering Committee had not met since September 2011, until it met again in October 2012.* The Steering Committee was established as the decision-making body for the Global Service Centre. It comprises the Assistant Secretary-General of the Department of Field Support, the Director of UNLB/Global Service Centre, directors of Department of Field Support divisions, two representatives from the field at the director or chief of mission support level and the chief of the Regional Service Centre, with the Chief of the Global Field Support Strategy Implementation Coordination Team as an ex officio member. The failure to meet for over a year resulted in significant project proposals not being discussed, such as the transfer of six posts to the United Nations Support Base in Valencia from UNLB;

(b) *Delays in the establishment of the Transportation and Movements Integrated Control Centre governance framework.* The transportation budget (including both air operations and surface transportation) is characterized by

²⁴ The Transportation and Movements Integrated Control Centre was established in 2010 as part of the Regional Service Centre and is responsible for optimizing the utilization of air and surface transportation assets in Central and Eastern Africa.

complex budgetary arrangements and relationships among the parties involved in the management of the air and surface transportation assets²⁵ which entail the necessity of establishing a clear governance framework for the Transportation and Movements Integrated Control Centre project setting out, for example, the roles and responsibilities of each party. The governance framework was due by June 2011 but was not established until 17 October 2012. The delay has in part led to (i) the non-functioning of the services envisaged to be performed by the Control Centre, including managing the regional cargo flight schedule and surface transportation service for regional passengers and cargo; and (ii) suboptimal scheduling of regional passenger and troop rotation flights;

(c) *Lack of a single point of accountability for the modularization project.* The Board noted that the modularization project has two project sponsors (Director of the Logistics Support Division in the Department of Field Support and Director of the Global Service Centre and two project managers (one at the Logistics Support Division responsible for development of the statement of work and the other at the Global Service Centre responsible for designing of modules). In addition, there were no terms of reference clearly defining the roles and responsibilities of each project sponsor and project manager or who is responsible and accountable for successfully implementing the project and achieving the envisaged benefits. The Board is concerned that lack of clear accountability for project success means that no senior officer is able to effectively drive decision-making and the resolution of difficulties. The Board considers that the 10-month delay in the implementation of the modularization is in part attributable to the lack of clear project governance and accountability.

177. The Administration agreed with the Board's recommendation that it (a) ensure that the Global Field Support Strategy Steering Committee and Client Board and the Global Service Centre Steering Committee need to consider how they function to improve the transparency and effectiveness of decision-making; and (b) review and revise the current governance structure of the modularization project to ensure single accountability for the project's success and the timely delivery of the envisaged benefits.

178. The Department of Field Support commented that it is in the process of amending the terms of reference of the Global Field Support Strategy Steering Committee to reflect the frequency of the Committee's meetings. The functioning of the Client Board has been strengthened by including representation from the Department of Political Affairs and field missions and ensuring that meetings are scheduled on a timely and consistent basis, and by following up on implementation of decisions of the Regional Service Centre Steering Committee through weekly video or teleconferences. In addition, the Global Service Centre Steering Committee has increased the frequency of its meetings to at least a quarterly basis in response to an interim Board recommendation. Also, the Department of Field Support is

²⁵ The transportation budget has two components, the Headquarters allotment and the field allotment (though all the transport assets belong to field missions). In this regard, the Transportation and Movements Integrated Control Centre does not have its own air assets and must be authorized by the field missions before using their air assets. The Air Transport Section, Movement Control Section and Surface Transport Section of the Transport and Movements Service in the Department of Field Support are the key parties managing transportation assets at the Headquarters level, alongside the various transport management sections at mission level, with the Control Centre functioning as a coordinator among the field missions.

revising the governance structure of the modularization project and expects it to be completed during the first quarter of 2013.

179. The Administration also agreed with the Board's recommendation that is ensure that the Transportation and Movements Integrated Control Centre governance framework is strictly adhered to and regularly reviewed and updated to adapt to the new requirements. This would include establishing how not-yet-performed functions could be based on the basis of client missions' requirement analyses, and strengthening the management of troop rotation and regional passenger flight scheduling.

180. The Administration commented that the Control Centre governance framework will be strictly adhered to by the Regional Service Centre and monitored by the Operational Technical Board and the Regional Service Centre Steering Committee. The Operational Technical Board is also charged with ensuring that the document is regularly reviewed and updated to adapt to the new requirements. Moreover the Department of Field Support had drafted the Control Centre road map for the period ending 30 June 2014 and it would be submitted for approval at the next Regional Service Centre Steering Committee meeting. The road map would cover the not-yet-performed and insufficiently performed functions and their implementation plans.

Weaknesses in project management

181. The Board noted a lack of clarity among staff about project objectives. A survey conducted by the Global Field Support Strategy Implementation Coordination Team in June 2012 revealed that "two thirds of the staff believe they are not well informed of the strategy's objectives"; and that "most of the staff perceive that the two greatest challenges facing the strategy are related to communications and process re-engineering".

182. The global field support strategy involves the introduction of new service delivery models which require changes to existing working practices and procedures and roles and responsibilities. If peacekeeping operations are to achieve the transition to the new service model and reap the full benefits, it is vital that all stakeholders understand and buy into the strategy and are involved in and committed to the changes. The Administration explained that it was aware of the importance of stakeholder and staff buy-in and that, subsequent to the survey, it had conducted briefings to communicate the strategy to the stakeholders and Secretariat partners and developed a communication strategy. Noting this, the Board will not make a recommendation but would like to emphasize that the communication strategy needs to be implemented quickly and effectively.

Weaknesses in risk assessment and management

183. The Board would expect, from the outset, to see the main risks to the project identified, prioritized in order of severity, clearly assigned to owners with the requisite authority to manage them and take mitigating actions, and reported regularly to the governing authorities. However, no formal and structured approach to risk management, including a risk register, had been established for the global field support strategy project at the time of audit. The Board noted instances where risks were not properly managed, resulting in delays in implementation. For example, though lack of sufficient office accommodation had been rated as a high risk for the transfer of functions from client missions to the Regional Service Centre,

mitigating actions were not taken in a timely manner, resulting in the transfer of 150 posts to the Regional Service Centre being delayed and additional costs estimated at about \$0.88 million being incurred. Similar delays occurred in the takeover of functions transferred to the Global Service Centre by respective divisions of the Department of Field Support.

184. While noting the Administration's explanation that the \$0.88 million costs were for the interim requirement to host the influx of finance and human resources posts, the Board notes that \$5 million was budgeted for the construction services in 2011/12 and that in the same financial year, the Regional Service Centre requested additional funding of \$6.49 million for the construction services. However, as of August 2012, the Board noted that the contracts for the four planned construction projects had not been signed, resulting in the Regional Service Centre having to seek alternatives to accommodate the staff to be transferred. This was indicative of the Centre's weak risk management.

185. The Administration agreed with the Board's recommendation that it (a) expedite the development of a risk management framework; and (b) ensure that the communication strategy is quickly and effectively implemented to make sure the project objectives are sufficiently and widely understood.

186. The Administration commented that the Department of Field Support had engaged a business continuity consultant in September 2012 and had begun a comprehensive risk assessment to be completed by the first quarter of 2013. After the risk assessment is adopted, the business continuity plans, including risk management and mitigation, will be developed for predetermined units in consultation with the management of the Regional Service Centre.

Weaknesses in benefits management

187. A typical kind of project failure occurs when there is a strong focus on technical delivery without clear and effective management of the benefits the project is intended to deliver. The Board noted the absence of a benefits realization plan for the global field support strategy. The Secretary-General envisaged in his report (A/64/633) that the benefits of strategy were expected to include (a) improved quality, efficiency and effectiveness of administrative support services for peacekeeping operations in an integrated, accountable and transparent manner; and (b) reducing field mission footprints and risk exposure and improved safety, security and living conditions for civilian support staff, in turn promoting a higher retention rate and increased productivity. As yet the Board has seen little evidence that the envisaged benefits are managed in an effective or integrated manner or that arrangements are in place to enable the reporting of their achievement to senior management or the General Assembly. In particular:

(a) The intended benefits of adoption of the strategy are not comprehensively collated in any single document and there is no action plan for benefits delivery, nor are there any benefits-tracking arrangements;

(b) There is no clearly assigned accountability for realizing the envisaged benefits. Operational sectors have not been assigned responsibility for delivery of tangible and quantifiable benefits in their area of the business and cannot say how the benefits will be achieved or measured;

(c) The Board continued to note that the key performance indicators for three pillars (financial framework, global service centre and human resources framework) are not yet developed;

(d) For the established key performance indicators for modularization and the Regional Service Centre, no system is yet in place to track performance;

(e) Of the envisaged quantitative savings of about \$96.64 million to be received from implementation of the global field support strategy (see annex IX), \$49.4 million, or 51.11 per cent, had not been tracked.

188. The Administration agreed with the Board's recommendation that it develop a benefits realization plan to track, quantify and manage the intended benefits of implementation of the global field support strategy.

189. The Administration also agreed with the Board's reiterated recommendation that it establish key performance indicators, baselines and expected outcomes for each of the four pillars of the global field support strategy and a system to monitor and report on their achievement.

190. The Administration commented that the Department of Field support would explore options to obtain the expertise required to establish a comprehensive benefits realization plan, including a cost capturing and reporting mechanism. That plan will be included in the fourth annual Secretary-General's progress report on the implementation of the strategy. In addition, the Department of Field Support is in the process of developing an entity-wide performance measurement framework which will provide a standardized approach and baseline data for all pillars against which progress can be measured in the future.

191. It is important that the benefits to be delivered by a project are set against the cost of its implementation and ongoing operation. Cost-benefit analysis is a systematic process for calculating and comparing the benefits and costs of a project proposal, used to facilitate effective decision-making. To ensure that accurate information is provided, it is vital that the costs be fully captured and the envisaged benefits well justified. The Board noted deficiencies in this regard, including:

(a) Instances where costs were not fully considered in cost-benefit analysis. For example, the one-time investments in relation to the transfer of function and posts from the Logistics Support Division and the Information and Communications Technology Division of the Department of Field Support to the Global Service Centre were not considered in the cost-benefit analysis. Similarly, the recruitment costs were not considered in the cost-benefit analysis of transferring functions and posts from client missions to the Regional Service Centre;

(b) Cases where the envisaged benefits of project implementation were not well justified, in particular, the envisaged savings of \$6.8 million²⁶ through the implementation of the modularization project. The \$6.8 million included "installation savings" estimated at \$3 million per year on the basis of the differences between the annual cost of the 30 support functional experts (\$0.15 million) dispatched from the Global Service Centre to missions and that of the temporary staff (\$0.05 million) who will be recruited to perform their jobs. However, the Board

²⁶ This \$6.8 million includes "installation savings" estimated at \$3 million per year, "logistics savings" of \$2.8 million and savings in sea freight of \$1 million.

considers that it is not practical and possible to have all 30 experts sent to missions for one whole year, thus the \$3 million is overstated. Also, it will be challenging to recruit sufficiently quickly temporary staff capable of performing the functions originally undertaken by the support functional experts, which in turn may negatively impact business continuity at UNLB.

192. The Administration agreed with the Board's reiterated recommendation that it ensure that the costs are fully considered in the cost-benefit analysis and that the envisaged benefits are well justified.

193. The Board is concerned that reported savings of \$61.3 million in relation to the reduction of 18 aircraft (the most significant savings reported by the Administration) achieved by the Transportation and Movements Integrated Control Centre through the sharing of air assets from January 2010 to June 2011 could not be justified. The most significant deficiencies regarding the claimed Control Centre savings were:

(a) A lack of clarity over who is responsible for capturing, calculating and reporting the savings achieved by the Control Centre and the absence of a standardized methodology to calculate the savings. In addition, the calculation of these savings was not documented and the Administration could not explain how the reported savings of \$61.3 million had been arrived at;

(b) The Board noted that for the reported savings of \$55.7 million relating to the reduction of 13 aircraft, the actual savings in total should have been \$37.95 million, an overstatement of savings by \$17.75 million (32 per cent). The actual savings of each of these 13 aircraft do not match those reported in the Secretary-General's second progress report (A/66/591); and

(c) For the claimed savings of \$5.6 million relating to the reduction of the UNAMID aircraft fleet by five helicopters in 2010/11, the Administration indicated that it was actually four aircraft and could not provide adequate supporting documents to show clearly how that four-helicopter reduction had been achieved.

194. The Board was informed by the Administration that (a) the fleet had been reduced by four more aircraft with total savings of \$19.18 million (including fuel costs) that had not been reported in the Secretary-General's second progress report (A/66/591); and (b) the savings of \$61.3 million did not include savings relating to fuel which were estimated to be \$12.47 million (annex X). The Board was further informed that the savings achieved by the Transportation and Movements Integrated Control Centre in 2011/12 were still being calculated.

195. The Administration agreed with the Board's recommendation that it (a) determine who should be responsible and accountable for capturing and reporting the savings achieved by the Transportation and Movements Integrated Control Centre; (b) ensure that a standardized methodology is established to capture and report the savings and that the calculation process is well documented; (c) conduct a thorough review of and report the actual savings from January 2010 to June 2011 to the governing bodies again; and (d) ensure that the savings achieved by the Control Centre in 2011/12 are accurately reported in the Secretary-General's third progress report.

196. The Administration commented that a standardized methodology to calculate and report the savings and efficiencies was under development and was expected to be presented for approval by the Operational Technical Board in February 2013, and

that the Department of Field Support was conducting a thorough review of the actual savings achieved by the Control Centre in 2011/12.

Deficiencies in cost management

197. A key objective of the global field support strategy is to provide services to field missions in a more responsive, efficient and cost-effective manner. To evaluate whether this is achieved it is important to establish baseline costs of the services before the strategy is implemented, forecast costs under proposed options for redesign and then monitor costs under the new arrangements. The Board noted that no cost capturing and reporting mechanism had been established to enable the Administration to (a) register all the types of costs that might be incurred in project implementation; (b) identify which costs are to be captured and the methodologies to achieve this; and (c) regularly report project costs.

198. In this regard, the Board would suggest that costs to be captured should include but not be limited to the following direct project costs:

- (a) Staffing and operational costs for the Regional Service Centre and for the seven posts in the Implementation Coordination Team;
- (b) Assets contributed to the Regional Service Centre by client missions. For example, MONUSCO contributed 32 vehicles with a total purchase value of \$0.73 million and 88 modular work stations worth \$0.5 million in total. These are currently not reflected in the Regional Service Centre's costs;
- (c) Costs for materials and testing in the modularization project;
- (d) Expenditures relating to travel, training and conferences associated with the project.

199. The Administration agreed with the Board's recommendation that it establish a cost capturing and reporting mechanism to facilitate improved oversight of the costs of implementation by the governing bodies.

200. The Administration commented that the operational costs of the Regional Service Centre were being captured in a dedicated project code subsequent to the Board's recommendation. The Department will continue to improve its cost management practices to further reflect all costs related to the Regional Service Centre, including contributions from the client missions.

2. Service centres

201. A new service delivery model was proposed under the global field support strategy in the Secretary-General's initial report (A/64/633), requiring a fundamental shift in the existing division of labour and a relocation of functions to improve responsiveness and better address the needs of field missions. The intention is that the Secretariat continues to set strategic direction, exercise oversight and take policy decisions, while the global and regional service centres take over the majority of operational and transactional functions. The mission support component of field operations would thereby be reduced, with only location-dependent activities performed in specific mission locations. Eight posts were approved for transfer to the Global Service Centre in 2011/12 and 23 posts in 2012/13 from respective divisions of the Department of Field Support. To consolidate administrative and support functions for geographically grouped field missions, and thus to achieve

scale economies and other efficiencies, the Regional Service Centre at Entebbe²⁷ was established by the General Assembly in its resolution 64/269. Thirty-nine posts were approved for transfer from the client missions to the Regional Service Centre in 2011/12 and 160 posts in 2012/13. The Board reviewed the process of function/post transfer and noted the following key deficiencies:

(a) *Transfer of functions without approval by the General Assembly.* Under the new service model of the global field support strategy, any proposed transfer of functions/posts needs to be approved by the General Assembly before action is taken. The Board noted instances where the transfer occurred prior to such approval. For example, the Global Service Centre moved six posts²⁸ from UNLB to the United Nations Support Base in Valencia in late 2011 prior to approval by the General Assembly. The post transfer was not supported by the Assembly (see resolution 66/266) and the Global Service Centre had to move the posts back to UNLB. The Administration explained that it was a pilot project to ensure that the Global Service Centre had adequate capacity to support the envisaged transfer of 27 posts to Valencia, and that redeployment of staff within Global Service Centre locations was within the authority of the Director of the Global Service Centre. The Board is of the view, however, that (i) the transfer of these six posts was part of the global field support strategy proposal presented for the review and approval by the General Assembly and thus could only be conducted after approval by the Assembly; and (ii) the movement of the six posts resulted in the same functions being performed in two geographically distinct locations, creating additional costs (for example, travel costs and relocation costs). Similar cases were noted at the Regional Service Centre. As at 30 June 2012, the number of posts transferred to the Regional Service Centre amounted to 202, 163 posts more than the 39 posts approved for to the Regional Service Centre in 2011/12 by the General Assembly. The staffing and operational costs relating to these 163 posts had been charged to the Centre's client missions rather than reported as costs of the Centre. The Board was then informed that about 250 more posts would be transferred to the Regional Service Centre in 2012/13, bringing to 452 the number of posts transferred by the end of June 2013, 253 more than the 199 posts approved by the General Assembly. The Board further noted that the transfers would be presented in the 2013/14 budgets of client missions for review by the General Assembly, but that the transfers actually occurred prior to the Assembly's approval;

(b) *Insufficient planning for function/posts transferred from Headquarters to the Global Service Centre.* Transfer of functions/posts is a sensitive and complex activity, entailing detailed planning, proper settlement of the incumbents of the posts, and business continuity during the transitional period. The Board noted inadequate coordination between the related divisions of the Department of Field Support and the Global Service Centre to ensure the smooth transfer of functions/posts and business continuity during the transitional period. For example,

²⁷ The Regional Service Centre does not have its own staffing; all of its staff are contributed by missions. Nor does the Regional Service Centre have its own budget. Client missions (UNAMID, UNMISS, UNISFA, MONUSCO, UNSOA, BINUB and BINUCA) share the operational costs on the basis of the size of their mission budgets.

²⁸ The six posts were drawn from three units, namely, the Field Central Review Bodies Unit, the Reference Verification Unit and the Education Grant Unit. Altogether, there are 13 posts in these three units. With six posts being moved to the United Nations Support Base in Valencia, these units have to work in two geographically distinct locations.

the Global Service Centre had received little information regarding job descriptions, working processes and standard operating procedures from the releasing divisions of the Department of Field Support. The Centre had to develop its own job descriptions, working processes and standard operating procedures;

(c) *Significant delays in the Global Service Centre taking over the transferred functions.* A review of the status of the eight posts approved for transfer in 2010/11 revealed that it took an average of nine months to get staff on board for six posts, with the remaining two posts being unfilled. Review of the status of the 23 posts approved for transfer from the Logistics Support Division to the Global Service Centre in 2012/13 revealed that only two posts had been filled as of October 2012. Owing to the delays in filling the transferred posts, some of the functions that had been approved for transfer to the Centre were still being performed by the Logistics Support Division though the related posts had been cancelled. The Board also noted cases where functions were not performed and the business had been negatively impacted. For example, while the consolidation of acquisition planning had been transferred, no staff member was actually performing this function at the Logistics Support Division or the Global Service Centre, resulting in the acquisition plan not being updated;

(d) *Non-synchronized transfer of functions and posts to the Regional Service Centre.* Once functions have been delegated and transferred to the Regional Service Centre, it is important that the related posts be transferred in such a way as to guarantee sufficient staffing at the Centre to perform those functions. The Board noted that while 70 per cent of the human resources and finance functions had been transferred, only about 40 per cent of the related posts had been transferred, resulting in insufficient staffing at the Centre to perform the transferred functions. The management of the Centre explained that the implementation of the transfer of posts had been problematic owing to the ownership of the process by the missions, which in practice had resisted the transfer of functions;

(e) *Working procedures are not yet standardized and streamlined at the Regional Service Centre.* The transfer of functions from client missions to the Regional Service Centre is expected to enable integrated service delivery and achievement of economies of scale by providing standardized services. The Board noted that working procedures had not yet been standardized and streamlined; staff transferred from different missions were still following their previous work procedures. The Administration explained that process re-engineering activities were under way with the aim of standardizing procedures.

202. The Administration agreed with the Board's recommendation that it (a) ensure that the General Assembly's approval be sought prior to any transfer of functions/posts to the Global Service Centre or the Regional Service Centre; (b) conduct sufficient planning and make sufficient arrangements to ensure that the Global Service Centre can take over functions in an expeditious manner; and (c) ensure that a detailed action plan is established to synchronize the transfer of functions and posts and standardize and streamline working procedures at the Regional Service Centre as soon as possible.

203. The Administration commented that (a) the Global Service Centre and the Regional Service Centre would seek the General Assembly's approval prior to any future transfer of functions or posts; (b) a formal handover of functions had started in October 2012 with official visits of Global Service Centre staff to Headquarters

to map out the related administrative processes, and recruitment of national and international staff (including transfer of staff against vacant posts) would be completed by February 2013; and (c) the action plan defining the number of posts moving to the Regional Service Centre was under development and some process improvement initiatives, e.g. Lean Six Sigma, iNeed and the Field Support Suite, were under way to re-engineer and standardize processes and thereby achieve efficiencies and economies of scale.

3. Finance pillar

204. The financial pillar of the global field support strategy aims to strengthen the ability of the Organization to deploy rapidly in challenging circumstances by expediting access to funding, while improving financial management through greater budgetary discipline, increased capacity to focus on critical start-up activities and strengthened operational integration and accountability. There are two key activities of the financial resourcing pillar: (a) the expansion of access to existing financing mechanisms such as strategic deployment stocks and the Peacekeeping Reserve Fund; and (b) the standardized funding model proposed by the Secretary-General (see A/64/633) to streamline the budget process, enable staff in new missions to focus on operational planning and execution rather than on detailed funding development, and facilitate a standardized approach and closer alignment between approved funding and actual expenditure.

205. In his report on the standardized funding model (A/65/696 and Corr.1), the Secretary-General proposed three different profiles for the model, depending on the number of mandated uniformed personnel (5,000, 10,000 or 15,000), each with two different scenarios based on mission-related factors of size and logistical challenges. The General Assembly, in its resolution 64/269, approved the use of the standardized funding model for the first year of a mission's operations.

206. The intention of establishing a more realistic start-up budget to improve financial management and accountability and accelerate the preparation of the necessary budgetary formulation is a positive development. The Board noted that the budgetary process of UNMISS was expedited as a result, but identified some deficiencies in the assumptions and methodology of the model and in its application to the 2011/12 UNMISS budget proposal.

207. The deficiencies identified can be classified in four categories: lack of flexibility, non-consideration of key factors, lack of justification for some budget assumptions and errors in calculation. The overall net impact of these deficiencies is estimated at \$18.54 million,²⁹ or approximately 2.5 per cent of the overall standardized funding model resource levels, while the absolute impact amounted to \$68.04 million. Details are shown in annex XI to the present report.

Lack of flexibility

208. The Board considers that the model as designed cannot meet mission particularities. For example, at UNMISS, there are significant variances between the 7,900 uniformed personnel approved for the mission and the indicative number of 10,000 uniformed personnel in the profile chosen as best suited to the UNMISS

²⁹ This figure does not include the impact of unquantifiable factors such as the delayed deployment factor for the initial year's aircraft cost estimates, or the global vacancy rates.

2011/12 budget proposal. In addition, the model assumes a fixed ratio between the uniformed personnel and the civilian staff in the mission (for example, under scenario II/profile 10,000, the ratio of uniformed personnel to civilian personnel is 10,000 to 2,697), but such relationships vary significantly from mission to mission depending on their mandates. The Board is of the view that it is difficult and inappropriate to establish a fixed ratio between the uniformed personnel and civilian personnel, and that a more responsive staffing methodology needs to be established tailored to differing peacekeeping operations. Similar considerations apply to the development of the aviation budget in the standardized funding model. Details are shown in annex XII.

Non-consideration of key factors in estimating resources requirements

209. The Board noted instances where key factors had not been considered in scenario II of the standardized funding model. For example, guaranteed costs for nine aircrafts were not budgeted and there was no reduction for the sharing of strategic aircraft across missions. Altogether, this will potentially increase the estimated resource requirements by approximately \$16.2 million under scenario II/profile 10,000. Similar cases were noted in which the delayed deployment factor for the initial-year aircraft cost estimates was not considered. Details are shown in annex XII.

Unjustified budget assumptions

210. The Board noted instances where budget assumptions applied in the standardized funding model are not well justified. For example, for major equipment of the contingent-owned equipment for military contingent and formed police unit personnel, the model uses a non-deployment factor of zero per cent. The Board noted that UNISFA, however, applied a non-deployment factor of 10 per cent in the major equipment budget in its start-up year. If a 10 per cent non-deployment factor had been applied in the standardized funding model, the resource requirements for major equipment would have been reduced by \$3.25 million under scenario II/profile 10,000. Similar cases were noted in relation to other budget items and taken together, some \$24.75 million had been overestimated under scenario II/profile 10,000. Details are shown in annex XII.

Errors in calculation

211. The Board noted significant errors or omissions in the standardized funding model. For example, the delayed deployment factor applied in scenario II for rations was applied twice, which means that the costs for military contingent rations have been understated by over \$13 million. Other errors were also found relating to the calculation of costs of generator fuel and spare parts for ground transportation. In total, errors or omissions had led to an underestimation of resource requirements by some \$27 million. Details are shown in annex XII.

212. The Administration agreed with the Board's recommendation that it address the deficiencies in budget assumptions and methodology to make the indicative budget in the standardized funding model more realistic and better justified.

213. The Administration commented that it is enhancing the responsiveness of the model to specific start-up mission environments by developing standard civilian capacities and revising costing assumptions.

Deficiencies in the application of the standardized funding model

214. The 2011/12 UNMISS budget proposal was based on a standardized funding model with the profile of 10,000 uniformed personnel under scenario II being applied for a total resource requirement of \$738.27 million. The final budget, pro-rated down to \$722.13 million to account for the mission's start date of 9 July 2011, eight days into the 2011/12 financial year, was later approved by the General Assembly in its resolution 66/243. The Board reviewed the budget proposal, budget implementation and monitoring on the utilization and noted the following deficiencies.

Lack of consideration of the actual situation and requirements of UNMISS

215. When proposing a budget based on the standardized funding model, it is important to consider the mission's actual situation and requirements and make necessary adjustments so that the budget is realistic. In this regard, the Board noted deficiencies in the UNMISS budget proposal:

- (a) No cost adjustments had been made to align staffing costs with the actual approved strength;
- (b) Assets transferred from UNMIS at a historical value of \$156.48 million were not considered in the UNMISS budget proposal;
- (c) In the standardized funding model, funding was allocated for 1,540 formed police unit personnel at \$26.54 million, despite the General Assembly not having approved any formed police units in 2011/12 for UNMISS;
- (d) The model does not include funding for general temporary assistants, government-provided personnel or mine detection, which are all common costs for any peacekeeping mission in the first year of operation.

216. These deficiencies potentially resulted in a budget overestimation of over \$120 million, with an absolute impact on resource requirements of some \$245 million (annex XIII). Because the actual situation and requirements of the mission were not duly considered, UNMISS made frequent and widespread budget redeployments (18 redeployments for a total of \$497.4 million, or 69 per cent of the approved budget of \$722.1 million). This is significantly higher than for other missions in the first year of operation (annex XIV).

Insufficient monitoring of funds utilization

217. The budget is an important tool for monitoring and controlling the efficiency and effectiveness of the utilization of resources. Under the usual resource budgeting model, missions are required to submit detailed costing forms on a class basis in which sufficient justification should be provided for resource requirements. Under the standardized funding model, however, missions do not need to submit detailed costing forms. This may weaken monitoring and control of resource utilization. To address this, a resource management committee was established by UNMISS aimed at enabling the senior leadership to set priorities and collectively monitor the use of funding towards those priorities through a given period.

218. The Board reviewed the functioning of the resource management committee and noted that it had met only three times since its establishment. The first meeting was held before the budget submission based on the standardized funding model, and the last one was held in June 2012, almost at the end of the financial year. In addition, in the minutes of the only meeting of the committee held in February 2012, there was no substantive discussion of budget issues, nor any documentary evidence to demonstrate that the committee had set, monitored and updated the mission's priorities or conducted adequate analysis of the efficiency and effectiveness of resource utilization. The Board considers there is a need for Headquarters to strengthen its monitoring of missions' budgetary management arrangements and funds utilization.

219. The Administration agreed with the Board's recommendation that it (a) fully consider the actual situation and requirements of a new mission when making budget proposals based on the standardized funding model; and (b) establish a robust monitoring mechanism to monitor resource utilization in missions applying the standardized funding model.

220. The Administration commented that the Department of Field Support was conducting a lessons-learned review of the UNMISS budget and the results would be included in the Secretary-General's next progress report on the global field support strategy. In addition, an updated framework will be proposed in that report, which will provide for greater flexibility and responsiveness to specific mandate personnel levels and configurations, deployment rates, the availability of assets from other missions, aircraft configurations, mission locations, the implementation of the global field support strategy, specific mandated tasks such as mine action and disarmament, demobilization and reintegration and updated unit costing and prices as pointed out by the Board.

4. Modularization

221. Modularization is designed to provide the Organization with the capacity to build up field facilities by leveraging a range of individual basic modules that can be configured to address the specific requirements of different deployments. The aim is to improve the speed and predictability of the deployment, particularly in the start-up or expansion phases, through advanced planning and the use of pre-designed and configurable service packages that include the requisite materials, supplies, equipment and enabling capacities. To date, a total of 22 modules have been designed and seven service packages have been identified, including two variants of the 200-person camp (allowing the configuration of self-sustainment provided by the United Nations or troop- or police-contributing countries), the 1,000-person base, the 50-person outpost, and logistics and air bases.

222. In addition to the general observations on the lack of a clearly defined end-state vision, insufficient benefits management and cost management, the Board highlights the following deficiencies in relation to the project management of modularization:

(a) *Lack of integrated planning and centralized monitoring of the achievement of the timeline.* The Board noted that the current timeline did not include certain key activities such as the finalization of a statement of work, a formal and detailed document that captures and defines the work activities, deliverables and timeline a vendor must execute while performing specified work

for a client. Also, the monitoring of project progress against the project timeline is insufficient to enable risks of project delays to be identified and addressed in a timely manner;

(b) *Insufficient business continuity planning.* Originally one project manager was responsible for day-to-day project administration until he left his position in April 2012. In July 2012 two project managers were nominated to oversee execution of the modularization project together, indicating that there was no project manager responsible and accountable for managing the project from April to July 2012.

223. Both the deficiencies mentioned above as well as the lack of a single point of accountability contributed to a 10-month delay in the finalization of the statement of work and other key project deliverables, including issuance of a request for proposal, and revised system contracts, as at the audit time. The Board is yet to see how the delays will be resolved or mitigated, and considers that this may lead to further slippage in project implementation.

224. The Administration agreed with the Board's recommendation that it (a) update the current project timeline to ensure that all the key activities are included; (b) duly monitor the progress against the project timeline and address in timely fashion the risks that may cause delays in project implementation; and (c) establish an action plan to finalize the statement of work expeditiously to avoid further slippage.

5. Human resources framework

225. The human resources framework will establish a workforce trends analysis capability to address gaps in field deployment and will introduce a more strategic service delivery model to improve field recruitment and succession planning. It addresses the needs and the provision of support to field missions in the following areas: (a) workforce planning and outreach; (b) recruitment (talent management framework and roster management); (c) succession management; (d) conditions of service; (e) business intelligence (analysis and reporting); (f) customer service integration; and (g) governance and organizational performance.

226. The Board reviewed the project management and implementation under this pillar and noted that though a broad idea had been given as to overall direction and much activity had been undertaken and updated, it remained unclear how things would stand with this pillar at the end of the five-year period. Without a clear goal being established, it will be difficult to measure whether this pillar has been successful or not.

6. Overall conclusion on the global field support strategy

227. The global field support strategy, now in its third year, is a significant business transformation project aimed at expediting and improving the service delivery to field missions. At the current stage, some of the envisaged benefits have been realized. While recognizing the concept of the global field support strategy as well as the efforts made and progress achieved, the Board identified some key deficiencies in relation to the detailed project implementation plan, project governance (both at the overall project level and pillar level), project management, benefit management and cost management. If not properly and quickly addressed, these deficiencies will result in further delays or even failure to maximize the

envisaged benefits of the strategy. The Board also notes that the Administration plans to propose a new Department of Field Support supply chain concept in the Secretary-General's third progress report on the strategy, according to which, the Global Service Centre pillar will be re-profiled as a supply chain pillar. Such reform initiatives are expected to provide logistics services to missions in a more integrated and cost-effective manner. Considering the deficiencies identified above in relation to the project management, the Board considers that the concept should be presented with a clear end-state vision stating the service delivery model under the new supply chain, the roles and responsibilities of the Department of Field Support, the Procurement Division, the Global Service Centre, the Regional Service Centre and the field missions and a comprehensive plan for delivering this reform, together with a detailed cost-benefit analysis.

D. Disclosures by management

1. Write-off of cash, receivables and property

228. The Administration reported to the Board that property losses of \$21.08 million (\$27.39 million in 2010/11) had been written off during 2011/12. These losses were caused mainly by accidents, malfunctions and other circumstances. In accordance with financial rule 106.8, the Administration also stated that losses amounting to \$178,034.41 (\$303,620 in 2010/11) had been written off in respect of cash and accounts receivable, because they were considered irrecoverable.

2. Ex gratia payments

229. As required under financial regulation 5.11, the Administration reported to the Board one ex gratia payment, amounting to \$2,417 paid by UNMIK to a former military officer for essential food supplements, with regard to peacekeeping operations for the period under review.

3. Cases of fraud and presumptive fraud

230. In accordance with paragraph 6 (c) (i) of the annex to the Financial Regulations and Rules of the United Nations, the Administration reported to the Board that: (a) five missions (UNOCI, UNDOF, UNIFIL, UNMIK and UNMIL) confirmed there were no fraud cases in 2011/12; (b) four missions (MINURSO, MINUSTAH, UNAMID and UNSOA) and UNLB did not respond to the requirement to submit the information in relation to fraud and presumptive fraud; and (c) five missions reported 11 fraud cases during the period under review, detailed as follows.

231. At MONUSCO, of seven cases reported, three related to the selling of e-MOP³⁰ (valued at \$600), fuel (68,000 litres) and counterfeited identity documents to members of the host population by national staff. The first two cases had been referred to the Office of Human Resources Management and the Chief of Administrative Services for disciplinary action and administrative action, respectively, and in the third case disciplinary action against the perpetrator was

³⁰ e-MOP is an application in the Field Support Suite used to monitor the movement of personnel in field missions.

under way. In the other four cases, falsified claims had been observed, including (a) fuel claimed by a contingent; (b) travel claimed by an engineering company based on a fake hotel bill; (c) medical entitlements (valued at \$3,382.34) claimed by a United Nations volunteer; and (d) residential security reimbursement claimed by a United Nations police officer. Those four cases had been referred to the permanent mission of the contingent, the permanent mission of the country where the company was registered, UNDP and the police commissioner for action.

232. At UNFICYP, one staff member submitted a questionable expense account (valued at \$787.67) and was paid by the finance section. That case was referred to OIOS and the amount was recovered in full.

233. At UNISFA, a cash count showed a shortfall of \$5,458.31 in the imprest account because several invoices were not accounted for. The difference was later cleared up after the invoices were accounted for.

234. At UNMISS, one international staff member forged documents to receive dependency allowance. This case is still under investigation by the special investigation unit and the amount involved is still unclear.

235. At UNMIT, a staff member and a United Nations volunteer received cash (\$86,638.97) from the mission's fuel contractor for signing delivery notes for fuel that was never received. The case has been referred to the conduct and discipline team. UNMIT will institute a claim against the contractor for financial compensation for the amount of fuel not delivered.

236. According to the Administration, the cases reported above did not reflect all fraud and presumptive fraud cases, as some may still be under review by other offices and departments and therefore it would be premature to report them to the Board.

E. Acknowledgement

237. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Peacekeeping Operations, the Under-Secretary-General for Field Support, the Under-Secretary-General for Internal Oversight Services, the United Nations Controller and members of their staff, as well as the staff at the missions.

(Signed) Amyas **Morse**
Comptroller and Auditor-General of the
United Kingdom of Great Britain and Northern Ireland
(Chair of the United Nations Board of Auditors)

(Signed) **Liu Jiayi**
Auditor-General of China
(Lead Auditor)

(Signed) **Ludovick Utouh**
Controller and Auditor-General of the United Republic of Tanzania

17 January 2013

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Peacekeeping Force in Cyprus (UNFICYP)
2. United Nations Disengagement Observer Force (UNDOF)
3. United Nations Interim Force in Lebanon (UNIFIL)
4. United Nations Mission for the Referendum in Western Sahara (MINURSO)
5. United Nations Interim Administration Mission in Kosovo (UNMIK)
6. United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)
7. United Nations Mission in Liberia (UNMIL)
8. United Nations Operation in Côte d'Ivoire (UNOCI)
9. United Nations Stabilization Mission in Haiti (MINUSTAH)
10. United Nations Mission in the Sudan (UNMIS)
11. United Nations Integrated Mission in Timor-Leste (UNMIT)
12. United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS)
13. African Union-United Nations Hybrid Operation in Darfur (UNAMID)
14. United Nations Mission in South Sudan (UNMISS)
15. United Nations Interim Security Force for Abyei (UNISFA)
16. Support for the African Union Mission in Somalia (support for AMISOM)

Special-purpose accounts

1. Peacekeeping Reserve Fund
2. Support account for peacekeeping operations
3. United Nations Logistics Base at Brindisi, Italy (UNLB)
4. Peacekeeping after-service health insurance

Completed peacekeeping operations

1. United Nations Operation in Burundi (ONUB)
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISSET)
4. United Nations Iraq-Kuwait Observation Mission (UNIKOM)
5. United Nations Mission in Bosnia and Herzegovina (UNMIBH)
6. United Nations Mission of Observers in Tajikistan (UNMOT)

7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)
8. United Nations Mission in the Central African Republic (MINURCA)
9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)
10. United Nations Preventive Deployment Force (UNPREDEP)
11. United Nations Transitional Administration for Eastern Slovenia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group
12. United Nations Observer Mission in Liberia (UNOMIL)
13. United Nations Peace Forces (UNPF)
14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)
15. United Nations Mission in Haiti (UNMIH)
16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)
17. United Nations Observer Mission in El Salvador (ONUSAL)
18. United Nations Operation in Mozambique (ONUMOZ)
19. United Nations Operation in Somalia (UNOSOM)
20. United Nations Military Liaison Team in Cambodia (UNMLT)
21. United Nations Transitional Authority in Cambodia (UNTAC)
22. United Nations Transition Assistance Group (UNTAG)
23. United Nations Iran-Iraq Military Observer Group (UNIIMOG)
24. Special Account for the United Nations Emergency Force (UNEF) 1956
25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC)
26. United Nations Mission in Ethiopia and Eritrea (UNMEE)
27. United Nations Observer Mission in Georgia (UNOMIG)
28. United Nations Mission in the Central African Republic and Chad (MINURCAT)

Annex II

**Status of implementation of recommendations contained in
the report of the Board of Auditors for the financial period
ended 30 June 2011 (A/66/5 (Vol. II))**

Topic	Period first reported	Reference in A/66/5 (Vol. II)	Auditor's view after verification			Total
			Implemented	Under implementation	Not implemented	
1. Finance — obligations created at the end of the year	2007/08	para. 20		1		1
2. Finance — obligations created at the end of the year — UNAMID	2010/11	para. 22	1			1
3. Finance — disclosure of MINURCAT non-expendable properties	2010/11	para. 27		1		1
4. Budget — lack of full justifications for budget assumptions — UNAMID, UNMIS and UNMIL	2010/11	para. 41	1			1
5. Budget — lack of full justifications for budget assumptions — UNAMID, UNMIS and UNMIL	2010/11	para. 42		1		1
6. Budget — redeployments — MONUSCO, UNMIS, UNIFIL, MINUSTAH, UNOCI and MINURCAT	2010/11	para. 48	1			1
7. Budget — redeployments — MONUSCO, UNMIS, UNIFIL, MINUSTAH, UNOCI and MINURCAT	2010/11	para. 49	1			1
8. Budget — framework	2010/11	para. 54	1			1
9. Asset management — high risk of loss/wastage from unused non-expendable property; high risk of unnecessary procurement — UNAMID, UNMIS and UNLB; insufficient declaration of surplus assets	2010/11	para. 69		1		1
10. Asset management — high risk of loss/wastage from unused non-expendable property; high risk of unnecessary procurement — UNAMID, UNMIS and UNLB; insufficient declaration of surplus assets	2010/11	para. 70		1		1
11. Asset management — insufficient coverage of physical count on expendable property — UNMIS, UNLB, UNSOA and UNMIT	2010/11	para. 73		1		1
12. Asset management — delayed reconciliation of discrepancies in “not found yet” assets	2010/11	para. 78		1		1
13. Asset management — assets under the name of users who have been repatriated	2010/11	para. 82		1		1
14. Asset management — deficiencies in write-off and disposal of non-expendable property and expendable property — UNMIT and UNIFIL	2005/06	para. 86		1		1
15. Asset management — deficiencies in write-off and disposal of non-expendable property and expendable property — UNMIT and UNIFIL	2010/11	para. 87	1			1
16. Asset management — deficiencies in key performance indicators for stock control of non-expendable property and expendable property — MINURCAT and UNMIS	2010/11	para. 91		1		1

Topic	Period first reported	Reference in A/66/5 (Vol. II)	Auditor's view after verification			Total
			Implemented	Under implementation	Not implemented	
17. Procurement and contract management — building UNAMID accommodation	2010/11	para. 101		1		1
18. Procurement and contract management — inadequate consideration of strategic deployment stocks before requisition — UNLB and UNSOA	2010/11	para. 104	1			1
19. Procurement and contract management — vendor performance evaluation — UNMIT	2010/11	para. 108	1			1
20. Procurement and contract management — vendor performance evaluation — UNMIT and UNMIL	2010/11	para. 109		1		1
21. Procurement and contract management — deficiencies in contract awards — MONUSCO, UNSOA and UNMIL	2010/11	para. 114		1		1
22. Procurement and contract management — deficiencies in contract awards — MONUSCO, UNSOA and UNMIL	2010/11	para. 115		1		1
23. Human resources management — vacancy and post management — UNLB, UNAMID, UNIFIL, MINUSTAH, MONUSCO and UNMIL	2010/11	para. 122	1			1
24. Human resources management — roster-based recruitment — UNMIT, UNLB and UNIFIL	2010/11	para. 128	1			1
25. Human resources management — recruitment of national staff and consultants — UNMIT	2010/11	para. 134	1			1
26. IPSAS — IPSAS implementation team	2010/11	para. 145		1		1
27. IPSAS — detailed implementation plan and action plan for field missions — UNOCI and UNFICYP	2010/11	para. 150	1			1
28. IPSAS — transitional provision under IPSAS	2010/11	para. 155		1		1
29. Mission exit and liquidation — exit strategy and risk assessment — MINURCAT and UNMIS	2010/11	para. 161	1			1
30. Mission exit and liquidation — managing procurement during closure — UNMIS; managing staff separation — MINURCAT and UNMIS	2010/11	para. 170	1			1
31. Mission exit and liquidation — realization of United Nations assets: classification of assets — MINURCAT	2010/11	para. 176	1			1
32. Mission exit and liquidation — retention of documents for audit — MINURCAT; decommissioning of sites — MINURCAT; lessons learned — MINURCAT and UNMIS	2010/11	para. 181	1			1
33. Restructuring of the Department of Peacekeeping Operations — insufficient benefit realization management	2010/11	para. 196		1		1
34. Global field support strategy — lack of a five-year plan for each pillar under the strategy	2010/11	para. 203		1		1
35. Global field support strategy — inadequate evaluation method to measure the qualitative benefits of the strategy	2010/11	para. 208		1		1
36. Global field support strategy — incomplete consideration of the costs in the cost-benefit analysis	2010/11	para. 213		1		1
37. Vehicle fleet management — vehicle entitlement — UNIFIL and UNSOA	2010/11	para. 216		1		1

<i>Topic</i>	<i>Period first reported</i>	<i>Reference in A/66/5 (Vol. II)</i>	<i>Auditor's view after verification</i>			<i>Total</i>
			<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	
38. Vehicle fleet management — vehicle utilization — UNIFIL and UNMIL	2010/11	para. 220		1		1
39. Vehicle fleet management — vehicle utilization — liberty usage	2010/11	para. 221	1			1
40. Other issues — continued maintenance of the MINUSTAH Santo Domingo office	2010/11	para. 228	1			1
Total			18	22	0	40
Percentage of total number of recommendations			45	55	0	100

Annex III

Observations mission by mission

Observations	Headquarters	UNMISS	UNISFA	MONUSCO	UNAMID	UNOCI	UNMIL	MINURSO	MINUSTAH	UNMIT	UNFICYP	UNMIK	UNDOF	UNIFIL	UNSOA	UNLB/GSC	RSC	MINURCAT	UNMIS
Creation of significant amount of obligations at year-end		X		X	X				X										
High cancellation rates of prior-period obligations								X											
The current actuarial valuation is conducted biennially and the applied discount rate does not change during the biennia, the estimated annual after-service health insurance liability of peacekeeping operations might not reflect any volatility or changes in the economic environment	X																		
Delays in key IPSAS implementation activities and lack of formal feedback on missions' IPSAS progress reports from Headquarters	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Lack of clear accountability for IPSAS implementation among senior mission management	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Lack of separate accounts to record each individual constructed asset		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Insufficient assurance of the value of non-expendable properties		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
High risk of loss/waste from "never-used" non-expendable property	X			X	X	X	X	X	X	X	X	X	X	X		X			
Delayed write-off and disposal				X			X		X	X								X	
Deficiencies in assets disposal activities at liquidated missions																			X
Inadequate consideration of current stock level prior to requisition	X								X										
Lack of consolidation of requisition for the same or similar products	X																		
Lack of clear criteria for vendor invitations	X																		
Vendors not registered for certain goods and services being invited to bid	X																		
Insufficient time allowed for the submission of bids	X																		
Lack of clarification in the use of the "eight months rule"	X																		
Use of ex post facto without meeting the exigency criteria	X																		
Lack of accessible vendor information	X																		
Unreliable vendor database	X	X													X				

Observations	Headquarters	UNMISS	UNISFA	MONUSCO	UNAMID	UNOCI	UNMIL	MINURSO	MINUSTAH	UNMIT	UNFICYP	UNMIK	UNDOF	UNIFIL	UNSOA	UNLB/GSC	RSC	MINURCAT	UNMIS
Providing contract extensions to poorly performing vendors				X															
Lack of effective vendor performance evaluation			X					X											
Not claiming damages for delivery delay			X																
Unrealistic flight hours included in the aviation cost estimation		X	X	X	X	X	X	X	X	X	X			X					
No consideration of non-operational days in setting the guaranteed fleet cost			X	X	X	X	X	X	X	X	X			X					
Use of an unrealistic standard rate of fuel usage			X	X	X	X	X	X	X	X	X			X					
Inadequate consideration of historical delayed deployment factor					X		X			X					X				
Inadequate consideration of historical trends in contingent's rotation frequency					X														
Contingent-owned equipment: unrealistic application of the same value of non-deployment factor and unserviceability factor to all troops/police, which does not reflect the actuality					X														
Self-sustainment equipment: no consideration of "unaccepted factors" in budget formulation					X														
Insufficient consideration of the actual light passenger vehicle ratio on the ground in reviewing the vehicle budget at Headquarters	X				X									X					
Consumption rates of spare parts for vehicles in budgeting were not consistent with their historical usage trends					X														
Lack of clear criteria for construction sources while estimating the engineering project costs					X														
Unrealistic freight cost in operational budget					X														
Inaccurate data in HR Insight	X																		
High vacancy rate of civilian staff at peacekeeping missions			X				X												
Overentitlement of light passenger vehicle					X							X	X						
Insufficient control over rations at UNAMID					X														
Deficiencies in the management of composite ration packs		X	X		X														
Low videoconference usage	X												X					X	
Non-compliance with the advance purchase policy	X																		
Lack of a sufficiently detailed implementation plan	X															X	X		

Observations	Headquarters	UNMISS	UNISFA	MONUSCO	UNAMID	UNOCI	UNMIL	MINURSO	MINUSTAH	UNMIT	UNFICYP	UNMIK	UNDOF	UNIFIL	UNSOA	UNLB/GSC	RSC	MINURCAT	UNMIS
The Global Field Support Strategy Steering Committee has provided insufficient guidance and critical challenge on the feasibility of the proposed project actions and initiatives	X																		
Despite being a key project implementer, the Regional Service Centre is not represented on the Global Field Support Strategy Steering Committee	X																		
The Global Field Support Strategy Client Board has not met since October 2011	X																		
The Global Service Centre Steering Committee had not met since September 2011, until it met again in October 2012																X			
Delays in the establishment of the Transportation and Movement Integrated Control Centre governance framework																	X		
Lack of a single point of accountability for the modularization project	X															X			
Lack of clarity among staff about project objectives	X															X	X		
Insufficient risk assessment and management	X															X	X		
Intended benefits of global field support strategy adoption are not comprehensively collated in any single document; no action plan for benefits delivery, no benefits-tracking arrangements	X															X	X		
No clearly assigned accountability for realizing the envisaged benefits	X															X	X		
The key performance indicators for three pillars (financial framework, global service centre and human resources framework) are not yet developed	X															X			
For the established key performance indicators for modularization and the Regional Service Centre, no system is yet in place to track performance	X																X		
Of the envisaged quantitative savings of about \$96.64 million from global field support strategy implementation, \$49.4 million, or 51.11 per cent, had not been tracked	X															X	X		
Costs were not fully considered in cost-benefit analysis	X															X	X		
The envisaged benefits of \$6.8 million in relation to modularization project could not be well justified	X															X			

<i>Observations</i>	<i>Headquarters</i>	<i>UNMISS</i>	<i>UNISFA</i>	<i>MONUSCO</i>	<i>UNAMID</i>	<i>UNOCI</i>	<i>UNMIL</i>	<i>MINURSO</i>	<i>MINUSTAH</i>	<i>UNMIT</i>	<i>UNFICYP</i>	<i>UNMIK</i>	<i>UNDOF</i>	<i>UNIFIL</i>	<i>UNSOA</i>	<i>UNLB/GSC</i>	<i>RSC</i>	<i>MINURCAT</i>	<i>UNMIS</i>
Reported savings of \$61.3 million in relation to the reduction of 18 aircraft (the most significant savings reported by the Administration) achieved by the Transportation and Movement Integrated Control Centre through the sharing of air assets from January 2010 to June 2011 could not be justified	X																X		
Lack of a cost capturing and reporting mechanism	X															X	X		
Transfer of functions not in line with General Assembly decisions																X	X		
Insufficient planning and arrangements for function/posts transfer from Headquarters to Global Service Centre	X															X			
Significant delays in the Global Service Centre taking over the transferred functions	X															X			
Non-synchronized transfer of functions and posts to the Regional Service Centre																	X		
Working procedures had not yet been standardized and streamlined at the Regional Service Centre																	X		
Deficiencies in the budgetary assumptions and methodology applied in the standardized funding model	X	X																	
The actual situation and requirements of UNMISS not duly considered in UNMISS 2011/12 budget proposal	X	X																	
Insufficient monitoring of the funds utilization	X	X																	
Lack of an integrated planning and centralized monitoring of the achievement of the timeline.	X															X			
Insufficient business continuity planning	X															X			
Deficiencies in the project implementation of human resources framework	X																		

Annex IV

Comparison of missions' flight hours from 2009/10 to 2011/12

<i>Financial year</i>	<i>Flight hours</i>	<i>MINUSTAH</i>	<i>MONUSCO</i>	<i>UNMIT</i>	<i>MINURSO</i>	<i>UNIFIL</i>	<i>UNFICYP</i>	<i>UNAMID</i>	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNISFA</i>	<i>UNMISS</i>	<i>UNMIS</i>	<i>Total</i>
2009/10	Budgeted (a)	7 200	37 447	3 090	4 605	2 574	1 312	31 500	9 664	8 554			23 093	129 038
	Actual (b)	5 705	37 527	2 337	4 501	2 257	1 184	23 559	9 093	6 922			21 652	114 736
	Variance (c=b-a)	-1 495	80	-753	-104	-317	-128	-7 941	-571	-1 632			-1 442	-14 302
	Percentage variance (d=c/a)	-20.76	0.21	-24.38	-2.25	-12.32	-9.74	-25.21	-5.91	-19.08			-6.24	-11.08
2010/11	Budgeted (a)	6 642	37 974	2 250	4 440	2 580	1 320	34 442	8 407	7 568			20 897	126 520
	Actual (b)	6 340	32 793	2 217	3 887	1 917	1 250	27 272	10 327	9 211			25 073	120 287
	Variance (c=b-a)	-302	-5 181	-33	-553	-663	-70	-7 170	1 920	1 643			4 176	-6 233
	Percentage variance (d=c/a)	-4.55	-13.64	-1.47	-12.45	-25.70	-5.30	-20.82	22.84	21.71			19.98	-4.67
2011/12	Budgeted (a)	7 180	45 329	2 380	4 440	2 000	1 320	31 319	9 456	8 201	2 617	20 546	427	135 215
	Actual (b)	4 124	32 690	1 728	3 264	1 569	1 037	25 953	8 354	7 531	1 846	20 546	2 238	110 880
	Variance (c=b-a)	-3 056	-12 639	-652	-1 176	-431	-283	-5 366	-1 102	-670	-771	–	1 811	-24 335
	Percentage variance (d=c/a)	-42.56	-27.88	-27.39	-26.49	-21.55	-21.44	-17.13	-11.65	-8.17	-29.46	–	424.12	-18.00

Source: Data provided by the Department of Field Support.

Note: UNMIS was mostly in liquidation phase and UNMISS was a newly established mission during the financial year 2011/12.

Annex V

Variances between actual and budgeted usage for aviation fuel in 2010/11

(In litres)

	<i>Actual usage</i>	<i>Budgeted usage</i>	<i>Variance</i>
<i>Mission</i>	<i>(1)</i>	<i>(2)</i>	<i>(3=2-1)</i>
MINURCAT	8 856 733	6 960 120	-1 896 613
MONUSCO	78 605 138	49 936 150	-28 668 988
UNMIL	11 286 373	11 076 421	-209 952
UNMIS	23 236 800	22 814 377	-422 423
Total for deficit missions	121 985 044	90 787 068	-31 197 976
MINURSO	2 984 846	3 767 206	782 360
MINUSTAH	3 043 371	3 272 936	229 565
UNOCI	4 541 063	14 449 716	9 908 653
UNAMID	37 024 366	48 397 714	11 373 348
UNIFIL	810 929	1 290 600	479 671
UNMIT	1 236 608	1 313 499	76 891
Total for excess missions	49 641 183	72 491 671	22 850 488

Source: Data provided by the Department of Field Support.

Annex VI

Fuel consumption rate analysis for 23 sampled aircrafts

Aircraft	Mission	2010/11				2011/12				2012/13		
		Standard United Nations litres/ hour	Actual litres/hours per flight	Variance	Variance (per cent)	Standard United Nations litres/hour	Actual litres/hours per flight	Variance	Variance (per cent)	Standard United Nations litres/hour	Variance between standard in 2012/13 and actual rate of 2010/11	Variance (per cent)
		(1)	(2)	(3=2-1)	(4=3/1)	(5)	(6)	(7=6-5)	(8=7/5)	(9)	(10=9-2)	(11=10/9)
An-24	MINURSO	1 100	1 052.59	-47.41	-4.31	1 120	1 015.49	-104.51	-9.33	1 120	67.41	6.02
	MONUSCO	1 100	1 293.69	193.69	17.61	1 120	1 136.86	16.86	1.51	1 120	-173.69	-15.51
An-26	MINURSO	1 165	1 037.58	-127.42	-10.94	1 242	1 191.36	-50.64	-4.08	1 242	204.42	16.46
	MONUSCO	1 165	1 254.31	89.31	7.67	1 242	1 182.72	-59.28	-4.77	1 242	-12.31	-0.99
B-1900D	MINUSTAH	450	414.67	-35.33	-7.85	432	461.73	29.73	6.88	432	17.33	4.01
	UNMIT	432	461.04	29.04	6.72	432	465.54	33.54	7.76	432	-29.04	-6.72
B-200	UNMIL	325	486.5	161.5	49.69	332	464.68	132.68	39.96	332	-154.5	-46.54
B-757-200	UNMIL	4 139	4 307.68	168.68	4.08	4 139	4 212.25	73.25	1.77	4 139	-168.68	-4.08
C-130 Hercules	MONUSCO	2 534	2 992.16	458.16	18.08	2 534	2 989.84	455.84	17.99	2 534	-458.16	-18.08
CRJ-200	MONUSCO	1 490	1 481.86	-8.14	-0.55	1 498	1 506.57	8.57	0.57	1 498	16.14	1.08
DHC-7	UNOCI	825	736.56	-88.44	-10.72	825	1 348.2	523.2	63.42	825	88.44	10.72
	UNMIL	825	850.84	25.84	3.13	825	900.44	75.44	9.14	825	-25.84	-3.13
DHC-8	UNAMID	694	946.36	252.36	36.36	694	765.66	71.66	10.33	694	-252.36	-36.36
	MONUSCO	680	723.97	43.97	6.47	694	694.71	0.71	0.10	694	-29.97	-4.32
IL-76	UNAMID	9 209	10 174.82	965.82	10.49	9 209	8 622.06	-586.94	-6.37	9 209	-965.82	-10.49
L-100	MONUSCO	2 550	2 542.76	-7.24	-0.28	2 503	2 706.8	203.8	8.14	2 503	-39.76	-1.59
Lear Jet 55	UNOCI	720	789.21	69.21	9.61	749	788.95	39.95	5.33	749	-40.21	-5.37
Let 410	UNAMID	344	351.13	7.13	2.07	344	336	-8	-2.33	344	-7.13	-2.07
MD-83	UNAMID	3 367	3 598	231	6.86	3 367	3 842.94	475.94	14.14	3 367	-231	-6.86
AS-330 Puma	UNMIS	533	581.7	48.7	9.14	533	345.78	-187.22	-35.13	533	-48.7	-9.14
Bell-212	MINUSTAH	326	405.12	79.12	24.27	326	419.33	93.33	28.63	326	-79.12	-24.27
	UNOCI	326	294.26	-31.74	-9.74	326	293.73	-32.27	-9.90	326	31.74	9.74
	UNFICYP	326	306.19	-19.81	-6.08	326	285.7	-40.3	-12.36	326	19.81	6.08

Aircraft	Mission	2010/11				2011/12				2012/13		
		Standard United Nations litres/ hour	Actual litres/hours per flight	Variance	Variance (per cent)	Standard United Nations litres/hour	Actual litres/hours per flight	Variance	Variance (per cent)	Standard United Nations litres/hour	Variance between standard in 2012/13 and actual rate of 2010/11	Variance (per cent)
		(1)	(2)	(3=2-1)	(4=3/1)	(5)	(6)	(7=6-5)	(8=7/5)	(9)	(10=9-2)	(11=10/9)
Mi-17	UNIFIL	326	360.35	34.35	10.54	326	347.52	21.52	6.60	326	-34.35	-10.54
	MONUSCO	330	292.96	-37.04	-11.22	326	303.98	-22.02	-6.75	326	33.04	10.14
	UNOCI	675	688.94	13.94	2.07	658	681.79	23.79	3.62	658	-30.94	-4.70
	UNIFIL	675	634.03	-40.97	-6.07	658	573.63	-84.37	-12.82	658	23.97	3.64
	MONUSCO	675	770.21	95.21	14.11	658	582.4	-75.6	-11.49	658	-112.21	-17.05
Mi-24	UNMIL	801	753.8	-47.2	-5.89	801	676.07	-124.93	-15.60	801	47.2	5.89
Mi-26	UNAMID	2 548	2 446.41	-101.59	-3.99	2 548	2 533.44	-14.56	-0.57	2 548	101.59	3.99
	UNMIL	2 548	2 605.27	57.27	2.25	2 548	2 641.19	-93.19	3.66	2 548	-57.27	-2.25
	MONUSCO	2 420	2 704.98	284.98	11.78	2 548	2 626.37	78.37	3.08	2 548	-156.98	-6.16
Mi-35	UNAMID	700	855.44	155.44	22.21	760	884.83	124.83	16.43	760	-95.44	-12.56
	MONUSCO	700	621.68	-78.32	-11.19	760	483.11	-276.89	-36.43	760	138.32	18.20
Mi-8MTV	MINURSO	665	660.19	-4.81	-0.72	665	643.45	-21.55	-3.24	665	4.81	0.72
	MINUSTAH	665	588.64	-76.36	-11.48	665	576.68	-88.32	-13.28	665	76.36	11.48
	UNOCI	665	650.13	-14.87	-2.24	665	651.96	-13.04	-1.96	665	14.87	2.24
	UNAMID	665	576.94	-88.06	-13.24	665	573.25	-91.75	-13.80	665	88.06	13.24
	UNMIL	665	696.28	31.28	4.70	665	700.92	35.92	5.40	665	-31.28	-4.7
	UNMIT	665	641.95	-23.05	-3.47	665	617.88	-47.12	-7.09	665	23.05	3.47
	MONUSCO	665	611.16	-53.84	-8.10	665	627.43	-37.57	-5.65	665	53.84	8.10
	Oryx (modified Puma)	570	511.85	-58.15	-10.20	547	544.09	-2.91	-0.53	547	35.15	6.43
	Bell UH-1H Huey	315	307.38	-7.62	-2.42	315	368.23	53.23	16.90	315	7.62	2.42

Source: Board analysis based on performance reports and applicable costing sheet.

Note: Aircraft sampled are those in operation during the period from 2010/11 to 2011/12.

Annex VII

Analysis of the delayed deployment factor applied in the personnel budget in the past four financial years

Mission	Class of personnel	Delayed deployment factor (per cent)							Variance between 2011/12 budgeted and actual delayed deployment factor of 2009/10 (per cent)	Variance between 2011/12 budgeted and average actual delayed deployment factor of 2008/09 and 2009/10 (per cent)	Variance between 2011/12 budgeted and actual delayed deployment factor (per cent)	Budget overestimate by 1 per cent of delayed deployment factor underestimate ^b (thousands of United States dollars)	Budget overestimate (thousands of United States dollars)
		Actual average 2008/09	Budgeted 2009/10	Actual 2009/10	Budgeted 2010/11	Actual 2010/11	Budgeted 2011/12	Actual 2011/12 ^a					
		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(5)-(8)	(11)=((3)+(5))/2-(8)	(12)=(9)-(8)	(13)	(14)=(13)x(12)
UNAMID	Military observers	30.40	10.00	17.40	12.00	23.30	10.00	17.30	7.40	13.90	7.30	132.10	964.33
	United Nations police	42.80	20.00	19.60	17.00	25.90	17.00	22.30	2.60	14.20	5.30	2 003.00	10 615.90
	Formed police units	65.40	30.00	30.00	16.00	19.60	10.00	16.10	20.00	37.70	6.10	541.80	3 304.98
	National Professional Officers	28.30	15.00	33.00	10.00	20.50	11.00	23.00	22.00	19.65	12.00	28.00	336.00
UNMIT	United Nations police	8.60	5.00	-3.50	11.30	14.60	0.00	8.82	-3.50	2.55	8.82	385.20	3 397.46
UNSOA	National Professional Officers			89.50	40.00	12.50	6.30	11.11	83.20		4.81	18.50	88.99
UNMIL	National Professional Officers	23.20	20.00	11.30	20.00	15.30	10.00	22.70	1.30	7.25	12.70	18.50	234.95
Total18 942.61													

^a Based on the monthly incumbency report.

^b Based on the costing estimate template.

Annex VIII

Issues that need to be made clear while developing the detailed implementation plan for the global field support strategy

<i>Pillar of global field support strategy</i>	<i>Issues that need to be made clear</i>
Global Service Centre	<p>Functions and posts that will be transferred to Global Service Centre at five-year end of project</p> <p>Envisaged organizational structure and staffing of Global Service Centre and Department of Field Support after envisaged transfer of operational and transactional functions to Global Service Centre</p> <p>Clarification of division of roles and responsibilities between Global Service Centre, Regional Service Centre, client missions and Headquarters in the new service delivery model</p> <p>Role of United Nations Support Base in Valencia in Global Service Centre: will it host certain transactional and operational functions or remain as information and communications technology back-up centre?</p> <p>Role that Global Service Centre will play as a global supply chain centre and its relationships with other key partners in the reformed supply chain framework</p>
Regional Service Centre	<p>Functions to be transferred to Regional Service Centre and those to be retained by client missions</p> <p>Clarification of roles and responsibilities between client missions and Regional Service Centre, between Regional Service Centre and Global Service Centre in the new service delivery model</p> <p>Clarification of how services will be provided to client missions</p> <p>Roles and responsibilities of the chief civilian personnel officer and chief finance officer of client missions and their relationships with counterparts at Regional Service Centre</p>
Transportation and Movements Integrated Control Centre at Regional Service Centre	<p>How surface transportation assets can be optimized</p> <p>How many aircraft and surface transportation assets need to be and could be operationally controlled by Transportation and Movements Integrated Control Centre as well as delegation of authority that will be given to the Control Centre to task client missions' air and surface transportation assets</p> <p>How many regional passenger/cargo flight routes can be developed to fulfil ad hoc requirements of client missions</p>

*Pillar of global field support strategy**Issues that need to be made clear*

	<p>How air assets for mass evacuation and relocation, medical support, research and rescue can be optimized</p> <p>How Control Centre can coordinate with client missions to improve airfield infrastructure</p> <p>How many troop rotations can be conducted through integrated utilization of aircraft under operational control of Control Centre</p>
Modularization	<p>Number of modules and service packages to be designed</p> <p>Sources of materials to build up the modules: Will materials be entirely from strategic deployment stocks, United Nations reserve or commercial contracts? In case materials need to be purchased, how many commercial contracts may need to be established?</p> <p>How to ensure applicability and safety of modules in field missions without designs being sufficiently tested</p> <p>Changes to engineering sections' organization structure and related staff's capacity kits in field mission</p> <p>Benefits/savings to be achieved through implementation of project</p>
Human resources framework	<p>Desired outcomes and key activities, milestones, baselines for the following for the seven areas:</p> <ul style="list-style-type: none"> • Workforce planning and outreach • Recruitment (talent management framework and roster management) • Succession management • Conditions of service • Business intelligence (analysis and reporting) • Customer service • Governance and organizational performance

Annex IX

Quantitative benefits envisaged in relation to implementation of the global field support strategy

<i>Contents</i>	<i>Envisaged quantitative savings/benefits (United States dollars)</i>	<i>Tracked</i>	<i>Justified/ substantiated</i>
Modularization ^a	6 800 000	No	No
Transfer of eight posts to Global Service Centre ^b	156 724	No	Not applicable
Regional Service Centre: Transportation and Movements Integrated Control Centre ^c	47 241 000	Yes (\$61.3 million reported)	No
Transfer of functions from client missions to Regional Service Centre as at 30 June 2012 ^b	3 229 561	No	Not applicable
Back-office efficiencies	16 372 000	No	Not applicable
Civilian predeployment training	3 342 000	No	Not applicable
Network standardization and data consolidation	5 701 000	No	Not applicable
Disaster recovery and business continuity	3 516 000	No	Not applicable
Offshore software development	1 164 000	No	Not applicable
Regional shared resource management and warranty	9 120 000	No	Not applicable
Total	96 642 285		

^a Based on the data contained in the Secretary-General's second progress report (A/66/591).

^b Based on the data contained in the process template provided by each division of the Department of Field Support.

^c Based on the data contained in the initial report of the Secretary-General (A/64/633).

Annex X

Discrepancies between reported and actual savings achieved by the Transportation and Movements Integrated Control Centre from the optimization of air assets from January 2010 to June 2011

(United States dollars)

Actual savings (excluding fuel costs)													
Reported savings (A/66/591)				Contract rental and operational costs					Variance		Savings related to fuel costs		Total savings (including fuel) (i=h+d)
Mission	Number of aircraft	Type of aircraft	Amount (a)	Number	Financial period	Months (b)	Yearly price (c)	Actual savings for the period (d=cxb/12)	Amount (e=a-d)	Percentage (f=e/ax100)	Yearly budgeted fuel costs (g)	Saved fuel costs (h=gxb/12)	
MONUSCO	1	Dash8	3 600 000	1	2010/11	8	3 600 000	2 400 000	1 200 000	33.33	303 246	202 164	2 602 164
	1	Beechcraft	2 100 000	1	2010/11	9	2 100 000	1 575 000	525 000	25.00	234 611	175 958	1 750 958
	1	Lear jet	3 800 000	1	2010/11	6	3 405 000	1 702 500	2 097 500	55.20	694 585	347 293	2 049 793
	1	An24	1 600 000	1	2010/11	6	1 560 000	780 000	820 000	51.25	515 354	257 677	1 037 677
	1	MI-26	10 500 000	1	2009/10	6	12 385 000	12 385 000	-1 885 000	-17.95	1 420 805	1 420 805	13 805 806
	1	MI-26		1	2010/11	6	12 385 000				1 420 805		
	1	L382	3 900 000	1	2009/10	6	6 652 818	3 326 409	573 591	14.71	1 202 143	601 072	3 927 481
	1	IL-76	4 200 000	1	2010/11	5	2 346 355	977 648	3 222 352	76.72	5 931 135	2 471 306	3 448 954
MINURCAT	1	CRJ	2 900 000	1	2010/11	8	4 770 000	3 180 000	-280 000	-9.66	1 716 960	1 144 640	4 324 640
UNAMID	1	MD83	3 600 000	1	2009/10	4	5 756 000	1 918 667	1 681 333	46.70	2 648 646	882 882	2 801 549
	1	L382/C130	7 900 000	1	2010/11	12	5 671 237	5 671 237	2 228 763	28.21	1 924 128	1 924 128	7 595 365
	1	IL-76	3 700 000	1	2010/11	4	2 346 356	782 119	2 917 881	78.86	858 021	286 007	1 068 126
UNMIS	1	C-130	7 900 000	1	2009/10	6	6 495 060	3 247 530	4 652 470	58.89	1 767 150	883 575	4 131 105
Subtotal	13		55 700 000	13				37 946 110	17 753 890	31.87		10 597 507	48 543 617

Actual savings (excluding fuel costs)													
Reported savings (A/66/591)				Contract rental and operational costs					Variance		Savings related to fuel costs		Total savings (including fuel)
Mission	Number of aircraft	Type of aircraft	Amount (a)	Number	Financial period	Months (b)	Yearly price (c)	Actual savings for the period (d=cxb/12)	Amount (e=a-d)	Percentage (f=e/ax100)	Yearly budgeted fuel costs (g)	Saved fuel costs (h=gxb/12)	(i=h+d)
UNAMID	5	Helicopters	5 600 000	4	2010/11	12	18 400 000	5 600 000	Four aircraft were indicated by the Department of Field Support to have been removed from the fleet but no sufficient supporting documents have been provided to the Board for verification		1 875 300	1 875 300	7 475 300
Subtotal	18		61 300 000	17				43 546 110				12 472 807	56 018 917
UNAMID	0	MD83	0	1	2009/10	6	5 756 600	2 878 300	Aircraft removed from the fleet and not included in the report of the Secretary-General		2 648 646	1 324 323	4 202 623
	0	MD83	0	1	2010/11	12	6 806 401	6 806 401			2 471 306	2 471 306	9 277 707
MONUSCO	0	CRJ	0	1	2010/11	3	5 093 000	1 273 250			1 196 038	299 010	1 572 260
UNMIS	0	L-100	0	1	2010/11	6	6 495 060	3 247 530			1 767 150	883 575	4 131 105
Total	18		61 300 000	21				57 751 591				17 451 021	75 202 612

Note: Savings reported in the second progress report of the Secretary-General on the global field support strategy (A/66/591) do not include savings in relation to fuel.

Annex XI

Deficiencies in the standardized funding model and their budgetary impacts

<i>Category</i>	<i>Deficiency</i>	<i>Budgetary impacts (United States dollars)</i>	<i>Description</i>	<i>Absolute impact (United States dollars)</i>
Lack of flexibility	Rigid design of model	Not applicable	Not applicable	Not applicable
	Number of aircrafts	Not applicable	Not applicable	Not applicable
Non-consideration of key factors	Aircraft guaranteed cost	16 200 000	Underestimation	16 200 000
	Delayed deployment factor for the initial-year aircraft cost estimates	Not applicable	Not applicable	Not applicable
Some budget assumptions not well-justified	Freight on acquisitions	-5 132 730	Overestimation	5 132 730
	Non-deployment factors for contingent-owned equipment	-3 245 943	Overestimation	3 245 943
	Ration unit price	-6 221 854	Overestimation	6 221 854
	Global vacancy rate	Not applicable	Not applicable	Not applicable
	Freight on contingent-owned equipment: major equipment	-10 149 795	Overestimation	10 149 795
Subtotal		-24 750 322		24 750 322
Errors in calculation	Military contingents' rations	13 412 115	Underestimation	13 412 115
	Spare parts	3 904 092	Underestimation	3 904 092
	Generator fuel	9 778 450	Underestimation	9 778 450
Subtotal		27 094 657		27 094 657
Total		18 544 335		68 044 979

Deficiencies in relation to budget assumptions and methodology applied in the standardized funding model

<i>Category</i>	<i>Deficiency</i>	<i>Details</i>	<i>Management comments</i>	<i>Board's rejoinder</i>	<i>Budgetary impacts (United States dollars)^a</i>
Lack of flexibility	1. Rigid design of model	There are only three profiles, each with two scenarios under the current model, which is too few and rigid to meet mission particularities. In addition, there is a fixed ratio between the uniformed personnel and the civilian staff in the model while such relationships usually vary from mission to mission depending on their mandates. These deficiencies significantly constrained the applicability of the funding model.	The Administration explained that in the standardized funding model estimates the funding required for civilian staffing in the first year was based on the actual experience of start-up missions. It is also based on a statistical regression analysis between uniformed personnel numbers and civilian personnel numbers actually approved in previous start-up missions.	The staffing strength is dependent on the mandate of a mission, which often varies from one to another. It is thus not prudent to use statistical regression analysis to determine the number of civilian staff according to the number of uniformed personnel. Instead, the missions' actual staffing numbers need to be used considering the significant impacts of the staffing on the resource requirements.	Not applicable
	2. Number of aircraft	The number of aircraft remains at the same scale under all of the profiles in each scenario. The Board did not see sufficient justifications for this and believes that a more standardized methodology should be established for predicting the number of aircraft taking into consideration mission-specific factors including, but not limited to, number of troops/staff, number of mission locations, terrain, logistical challenges and other means of transportation available to missions.	The Administration explains that the methodology recognizes that the requirements for aircraft are driven by mission size, number of locations and logistical challenges, rather than by personnel levels. This is why the number of aircraft stays the same under all of the profiles in each scenario. It is also important to note that the 34 aircraft used in scenario II was based on the actual experience of UNMIS, which fits the criteria of a large mission with difficult logistical challenges. The actual number deployed in UNMIS was 36 and in order to take a conservative approach, this actual experience was further discounted by 5 per cent in developing the standardized funding model.	The Board believes that each mission has its special circumstances in term of mission size, number of locations, terrain, logistic challenges and so on, which entails a more scientific methodology taking into account the impact of these factors on the number of aircraft. No sufficient justifications are provided as to why UNMIS is representative of a large mission with difficult logistical challenges. It is thus not prudent to use UNMIS (UNOCI for scenario I) fleet size across all the three profiles under scenario II.	Not applicable

<i>Category</i>	<i>Deficiency</i>	<i>Details</i>	<i>Management comments</i>	<i>Board's rejoinder</i>	<i>Budgetary impacts (United States dollars)^a</i>
Non-consideration of key factors in estimating the resources requirements	1. Aircraft guaranteed cost	The guaranteed costs for 9 aircraft (6 Let-410s and 3 L-100s) were not budgeted in scenario II. In addition, no reduction was made for the sharing of strategic aircraft across missions. This will increase the estimated resource requirements by approximately \$16.2 million under scenario II.	The guaranteed costs for all non-military air assets will be updated as part of the review of the model in accordance with the Board's recommendation. The impact would be an increase of \$21.3 million for the omitted guaranteed costs.	Not applicable	16 200 000
	2. Delayed deployment factor not considered in aircraft first-year cost estimates	The delayed deployment factor is not considered in aircraft cost estimates for the first year of operation while the experience of other missions in the first year of operation shows a universal low budget implementation rate.	The aircraft configuration in scenario II of the standardized funding model was based on the actual deployment of aircraft on the ground at UNMIS. There were 36 full-time aircraft deployed in the first year. The delayed deployment factor was already considered in arriving at the 36 aircraft. As earlier stated, this number was further discounted to 34 aircraft in scenario II of the model.	The Board would like to state that the delayed deployment factor was to mean that aircraft were not deployed in the first year of operation due to challenges missions encountered, which is often very high according to the past experiences.	Not applicable
Subtotal					16 200 000
Budget assumptions not well justified	1. Freight on acquisitions	The freight percentage for acquisitions was 20 per cent of the unit price, while other missions like UNAMID, UNISFA, MINUSTAH and MONUSCO all used 15 per cent in the start-up year budget, representing a budget overestimation of \$5,132,730.	The Administration explained that the assumption of 20 per cent regarding the calculation of freight costs as a percentage of acquisition value was used in the model to account for much of the acquisition assets being sourced from strategic deployment stocks. Therefore a 20 per cent assumption was considered to be an appropriate estimate of the funding required by a start-up mission to cover the freight charges for acquired assets. This assumption will be reassessed as part of the lessons learned review of the standardized funding model.	For field missions, including those facing great logistic challenges like UNAMID and UNMIS, a 15 per cent freight rate had been applied in their start-up budget. In addition, these missions also received assets from strategic deployment stocks. In this regard, the Board believes that the 15 per cent could be applied to remain consistent, and if 20 per cent is applied, sufficient justification needs to be given.	-5 132 730

<i>Category</i>	<i>Deficiency</i>	<i>Details</i>	<i>Management comments</i>	<i>Board's rejoinder</i>	<i>Budgetary impacts (United States dollars)^a</i>
	2. Non-deployment factors for contingent-owned equipment	For contingent-owned major equipment for military contingents and United Nations formed police, the standardized funding model took the non-deployment factor of 0 per cent, while UNISFA took the assumption of non-deployment factor of 10 per cent for major equipment in the start-up year. If a 10 per cent non-deployment factor were applied in the standardized funding model, the resources requirements for major equipment would be reduced by \$3,245,943.	Not applicable	Not applicable	-3 245 943
	3. Ration unit price	When preparing the fresh rations budget, the model used the arithmetic average of the ceiling mandate rate of UNAMID and MINURCAT to come to a unit price of \$20.25. The Board recommends updating this assumption to include the contract rate for UNMIS. This would lead to an average daily rate of \$17.33. The total impact of updating this ration price would be a reduction of \$6,221,854.	The Administration explained that the development of the assumptions for pricing of rations in the standardized funding model was based on the actual contract rates for rations in missions, averaged for missions with similar logistical challenges. These rates will be addressed in the proposed revisions to the standardized funding model and will be based on more recent rations contracts and classifications of missions.	Not applicable	-6 221 854
	4. Global vacancy rate	During the budget formulation of the standardized funding model, there was a consideration of a "global vacancy rate" for the assumption basis of vehicle and information technology equipment acquisitions. The global vacancy rate was taken as the mathematical average vacancy rate for each personnel category across all peacekeeping	The Administration explained that there was significant lead time between committing funds and receiving the assets, therefore it is expected that missions in a start-up phase plan their procurement strategy based on expected future staffing levels in order to ensure all equipment is available for staff (both uniformed and civilian).	The Board noted the explanation that there is a need to budget for the expected staffing levels due to the procurement lead time but would like to point out that it may not be appropriate to use the global vacancy rate which is the average vacancy rate for each personnel category across all peacekeeping operations as	Not applicable

<i>Category</i>	<i>Deficiency</i>	<i>Details</i>	<i>Management comments</i>	<i>Board's rejoinder</i>	<i>Budgetary impacts (United States dollars)^a</i>
		operations as at 31 August 2010, rather than taking the vacancy rates in the first year of missions, and there were significant discrepancies between them. The Board is of the view that an analysis needs to be conducted to figure out an appropriate vacancy rate to be applied in the revised version of the model.		at 31 August 2010, considering the significant variances between the global vacancy rate and the vacancy rates in relation to civilian staff in the first year of operations. For example, the global vacancy rate as of August 2010 for international staff, national staff and United Nations Volunteers were 23.5, 11.9 and 16.3 per cent, respectively, while the average vacancy rates for these three categories of staff in peacekeeping missions were 34, 32 and 29 per cent, respectively.	
	5. Freight on contingent-owned equipment: major equipment	When calculating the freight costs of major equipment, a weighted average of air transportation cost at \$1,058/cubic metre was used. However, considering the significant variances between the air transportation costs for transporting major equipment to different continents (\$701 for Africa, \$1,678 for Asia, \$995 for Europe, \$1,750 for South America, \$1,500 for Southeast Asia, \$1,200 for other world average) and the weighted average cost of \$1,058/cubic metre, the Board is of the view that using the actual air transportation cost to each mission will make the resources requirements for major equipment more realistic. In the UNMISS case, if the transport cost to Africa of \$701 is used, the resources requirement will be reduced by \$10,149,795.	The Administration indicated that the assumptions used with regard to sea, air and ground transportation costs were based on averages for delivery to missions in different continents. These assumptions will be addressed, with the support of the Movement Control Section of the Logistics Support Division, in the proposed revisions to the model.	Not applicable	-10 149 795
Subtotal					-24 750 322

Category	Deficiency	Details	Management comments	Board's rejoinder	Budgetary impacts (United States dollars) ^a
Errors in calculation	1. Military contingents' rations	The delayed deployment factor had been applied twice while estimating the military contingents' rations costs in scenario II, which means that the costs estimation for military contingent rations has been understated by \$13,412,115.		Not applicable	13 412 115
	2. Spare parts	Costs of spare parts of ground transportation were \$3,908,000, which was transposed in error to \$3,908, resulting in the resource requirements being understated by \$3,904,092.	The Administration indicated that these technical adjustments were well noted and would be corrected in the proposed revisions to the standardized funding model.	Not applicable	3 904 092
	3. Generator fuel	While calculating the resources requirements for generator fuel, the quantity of generator fuel needed did not reflect the full utilization in terms of operational hours resulting in the resource requirements being understated by \$9,778,450 as estimated by the Administration.		Not applicable	9 778 450
Subtotal					27 094 657
Total net value					18 544 335
Total absolute value					68 044 979

^a Positive value of budgetary impacts represents budget underestimation; negative value represents budget overestimation.

Annex XIII

Significant factors that are not considered in the UNMISS budget proposals and their impact on the resource requirements of UNMISS

(United States dollars)

<i>Factor</i>	<i>Absolute value</i>	<i>Net impact on the resources requirements^a</i>
Assets transferred from UNMIS	156 482 273	-156 482 273
Formed police units	26 535 700	-26 535 700
General temporary assistance	26 800 000	+26 800 000 ^b
Government-provided personnel	1 557 146	+1 557 146 ^b
Mine detection	33 833 766	+33 833 766 ^b
Total	245 208 885	-120 827 061

^a A negative value means that these resources may need to be deducted from the proposed resources requirements of UNMISS, while a positive value indicates that the resources may need to be added.

^b Based on the actual expenditure of UNMISS in 2011/12.

Annex XIV

Comparison of redeployments between UNMISS and other missions in their first year of operations

<i>Mission</i>	<i>Number of redeployments</i>	<i>Total value of redeployments (millions of United States dollars)</i>	<i>Total first year allotment (millions of United States dollars)</i>	<i>Redeployments as percentage of first-year allotment</i>
MINUSTAH	13	58.6	379.0	15.5
ONUB	22	55.2	315.6	17.5
UNOCI	13	17.5	381.9	4.6
UNAMID	15	112.1	1 275.7	8.8
UNMIL	15	244.7	770.0	31.8
UNMIS	24	186.1	949.1	19.6
UNMISS	18	497.4	722.1	69.0

Note: Data for MINUSTAH, ONUB, UNOCI, UNAMID, UNMIL and UNMIS are provided by the Department of Field Support.

Chapter III

Certification of the financial statements

1. The financial statements of the United Nations peacekeeping operations for the 12-month period 1 July 2011 to 30 June 2012 have been prepared in accordance with financial rule 106.10.
2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements for which the Secretary-General has administrative responsibility.
3. I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to LI, are correct.

(Signed) Maria Eugenia **Casar**
Assistant Secretary-General, Controller

28 September 2012

Chapter IV

Financial report on the United Nations peacekeeping operations for the period from 1 July 2011 to 30 June 2012

A. Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations peacekeeping operations for the period from 1 July 2011 to 30 June 2012. The present report highlights the financial results for the period ended 30 June 2012.

B. Financial overview

2. Table IV.1 provides a financial overview of peacekeeping operations.

Table IV.1

Financial highlights

(Millions of United States dollars)

	2010/11	2011/12	Percentage change increase (decrease)
Total assessments	7 719.2	7 923.2	2.6
Unpaid assessments^a			
Active missions	920.5	842.4	(8.5)
Closed missions	592.6	542.7	(8.4)
Total unpaid assessments	1 513.1	1 385.1	(8.5)
Total expenditures	7 573.7	7 544.2	(0.4)
Liquidity: available cash less liabilities^a			
Active missions	(600.0)	(584.2)	2.6
Closed missions	(48.3)	(118.2)	(144.7)

^a 2010/11 is restated to reclassify MINURCAT as a closed mission.

3. With respect to active missions, assessments for fiscal year 2011/12 increased by 2.6 per cent and expenditures were on a level with the prior year's. Unpaid assessments declined by 8.5 per cent and liquidity in active missions improved by 2.6 per cent. With respect to closed missions, unpaid assessments decreased by 8.4 per cent. The deterioration in the liquidity of closed missions is due to the reclassification of MINURCAT as a closed mission and the resultant restatement of 2010/11.

C. Assessments

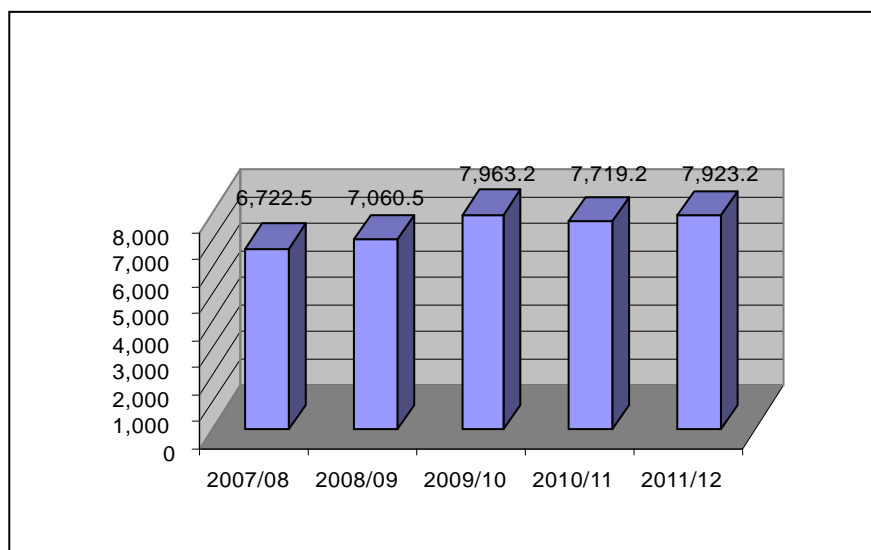
4. Total assessments increased by 2.6 per cent, or \$204.0 million, from \$7,719.2 million in the prior year to \$7,923.2 million in the current year. Almost one

half of the increase (\$102.2 million) was attributable to the additional assessments issued for UNOCI and UNSOA in respect of the expenditures incurred under commitment authority in fiscal year 2010/11. In the assessments for 2011/12, there were moderate increases for UNSOA, UNOCI and MONUSCO, but those increases were offset by decreases for UNMIS, UNAMID and MINURCAT. Figure IV.1 illustrates the trend in the assessments for peacekeeping operations for 2011/12 and the four preceding years.

Figure IV.1

Assessments for the United Nations peacekeeping operations

(Millions of United States Dollars)

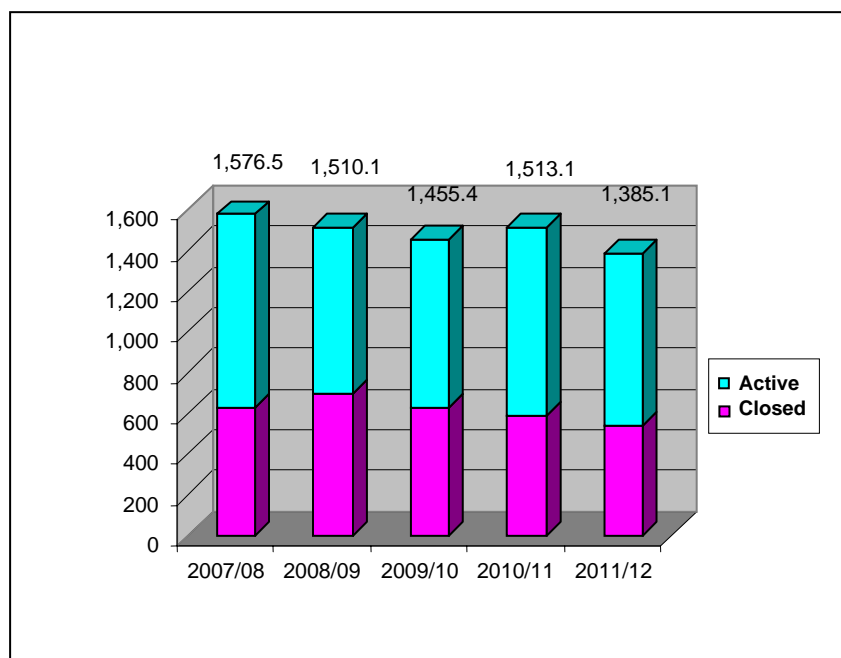


D. Status of unpaid assessments

5. Unpaid assessments pertaining to active peacekeeping missions decreased by 8.5 per cent, from \$920.5 million at the end of fiscal year 2010/11 to \$842.4 million at the end of 2011/12. Unpaid assessments pertaining to closed missions also decreased by a similar rate, from \$592.6 million to \$542.7 million for the same period. The overall level of unpaid assessments decreased by 8.5 per cent, from \$1,513.1 million to \$1,385.1 million.

6. Figure IV.2 illustrates the trend in unpaid assessments for peacekeeping operations for fiscal year 2011/12 and the four preceding years.

Figure IV.2
Unpaid assessments for the United Nations peacekeeping operations
 (Millions of United States Dollars)



7. Table IV.2 provides the status of unpaid assessed contributions for each peacekeeping operation at the end of the current year and the four preceding years.

Table IV.2
Unpaid assessed contributions
 (Millions of United States dollars)

Mission	30 June 2008	30 June 2009	30 June 2010	30 June 2011	30 June 2012
Active missions^a					
UNFICYP	19.1	15.6	13.2	15.7	14.6
UNDOF	13.2	14.5	11.4	13.9	14.0
UNIFIL	137.0	33.1	28.0	35.7	39.4
MINURSO	48.5	48.2	48.9	49.5	50.8
UNMIK	46.0	53.2	44.1	36.1	36.6
MONUSCO	137.8	165.3	177.5	188.1	156.4
UNMIL	28.0	50.8	32.5	51.9	41.2
UNOCI	41.1	34.6	46.9	48.9	130.3
MINUSTAH	76.5	100.4	157.7	84.6	74.9
UNMIS	29.3	85.8	102.8	183.0	49.9
UNMIT	11.9	11.3	12.1	29.5	15.5
UNAMID	344.6	126.1	120.6	161.5	92.7
UNSOA	—	57.4	18.4	22.1	52.3

<i>Mission</i>	<i>30 June 2008</i>	<i>30 June 2009</i>	<i>30 June 2010</i>	<i>30 June 2011</i>	<i>30 June 2012</i>
UNISFA	—	—	—	—	29.1
UNMISS	—	—	—	—	44.7
UNSMIS	—	—	—	—	—
UNLB — SDS	13.6	13.6	13.6	—	—
Subtotal	946.6	809.9	827.7	920.5	842.4
Closed missions^a					
MINURCAT	44.7	136.1	79.4	45.3	4.0
UNOMIG	10.3	8.0	5.1	4.9	4.4
UNMEE	17.3	13.5	2.6	2.0	0.2
ONUB	2.0	1.0	0.9	0.8	0.8
UNAMSIL/UNOMSIL	6.8	2.1	0.8	0.8	0.7
UNMISSET	33.1	29.1	28.9	28.8	27.4
UNIKOM	0.7	0.5	0.5	0.5	0.5
UNMIBH	35.2	34.1	34.1	34.0	34.0
UNSMIH/UNTMIH/MIPONUH	19.4	19.4	19.4	19.4	19.4
MINURCA	35.6	35.6	35.6	35.6	35.5
MONUA/UNAVEM	35.4	35.0	34.9	34.9	34.9
UNPREDEP	1.3	1.3	1.2	1.3	1.2
UNTAES	8.9	8.8	8.8	8.7	8.7
UNOMIL	—	—	—	—	—
UNPF	144.1	142.4	142.2	142.2	137.8
MINUGUA	0.1	0.1	0.1	0.1	0.1
UNMIH	0.1	—	—	—	—
UNAMIR/UNOMUR	1.5	1.3	1.3	1.4	1.3
ONUSAL	0.4	0.3	0.3	0.3	0.3
ONUMOZ	16.9	16.7	16.7	16.7	16.7
UNOSOM	58.4	57.9	57.9	57.9	57.8
UNTAC	41.2	40.5	40.5	40.5	40.5
UNEF (1956)	42.6	42.6	42.6	42.6	42.6
ONUC	73.9	73.9	73.9	73.9	73.9
Subtotal	629.9	700.2	627.7	592.6	542.7
Total	1 576.5	1 510.1	1 455.4	1 513.1	1 385.1

^a Classification of active and closed missions is as at 30 June 2012; prior years have been reclassified accordingly.

E. Expenditures

8. Total expenditures for the current year remained at nearly the same level as the previous year, with a slight decrease of 0.4 per cent, from \$7,573.7 million in

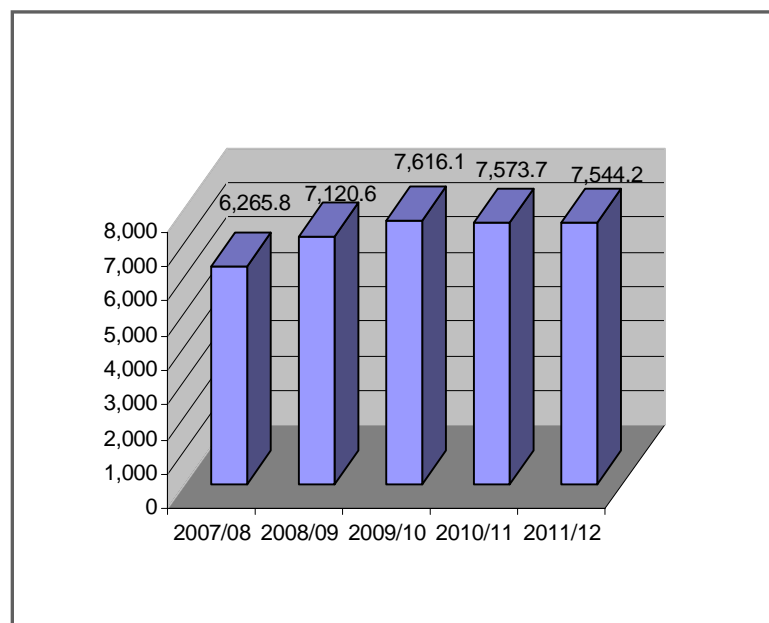
2010/11 to \$7,544.2 million in 2011/12. The increases in UNSOA, UNOCI and MONUSCO were offset by a decrease in MINURCAT, which was closed. The reduced expenditure in UNMIS owing to the cessation of operations was counterbalanced by the start-up of the succeeding missions (UNISFA and UNMISS).

9. Figure IV.3 illustrates the trend in total expenditure for all peacekeeping operations for 2011/12 and the four preceding years.

Figure IV.3

Expenditures for the United Nations peacekeeping operations

(Millions of United States Dollars)



F. Liquidity: available cash versus liabilities

1. Active missions

10. Table IV.3 summarizes the available cash and liabilities as at 30 June 2012 for each active peacekeeping mission as a measure of liquidity and provides a comparison with 30 June 2011.

Table IV.3

Available cash versus liabilities as at 30 June 2012: active missions

(Millions of United States dollars)

Mission	Available cash ^a	Liabilities ^b	Excess/(shortfall) 30 June 2012	Excess/(shortfall) 30 June 2011
	(1)	(2)	(1)-(2)	
UNFICYP	9.7	16.1	(6.4)	(6.5)
UNDOF	16.6	11.2	5.4	4.4
UNIFIL	230.0	222.8	7.2	34.9

<i>Mission</i>	<i>Available cash^a</i>	<i>Liabilities^b</i>	<i>Excess/(shortfall) 30 June 2012</i>	<i>Excess/(shortfall) 30 June 2011</i>
	(1)	(2)	(1)-(2)	
MINURSO	1.9	29.6	(27.7)	(26.6)
UNMIK	3.0	43.8	(40.8)	(37.2)
MONUSCO	211.4	308.6	(97.2)	(205.9)
UNMIL	59.2	116.5	(57.3)	(52.0)
UNOCI	74.3	201.1	(126.8)	(132.5)
MINUSTAH	173.8	214.8	(41.0)	(42.0)
UNMIS	15.5	11.5	4.0	(187.5)
UNMIT	27.0	52.7	(25.7)	(23.3)
UNAMID	627.7	630.0	(2.3)	127.0
UNSOA	59.7	104.4	(44.7)	(52.8)
UNISFA	48.0	66.1	(18.1)	–
UNMISS	149.4	243.3	(93.9)	–
UNSMIS	1.1	20.0	(18.9)	–
Total	1 708.3	2 292.5	(584.2)	(600.0)

^a Sum of cash and term deposits and the cash pool.

^b Represents total liabilities.

11. Table IV.3 shows lower cash deficits in total for active peacekeeping missions at 30 June 2012 in comparison with the previous period. As discussed in paragraphs 3 and 5 above this is due to increased receipt of assessments. However, seven active missions (UNMIT, MINURSO, UNMIK, UNSOA, UNOCI, UNFICYP and UNSMIS) required borrowings from closed missions during 2011/12 in order to meet their immediate operational requirements (see table IV.6).

12. Table IV.4 indicates the claim period for which payments for troops, formed police units and contingent-owned equipment had been made by 30 June 2012. Payments as at 30 June 2012 were current for eight missions (up to May 2012 for troop and formed police units, and up to March 2012 for contingent-owned equipment). This is an improvement over the situation as at 30 June 2011, when payments were current for five missions.

Table IV.4

Status of payments for troops, formed police units and contingent-owned equipment as at 30 June 2012

<i>Mission</i>	<i>Troops and formed police units paid up to</i>	<i>Contingent-owned equipment paid up to</i>
UNFICYP	February 2012	June 2010
UNDOF	May 2012	March 2012
UNIFIL	May 2012	March 2012

<i>Mission</i>	<i>Troops and formed police units paid up to</i>	<i>Contingent-owned equipment paid up to</i>
MINURSO	February 2011	December 2010
UNMIK	Not applicable	Not applicable
MONUSCO	May 2012	March 2012
UNMIL	May 2012	March 2012
UNOCI	May 2012	June 2011
MINUSTAH	May 2012	March 2012
UNMIS	December 2011/complete	December 2011/complete
UNMIT	August 2011	June 2011
UNAMID	May 2012	March 2012
UNSOA	Not applicable	Not applicable
UNISFA	May 2012	March 2012
UNMISS	January 2012	December 2011
UNSMIS	Not applicable	Not applicable

2. Closed missions

13. Table IV.5 summarizes cash available and total liabilities for closed missions. As at 30 June 2012, cash surpluses totalled \$59.1 million and cash deficits totalled \$177.3 million. The plunge in liquidity of closed missions with cash surpluses from 30 June 2011 to 30 June 2012 was due to the inclusion of MINURCAT in the group of closed missions. During fiscal 2011/12 cash surpluses of MINURCAT decreased sharply by the ongoing liquidation activities. The cash position for missions with cash deficits was largely unchanged from the prior year.

Table IV.5

Available cash versus liabilities as at 30 June 2012: closed missions

(Millions of United States dollars)

	<i>Available cash^a</i>	<i>Liabilities^b</i>	<i>Excess (shortfall) 30 June 2012</i>	<i>Excess (shortfall) 30 June 2011</i>
<i>Mission</i>	<i>(1)</i>	<i>(2)</i>	<i>(1)-(2)</i>	
Mission with cash surpluses				
MINURCAT ^c	175.7	146.2	29.5	92.4
UNOMIG	2.3	0.9	1.4	2.6
UNMEE	10.4	8.5	1.9	8.9
ONUB	2.3	1.7	0.6	0.5
UNAMSIL/UNOMSIL	12.4	11.7	0.7	0.6
UNMISSET	5.8	4.2	1.6	0.1

<i>Mission</i>	<i>Available cash^a</i>	<i>Liabilities^b</i>	<i>Excess (shortfall) 30 June 2012</i>	<i>Excess (shortfall) 30 June 2011</i>
	(1)	(2)	(1)-(2)	
UNIKOM	2.0	1.9	0.1	0.1
UNMIBH	9.7	9.2	0.5	0.3
UNMOT	2.0	1.9	0.1	0.1
MONUA/UNAVEM	15.7	9.3	6.4	9.2
UNPREDEP	9.7	9.4	0.3	0.3
UNTAES	9.2	8.8	0.4	0.3
UNOMIL	3.2	3.0	0.2	0.1
UNPF	67.0	58.2 ^d	8.8	(4.2)
UNMIH	38.0	36.2	1.8	9.9
UNAMIR/UNOMUR	14.2	10.1	4.1	9.9
ONUSAL	2.4	2.2	0.2	0.1
ONUMOZ	0.6	0.5	0.1	–
UNMLT	0.1	0.1	–	–
UNTAG	3.5	3.2	0.3	0.2
UNIIMOG	2.9	2.8	0.1	0.1
Subtotal	389.1	330.0	59.1	131.5
Mission with cash deficits				
UNSMIH/UNTMIH/MIPONUH	0.2	7.5	(7.3)	(7.3)
MINURCA	0.1	23.9	(23.8)	(23.8)
MINUGUA	–	0.1	(0.1)	(0.1)
UNOSOM	0.1	15.6	(15.5)	(15.5)
UNTAC	–	40.1	(40.1)	(40.1)
UNEF (1956)	–	43.7	(43.7)	(46.0)
ONUC	–	46.8	(46.8)	(47.0)
Subtotal	0.4	177.7	(177.3)	(179.8)
Total	389.5	507.7	(118.2)	(48.3)

^a Sum of cash and term deposits and the cash pool.

^b Represents total liabilities.

^c Reclassified as a closed mission in 2011/12.

^d Excludes deferred credits of \$127.4 million, being expenditures reimbursable by Member States.

14. Closed missions with cash surpluses continue to be the only available source of lending to active peacekeeping missions. During the current year, loans amounting to \$118.0 million were made from UNPF (\$73.5 million), UNAVEM (\$20.0 million), UNAMIR (\$16.0 million) and UNMIH (\$8.5 million) to UNMIT (\$35.0 million), MINURSO (\$25.5 million), UNMIK (\$23.5 million), UNSOA (\$14.0 million), UNOCI (\$12.0 million), UNFICYP (\$5.0 million) and UNSMIS (\$3.0 million). The outstanding loan balance as of 30 June 2012 amounted to

\$61.8 million. The comparable amount as of 30 June 2011 was \$52.3 million. Details of these loans and repayments are shown in table IV.6.

Table IV.6

Loans from closed missions

(Millions of United States dollars)

<i>To</i>	<i>From</i>	<i>Opening balance, 1 July 2011</i>	<i>Loan amount</i>	<i>Amount repaid</i>	<i>Closing balance, 30 June 2012</i>	<i>Month loaned</i>	<i>Month repaid</i>
MINURCA	UNMIH	3.2	–	–	3.2	August 1999	
MINURCA	UNPF	0.2	–	–	0.2	August 1999	
UNSMIH	UNMIH	7.4	–	–	7.4	August 1999	
MINURSO	UNPF	3.5	–	3.5	–	January 2001	September 2011
MINURSO	UNPF	3.0	–	3.0	–	February 2011	September 2011
MINURSO	UNPF	4.5	–	4.5	–	April 2011	September 2011
MINURSO	UNPF	4.0	–	4.0	–	May 2011	September 2011
MINURSO	UNPF	5.5	–	5.5	–	June 2011	September 2011
MINURSO	UNPF	–	2.5	2.5	–	July 2011	September 2011
MINURSO	UNPF	–	5.5	5.5	–	July 2011	October 2011/June 2012
MINURSO	UNPF	–	5.0	1.0	4.0	November 2011	June 2012
MINURSO	UNPF	–	6.5	–	6.5	February 2012	
MINURSO	UNAMIR	–	6.0	–	6.0	June 2012	
UNMIK	UNPF	6.5	–	6.5	–	February 2011	September 2011
UNMIK	UNPF	7.0	–	6.5	0.5	April 2011	September 2011
UNMIK	UNPF	7.5	–	–	7.5	June 2011	
UNMIK	UNMIH	–	8.5	–	8.5	July 2011	
UNMIK	UNPF	–	6.0	–	6.0	November 2011	
UNMIK	UNPF	–	9.0	–	9.0	April 2012	
UNMIT	UNAMIR	–	10.0	10.0	–	July 2011	September 2011
UNMIT	UNAVEM	–	8.0	8.0	–	July 2011	September 2011
UNMIT	UNPF	–	13.0	13.0	–	February 2012	March 2012
UNMIT	UNAVEM	–	4.0	4.0	–	February 2012	March 2012
UNFICYP	UNAVEM	–	5.0	5.0	–	August 2011	January/March 2012
UNOCI	UNPF	–	12.0	12.0	–	September 2011	September 2011
UNSOA	UNPF	–	14.0	14.0	–	November 2011	January 2012
UNSMIS	UNAVEM	–	3.0	–	3.0	June 2012	–
Total		52.3	118.0	108.5	61.8		

G. Peacekeeping Reserve Fund

15. The Peacekeeping Reserve Fund provided \$33.0 million to UNMISS in January 2012. UNMISS repaid the amount in March 2012.

16. As at 30 June 2012, the Fund had working capital funds of \$150.0 million and a cumulative surplus of \$3,720,200. In accordance with General Assembly resolution 66/265, \$2,474,300 of the cumulative surplus, representing the excess balance for the period ended 30 June 2011, will be applied to meet the requirements of the support account for peacekeeping operations for 2012/13. The remaining surplus balance of \$1,245,900, representing the excess balance for the period ended 30 June 2012, is available for future utilization, as directed by the Assembly.

H. Support account for peacekeeping operations

17. Total expenditures amounted to \$344.8 million in 2011/12, an increase of \$3.4 million or 1.0 per cent, in comparison with 2010/11. Costs for civilian personnel rose by \$13.0 million, while costs for operational requirements and travel decreased by \$9.6 million.

I. United Nations Logistics Base at Brindisi, Italy

18. UNLB manages, inter alia, surplus assets from closed or downsized missions and strategic deployment stocks. During the current year, strategic deployment stocks with an estimated replacement value of \$56.3 million were shipped to various peacekeeping and political missions, thereby generating funds for replenishment. In addition, \$65.6 million, representing the surplus balance brought forward from the prior year, was available for replenishment. The total expenditures for replenishment amounted to \$22.8 million. Consequently, the fund balance stood at \$99.1 million as at 30 June 2012. In accordance with General Assembly resolution 66/266, \$50.0 million of the fund balance will be applied to the requirements of UNLB for 2012/13 and an amount of \$8.6 million with respect to strategic deployment stocks shipped to UNSMIS will not be replenished until the initial appropriation for UNSMIS is received. Therefore, \$40.5 million is available for funding of replenishment in the next period.

19. The value of strategic deployment stocks as at 30 June 2012 was \$111.0 million, including \$12.0 million for expendable property. The amount of \$111.0 million included \$28.0 million of stocks that had been shipped but not yet received by the missions and \$4.7 million of stocks that had been committed for shipment to missions. Therefore, the value of strategic deployment stocks available for immediate deployment was \$78.3 million.

J. Liabilities for end-of-service and post-retirement benefits

20. The total accrued liabilities for peacekeeping operations for the end-of-service and post-retirement benefits totalled \$1,143.1 million, comprising \$131.3 million for unused vacation days, \$184.4 million for repatriation benefits and \$827.4 million for after-service health insurance benefits. The liabilities for unused vacation days and repatriation benefits are shown in individual financial statements, whereas the liabilities for after-service health insurance are shown altogether in statement XXIII.

21. Overall United Nations liabilities for after-service health insurance as at 31 December 2011 were determined through an actuarial valuation. Of the total

accrued liabilities of \$3,654.4 million, an amount of \$768.8 million pertained to peacekeeping operations. This amount was rolled forward to 30 June 2012, to \$827.4 million. The comparable amount as at 30 June 2011 was \$439.0 million, which was a roll-forward balance from the 31 December 2009 actuarial valuation. The steep increase in after-service health insurance liabilities was attributable to the difference in discount rates used in the 2009 and 2011 actuarial valuations (6.0 per cent and 4.5 per cent, respectively). To reflect the changes in discount rates and other variables for after-service health insurance liabilities in a timelier manner, the Administration will conduct the actuarial valuation annually.

Annex

Supplementary information

1. The present annex provides supplementary information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. In accordance with financial rule 106.8, losses of cash and receivables amounting to \$178,034 were written off during the period ended 30 June 2012. A summary statement of losses was provided to the Board of Auditors in compliance with financial rule 106.8.

Write-off of losses of property

3. In accordance with financial rule 106.9, property with an original cost of \$21,078,416 was written off during the current period. The breakdown was as follows:

(United States dollars)

	<i>Original cost</i>
Damages/accidents	4 893 865
Losses/thefts	5 180 166
Malfunctions	7 631 177
Inventory discrepancies and other	3 373 208
Total	21 078 416

4. The write-offs bring the recorded balances of properties to the same levels as those shown in the property records for the actual quantities on hand.

5. The original cost of all non-expendable property on hand as at 30 June 2012 was \$2,229,652,789, as also reported in note 13 to the financial statements. A summary statement showing the original cost of property write-offs was provided to the Board of Auditors in accordance with financial rule 106.9.

Chapter V

Financial statements for the 12-month period from 1 July 2011 to 30 June 2012

Statement I

Summary of United Nations peacekeeping operations^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Total active operations</i>	<i>Peacekeeping Reserve Fund, programme support, UNLB, after-service health insurance</i>	<i>Total completed operations</i>	<i>All peacekeeping funds eliminations</i>	<i>Total for the period</i>	
					<i>1 July 2011 to 30 June 2012</i>	<i>1 July 2010 to 30 June 2011</i>
Income						
Assessed contributions	7 923 213	–	–	–	7 923 213	7 719 190
Voluntary contributions	32 351	–	–	–	32 351	32 289
Allocation from other funds	–	484 312	–	(475 287)	9 025	2 765
Interest income	20 423	2 958	3 986	–	27 367	56 584
Other/miscellaneous income	27 718	1 076	2 707	–	31 501	29 038
Total income	8 003 705	488 346	6 693	(475 287)	8 023 457	7 839 866
Total expenditure	7 584 270^b	431 875	–	(471 910)	7 544 235	7 573 730
Excess (shortfall) of income over expenditure	419 435	56 471	6 693	(3 377)	479 222	266 136
Non-budgeted accrued expenses for end-of-service and post-retirement liabilities ^c	(40 407)	(393 566)	604	–	(433 369)	(131 299)
Prior-period adjustments	(186)	(8)	(784)	–	(978)	(823)
Net excess (shortfall) of income over expenditure	378 842	(337 103)	6 513	(3 377)	44 875	134 014
Cancellation of prior-period obligations	134 908	2 737	10 940	–	148 585	242 320
Credits returned to Member States	(539 180)	–	(139 136)	–	(678 316)	(720 723)
Transfer to other funds	–	(3 377)	–	3 377	–	–
Reserves and fund balances, beginning of period	442 821^d	(246 142)	635 572	–	832 251	1 176 640
Reserves and fund balances, end of period	417 391	(583 885)	513 889	–	347 395	832 251

^a See note 4.

^b Schedule 1.

^c Represents net increase in accrued end-of-service and post-retirement liabilities during the current period.

^d Restated to reflect the transfer of MINURCAT from active operations to completed operations in the current period.

Accordingly, its reserves and fund balances of \$151,527,858 as of 1 July 2011 have been transferred from the “Total active operations” column to the “Total completed operations” column.

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

Statement II

Summary of United Nations peacekeeping operations^a

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	<i>Total active operations</i>	<i>Peacekeeping Reserve Fund, programme support, UNLB, after-service health insurance</i>	<i>Total completed operations</i>	<i>All peacekeeping funds eliminations</i>	<i>Total</i>	
					2012	2011
Assets						
Cash and term deposits	45 914	280	501	—	46 695	55 216
Cash pool ^b	1 662 373	280 557	389 023	—	2 331 953	2 407 679
Assessed contributions receivable from Member States ^c	842 367	3	542 760	—	1 385 130	1 513 109
Special accounts for unpaid assessed contributions	55 552	—	11 962	—	67 514	67 514
Voluntary contributions receivable	8 853	—	—	—	8 853	9 178
Accounts receivable from Member States	6 194	634	135 919 ^d	—	142 747	142 611
Other accounts receivable	71 522	13 957	2 713	(23 256)	64 936	45 854
Inter-fund balances receivable	10 421	43 787	1 459	(55 667)	—	—
Due from other peacekeeping funds	—	12 820	61 816	(74 636)	—	—
Deferred charges	6 498	2 681	—	—	9 179	10 038
Other assets	153	—	2 849	—	3 002	2 944
Total assets	2 709 847	354 719	1 149 002	(153 559)	4 060 009	4 254 143
Liabilities						
Contributions or payments received in advance	998	—	14 241	—	15 239	118 808
Unliquidated obligations	986 441	32 330	7 313	(8 614)	1 017 470	1 151 634
Accounts payable to Member States	722 626	—	391 745	—	1 114 371	1 022 406
Other accounts payable	201 933	13 352	8 996	(14 642)	209 639	182 563
Inter-fund balances payable	56 099	15 121	490	(55 667)	16 043	35 940
Due to other peacekeeping funds	51 000	—	23 636	(74 636)	—	—
Voluntary contributions held in suspense	7 711	—	—	—	7 711	11 985
Deferred credits	311	—	127 380 ^d	—	127 691	127 475
Due to United Nations Special Account	—	—	3 329	—	3 329	3 329
Due to United Nations Bond Account	—	—	44 048	—	44 048	44 048
Other liabilities	10	—	13 909	—	13 919	13 919
End-of-service and post-retirement liabilities ^e	265 327	877 801	26	—	1 143 154	709 785
Total liabilities	2 292 456	938 604	635 113	(153 559)	3 712 614	3 421 892

	<i>Total active operations</i>	<i>Peacekeeping Reserve Fund, programme support, UNLB, after-service health insurance</i>	<i>Total completed operations</i>	<i>All peacekeeping funds eliminations</i>	<i>Total</i>	
					<i>2012</i>	<i>2011</i>
Reserves and fund balances						
Working capital funds	–	150 000	–	–	150 000	150 000
Authorized retained surplus	55 552	–	55 821	–	111 373	111 373
Cumulative surplus — strategic deployment stock activities	–	99 148	–	–	99 148	65 597
Cumulative surplus	627 166	44 768	458 094	–	1 130 028	1 215 066
Deficit — end-of-service and post- retirement liabilities	(265 327)	(877 801)	(26)	–	(1 143 154)	(709 785)
Total reserves and fund balances	417 391	(583 885)	513 889	–	347 395	832 251
Total liabilities and reserves and fund balances	2 709 847	354 719	1 149 002	(153 559)	4 060 009	4 254 143

^a See note 4.

^b See note 2 (k) (ii) and note 10.

^c Includes unpaid assessed contributions irrespective of collectability.

^d In accordance with General Assembly resolution 51/12 A, includes expenditures totalling \$127,379,954, which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits. See statement XXXIX.

^e Represents accrued liabilities for unused vacation days of \$131,324,257, for repatriation benefits of \$184,433,242 and for after-service health insurance of \$827,399,000. See note 15.

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

Statement III

Summary of United Nations peacekeeping operations^a

Statement of cash flows for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011 to 30 June 2012</i>	<i>1 July 2010 to 30 June 2011</i>
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (statement I)	44 875	134 014
(Increase) decrease in assessed contributions receivable	127 979	(57 719)
(Increase) decrease in voluntary contributions receivable	325	182
(Increase) decrease in accounts receivable from Member States	(136)	(1 690)
(Increase) decrease in other accounts receivable	(19 082)	6 826
(Increase) decrease in deferred charges	859	(359)
(Increase) decrease in other assets	(58)	(43)
Increase (decrease) in contributions or payments received in advance	(103 569)	33 305
Increase (decrease) in unliquidated obligations	(134 164)	(232 473)
Increase (decrease) in accounts payable to Member States	91 965	484 179
Increase (decrease) in other accounts payable	27 076	(26 382)
Increase (decrease) in inter-fund balances payable	(19 897)	7 200
Increase (decrease) in deferred credits	216	49
Increase (decrease) in other liabilities	(4 274)	(27)
Increase (decrease) in end-of-service and post-retirement liabilities	433 369	131 299
Less: Interest income	(27 367)	(56 584)
Net cash flows from operating activities	418 117	421 777
Cash flows from investing activities		
Interest income	27 367	56 584
Net cash flows from investing activities	27 367	56 584
Cash flows from financing activities		
Cancellation of prior-period obligations	148 585	242 320
Credits to Member States	(678 316)	(720 723)
Net cash flows from financing activities	(529 731)	(478 403)
Net Increase (decrease) in cash and term deposits and cash pool	(84 247)	(42)
Cash and term deposits and cash pool, beginning of period	2 462 895	2 462 937
Cash and term deposits and cash pool, end of period	2 378 648	2 462 895

^a See note 4.

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

Statement IV

United Nations Peacekeeping Force in Cyprus (UNFICYP)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	34 507	34 305
Voluntary contributions ^c	26 891	27 017
Interest income	68	138
Other/miscellaneous income ^d	(230)	599
Total income	61 236	62 059
Total expenditure (schedule 2)	61 209	60 740
Excess (shortfall) of income over expenditure	27	1 319
Non-budgeted accrued expenses for end-of-service liabilities ^e	189	(688)
Net excess (shortfall) of income over expenditure	216	631
Cancellation of prior-period obligations	294	486
Credits returned to Member States ^f	(1 805)	(2 488)
Reserves and fund balances, beginning of period	18 802	20 173
Reserves and fund balances, end of period^g	17 507	18 802

Statement IV (concluded)**United Nations Peacekeeping Force in Cyprus (UNFICYP)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	1 074	539
Cash pool ^h	8 663	5 316
Assessed contributions receivable from Member States ^b	14 608	15 653
Voluntary contributions receivable from Member States ⁱ	8 853	9 178
Accounts receivable from Member States	69	134
Other accounts receivable	190	185
Deferred charges	114	181
Total assets	33 571	31 186
Liabilities		
Contributions or payments received in advance	—	2
Unliquidated obligations — current period	4 564	4 030
Unliquidated obligations — prior periods	409	—
Accounts payable to Member States	7 601	4 133
Other accounts payable	136	237
Inter-fund balances payable	449	888
End-of-service liabilities ^j	2 905	3 094
Total liabilities	16 064	12 384
Reserves and fund balances		
Cumulative surplus	20 412	21 896
Deficit — end-of-service liabilities	(2 905)	(3 094)
Total reserves and fund balances	17 507	18 802
Total liabilities and reserves and fund balances	33 571	31 186

(Footnotes on following page)

(Footnotes to Statement 1V)

^a See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Includes voluntary contributions in cash of \$19,114,267 from Cyprus and \$6,500,000 from Greece, for which budgetary provisions were made. In addition, voluntary contributions in kind amounting to \$1,276,640 were received from Cyprus for maintenance personnel, materials and rations, for which budgetary provisions were made.

^d Includes exchange loss of \$414,180 resulting from currency exchange adjustment for a voluntary contribution receivable denominated in Danish krone in respect of the period prior to 15 June 1993.

^e Represents net decrease in accrued end-of-service liabilities during the current period.

^f Under the terms of General Assembly resolution 66/268, the total credits returned to Member States were \$1,805,300 for the period ended 30 June 2011. Of the total, \$987,606 was returned to Member States in respect of their assessments, and amounts of \$609,133 and \$208,561 were returned to Cyprus and Greece, respectively, with regard to their voluntary contributions in cash.

^g Under the terms of General Assembly resolution 47/236 and as reconfirmed in Assembly resolution 61/233 B, obligations recorded for the period from 27 March 1964 to 15 June 1993 in the UNFICYP account are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 15 June 1993, the cumulative obligations to be financed from such voluntary contributions as at 30 June 2012 totalled \$204,467,757. The change from the comparable figure as at 30 June 2011 is due to exchange rate movements. See note 5.

^h Represents share of the cash pool and comprises cash and term deposits of \$2,164,047, short-term investments of \$806,545 (fair value \$808,167), long-term investments of \$5,678,172 (fair value \$5,678,628) and accrued interest receivable of \$14,644. See note 10.

ⁱ Represents voluntary contributions receivable in cash in respect of the period ended 30 June 2012 of \$3,312,272 from Greece, and voluntary contributions receivable in respect of the period prior to 15 June 1993 of \$2,707,500 and Dkr 16,930,100 (equivalent \$2,833,490) from Austria and Denmark, respectively.

^j Represents accrued liabilities for unused vacation days of \$1,388,348 and for repatriation benefits of \$1,516,367. See note 15.

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

Statement V**United Nations Emergency Force (UNEF) 1973 and
United Nations Disengagement Observer Force (UNDOF)^a**Statement of income and expenditure and changes in reserves and fund balances for
the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	53 753	50 703
Interest income	130	318
Other/miscellaneous income	118	269
Total income	54 001	51 290
Total expenditure (schedule 3)	51 470	50 176
Excess (shortfall) of income over expenditure	2 531	1 114
Non-budgeted accrued expenses for end-of-service liabilities ^c	(28)	(483)
Net excess (shortfall) of income over expenditure	2 503	631
Cancellation of prior-period obligations	338	103
Credits returned to Member States ^d	(1 216)	(853)
Reserves and fund balances, beginning of period	55 548	55 667
Reserves and fund balances, end of period	57 173	55 548

Statement V (concluded)**United Nations Emergency Force (UNEF) 1973 and
United Nations Disengagement Observer Force (UNDOF)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits ^e	1 525	1 174
Cash pool ^f	15 059	14 659
Assessed contributions receivable from Member States ^b	14 059	13 949
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A ^g	35 987	35 987
Accounts receivable from Member States	252	232
Other accounts receivable	509	725
Inter-fund balances receivable	765	—
Deferred charges	213	200
Total assets	68 369	66 926
Liabilities		
Contributions or payments received in advance	2	—
Unliquidated obligations — current period	6 495	5 836
Unliquidated obligations — prior periods	—	37
Accounts payable to Member States	1 875	1 627
Other accounts payable	582	822
Inter-fund balances payable	—	842
End-of-service liabilities ^h	2 242	2 214
Total liabilities	11 196	11 378
Reserves and fund balances		
Authorized retained surplus ⁱ	35 987	35 987
Cumulative surplus	23 428	21 775
Deficit — end-of-service liabilities	(2 242)	(2 214)
Total reserves and fund balances	57 173	55 548
Total liabilities and reserves and fund balances	68 369	66 926

(Footnotes on following page)

(Footnotes to Statement V)

^a See notes 2 and 3.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents net increase in accrued end-of-service liabilities during the current period.

^d Under the terms of General Assembly resolution 66/276, the total assessment on Member States was reduced by \$1,216,000, comprising unencumbered balance and other income for the period ended 30 June 2011.

^e Includes non-convertible Syrian pounds equivalent to \$196,173.

^f Represents share of the cash pool and comprises cash and term deposits of \$3,761,554, short-term investments of \$1,401,939 (fair value \$1,404,759), long-term investments of \$9,869,820 (fair value \$9,870,612) and accrued interest receivable of \$25,454. See note 10.

^g See note 3 (b).

^h Represents accrued liabilities for unused vacation days of \$738,243 and for repatriation benefits of \$1,503,795. See note 15.

ⁱ See note 6.

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

Statement VI

United Nations Interim Force in Lebanon (UNIFIL)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	580 332	550 149
Interest income	3 000	7 280
Other/miscellaneous income	936	1 295
Total income	584 268	558 724
Total expenditure (schedule 4)	580 164	550 131
Excess (shortfall) of income over expenditure	4 104	8 593
Non-budgeted accrued expenses for end-of-service liabilities ^c	(2 231)	(4 443)
Prior-period adjustments	(1)	(10)
Net excess (shortfall) of income over expenditure	1 872	4 140
Cancellation of prior-period obligations	2 569	20 293
Credits returned to Member States ^d	(28 875)	(62 952)
Reserves and fund balances, beginning of period	96 519	135 038
Reserves and fund balances, end of period	72 085	96 519

Statement VI (concluded)**United Nations Interim Force in Lebanon (UNIFIL)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	1 701	2 336
Cash pool ^e	228 259	296 905
Assessed contributions receivable from Member States ^b	39 443	35 706
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A ^f	19 565	19 565
Accounts receivable from Member States	3 321	4 246
Other accounts receivable	1 990	1 182
Deferred charges	641	858
Other assets	—	1
Total assets	294 920	360 799
Liabilities		
Contributions or payments received in advance	148	23 510
Unliquidated obligations — current period	75 900	80 830
Unliquidated obligations — prior periods	62 918	37 939
Accounts payable to Member States	45 946	75 514
Other accounts payable	9 306	4 237
Inter-fund balances payable	865	12 455
Voluntary contributions held in suspense ^g	7 711	11 985
End-of-service liabilities ^h	20 041	17 810
Total liabilities	222 835	264 280
Reserves and fund balances		
Authorized retained surplus ⁱ	19 565	19 565
Cumulative surplus	72 561	94 764
Deficit — end-of-service liabilities	(20 041)	(17 810)
Total reserves and fund balances	72 085	96 519
Total liabilities and reserves and fund balances	294 920	360 799

(Footnotes on following page)

(Footnotes to Statement VI)

^a See notes 2 and 3.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents net increase in accrued end-of-service liabilities during the current period.

^d Under the terms of General Assembly resolution 66/277, the total assessment on Member States was reduced by \$28,875,400, comprising unencumbered balance and other income for the period ended 30 June 2011.

^e Represents share of the cash pool and comprises cash and term deposits of \$57,017,254, short-term investments of \$21,250,457 (fair value \$21,293,192), long-term investments of \$149,605,725 (fair value \$149,617,734) and accrued interest receivable of \$385,831. See note 10.

^f See note 3 (c).

^g Received from Luxembourg, Oman, the Seychelles and Switzerland.

^h Represents accrued end-of-service liabilities for unused vacation days of \$8,924,707 and for repatriation benefits of \$11,116,625. See note 15.

ⁱ See note 7.

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

Statement VII

United Nations Mission for the Referendum in Western Sahara (MINURSO)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	65 398	60 605
Voluntary contributions ^c	2 072	2 552
Interest income	56	108
Other/miscellaneous income	113	93
Total income	67 639	63 358
Total expenditure (schedule 5)	66 020	63 129
Excess (shortfall) of income over expenditure	1 619	229
Non-budgeted accrued expenses for end-of-service liabilities ^d	(816)	(1 307)
Prior-period adjustments	—	(4)
Net excess (shortfall) of income over expenditure	803	(1 082)
Cancellation of prior-period obligations	383	913
Credits returned to Member States ^e	(1 138)	(2 387)
Reserves and fund balances, beginning of period	23 770	26 326
Reserves and fund balances, end of period	23 818	23 770

Statement VII (concluded)**United Nations Mission for the Referendum in Western Sahara (MINURSO)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	412	614
Cash pool ^f	1 462	3 315
Assessed contributions receivable from Member States ^b	50 800	49 546
Accounts receivable from Member States	312	470
Other accounts receivable	317	283
Deferred charges	60	37
Total assets	53 363	54 265
Liabilities		
Contributions or payments received in advance	1	3
Unliquidated obligations — current period	5 459	2 165
Accounts payable to Member States	1 207	614
Other accounts payable	1 660	2 704
Inter-fund balances payable	158	765
Due to United Nations Peace Forces	10 500	20 500
Due to United Nations Assistance Mission for Rwanda	6 000	—
End-of-service liabilities ^g	4 560	3 744
Total liabilities	29 545	30 495
Reserves and fund balances		
Cumulative surplus	28 378	27 514
Deficit — end-of-service liabilities	(4 560)	(3 744)
Total reserves and fund balances	23 818	23 770
Total liabilities and reserves and fund balances	53 363	54 265

(Footnotes on following page)

(Footnotes to Statement VII)

^a See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents voluntary contributions in kind from Morocco and Algeria amounting to \$1,718,345 and \$353,335, respectively, for meals, fuel and other miscellaneous services, for which budgetary provisions have been made.

^d Represents net increase in accrued end-of-service liabilities during the current period.

^e Under the terms of General Assembly resolution 66/278, the total assessment on Member States was reduced by \$1,138,100, comprising unencumbered balance and other income for the period ended 30 June 2011.

^f Represents share of the cash pool and comprises cash and term deposits of \$365,210, short-term investments of \$136,114 (fair value \$136,388), long-term investments of \$958,262 (fair value \$958,339) and accrued interest receivable of \$2,471. See note 10.

^g Represents accrued liabilities for unused vacation days of \$1,104,360 and for repatriation benefits of \$3,455,315. See note 15.

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

Statement VIII

United Nations Interim Administration Mission in Kosovo (UNMIK)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^{b,c}	47 802	50 770
Interest income	65	110
Other/miscellaneous income	483	1 188
Total income	48 350	52 068
Total expenditure (schedule 6)	49 475	50 763
Excess (shortfall) of income over expenditure	(1 125)	1 305
Non-budgeted accrued expenses for end-of-service liabilities ^d	(989)	(1 259)
Prior-period adjustments	—	(41)
Net excess (shortfall) of income over expenditure	(2 114)	5
Cancellation of prior-period obligations	358	245
Credits returned to Member States ^e	(1 509)	(8 297)
Reserves and fund balances, beginning of period	(661)	7 386
Reserves and fund balances, end of period	(3 926)	(661)

Statement VIII (concluded)**United Nations Interim Administration Mission in Kosovo (UNMIK)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	282	836
Cash pool ^f	2 726	3 262
Assessed contributions receivable from Member States ^b	36 565	36 063
Accounts receivable from Member States	25	7
Other accounts receivable	215	422
Deferred charges	55	31
Total assets	39 868	40 621
Liabilities		
Contributions or payments received in advance	23	343
Unliquidated obligations — current period	954	3 068
Unliquidated obligations — prior periods	185	218
Accounts payable to Member States	1 194	7 159
Other accounts payable	2 818	2 629
Due to United Nations Peace Forces	23 000	21 000
Due to United Nations Mission in Haiti	8 500	—
Inter-fund balances payable	380	1 114
End-of-service liabilities ^g	6 740	5 751
Total liabilities	43 794	41 282
Reserves and fund balances		
Cumulative surplus	2 814	5 090
Deficit — end-of-service liabilities	(6 740)	(5 751)
Total reserves and fund balances	(3 926)	(661)
Total liabilities, reserves and fund balances	39 868	40 621

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Under the terms of General Assembly resolution 66/274, an amount of \$3,385,300 appropriated for the period from 1 July 2011 to 30 June 2012 was not assessed.^d Represents net increase in accrued end-of-service liabilities during the current period.^e Under the terms of General Assembly resolution 66/274, the total assessment on Member States was reduced by \$1,508,900, comprising unencumbered balance and other income for the period ended 30 June 2011.^f Represents share of the cash pool and comprises cash and term deposits of \$680,846, short-term investments of \$253,753 (fair value \$254,263), long-term investments of \$1,786,450 (fair value \$1,786,593) and accrued interest receivable of \$4,607. See note 10.^g Represents accrued end-of-service liabilities for unused vacation days of \$2,034,049 and for repatriation benefits of \$4,706,244. See note 15.

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

Statement IX

United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	1 577 099	1 447 735
Voluntary contributions ^c	3 335	2 667
Interest income	3 531	3 793
Other/miscellaneous income	3 186	1 936
Total income	1 587 151	1 456 131
Total expenditure (schedule 7)	1 472 896	1 441 528
Excess (shortfall) of income over expenditure	114 255	14 603
Non-budgeted accrued expenses for end-of-service liabilities ^d	(6 562)	(13 769)
Prior-period adjustments	(6)	(49)
Net excess (shortfall) of income over expenditure	107 687	785
Cancellation of prior-period obligations	12 863	20 209
Credits returned to Member States ^e	(34 762)	(35 076)
Reserves and fund balances, beginning of period	(8 432)	5 650
Reserves and fund balances, end of period	77 356	(8 432)

Statement IX (concluded)**United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	18 356	3 252
Cash pool ^f	193 027	184 296
Assessed contributions receivable from Member States ^b	156 357	188 133
Accounts receivable from Member States	253	345
Other accounts receivable	16 779	7 656
Deferred charges	1 129	1 275
Other assets	81	80
Total assets	385 982	385 037
Liabilities		
Contributions or payments received in advance	83	16
Unliquidated obligations — current period	144 336	171 159
Unliquidated obligations — prior periods	21 162	19 296
Accounts payable to Member States	60 582	122 353
Other accounts payable	24 877	36 649
Inter-fund balances payable	7 527	563
Deferred credits	110	50
Other liabilities	10	6
End-of-service liabilities ^g	49 939	43 377
Total liabilities	308 626	393 469
Reserves and fund balances		
Cumulative surplus	127 295	34 945
Deficit — end-of-service liabilities	(49 939)	(43 377)
Total reserves and fund balances	77 356	(8 432)
Total liabilities and reserves and fund balances	385 982	385 037

(Footnotes on following page)

(Footnotes to Statement IX)

^a See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents voluntary contributions in kind received from Foundation Hirondelle for the operation of Radio Okapi, for which budgetary provisions were made.

^d Represents net increase in accrued end-of-service liabilities during the current period.

^e Under the terms of General Assembly resolution 66/269, the total assessment on Member States was reduced by \$34,761,700, comprising unencumbered balance and other income in respect of the period ended 30 June 2011.

^f Represents share of the cash pool and comprises cash and term deposits of \$48,216,604, short-term investments of \$17,970,436 (fair value \$18,006,575), long-term investments of \$126,513,985 (fair value \$126,524,141) and accrued interest receivable of \$326,278. See note 10.

^g Represents accrued liabilities for unused vacation days of \$22,395,886 and for repatriation benefits of \$27,543,145. See note 15.

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

Statement X

United Nations Mission in Liberia (UNMIL)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	559 147	555 770
Voluntary contributions ^c	53	53
Interest income	854	2 733
Other/miscellaneous income	4 345	2 075
Total income	564 399	560 631
Total expenditure (schedule 8)	556 557	544 030
Excess (shortfall) of income over expenditure	7 842	16 601
Non-budgeted accrued expenses for end-of-service liabilities ^d	(6 577)	(5 131)
Prior-period adjustments	(13)	–
Net excess (shortfall) of income over expenditure	1 252	11 470
Cancellation of prior-period obligations	3 633	5 710
Credits returned to Member States ^e	(22 310)	(32 776)
Reserves and fund balances, beginning of period	5 947	21 543
Reserves and fund balances, end of period	(11 478)	5 947

Statement X (concluded)**United Nations Mission in Liberia (UNMIL)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	2 419	1 278
Cash pool ^f	56 745	91 495
Assessed contributions receivable from Member States ^b	41 197	51 911
Other accounts receivable	4 027	4 203
Inter-fund balances receivable	—	1 324
Deferred charges	652	489
Other assets	5	—
Total assets	105 045	150 700
Liabilities		
Contributions or payments received in advance	32	15 886
Unliquidated obligations — current period	46 087	55 991
Unliquidated obligations — prior periods	247	297
Accounts payable to Member States	38 896	45 626
Other accounts payable	7 010	10 579
Inter-fund balances payable	1 122	—
Deferred credits	178	—
End-of-service liabilities ^g	22 951	16 374
Total liabilities	116 523	144 753
Reserves and fund balances		
Cumulative surplus	11 473	22 321
Deficit — end-of-service liabilities	(22 951)	(16 374)
Total reserves and fund balances	(11 478)	5 947
Total liabilities and reserves and fund balances	105 045	150 700

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents voluntary contribution in kind from Germany for premises, for which budgetary provisions were made.^d Represents net increase in accrued end-of-service liabilities during the current period.^e Under the terms of General Assembly resolution 66/275, the total assessment to Member States was reduced by \$22,310,300, comprising unencumbered balance and other income for the period ended 30 June 2011.^f Represents share of the cash pool and comprises cash and term deposits of \$14,174,462, short-term investments of \$5,282,853 (fair value \$5,293,477), long-term investments of \$37,191,910 (fair value \$37,194,896) and accrued interest receivable of \$95,917. See note 10.^g Represents accrued liabilities for unused vacation days of \$9,471,914 and for repatriation benefits of \$13,480,034. See note 15.

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

Statement XI

United Nations Operation in Côte d'Ivoire (UNOCI)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^{b,c}	743 490	514 490
Interest income	781	1 708
Other/miscellaneous income	1 782	474
Total income	746 053	516 672
Total expenditure (schedule 9)	656 235	580 895
Excess (shortfall) of income over expenditure	89 818	(64 223)
Non-budgeted accrued expenses for end-of-service liabilities ^d	(403)	(6 950)
Prior-period adjustments	(6)	—
Net excess (shortfall) of income over expenditure	89 409	(71 173)
Cancellation of prior-period obligations	5 122	5 450
Credits returned to Member States ^e	(7 632)	(25 042)
Reserves and fund balances, beginning of period	(77 647)	13 118
Reserves and fund balances, end of period	9 252	(77 647)

Statement XI (concluded)**United Nations Operation in Côte d'Ivoire (UNOCI)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	1 891	365
Cash pool ^f	72 440	51 816
Assessed contributions receivable from Member States ^b	130 320	48 926
Accounts receivable from Member States	182	182
Other accounts receivable	5 123	5 131
Deferred charges	351	623
Total assets	210 307	107 043
Liabilities		
Contributions or payments received in advance	2	1 637
Unliquidated obligations — current period	86 642	79 261
Unliquidated obligations — prior periods	1 722	1 283
Accounts payable to Member States	79 283	62 819
Other accounts payable	8 400	12 797
Inter-fund balances payable	5 721	8 010
Deferred credits	1	2
End-of-service liabilities ^g	19 284	18 881
Total liabilities	201 055	184 690
Reserves and fund balances		
Cumulative surplus (deficit)	28 536	(58 766)
Deficit — end-of-service liabilities	(19 284)	(18 881)
Total reserves and fund balances	9 252	(77 647)
Total liabilities and reserves and fund balances	210 307	107 043

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Comprises \$677,085,700 for the period from 1 July 2011 to 30 June 2012 in accordance with General Assembly resolutions 65/294 and 66/242 A and \$66,404,700 for the period from 1 July 2010 to 30 June 2011 in accordance with General Assembly resolution 66/242 B.^d Represents net increase in accrued end-of-service liabilities during the current period.^e Under the terms of General Assembly resolution 66/242 B, the total assessment on Member States was reduced by \$7,632,400, comprising unencumbered balance and other income for the period ended 30 June 2011.^f Represents share of the cash pool and comprises cash and term deposits of \$18,094,919, short-term investments of \$6,744,016 (fair value \$6,757,579), long-term investments of \$47,478,671 (fair value \$47,482,482) and accrued interest receivable of \$122,447. See note 10.^g Represents accrued liabilities for unused vacation days of \$7,369,314 and for repatriation benefits of \$11,914,758. See note 15.

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

Statement XII

United Nations Stabilization Mission in Haiti (MINUSTAH)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	844 259	876 869
Interest income	2 003	2 734
Other/miscellaneous income	2 715	3 124
Total income	848 977	882 727
Total expenditure (schedule 10)	790 510	833 604
Excess (shortfall) of income over expenditure	58 467	49 123
Non-budgeted accrued expenses for end-of-service liabilities ^c	(5 424)	(6 571)
Prior-period adjustments	(2)	(42)
Net excess (shortfall) of income over expenditure	53 041	42 510
Cancellation of prior-period obligations	13 478	24 209
Credits returned to Member States ^d	(73 289)	(26 756)
Reserves and fund balances, beginning of period	53 157	13 194
Reserves and fund balances, end of period	46 387	53 157

Statement XII (concluded)**United Nations Stabilization Mission in Haiti (MINUSTAH)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	2 488	2 165
Cash pool ^e	171 300	203 328
Assessed contributions receivable from Member States ^b	74 879	84 604
Accounts receivable from Member States	219	200
Other accounts receivable	12 086	9 918
Deferred charges	248	444
Other assets	5	—
Total assets	261 225	300 659
Liabilities		
Contribution or payments received in advance	1	10
Unliquidated obligations — current period	92 264	172 635
Unliquidated obligations — prior periods	5 892	6 134
Accounts payable to Member States	77 714	25 393
Other accounts payable	10 447	12 748
Inter-fund balances payable	2 950	10 402
Deferred credits	4	38
End-of-service liabilities ^f	25 566	20 142
Total liabilities	214 838	247 502
Reserves and fund balances		
Cumulative surplus	71 953	73 299
Deficit — end-of-service liabilities	(25 566)	(20 142)
Total reserves and fund balances	46 387	53 157
Total liabilities and reserves and fund balances	261 225	300 659

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net increase in accrued end-of-service liabilities during the current period.^d Under the terms of General Assembly resolution 66/273, the total assessment on Member States was reduced by \$73,289,200, comprising unencumbered balance and other income for the period ended 30 June 2011.^e Represents share of the cash pool and comprises cash and term deposits of \$42,789,277, short-term investments of \$15,947,659 (fair value \$15,979,730), long-term investments of \$112,273,397 (fair value \$112,282,410) and accrued interest receivable of \$289,551. See note 10.^f Represents accrued liabilities for unused vacation days of \$10,594,420 and for repatriation benefits of \$14,971,921. See note 15.

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

Statement XIII**United Nations Mission in the Sudan (UNMIS)^a**

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 9 July 2011 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 9 July 2011</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	168 402	1 064 907
Interest income	795	4 426
Other/miscellaneous income	3 882	1 399
Total income	173 079	1 070 732
Total expenditure (schedule 11)	164 859	1 055 657
Excess (shortfall) of income over expenditure	8 220	15 075
Non-budgeted accrued expenses for end-of-service liabilities ^c	36 348	(16 620)
Prior-period adjustments ^d	(156)	–
Net excess (shortfall) of income over expenditure	44 412	(1 545)
Cancellation of prior-period obligations	19 500	23 389
Credits returned to Member States	–	(52 052)
Reserves and fund balances, beginning of period	1 452	31 660
Reserves and fund balances, end of period	65 364	1 452

Statement XIII (concluded)**United Nations Mission in the Sudan (UNMIS)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	2 729	28 246
Cash pool ^e	12 821	42 672
Assessed contributions receivable from Member States ^b	49 894	183 016
Accounts receivable from Member States	266	208
Other accounts receivable	1 501	4 285
Inter-fund balances receivable	9 656	—
Deferred charges	2	1 454
Total assets	76 869	259 881
Liabilities		
Contributions or payments received in advance	542	61
Unliquidated obligations — current period	3 490	100 045
Unliquidated obligations — prior periods	1 007	4 886
Accounts payable to Member States	1 963	83 434
Other accounts payable	3 807	27 804
Inter-fund balances payable	—	5 168
Deferred credits	18	5
End-of-service liabilities ^f	678	37 026
Total liabilities	11 505	258 429
Reserves and fund balances		
Cumulative surplus	66 042	38 478
Deficit — end-of-service liabilities	(678)	(37 026)
Total reserves and fund balances	65 364	1 452
Total liabilities and reserves and fund balances	76 869	259 881

^a By its resolution 1978 (2011), the Security Council extended the mandate of the Mission until 9 July 2011. Accordingly, in its resolution 65/257 B, the General Assembly authorized expenditures for the maintenance of the Mission up to that date, and for the administrative liquidation of the Mission for the period from 10 July to 31 December 2011. See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents net decrease in accrued end-of-service liabilities during the current period.

^d Represents write-off of uncollectible accounts receivable of \$156,018 for quick-impact projects.

^e Represents share of the cash pool and comprises cash and term deposits of \$3,202,618, short-term investments of \$1,193,623 (fair value \$1,196,023), long-term investments of \$8,403,245 (fair value \$8,403,920) and accrued interest receivable of \$21,672. See note 10.

^f Represents accrued liabilities for unused vacation days of \$69,085 and for repatriation benefits of \$609,292. See note 15.

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

Statement XIV**United Nations Integrated Mission in Timor-Leste (UNMIT)^a**

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^b	208 604	218 805
Interest income	252	688
Other/miscellaneous income	192	459
Total income	209 048	219 952
Total expenditure (schedule 12)	204 846	202 638
Excess (shortfall) of income over expenditure	4 202	17 314
Non-budgeted accrued expenses for end-of-service liabilities ^c	(2 552)	(4 410)
Prior-period adjustments	–	(2)
Net excess (shortfall) of income over expenditure	1 650	12 902
Cancellation of prior-period obligations	1 625	2 223
Credits returned to Member States ^d	(19 535)	(17 796)
Reserves and fund balances, beginning of period	7 591	10 262
Reserves and fund balances, end of period	(8 669)	7 591

Statement XIV (concluded)**United Nations Integrated Mission in Timor-Leste (UNMIT)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	1 168	1 456
Cash pool ^c	25 800	16 336
Assessed contributions receivable from Member States ^b	15 487	29 540
Accounts receivable from Member States	55	58
Other accounts receivable	1 270	835
Deferred charges	239	440
Total assets	44 019	48 665
Liabilities		
Contributions or payments received in advance	—	4
Unliquidated obligations — current period	7 571	10 116
Unliquidated obligations — prior periods	48	179
Accounts payable to Member States	27 504	14 299
Other accounts payable	2 617	3 456
Inter-fund balances payable	453	1 077
End-of-service liabilities ^f	14 495	11 943
Total liabilities	52 688	41 074
Reserves and fund balances		
Cumulative surplus	5 826	19 534
Deficit — end-of-service liabilities	(14 495)	(11 943)
Total reserves and fund balances	(8 669)	7 591
Total liabilities and reserves and fund balances	44 019	48 665

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net increase in accrued end-of-service liabilities during the current period.^d Under the terms of General Assembly resolution 66/270, the total assessment on Member States was reduced by \$19,534,900, comprising unencumbered balance and other income for the period ended 30 June 2011.^e Represents share of the cash pool and comprises cash and term deposits of \$6,444,548, short-term investments of \$2,401,897 (fair value \$2,406,728), long-term investments of \$16,909,641 (fair value \$16,910,999) and accrued interest receivable of \$43,610. See note 10.^f Represents accrued liabilities for unused vacation days of \$5,202,794 and for repatriation benefits of \$9,292,566. See note 15.

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

Statement XV**African Union-United Nations Hybrid Operation in
Darfur (UNAMID)^a****Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012**

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011 to 30 June 2012</i>	<i>1 July 2010 to 30 June 2011</i>
Income		
Assessed contributions ^b	1 797 328	1 917 751
Interest income	8 031	15 600
Other/miscellaneous income	6 079	5 299
Total income	1 811 438	1 938 650
Total expenditure (schedule 13)	1 723 862	1 693 073
Excess (shortfall) of income over expenditure	87 576	245 577
Non-budgeted accrued expenses for end-of-service liabilities ^c	(7 554)	(15 170)
Prior-period adjustments	(2)	–
Net excess (shortfall) of income over expenditure	80 020	230 407
Cancellation of prior-period obligations	62 863	89 936
Credits returned to Member States ^d	(335 513)	(175 974)
Reserves and fund balances, beginning of period	295 420	151 051
Reserves and fund balances, end of period	102 790	295 420

Statement XV (concluded)**African Union-United Nations Hybrid Operation in
Darfur (UNAMID)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	3 663	1 243
Cash pool ^e	623 993	735 807
Assessed contributions receivable from Member States ^b	92 715	161 448
Accounts receivable from Member States	8	8
Other accounts receivable	11 197	6 135
Deferred charges	1 163	883
Other assets	31	7
Total assets	732 770	905 531
Liabilities		
Contributions or payments received in advance	156	62 306
Unliquidated obligations — current period	169 561	213 899
Unliquidated obligations — prior period	9 049	42 089
Accounts payable to Member States	330 931	186 631
Other accounts payable	66 063	57 433
Inter-fund balances payable	6 572	7 659
End-of-service liabilities ^f	47 648	40 094
Total liabilities	629 980	610 111
Reserves and fund balances		
Cumulative surplus (deficit)	150 438	335 514
Deficit — end-of-service liabilities	(47 648)	(40 094)
Total reserves and fund balances	102 790	295 420
Total liabilities and reserves and fund balances	732 770	905 531

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net increase in accrued end-of-service liabilities during the current period.^d Under the terms of General Assembly resolution 66/279, the total assessment on Member States was reduced by \$335,513,400, comprising unencumbered balance and other income for the period ended 30 June 2011.^e Represents share of the cash pool and comprises cash and term deposits of \$155,868,107, short-term investments of \$58,092,390 (fair value \$58,209,215), long-term investments of \$408,977,273 (fair value \$409,010,103) and accrued interest receivable of \$1,054,746. See note 10.^f Represents accrued liabilities for unused vacation days of \$18,181,029 and for repatriation benefits of \$29,466,478. See note 15.

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

Statement XVI

Support for the African Union Mission in Somalia (UNSOA)^a
Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Assessed contributions ^{b,c}	345 462	184 867
Interest income	512	1 492
Other/miscellaneous income	3 063	149
Total income	349 037	186 508
Total expenditure (schedule 14)	306 356	220 638
Excess (shortfall) of income over expenditure	42 681	(34 130)
Non-budgeted accrued expenses for end-of-service liabilities ^d	(2 818)	(1 875)
Net excess (shortfall) of income over expenditure	39 863	(36 005)
Cancellation of prior-period obligations	11 882	9 955
Credits returned to Member States ^e	(11 596)	(54 458)
Reserves and fund balances, beginning of period	(28 645)	51 863
Reserves and fund balances, end of period	11 504	(28 645)

Statement XVI (concluded)**Support for the African Union Mission in Somalia (UNSOA)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	816	3 292
Cash pool ^f	58 932	45 239
Assessed contributions receivable from Member States ^b	52 264	22 062
Accounts receivable from Member States	934	433
Other accounts receivable	2 285	1 454
Deferred charges	658	204
Other assets	1	7
Total assets	115 890	72 691
Liabilities		
Contributions or payments received in advance	8	24
Unliquidated obligations — current period	75 126	59 063
Accounts payable to Member States	826	33 477
Other accounts payable	9 508	1 864
Inter-fund balances payable	11 630	2 434
Other liabilities	—	4
End-of-service liabilities ^g	7 288	4 470
Total liabilities	104 386	101 336
Reserves and fund balances		
Cumulative surplus (deficit)	18 792	(24 175)
Deficit — end-of-service liabilities	(7 288)	(4 470)
Total reserves and fund balances	11 504	(28 645)
Total liabilities and reserves and fund balances	115 890	72 691

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Comprises \$309,690,900 for the period from 1 July 2011 to 30 June 2012 in accordance with General Assembly resolution 65/306 and \$35,770,900 for the period from 1 July 2010 to 30 June 2011 in accordance with Assembly resolution 66/280.^d Represents net increase in accrued end-of-service liabilities during the current period.^e Under the terms of General Assembly resolution 66/280, the total assessment on Member States was reduced by \$11,595,600, representing other income in respect of the period ended 30 June 2011.^f Represents share of the cash pool and comprises cash and term deposits of \$14,720,759, short-term investments of \$5,486,459 (fair value \$5,497,493), long-term investments of \$38,625,322 (fair value \$38,628,422) and accrued interest receivable of \$99,614. See note 10.^g Represents accrued liabilities for unused vacation days of \$2,858,564 and for repatriation benefits of \$4,429,092. See note 15.

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

Statement XVII

United Nations Interim Security Force for Abyei (UNISFA)^a
Statement of income and expenditure and reserves and fund balances for the
period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>
	<i>1 July 2011-30 June 2012</i>
Income	
Assessed contributions ^b	175 500
Interest income	85
Total income	175 585
Total expenditure (schedule 15)	161 131
Excess (shortfall) of income over expenditure	14 454
Non-budgeted accrued expenses for end-of-service liabilities	(2 800)
Net excess (shortfall) of income over expenditure	11 654
Reserves and fund balances, end of period	11 654

Statement XVII (concluded)**United Nations Interim Security Force for Abyei (UNISFA)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	<i>2012</i>
Assets	
Cash and term deposits	412
Cash pool ^c	47 631
Assessed contributions receivable from Member States ^b	29 078
Other accounts receivable	587
Deferred charges	28
Total assets	77 736
Liabilities	
Unliquidated obligations — current period	36 961
Accounts payable to Member States	4 970
Other accounts payable	8 406
Inter-fund balances payable	12 945
End-of-service liabilities ^d	2 800
Total liabilities	66 082
Reserves and fund balances	
Cumulative surplus	14 454
Deficit end-of-service liabilities	(2 800)
Total reserves and fund balances	11 654
Total liabilities and reserves and fund balances	77 736

^a By its resolution 1990 (2011), the Security Council established UNISFA for an initial period of six months. The General Assembly, in its resolution 65/257 B, authorized the Secretary-General to draw upon the resources approved for UNMIS in entering into commitments for the period from 1 July to 31 December 2011 for UNISFA. Thereafter, the Assembly, in its resolution 66/241, appropriated an amount of \$175,500,000 for the period from 1 July 2011 to 30 June 2012. See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents share of the cash pool and comprises cash and term deposits of \$11,897,989, short-term investments of \$4,434,407 (fair value \$4,443,325), long-term investments of \$31,218,748 (fair value \$31,221,254) and accrued interest receivable of \$80,513. See note 10.

^d Represents accrued liabilities for unused vacation days of \$1,011,538 and for repatriation benefits of \$1,788,588. See note 15.

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

Statement XVIII

United Nations Mission in South Sudan (UNMISS)^a
Statement of income and expenditure and reserves and fund balances for the
period from 9 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>
	<i>9 July 2011-30 June 2012</i>
Income	
Assessed contributions ^b	722 130
Interest income	260
Other/miscellaneous income	1 053
Total income	723 443
Total expenditure (schedule 16)	721 091
Excess (shortfall) of income over expenditure	2 352
Non-budgeted accrued expenses for end-of-service liabilities	(38 064)
Net excess (shortfall) of income over expenditure	(35 712)
Reserves and fund balances, end of period	(35 712)

Statement XVIII (concluded)**United Nations Mission in South Sudan (UNMISS)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	<i>2012</i>
Assets	
Cash and term deposits	6 943
Cash pool ^c	142 475
Assessed contributions receivable from Member States ^b	44 701
Accounts receivable from Member States	298
Other accounts receivable	12 207
Deferred charges	945
Other assets	28
Total assets	207 597
Liabilities	
Unliquidated obligations — current period	116 851
Accounts payable to Member States	42 134
Other accounts payable	43 230
Inter-fund balances payable	3 030
End-of-service liabilities ^d	38 064
Total liabilities	243 309
Reserves and fund balances	
Cumulative surplus	2 352
Deficit end-of-service liabilities	(38 064)
Total reserves and fund balances	(35 712)
Total liabilities and reserves and fund balances	207 597

^a Noting the decision of the Security Council in its resolution 1978 (2011) to establish a successor mission to UNMIS, the General Assembly, in its resolution 65/257 B, authorized the Secretary-General to draw upon the resources approved for UNMIS in entering into commitments for the successor mission for the period from 1 July to 31 December 2011. By its resolution 1996 (2011), the Council established UNMISS as of 9 July 2011 for an initial period of one year. Thereafter, the Assembly, in its resolution 66/243, appropriated an amount of \$722,129,600 for the period from 1 July 2011 to 30 June 2012. See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents share of the cash pool and comprises cash and term deposits of \$35,588,964, short-term investments of \$13,264,086 (fair value \$13,290,760), long-term investments of \$93,380,729 (fair value \$93,388,225) and accrued interest receivable of \$240,827. See note 10.

^d Represents accrued liabilities for unused vacation days of \$16,870,604 and for repatriation benefits of \$21,193,467. See note 15.

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

Statement XIX**United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS)^a****Statement of income and expenditure and reserves and fund balances for the period from 21 April 2012 to 30 June 2012 as at 30 June 2012**

(Thousands of United States dollars)

	<i>Period</i>
	<i>21 April 2012-30 June 2012</i>
Income	
Other/miscellaneous income	1
Total income	1
Total expenditure (schedule 17)	17 589
Excess (shortfall) of income over expenditure	(17 588)
Non-budgeted accrued expenses for end-of-service liabilities	(126)
Net shortfall of income over expenditure	(17 714)
Reserves and fund balances, end of period	(17 714)

Statement XIX (concluded)**United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012
Assets	
Cash and term deposits	35
Cash pool ^b	1 040
Other accounts receivable	1 239
Other assets	2
Total assets	2 316
Liabilities	
Unliquidated obligations — current period	11 541
Other accounts payable	3 066
Inter-fund balances payable	2 297
Due to United Nations Observer Mission in Angola	3 000
End-of-service liabilities ^c	126
Total liabilities	20 030
Reserves and fund balances	
Cumulative surplus (deficit)	(17 588)
Deficit end-of-service liabilities	(126)
Total reserves and fund balances	(17 714)
Total liabilities and reserves and fund balances	2 316

^a By its resolution 2043 (2012), the Security Council established UNSMIS for an initial period of 90 days. The Advisory Committee on Administrative and Budgetary Questions authorized the Secretary-General to enter into commitments of \$16,796,300, comprising \$14,142,400 for the period from 14 April to 30 June 2012 and \$2,653,900 for the period from 1 July to 20 July 2012. Thereafter, the Advisory Committee authorized the Secretary-General to enter into commitments for an additional amount of \$10,992,700 for the drawings from strategic deployment stocks. See note 2.

^b Represents share of the cash pool and comprises cash and term deposits of \$259,801, short-term deposits of \$96,829 (fair value \$97,023), long-term investments of \$681,684 (fair value \$681,739) and accrued interest receivable of \$1,758. See note 10.

^c Represents accrued liabilities for unused vacation days of \$37,790 and for repatriation benefits of \$87,788. See note 15.

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

Statement XX**Peacekeeping Reserve Fund^a****Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012**

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income		
Interest income	1 247	2 477
Total income	1 247	2 477
Total expenditure	1	1
Net excess (shortfall) of income over expenditure	1 246	2 476
Transfer to other funds ^b	(3 377)	(4 304)
Reserves and fund balances, beginning of period	155 851	157 679
Reserves and fund balances, end of period	153 720	155 851

Statement XX (concluded)**Peacekeeping Reserve Fund****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	45	46
Cash pool ^c	140 852	142 982
Assessed contributions receivable from Member States ^d	3	3
Due from the United Nations Mission in the Central African Republic	12 820	12 820
Total assets	153 720	155 851
Reserves and fund balances		
Working capital funds	150 000	150 000
Cumulative surplus ^e	3 720	5 851
Total reserves and fund balances	153 720	155 851
Total liabilities and reserves and fund balances	153 720	155 851

^a See note 2.^b Under the terms of General Assembly resolution 65/290, the excess balance in the Peacekeeping Reserve Fund of \$3,377,000 for the period ending 30 June 2010 was applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2011 to 30 June 2012.^c Represents share of the cash pool and comprises cash and term deposits of \$35,188,108, short-term investments of \$13,114,686 (fair value \$13,141,060), long-term investments of \$92,328,935 (fair value \$92,336,347) and accrued interest receivable of \$238,115. See note 10.^d Contributions assessed on Member States that joined the United Nations subsequent to the adoption of General Assembly resolution 47/217 establishing the Peacekeeping Reserve Fund.^e Under the terms of General Assembly resolution 66/265, the excess balance of \$2,474,300 in the Peacekeeping Reserve Fund for the period ending 30 June 2011 will be applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2012 to 30 June 2013.

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

Statement XXI

Support account for peacekeeping operations^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income^b		
Allocation from other funds ^c	363 189	354 651
Interest income	884	1 026
Other/miscellaneous income	111	615
Total income	364 184	356 292
Total expenditure (schedule 18)	344 786	341 421
Excess (shortfall) of income over expenditure	19 398	14 871
Non-budgeted accrued expenses for end-of-service liabilities ^d	(5 023)	(9 562)
Prior-period adjustments	(1)	–
Net excess (shortfall) of income over expenditure	14 374	5 309
Cancellation of prior-period obligations	2 141	4 457
Reserves and fund balances, beginning of period	(29 243)	(39 009)
Reserves and fund balances, end of period	(12 728)	(29 243)

Statement XXI (concluded)

Support account for peacekeeping operations

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	54	21
Cash pool ^e	59 352	40 233
Accounts receivable from Member States	43	36
Other accounts receivable	2 253	1 725
Deferred charges	2 435	2 578
Total assets	64 137	44 593
Liabilities		
Unliquidated obligations — current period	7 074	9 278
Unliquidated obligations — prior period	1	1
Other accounts payable	10 418	12 946
Inter-fund balances payable	15 121	12 383
End-of-service liabilities ^f	44 251	39 228
Total liabilities	76 865	73 836
Reserves and fund balances		
Cumulative surplus (deficit)	31 523	9 985
Deficit — end-of-service liabilities	(44 251)	(39 228)
Total reserves and fund balances	(12 728)	(29 243)
Total liabilities and reserves and fund balances	64 137	44 593

^a See note 2.

^b Income excludes \$6,048,000, representing other income in respect of the period ended 30 June 2010, which is applied to meet the resources required for the support account for peacekeeping operations for the period from 1 July 2011 to 30 June 2012, in accordance with General Assembly resolution 65/290.

^c Under the terms of the General Assembly resolution 65/290, an amount of \$335,367,400 was prorated among the active missions and an amount of \$3,377,000, representing the excess of the authorized level of the Peacekeeping Reserve Fund in respect of the period ended 30 June 2010, was applied to meet the resources required for the period from 1 July 2011 to 30 June 2012. In addition, an amount of \$24,444,900 was prorated among active peacekeeping missions in respect of the period from 1 July 2009 to 30 June 2010.

^d Represents net increase in accrued end-of-service liabilities during the current period.

^e Represents share of the cash pool and comprises cash and term deposits of \$14,825,709, short-term investments of \$5,525,575 (fair value \$5,536,687), long-term investments of \$38,900,698 (fair value \$38,903,821) and accrued interest receivable of \$100,324. See note 10.

^f Represents accrued liabilities for unused vacation days of \$19,580,185 and for repatriation benefits of \$24,671,861. See note 15.

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

Statement XXII

United Nations Logistics Base at Brindisi, Italy (UNLB)^a
Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Strategic deployment stock activities</i>	<i>Other UNLB activities</i>	<i>2012 Total</i>	<i>2011 Total</i>
Income				
Allocation from other funds	56 320 ^b	64 803 ^c	121 123	98 610
Interest income	–	827	827	1 331
Other/miscellaneous income	–	965	965	1 321
Total income	56 320	66 595^d	122 915	101 262
Total expenditure (schedule 19)	22 835	64 253	87 088	82 215
Excess (shortfall) of income over expenditure	33 485	2 342	35 827	19 047
Non-budgeted accrued expenses for end-of-service liabilities ^e	–	(123)	(123)	(2 500)
Prior-period adjustments	–	(7)	(7)	–
Net excess (shortfall) of income over expenditure	33 485	2 212	35 697	16 547
Cancellation of prior-period obligations	66	530	596	3 600
Reserves and fund balances, beginning of period	65 597	632	66 229	46 082
Reserves and fund balances, end of period	99 148^f	3 374	102 522	66 229

Statement XXII (concluded)**United Nations Logistics Base at Brindisi, Italy (UNLB)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	181	183
Cash pool ^g	80 353	68 986
Accounts receivable from Member States	591	133
Other accounts receivable	11 704	3 286
Inter-fund balances receivable	43 787	23 762
Deferred charges	246	341
Total assets	136 862	96 691
Liabilities		
Unliquidated obligations — current period	25 255	21 663
Other accounts payable	2 934	2 771
End-of-service liabilities ^h	6 151	6 028
Total liabilities	34 340	30 462
Reserves and fund balances		
Cumulative surplus — strategic deployment stock activities ⁱ	99 148	65 597
Cumulative surplus — other UNLB activities	9 525	6 660
Deficit — end-of-service liabilities	(6 151)	(6 028)
Total reserves and fund balances	102 522	66 229
Total liabilities and reserves and fund balances	136 862	96 691

(Footnotes on following page)

(Footnotes to Statement XXII)

^a See note 2.

^b Represents funding provided by peacekeeping and political missions, and by other offices, for transfer of strategic deployment stocks at replacement values.

^c In accordance with General Assembly resolution 65/291, part of the cost estimates amounting to \$64,803,400 are allocated on a prorated basis among the individual active peacekeeping missions.

^d Under the terms of General Assembly resolution 65/291, an amount of \$2,559,200 in respect of the unencumbered balance and other income for the period ended 30 June 2010 and an unutilized fund balance from fiscal 1997 to 2004 periods in the amount of \$1,149,900 are applied to meet the resources required for the period from 1 July 2011 to 30 June 2012. These amounts are excluded from the current period's income.

^e Represents net increase in accrued end-of-service liabilities during the current period.

^f See note 9.

^g Represents share of the cash pool and comprises cash and term deposits of \$20,071,548, short-term investments of \$7,480,711 (fair value \$7,495,754), long-term investments of \$52,665,084 (fair value \$52,669,312) and accrued interest receivable of \$135,822. See note 10.

^h Represents accrued end-of-service liabilities for unused vacation days of \$3,491,426 and for repatriation benefits of \$2,659,478. See note 15.

ⁱ In accordance with General Assembly resolution 66/266, \$50,000,000 from the strategic deployment stocks will be applied to meet the requirements of UNLB for the period from 1 July 2012 to 30 June 2013.

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

Statement XXIII

After-service health insurance for peacekeeping operations^a
Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>	
	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income	–	–
Total income	–	–
Total expenditure	–	–
Excess (shortfall) of income over expenditure	–	–
Non-budgeted accrued expenses for post-retirement liabilities ^b	(388 420)	(50 379)
Net excess (shortfall) of income over expenditure	(388 420)	(50 379)
Reserves and fund balances, beginning of period	(438 979)	(388 600)
Reserves and fund balances, end of period	(827 399)	(438 979)

Statement XXIII (concluded)
After-service health insurance for peacekeeping operations
Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets	—	—
Total assets	—	—
Liabilities		
Post-retirement liabilities ^c	827 399	438 979
Total liabilities	827 399	438 979
Reserves and fund balances		
Deficit — post-retirement liabilities	(827 399)	(438 979)
Total reserves and fund balances	(827 399)	(438 979)
Total liabilities and reserves and fund balances	—	—

^a See note 2.^b Represents net increase in accrued after-service health insurance liabilities during the current period.^c See note 15.

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

Statement XXIV

United Nations Mission in the Central African Republic and Chad (MINURCAT)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 March 2007 to 31 December 2010 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 March 2007- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 550 944	–	191 464
Interest income	11 846	1 530	3 877
Other/miscellaneous income	19 447	62	11 675
Total income	1 582 237	1 592	207 016
Total expenditure	1 424 833	–	249 283
Excess (shortfall) of income over expenditure	157 404	1 592	(42 267)
Non-budgeted accrued expenses for end-of-service liabilities ^c	(620)	594	9 788
Prior-period adjustments ^d	(41)	(566)	(40)
Net excess (shortfall) of income over expenditure	156 743	1 620	(32 519)
Cancellation of prior-period obligations	44 703	10 896	31 033
Credits returned to Member States ^e	(49 918)	(128 247)	–
Reserves and fund balances, beginning of period	–	151 528	153 014
Reserves and fund balances, end of period	151 528	35 797	151 528

Statement XXIV (concluded)**United Nations Mission in the Central African Republic and Chad (MINURCAT)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	4	7 398
Cash pool ^f	175 644	160 610
Assessed contributions receivable from Member States ^b	3 970	45 248
Accounts receivable from Member States	99	99
Other accounts receivable	1 801	11 688
Inter-fund balances receivable	463	2 106
Total assets	181 981	227 149
Liabilities		
Contributions or payments received in advance	13 104	13 494
Unliquidated obligations — current period	—	36 130
Unliquidated obligations — prior periods	7 301	14 050
Accounts payable to Member States	116 775	4 300
Other accounts payable	8 978	7 027
End-of-service liabilities ^g	26	620
Total liabilities	146 184	75 621
Reserves and fund balances		
Cumulative surplus	35 823	152 148
Deficit — end-of-service liabilities	(26)	(620)
Total reserves and fund balances	35 797	151 528
Total liabilities and reserves and fund balances	181 981	227 149

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net decrease in accrued end-of-service liabilities during the current period.^d Represents prior-period expenditures for staff costs of \$394,170, travel of military personnel of \$10,613 and other operational costs of \$161,812.^e Under the terms of General Assembly resolution 66/267, the total assessment on Member States was reduced by \$128,247,000 from the unencumbered balance of \$149,947,800 for the period ended 30 June 2010.^f Represents share of the cash pool and comprises cash and term deposits of \$43,874,517, short-term investments of \$16,352,130 (fair value \$16,385,015), long-term investments of \$115,120,924 (fair value \$115,130,165) and accrued interest receivable of \$296,895. See note 10.^g Represents accrued liabilities for repatriation benefits of \$26,427. See note 15.

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

Statement XXV

United Nations Observer Mission in Georgia (UNOMIG)^a
Statement of income and expenditure and changes in reserves and fund balances
for the period from 24 August 1993 to 31 October 2009 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>24 August 1993- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	435 444	—	—
Voluntary contributions	4 063	—	—
Interest income	4 139	28	65
Other/miscellaneous income	2 399	30	12
Total income	446 045	58	77
Total expenditure	408 158	—	—
Excess (shortfall) of income over expenditure	37 887	58	77
Non-budgeted accrued expenses for end-of-service liabilities ^c	975	5	4
Prior-period adjustments	(340)	(28)	(145)
Net excess (shortfall) of income over expenditure	38 522	35	(64)
Cancellation of prior-period obligations	10 233	—	12
Credits returned to Member States ^d	(39 681)	(1 807)	—
Transfer to other funds	(530)	—	—
Other adjustments to reserves and fund balances	(980)	—	—
Reserves and fund balances, beginning of period	—	7 564	7 616
Reserves and fund balances, end of period	7 564	5 792	7 564

Statement XXV (concluded)**United Nations Observer Mission in Georgia (UNOMIG)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	12	10
Cash pool ^e	2 327	3 123
Assessed contributions receivable from Member States ^b	4 361	4 918
Other accounts receivable	–	4
Total assets	6 700	8 055
Liabilities		
Contributions or payments received in advance	451	460
Accounts payable to Member States	402	–
Other accounts payable	–	25
Inter-fund balances payable	55	1
End-of-service liabilities	–	5
Total liabilities	908	491
Reserves and fund balances		
Cumulative surplus	5 792	7 569
Deficit — end-of-service liabilities	–	(5)
Total reserves and fund balances	5 792	7 564
Total liabilities and reserves and fund balances	6 700	8 055

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net decrease in accrued end-of-service liabilities during the current period.^d Under the terms of General Assembly resolution 65/299, the total assessment on Member States was reduced by \$1,806,800, comprising unencumbered balance and other income for the period ended 30 June 2010.^e Represents share of the cash pool and comprises cash and term deposits of \$581,189, short-term investments of \$216,610 (fair value \$217,046), long-term investments of \$1,524,963 (fair value \$1,525,086) and accrued interest receivable of \$3,933. See note 10.

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

Statement XXVI

United Nations Mission in Ethiopia and Eritrea (UNMEE)^a
Statement of income and expenditure and changes in reserves and fund balances
for the period from 31 July 2000 to 31 July 2008 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>31 July 2000- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 530 833	–	–
Interest income	19 016	122	278
Other/miscellaneous income	5 710	69	104
Total income	1 555 559	191	382
Total expenditure	1 406 498	–	–
Excess (shortfall) of income over expenditure	149 061	191	382
Non-budgeted accrued expenses for end-of-service liabilities ^c	2 069	5	25
Prior-period adjustments ^d	(177)	(92)	(15)
Net excess (shortfall) of income over expenditure	150 953	104	392
Cancellation of prior-period obligations	62 119	44	97
Credits returned to Member States ^e	(199 964)	(9 082)	–
Other adjustments to reserves and fund balances	(2 074)	–	–
Reserves and fund balances, beginning period	–	11 034	10 545
Reserves and fund balances, end of period	11 034	2 100	11 034

Statement XXVI (concluded)**United Nations Mission in Ethiopia and Eritrea (UNMEE)****Statement of assets, liabilities and reserves and fund balances as at 30 June 2012**

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits ^f	100	216
Cash pool ^g	10 328	13 430
Assessed contributions receivable from Member States ^b	154	2 042
Other accounts receivable	43	51
Total assets	10 625	15 739
Liabilities		
Contributions or payments received in advance	34	33
Unliquidated obligations — prior period	12	56
Accounts payable to Member States	8 434	4 553
Other accounts payable	3	3
Inter-fund balances payable	42	55
End-of-service liabilities	—	5
Total liabilities	8 525	4 705
Reserves and fund balances		
Cumulative surplus	2 100	11 039
Deficit — end-of-service liabilities	—	(5)
Total reserves and fund balances	2 100	11 034
Total liabilities and reserves and fund balances	10 625	15 739

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net decrease in accrued end-of-service liabilities during the current period.^d Represents prior-period expenditures for staff costs of \$70,304, currency exchange loss of \$20,833 and bank charges of \$728.^e Under the terms of General Assembly resolution 66/271, net cash available to Member States as at 30 April 2012 in the amount of \$9,082,000 was returned to Member States.^f Includes non-convertible Eritrean nakfas equivalent to \$57,250.^g Represents share of the cash pool and comprises cash and term deposits of \$2,579,841, short-term investments of \$961,513 (fair value \$963,446), long-term investments of \$6,769,161 (fair value \$6,769,705) and accrued interest receivable of \$17,458. See note 10.

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

Statement XXVII

United Nations Operation in Burundi (ONUB)^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 21 April 2004 to 31 December 2006 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>21 April 2004- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	819 080	—	—
Interest income	18 174	41	473
Other/miscellaneous income	1 585	—	4
Total income	838 839	41	477
Total expenditure	720 257	—	—
Excess (shortfall) of income over expenditure	118 582	41	477
Non-budgeted accrued expenses for end-of-service liabilities	932	—	1
Prior-period adjustments	(2 183)	(8)	(98)
Net excess (shortfall) of income over expenditure	117 331	33	380
Cancellation of prior-period obligations	35 762	—	—
Credits returned to Member States	(150 792)	—	(415)
Other adjustments to reserves and fund balances	(932)	—	—
Reserves and fund balances, beginning of period	—	1 369	1 404
Reserves and fund balances, end of period	1 369	1 402	1 369

Statement XXVII (concluded)**United Nations Operation in Burundi (ONUB)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	29	10
Cash pool ^c	2 272	4 831
Assessed contributions receivable from Member States ^b	785	811
Accounts receivable from Member States	15	15
Other accounts receivable	2	2
Total assets	3 103	5 669
Liabilities		
Contributions or payments received in advance	622	970
Accounts payable to Member States	1 055	3 314
Other accounts payable	15	15
Inter-fund balances payable	9	1
Total liabilities	1 701	4 300
Reserves and fund balances		
Cumulative surplus	1 402	1 369
Total reserves and fund balances	1 402	1 369
Total liabilities and reserves and fund balances	3 103	5 669

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$567,640, short-term investments of \$211,561 (fair value \$211,986), long-term investments of \$1,489,413 (fair value \$1,489,532) and accrued interest receivable of \$3,841. See note 10.

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

Statement XXVIII

**United Nations Mission in Sierra Leone (UNAMSIL) and
United Nations Observer Mission in Sierra Leone (UNOMSIL)^a**

Statement of income and expenditure and changes in reserves and fund balances for
the period from 13 July 1998 to 31 December 2005 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>13 July 1998- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	3 057 562	–	–
Voluntary contributions	3 391	–	–
Interest income	73 830	143	770
Other/miscellaneous income	12 623	–	–
Total income	3 147 406	143	770
Total expenditure	2 915 326	–	–
Excess (shortfall) of income over expenditure	232 080	143	770
Non-budgeted accrued expenses for end-of-service liabilities	51	–	–
Prior-period adjustments	(5 151)	(33)	(227)
Net excess (shortfall) of income over expenditure	226 980	110	543
Cancellation of prior-period obligations	217 400	–	–
Credits returned to Member States	(442 547)	–	(7 582)
Other adjustments to reserves and fund balances	(51)	–	–
Reserves and fund balances, beginning period	–	1 782	8 821
Reserves and fund balances, end of period	1 782	1 892	1 782

Statement XXVIII (concluded)**United Nations Mission in Sierra Leone (UNAMSIL) and
United Nations Observer Mission in Sierra Leone (UNOMSIL)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	–	40
Cash pool ^c	12 432	17 412
Assessed contributions receivable from Member States ^b	728	758
Accounts receivable from Member States	11	11
Other accounts receivable	435	435
Total assets	13 606	18 656
Liabilities		
Contributions or payments received in advance	18	22
Accounts payable to Member States	11 687	16 832
Inter-fund balances payable	9	20
Total liabilities	11 714	16 874
Reserves and fund balances		
Cumulative surplus	1 892	1 782
Total reserves and fund balances	1 892	1 782
Total liabilities and reserves and fund balances	13 606	18 656

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$3,105,428, short-term investments of \$1,157,400 (fair value \$1,159,728), long-term investments of \$8,148,232 (fair value \$8,148,887) and accrued interest receivable of \$21,014. See note 10.

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

Statement XXIX

**United Nations Transitional Administration in East Timor (UNTAET)/
United Nations Mission of Support in East Timor (UNMISSET)^a**

Statement of income and expenditure and changes in reserves and fund balances for
the period from 1 December 1999 to 20 May 2005 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 December 1999- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 999 127	–	–
Voluntary contributions	300	–	–
Interest income	27 203	59	130
Other income	9 589	–	1
Total income	2 036 219	59	131
Total expenditure	1 884 556	–	–
Excess (shortfall) of income over expenditure	151 663	59	131
Non-budgeted accrued expenses for end-of-service liabilities	23	–	–
Prior-period adjustments	(832)	(3)	(22)
Net excess (shortfall) of income over expenditure	150 854	56	109
Cancellation of prior-period obligations	82 812	–	–
Credits returned to Member States	(204 322)	–	(6 879)
Other adjustments to reserves and fund balances	(23)	–	–
Reserves and fund balances, beginning of period	–	29 321	36 091
Reserves and fund balances, end of period	29 321	29 377	29 321

Statement XXIX (concluded)**United Nations Transitional Administration in East Timor (UNTAET)/
United Nations Mission of Support in East Timor (UNMISSET)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	16	30
Cash pool ^c	5 820	7 294
Assessed contributions receivable from Member States ^b	27 363	28 828
Accounts receivable from Member States	337	337
Total assets	33 536	36 489
Liabilities		
Contributions or payments received in advance	8	8
Accounts payable to Member States	4 151	7 136
Inter-fund balances payable	—	24
Total liabilities	4 159	7 168
Reserves and fund balances		
Cumulative surplus	29 377	29 321
Total reserves and fund balances	29 377	29 321
Total liabilities and reserves and fund balances	33 536	36 489

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$1,453,870, short-term investments of \$541,861 (fair value \$542,950), long-term investments of \$3,814,764 (fair value \$3,815,070) and accrued interest receivable of \$9,838. See note 10.

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

Statement XXX**United Nations Iraq-Kuwait Observation Mission (UNIKOM)^a**

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 April 1991 to 31 October 2003 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>9 April 1991- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	373 899	–	–
Voluntary contributions	339 827	–	–
Interest income	26 222	26	63
Other/miscellaneous income	7 254	–	–
Total income	747 202	26	63
Total expenditure	647 152	–	–
Excess (shortfall) of income over expenditure	100 050	26	63
Prior-period adjustments	(684)	(1)	(1)
Net excess (shortfall) of income over expenditure	99 366	25	62
Cancellation of prior-period obligations	23 512	–	–
Credits returned to Member States	(122 290)	–	(2 601)
Reserves and fund balances, beginning of period		588	3 127
Reserves and fund balances, end of period	588	613	588

Statement XXX (concluded)**United Nations Iraq-Kuwait Observation Mission (UNIKOM)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	27	40
Cash pool ^c	1 942	3 259
Assessed contributions receivable from Member States ^b	520	526
Total assets	2 489	3 825
Liabilities		
Contributions or payments received in advance	1	18
Accounts payable to Member States	1 875	3 218
Inter-fund balances payable	—	1
Total liabilities	1 876	3 237
Reserves and fund balances		
Cumulative surplus	613	588
Total reserves and fund balances	613	588
Total liabilities and reserves and fund balances	2 489	3 825

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents net share of the cash pool and comprises cash and term deposits of \$485,096, short-term investments of \$180,796 (fair value \$181,160), long-term investments of \$1,272,828 (fair value \$1,272,930) and accrued interest receivable of \$3,283. See note 10.

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

Statement XXXI

United Nations Mission in Bosnia and Herzegovina (UNMIBH)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 30 June 2003 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 January 1996- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 127 149	–	–
Voluntary contributions	158	–	–
Interest income	21 422	129	286
Other/miscellaneous income	20 312	–	–
Total income	1 169 041	129	286
Total expenditure	986 685	–	–
Excess (shortfall) of income over expenditure	182 356	129	286
Prior-period adjustments	(1 103)	(11)	(1)
Net excess (shortfall) of income over expenditure	181 253	118	285
Cancellation of prior-period obligations	26 305	–	–
Credits returned to Member States	(173 223)	–	(16 359)
Reserves and fund balances, beginning of period	–	34 335	50 409
Reserves and fund balances, end of period	34 335	34 453	34 335

Statement XXXI (concluded)**United Nations Mission in Bosnia and Herzegovina (UNMIBH)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	5	14
Cash pool ^c	9 669	16 711
Assessed contributions receivable from Member States ^b	33 949	33 968
Accounts receivable from Member States	1	1
Total assets	43 624	50 694
Liabilities		
Accounts payable to Member States	9 128	16 359
Inter-fund balances payable	43	–
Total liabilities	9 171	16 359
Reserves and fund balances		
Cumulative surplus	34 453	34 335
Total reserves and fund balances	34 453	34 335
Total liabilities and reserves and fund balances	43 624	50 694

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$2,415,227, short-term investments of \$900,160 (fair value \$901,971), long-term investments of \$6,337,235 (fair value \$6,337,744) and accrued interest receivable of \$16,344. See note 10.

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

Statement XXXII

United Nations Mission of Observers in Tajikistan (UNMOT)^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 16 December 1994 to 15 May 2000 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>16 December 1994- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	72 145	–	–
Voluntary contributions	2 057	–	–
Interest income	4 665	26	66
Other/miscellaneous income	796	–	–
Total income	79 663	26	66
Total expenditure	59 414	–	–
Excess (shortfall) of income over expenditure	20 249	26	66
Prior-period adjustments	(1 008)	(1)	(1)
Net excess (shortfall) of income over expenditure	19 241	25	65
Cancellation of prior-period obligations	4 601	–	–
Credits returned to Member States	(23 775)	–	(3 219)
Reserves and fund balances, beginning of period	–	67	3 221
Reserves and fund balances, end of period	67	92	67

Statement XXXII (concluded)**United Nations Mission of Observers in Tajikistan (UNMOT)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	31	16
Cash pool ^c	1 981	3 270
Assessed contributions receivable from Member States ^b	1	1
Total assets	2 013	3 287
Liabilities		
Accounts payable to Member States	1 920	3 220
Inter-fund balances payable	1	–
Total liabilities	1 921	3 220
Reserves and fund balances		
Cumulative surplus	92	67
Total reserves and fund balances	92	67
Total liabilities and reserves and fund balances	2 013	3 287

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$494,890, short-term investments of \$184,447 (fair value \$184,818), long-term investments of \$1,298,526 (fair value \$1,298,630) and accrued interest receivable of \$3,349. See note 10.

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

Statement XXXIII

**United Nations Support Mission in Haiti (UNSMIH),
United Nations Transition Mission in Haiti (UNTMIH) and
United Nations Civilian Police Mission in Haiti (MIPONUH)^a**

Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 1996 to 15 March 2000 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 July 1996- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	133 035	—	—
Voluntary contributions	4 766	—	—
Interest income	3 772	2	4
Other/miscellaneous income	3 943	—	—
Total income	145 516	2	4
Total expenditure	123 566	—	—
Excess (shortfall) of income over expenditure	21 950	2	4
Prior-period adjustments	(295)	(1)	(1)
Net excess (shortfall) of income over expenditure	21 655	1	3
Cancellation of prior-period obligations	4 630	—	—
Credits returned to Member States	(14 127)	—	—
Reserves and fund balances, beginning of period	—	12 158	12 155
Reserves and fund balances, end of period	12 158	12 159	12 158

Statement XXXIII (concluded)**United Nations Support Mission in Haiti (UNSMIH),
United Nations Transition Mission in Haiti (UNTMIH) and
United Nations Civilian Police Mission in Haiti (MIPONUH)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	21	18
Cash pool ^c	184	183
Assessed contributions receivable from Member States ^b	19 390	19 394
Accounts receivable from Member States	43	43
Inter-fund balance receivable	1	–
Total assets	19 639	19 638
Liabilities		
Accounts payable to Member States	114	114
Due to United Nations Mission in Haiti	7 366	7 366
Total liabilities	7 480	7 480
Reserves and fund balances		
Authorized retained surplus ^d	11 186	11 186
Cumulative surplus	973	972
Total reserves and fund balances	12 159	12 158
Total liabilities and reserves and fund balances	19 639	19 638

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$46,132, short-term investments of \$17,193 (fair value \$17,228), long-term investments of \$121,043 (fair value \$121,053) and accrued interest receivable of \$312. See note 10.^d See note 8.

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

Statement XXXIV**United Nations Mission in the Central African Republic (MINURCA)^a**

Statement of income and expenditure and changes in reserves and fund balances
for the period from 15 April 1998 to 15 February 2000 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>15 April 1998- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	123 075	–	–
Voluntary contributions	4 527	–	–
Interest income	991	1	–
Other/miscellaneous income	765	–	–
Total income	129 358	1	–
Total expenditure	121 423	–	–
Excess (shortfall) of income over expenditure	7 935	1	–
Prior-period adjustments	(165)	(1)	(1)
Net excess (shortfall) of income over expenditure	7 770	–	(1)
Cancellation of prior-period obligations	10 237	–	–
Credits returned to Member States	(6 284)	–	–
Reserves and fund balances, beginning of period	–	11 723	11 724
Reserves and fund balances, end of period	11 723	11 723	11 723

Statement XXXIV (concluded)**United Nations Mission in the Central African Republic (MINURCA)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	45	17
Cash pool ^c	75	26
Assessed contributions receivable from Member States ^b	35 545	35 546
Total assets	35 665	35 589
Liabilities		
Accounts payable to Member States	7 480	7 480
Inter-fund balances payable	192	116
Due to Peacekeeping Reserve Fund	12 820	12 820
Due to United Nations Mission in Haiti	3 200	3 200
Due to United Nations Peace Forces	250	250
Total liabilities	23 942	23 866
Reserves and fund balances		
Authorized retained surplus ^d	6 236	6 236
Cumulative surplus	5 487	5 487
Total reserves and fund balances	11 723	11 723
Total liabilities and reserves and fund balances	35 665	35 589

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$18,868, short-term investments of \$7,032 (fair value \$7,046), long-term investments of \$49,507 (fair value \$49,511) and accrued interest receivable of \$128. See note 10.^d See note 8.

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

Statement XXXV**United Nations Observer Mission in Angola (MONUA) and
United Nations Angola Verification Mission (UNAVEM)^a**

Statement of income and expenditure and changes in reserves and fund balances
for the period from 3 January 1989 to 26 February 1999 as at 30 June 2012
(Thousands of United States dollars)

	<i>Period</i>		
	<i>3 January 1989- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 267 792	–	–
Interest income	43 356	174	440
Other/miscellaneous income	31 545	–	–
Total income	1 342 693	174	440
Total expenditure	1 205 792	–	–
Excess (shortfall) of income over expenditure	136 901	174	440
Prior-period adjustments	(24 959)	(1)	(1)
Net excess (shortfall) of income over expenditure	111 942	173	439
Cancellation of prior-period obligations	52 699	–	–
Credits returned to Member States	(112 075)	–	(16 394)
Reserves and fund balances, beginning of period	–	52 566	68 521
Reserves and fund balances, end of period	52 566	52 739	52 566

Statement XXXV (concluded)**United Nations Observer Mission in Angola (MONUA) and
United Nations Angola Verification Mission (UNAVEM)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	1	15
Cash pool ^c	15 711	25 568
Assessed contributions receivable from Member States ^b	34 893	34 913
Accounts receivable from Member States	8 032	8 032
Due from United Nations Supervision Mission in the Syrian Arab Republic	3 000	–
Other accounts receivable	432	432
Total assets	62 069	68 960
Liabilities		
Accounts payable to Member States	9 330	16 394
Total liabilities	9 330	16 394
Reserves and fund balances		
Cumulative surplus	52 739	52 566
Total reserves and fund balances	52 739	52 566
Total liabilities and reserves and fund balances	62 069	68 960

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$3,924,491, short-term investments of \$1,462,667 (fair value \$1,465,608), long-term investments of \$10,297,346 (fair value \$10,298,172) and accrued interest receivable of \$26,557. See note 10.

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

Statement XXXVI

United Nations Preventive Deployment Force (UNPREDEP)^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 1 January 1996 to 15 October 1999 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 January 1996- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	166 563	–	–
Voluntary contributions	2	–	–
Interest income	22 595	116	245
Other/miscellaneous income	3 984	–	–
Total income	193 144	116	245
Total expenditure	152 276	–	–
Excess (shortfall) of income over expenditure	40 868	116	245
Prior-period adjustments	(262)	(1)	(1)
Net excess (shortfall) of income over expenditure	40 606	115	244
Cancellation of prior-period obligations	10 788	–	–
Credits returned to Member States	(49 910)	–	(11 421)
Reserves and fund balances, beginning of period	–	1 484	12 661
Reserves and fund balances, end of period	1 484	1 599	1 484

Statement XXXVI (concluded)**United Nations Preventive Deployment Force (UNPREDEP)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	—	32
Cash pool ^c	9 710	14 223
Assessed contributions receivable from Member States ^b	1 238	1 238
Total assets	10 948	15 493
Liabilities		
Accounts payable to Member States	9 349	14 009
Total liabilities	9 349	14 009
Reserves and fund balances		
Cumulative surplus	1 599	1 484
Total reserves and fund balances	1 599	1 484
Total liabilities and reserves and fund balances	10 948	15 493

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$2,425,588, short-term investments of \$904,022 (fair value \$905,840), long-term investments of \$6,364,422 (fair value \$6,364,933) and accrued interest receivable of \$16,414. See note 10.

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

Statement XXXVII

**United Nations Transitional Administration for Eastern Slavonia,
Baranja and Western Sirmium (UNTAES) and United Nations
Civilian Police Support Group (UNPSG)^a**

Statement of income and expenditure and changes in reserves and fund balances
for the period from 15 January 1996 to 30 November 1998 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>15 January 1996- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	517 546	—	—
Voluntary contributions	298	—	—
Interest income	33 835	121	265
Other/miscellaneous income	4 300	—	—
Total income	555 979	121	265
Total expenditure	461 345	—	—
Excess (shortfall) of income over expenditure	94 634	121	265
Prior-period adjustments	(3 960)	(1)	—
Net excess (shortfall) of income over expenditure	90 674	120	265
Cancellation of prior-period obligations	32 771	—	—
Credits returned to Member States	(114 438)	—	(15 204)
Reserves and fund balances, beginning of period	—	9 007	23 946
Reserves and fund balances, end of period	9 007	9 127	9 007

Statement XXXVII (concluded)**United Nations Transitional Administration for Eastern Slavonia,
Baranja and Western Sirmium (UNTAES) and United Nations
Civilian Police Support Group (UNPSG)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	—	1
Cash pool ^c	9 200	15 476
Assessed contributions receivable from Member States ^b	8 725	8 734
Total assets	17 925	24 211
Liabilities		
Accounts payable to Member States	8 798	15 204
Total liabilities	8 798	15 204
Reserves and fund balances		
Cumulative surplus	9 127	9 007
Total reserves and fund balances	9 127	9 007
Total liabilities and reserves and fund balances	17 925	24 211

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$2,297,968, short-term investments of \$856,458 (fair value \$858,180), long-term investments of \$6,029,565 (fair value \$6,030,049) and accrued interest receivable \$15,550. See note 10.

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

Statement XXXVIII**United Nations Observer Mission in Liberia (UNOMIL)^a**

Statement of income and expenditure and changes in reserves and fund balances
for the period from 22 September 1993 to 30 June 1998 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>22 September 1993- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	141 984	–	–
Interest income	6 278	41	100
Other/miscellaneous income	1 270	–	–
Total income	149 532	41	100
Total expenditure	97 401	–	–
Excess (shortfall) of income over expenditure	52 131	41	100
Prior-period adjustments	(812)	(1)	(1)
Net excess (shortfall) of income over expenditure	51 319	40	99
Cancellation of prior-period obligations	5 302	–	–
Credits returned to Member States	(56 514)	–	(5 185)
Reserves and fund balances, beginning of period	–	107	5 193
Reserves and fund balances, end of period	107	147	107

Statement XXXVIII (concluded)**United Nations Observer Mission in Liberia (UNOMIL)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	13	41
Cash pool ^c	3 132	5 246
Assessed contributions receivable from Member States ^b	4	6
Total assets	3 149	5 293
Liabilities		
Contributions or payments received in advance	2	1
Accounts payable to Member States	2 999	5 185
Inter-fund balances payable	1	–
Total liabilities	3 002	5 186
Reserves and fund balances		
Cumulative surplus	147	107
Total reserves and fund balances	147	107
Total liabilities and reserves and fund balances	3 149	5 293

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$782,393, short-term investments of \$291,599 (fair value \$292,186), long-term investments of \$2,052,895 (fair value \$2,053,060) and accrued interest receivable of \$5,294. See note 10.

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

Statement XXXIX

United Nations Peace Forces (UNPF)^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 12 January 1992 to 30 June 1997 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>12 January 1992- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	5 082 587	–	–
Voluntary contributions	37 360	–	–
Interest income	79 905	691	1 701
Other/miscellaneous income	91 776	–	–
Total income	5 291 628	691	1 701
Total expenditure	4 867 418	–	–
Excess (shortfall) of income over expenditure	424 210	691	1 701
Prior-period adjustments	(2 623)	(9)	(10)
Net excess (shortfall) of income over expenditure	421 587	682	1 691
Cancellation of prior-period obligations	275 263	–	–
Credits returned to Member States	(399 163)	–	(73 707)
Transfer to other funds	(118 003)	–	–
Reserves and fund balances, beginning of period	–	179 684	251 700
Reserves and fund balances, end of period	179 684	180 366	179 684

Statement XXXIX (concluded)**United Nations Peace Forces (UNPF)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	37	40
Cash pool ^c	66 971	72 836
Assessed contributions receivable from Member States ^b	137 825	142 199
Accounts receivable from Member States ^d	127 380	127 380
Due from United Nations Mission in the Central African Republic	250	250
Due from United Nations Mission for the Referendum in Western Sahara	10 500	20 500
Due from United Nations Interim Administration Mission in Kosovo	23 000	21 000
Total assets	365 963	384 205
Liabilities		
Accounts payable to Member States	58 210	77 141
Inter-fund balance payable	7	–
Deferred credits ^d	127 380	127 380
Total liabilities	185 597	204 521
Reserves and fund balances		
Cumulative surplus	180 366	179 684
Total reserves and fund balances	180 366	179 684
Total liabilities and reserves and fund balances	365 963	384 205

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$16,728,701, short-term investments of \$6,234,824 (fair value \$6,247,362), long-term investments of \$43,893,896 (fair value \$43,897,420) and accrued interest receivable of \$113,202. See note 10.^d In accordance with General Assembly resolution 51/12 A, represents expenditures totalling \$127,379,954, which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits.

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

Statement XL

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 February 1997 to 31 May 1997 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>15 February 1997- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	4 000	—	—
Interest income	48	—	—
Other/miscellaneous income	83	—	—
Total income	4 131	—	—
Total expenditure	3 946	—	—
Excess (shortfall) of income over expenditure	185	—	—
Prior-period adjustments	(11)	—	—
Net excess (shortfall) of income over expenditure	174	—	—
Cancellation of prior-period obligations	138	—	—
Credits returned to Member States	(292)	—	—
Reserves and fund balances, beginning of period	—	20	20
Reserves and fund balances, end of period	20	20	20

Statement XL (concluded)**Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Assessed contributions receivable from Member States ^b	145	145
Total assets	145	145
Liabilities		
Inter-fund balances payable	125	125
Total liabilities	125	125
Reserves and fund balances		
Authorized retained surplus ^c	18	18
Cumulative surplus	2	2
Total reserves and fund balances	20	20
Total liabilities and reserves and fund balances	145	145

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c See note 8.

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

Statement XLI

United Nations Mission in Haiti (UNMIH)^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 23 September 1993 to 31 July 1996 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>23 September 1993- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	357 541	–	–
Voluntary contributions	1	–	–
Interest income	44 574	404	931
Other/miscellaneous income	3 058	–	–
Total income	405 174	404	931
Total expenditure	306 156	–	–
Excess (shortfall) of income over expenditure	99 018	404	931
Prior-period adjustments	(1 851)	(1)	(1)
Net excess (shortfall) of income over expenditure	97 167	403	930
Cancellation of prior-period obligations	34 801	–	–
Credits returned to Member States	(85 683)	–	(30 917)
Transfer to other funds	(25 815)	–	–
Other adjustments to reserves and fund balances	22	–	–
Reserves and fund balances, beginning of period	–	20 492	50 479
Reserves and fund balances, end of period	20 492	20 895	20 492

Statement XLI (concluded)**United Nations Mission in Haiti (UNMIH)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	4	25
Cash pool ^c	37 963	53 249
Assessed contributions receivable from Member States ^b	14	24
Accounts receivable from Member States	1	1
Due from United Nations Civilian Police Mission in Haiti	7 366	7 366
Due from United Nations Mission in the Central African Republic	3 200	3 200
Due from United Nations Mission in Kosovo	8 500	–
Total assets	57 048	63 865
Liabilities		
Accounts payable to Member States	36 153	43 373
Total liabilities	36 153	43 373
Reserves and fund balances		
Cumulative surplus	20 895	20 492
Total reserves and fund balances	20 895	20 492
Total liabilities and reserves and fund balances	57 048	63 865

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$9,482,744, short-term investments of \$3,534,240 (fair value \$3,541,347), long-term investments of \$24,881,464 (fair value \$24,883,462) and accrued interest receivable of \$64,169. See note 10.

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

Statement XLII

**United Nations Assistance Mission for Rwanda (UNAMIR) and
United Nations Observer Mission Uganda-Rwanda (UNOMUR)^a**

Statement of income and expenditure and changes in reserves and fund balances
for the period from 22 June 1993 to 19 April 1996 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>22 June 1993- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	512 318	—	—
Voluntary contributions	477	—	—
Interest income	26 212	202	474
Other/miscellaneous income	6 999	—	—
Total income	546 006	202	474
Total expenditure	435 657	—	—
Excess (shortfall) of income over expenditure	110 349	202	474
Prior-period adjustments	(27 185)	(1)	(1)
Net excess (shortfall) of income over expenditure	83 164	201	473
Cancellation of prior-period obligations	20 919	—	—
Credits returned to Member States	(54 775)	—	(17 664)
Transfer to other funds	(38 068)	—	—
Reserves and fund balances, beginning of period	—	11 240	28 431
Reserves and fund balances, end of period	11 240	11 441	11 240

Statement XLII (concluded)**United Nations Assistance Mission for Rwanda (UNAMIR) and
United Nations Observer Mission Uganda-Rwanda (UNOMUR)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	6	3
Cash pool ^c	14 221	27 562
Assessed contributions receivable from Member States ^b	1 328	1 339
Due from United Nations Mission for the Referendum in Western Sahara	6 000	–
Total assets	21 555	28 904
Liabilities		
Accounts payable to Member States	10 109	17 664
Inter-fund balances payable	5	–
Total liabilities	10 114	17 664
Reserves and fund balances		
Cumulative surplus	11 441	11 240
Total reserves and fund balances	11 441	11 240
Total liabilities and reserves and fund balances	21 555	28 904

^a In accordance with Security Council resolution 846 (1993), the accounts of UNAMIR and UNOMUR were consolidated with effect from 23 December 1993. See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents share of the cash pool and comprises cash and term deposits of \$3,552,295, short-term investments of \$1,323,948 (fair value \$1,326,611), long-term investments of \$9,320,751 (fair value \$9,321,499) and accrued interest of \$24,038. See note 10.

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

Statement XLIII

United Nations Observer Mission in El Salvador (ONUSAL)^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 7 November 1989 to 31 May 1995 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>7 November 1989- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	238 987	–	–
Voluntary contributions	1 641	–	–
Interest income	5 660	32	99
Other/miscellaneous income	2 612	–	–
Total income	248 900	32	99
Total expenditure	199 484	–	–
Excess (shortfall) of income over expenditure	49 416	32	99
Prior-period adjustments	(1 093)	(1)	(1)
Net excess (shortfall) of income over expenditure	48 323	31	98
Cancellation of prior-period obligations	5 176	–	–
Credits returned to Member States	(52 826)	–	(3 958)
Transfer to Peacekeeping Reserve Fund	(258)	–	–
Reserves and fund balances, beginning of period	–	415	4 275
Reserves and fund balances, end of period	415	446	415

Statement XLIII (concluded)**United Nations Observer Mission in El Salvador (ONUSAL)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	15	28
Cash pool ^c	2 339	4 028
Assessed contributions receivable from Member States ^b	312	317
Total assets	2 666	4 373
Liabilities		
Accounts payable to Member States	2 220	3 958
Total liabilities	2 220	3 958
Reserves and fund balances		
Cumulative surplus	446	415
Total reserves and fund balances	446	415
Total liabilities and reserves and fund balances	2 666	4 373

^a In accordance with General Assembly resolution 47/223, the operations of the United Nations Observer Group in Central America (ONUCA) have been incorporated into ONUSAL. See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents share of the cash pool and comprises cash and term deposits of \$584,275, short-term investments of \$217,761 (fair value \$218,199), long-term investments of \$1,533,061 (fair value \$1,533,184) and accrued interest receivable of \$3,954. See note 10.

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

Statement XLIV

United Nations Operation in Mozambique (ONUMOZ)^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 15 October 1992 to 31 March 1995 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>15 October 1992- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	561 098	—	—
Interest income	8 241	7	16
Other/miscellaneous income	4 334	—	—
Total income	573 673	7	16
Total expenditure	492 556	—	—
Excess (shortfall) of income over expenditure	81 117	7	16
Prior-period adjustments	(9 751)	(1)	(1)
Net excess (shortfall) of income over expenditure	71 366	6	15
Cancellation of prior-period obligations	24 501	—	—
Credits returned to Member States	(79 139)	—	(897)
Reserves and fund balances, beginning of period	—	16 728	17 610
Reserves and fund balances, end of period	16 728	16 734	16 728

Statement XLIV (concluded)**United Nations Operation in Mozambique (ONUMOZ)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	29	21
Cash pool ^c	539	922
Assessed contributions receivable from Member States ^b	16 703	16 713
Total assets	17 271	17 656
Liabilities		
Accounts payable to Member States	537	928
Total liabilities	537	928
Reserves and fund balances		
Cumulative surplus	16 734	16 728
Total reserves and fund balances	16 734	16 728
Total liabilities and reserves and fund balances	17 271	17 656

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$134,613, short-term investments of \$50,170 (fair value \$50,271), long-term investments of \$353,206 (fair value \$353,234) and accrued interest receivable of \$911. See note 10.

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

Statement XLV

United Nations Operation in Somalia (UNOSOM)^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 May 1992 to 28 February 1995 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 May 1992- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 738 202	—	—
Interest income	10 011	1	2
Other/miscellaneous income	7 076	—	—
Total income	1 755 289	1	2
Total expenditure	1 668 175	—	—
Excess (shortfall) of income over expenditure	87 114	1	2
Prior-period adjustments	(9 687)	(18)	(8)
Net excess (shortfall) of income over expenditure	77 427	(17)	(6)
Cancellation of prior-period obligations	48 789	—	—
Credits returned to Member States	(83 930)	—	—
Transfer from other funds	103	—	—
Reserves and fund balances, beginning of period	—	42 389	42 395
Reserves and fund balances, end of period	42 389	42 372	42 389

Statement XLV (concluded)**United Nations Operation in Somalia (UNOSOM)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	41	39
Cash pool ^c	82	92
Assessed contributions receivable from Member States ^b	57 810	57 842
Total assets	57 933	57 973
Liabilities		
Contributions or payments received in advance	1	–
Accounts payable to Member States	15 560	15 560
Inter-fund balances payable	–	24
Total liabilities	15 561	15 584
Reserves and fund balances		
Authorized retained surplus ^d	37 563	37 563
Cumulative surplus	4 809	4 826
Total reserves and fund balances	42 372	42 389
Total liabilities and reserves and fund balances	57 933	57 973

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$20,617, short-term investments of \$7,684 (fair value \$7,700), long-term investments of \$54,097 (fair value \$54,101) and accrued interest receivable of \$140. See note 10.^d See note 8.

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

Statement XLVI

United Nations Military Liaison Team in Cambodia (UNMLT)^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 15 November 1993 to 15 November 1994 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>15 November 1993- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	910	–	–
Interest income	147	1	5
Other/miscellaneous income	91	–	–
Total income	1 148	1	5
Total expenditure	587	–	–
Excess (shortfall) of income over expenditure	561	1	5
Prior-period adjustments	(15)	(1)	(1)
Net excess (shortfall) of income over expenditure	546	–	4
Cancellation of prior-period obligations	5	–	–
Credits returned to Member States	(547)	–	(172)
Reserves and fund balances, beginning of period	–	4	172
Reserves and fund balances, end of period	4	4	4

Statement XLVI (concluded)**United Nations Military Liaison Team in Cambodia (UNMLT)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	18	25
Cash pool ^c	82	151
Total assets	100	176
Liabilities		
Accounts payable to Member States	95	172
Inter-fund balances payable	1	–
Total liabilities	96	172
Reserves and fund balances		
Cumulative surplus	4	4
Total reserves and fund balances	4	4
Total liabilities and reserves and fund balances	100	176

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$20,554, short-term investments of \$7,660 (fair value \$7,676), long-term investments of \$53,930 (fair value \$53,934) and accrued interest receivable of \$139. See note 10.

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

Statement XLVII

United Nations Transitional Authority in Cambodia (UNTAC)^aStatement of income and expenditure and changes in reserves and fund balances
for the period from 1 November 1991 to 31 March 1994 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 November 1991- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	1 599 916	–	–
Voluntary contributions	9 493	–	–
Interest income	7 602	–	–
Other/miscellaneous income	6 556	45	–
Total income	1 623 567	45	–
Total expenditure	1 640 831	–	–
Excess (shortfall) of income over expenditure	(17 264)	45	–
Prior-period adjustments	(2 078)	(1)	(95)
Net excess (shortfall) of income over expenditure	(19 342)	44	(95)
Cancellation of prior-period obligations	28 435	–	–
Credits returned to Member States	(8 743)	–	–
Reserves and fund balances, beginning of period	–	350	445
Reserves and fund balances, end of period	350	394	350

Statement XLVII (concluded)**United Nations Transitional Authority in Cambodia (UNTAC)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	35	4
Cash pool ^c	7	7
Assessed contributions receivable from Member States ^b	40 453	40 484
Total assets	40 495	40 495
Liabilities		
Accounts payable to Member States	40 101	40 145
Total liabilities	40 101	40 145
Reserves and fund balances		
Authorized retained surplus ^d	818	818
Cumulative surplus (deficit)	(424)	(468)
Total reserves and fund balances	394	350
Total liabilities and reserves and fund balances	40 495	40 495

^a The special account of the United Nations Mission in Cambodia (UNAMIC) has been consolidated into the special account for the United Nations Transitional Authority in Cambodia (UNTAC). See note 2.

^b Includes unpaid assessed contributions irrespective of collectability.

^c Represents share of the cash pool and comprises cash and term deposits of \$1,646, short-term investments of \$613 (fair value \$615), long-term investments of \$4,318 (fair value \$4,318) and accrued interest receivable of \$11. See note 10.

^d See note 8.

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

Statement XLVIII

United Nations Transition Assistance Group (UNTAG)^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 April 1988 to 30 June 1991 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>1 April 1988- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	416 162	–	–
Voluntary contributions	23 736	–	–
Interest income	50 897	49	242
Other/miscellaneous income	13 387	–	–
Total income	504 182	49	242
Total expenditure	374 185	–	–
Excess (shortfall) of income over expenditure	129 997	49	242
Prior-period adjustments	(588)	(1)	(1)
Net excess (shortfall) of income over expenditure	129 409	48	241
Cancellation of prior-period obligations	32 016	–	–
Credits returned to Member States	(111 921)	–	(6 041)
Transfer to Peacekeeping Reserve Fund	(49 243)	–	–
Reserves and fund balances, beginning of period	–	261	6 061
Reserves and fund balances, end of period	261	309	261

Statement XLVIII (concluded)**United Nations Transition Assistance Group (UNTAG)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	1	46
Cash pool ^c	3 522	6 274
Assessed contributions receivable from Member States ^b	15	20
Total assets	3 538	6 340
Liabilities		
Accounts payable to Member States	3 229	6 079
Total liabilities	3 229	6 079
Reserves and fund balances		
Cumulative surplus	309	261
Total reserves and fund balances	309	261
Total liabilities and reserves and fund balances	3 538	6 340

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$879,788, short-term investments of \$327,899 (fair value \$328,559), long-term investments of \$2,308,448 (fair value \$2,308,634) and accrued interest receivable of \$5,954. See note 10.

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

Statement XLIX

United Nations Iran-Iraq Military Observer Group (UNIIMOG)^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 9 August 1988 to 31 March 1991 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>9 August 1988- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	199 113	–	–
Voluntary contributions	14 715	–	–
Interest income	13 744	40	90
Other/miscellaneous income	12 054	–	–
Total income	239 626	40	90
Total expenditure	177 895	–	–
Excess (shortfall) of income over expenditure	61 731	40	90
Prior-period adjustments	218	(1)	(1)
Net excess (shortfall) of income over expenditure	61 949	39	89
Cancellation of prior-period obligations	4 997	–	–
Credits returned to Member States ^c	(48 685)	–	(5 201)
Transfer to Peacekeeping Reserve Fund	(18 156)	–	–
Reserves and fund balances, beginning of period	–	105	5 217
Reserves and fund balances, end of period	105	144	105

Statement XLIX (concluded)**United Nations Iran-Iraq Military Observer Group (UNIIMOG)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Cash and term deposits	11	41
Cash pool ^c	2 870	5 249
Assessed contributions receivable from Member States ^b	10	16
Total assets	2 891	5 306
Liabilities		
Accounts payable to Member States	2 747	5 201
Total liabilities	2 747	5 201
Cumulative surplus	144	105
Total reserves and fund balances	144	105
Total liabilities and reserves and fund balances	2 891	5 306

^a See note 2.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents share of the cash pool and comprises cash and term deposits of \$716,920, short-term investments of \$267,198 (fair value \$267,735), long-term investments of \$1,881,102 (fair value \$1,881,253) and accrued interest receivable of \$4,851. See note 10.

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

Statement L

Special Account for the United Nations Emergency Force (UNEF) 1956^a

Statement of income and expenditure and changes in reserves and fund balances
for the period from 5 November 1956 to 30 June 1967 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>5 November 1956- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	166 375	—	—
Voluntary contributions	28 086	—	—
Proceeds from sale of United Nations bonds	19 207	—	—
Appropriated from United Nations Special Account	3 911	—	—
Miscellaneous, and savings in liquidating obligations and adjustments ^c	796	2 294	(2 839)
Total income	218 375	2 294	(2 839)
Total expenditure	215 540	—	—
Net excess (shortfall) of income over expenditure	2 835	2 294	(2 839)
Reserves and fund balances, beginning of period	—	2 835	5 674
Reserves and fund balances, end of period	2 835	5 129	2 835

Statement L (concluded)**Special Account for the United Nations Emergency Force (UNEF) 1956**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Unpaid assessed contributions ^b	42 627	42 627
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	5 275	5 275
Excess of authorized expenditures over assessments and applied voluntary contributions	876	876
Inter-fund balances receivable	81	81
Total assets	48 859	48 859
Liabilities		
Accounts payable to Member States	22 187	24 481
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	465	465
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	614	614
Assessed on economically developed countries to meet reserve requirements ^d	10 415	10 415
Due to United Nations special account	1 932	1 932
Due to United Nations bond account	8 117	8 117
Total liabilities	43 730	46 024
Reserves and fund balances		
Cumulative surplus	5 129	2 835
Total reserves and fund balances	5 129	2 835
Total liabilities and reserves and fund balances	48 859	48 859

^a See notes 2 and 3.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents gain on exchange from the revaluation of accounts payable expressed in local currency.^d For 1965, \$3,550,000 pursuant to section II of General Assembly resolution 2115 (XX); for 1966, \$3,550,000 pursuant to section III of the resolution; for 1967, \$3,315,000 pursuant to resolution 2194 B (XXI).

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

Statement LI

Ad hoc Account for the United Nations Operation in the Congo (ONUC)^a

Statement of income and expenditure and changes in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 2012

(Thousands of United States dollars)

	<i>Period</i>		
	<i>14 July 1960- 30 June 2011</i>	<i>1 July 2011- 30 June 2012</i>	<i>1 July 2010- 30 June 2011</i>
Income			
Assessed contributions ^b	241 549	—	—
Voluntary contributions	36 193	—	—
Proceeds from the sale of United Nations bonds	110 726	—	—
Investment income	89	—	—
Miscellaneous and savings in liquidating obligations and adjustments ^c	45 296	207	(214)
Total income	433 853	207	(214)
Total expenditure	397 437	—	—
Net excess (shortfall) of income over expenditure	36 416	207	(214)
Reserves and fund balances, beginning of period	—	36 416	36 630
Reserves and fund balances, end of period	36 416	36 623	36 416

Statement LI (concluded)**Ad hoc Account for the United Nations Operation in the Congo (ONUC)**

Statement of assets, liabilities and reserves and fund balances as at 30 June 2012

(Thousands of United States dollars)

	2012	2011
Assets		
Unpaid assessed contributions ^b	73 892	73 892
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	6 687	6 687
Excess of authorized expenditures over assessments and applied voluntary contributions ^d	1 973	1 973
Inter-fund balances receivable	914	914
Total assets	83 466	83 466
Liabilities		
Accounts payable to Member States	7 100	7 307
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	855	855
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	1 560	1 560
Due to United Nations special account	1 397	1 397
Due to United Nations bond account	35 931	35 931
Total liabilities	46 843	47 050
Reserves and fund balances		
Cumulative surplus	36 623	36 416
Total reserves and fund balances	36 623	36 416
Total liabilities and reserves and fund balances	83 466	83 466

^a See notes 2 and 3.^b Includes unpaid assessed contributions irrespective of collectability.^c Represents gain on exchange from the revaluation of accounts payable expressed in local currency.^d For 1961, \$268,455; for the second half of 1963, \$1,118,712; for the first half of 1964, \$585,899.

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

Schedule 1

United Nations peacekeeping operations

Summary of expenditure for active peacekeeping operations for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

Mission	Expenditure						Total expenditure	Unencumbered balance
	Appropriation	Military and police personnel	Civilian personnel	Operational requirements	Prorated costs of UNLB and support account	Voluntary contributions (budgeted)		
UNFICYP	61 813	23 874	15 620	16 829	3 609	1 277	61 209	604
UNDOF	53 753	22 291	12 666	13 286	3 227	—	51 470	2 283
UNIFIL	580 332	296 652	112 686	135 965	34 861	—	580 164	168
MINURSO	67 168	6 703	24 553	28 744	3 949	2 071	66 020	1 148
UNMIK	51 187	594	37 441	8 553	2 887	—	49 475	1 712
MONUSCO	1 580 003	515 982	300 799	562 167	90 613	3 335	1 472 896	107 107
UNMIL	559 200	237 932	125 065	159 920	33 587	53	556 557	2 643
UNOCI	677 085	293 436	119 036	212 639	31 124	—	656 235	20 850
MINUSTAH	844 259	362 874	160 864	216 030	50 742	—	790 510	53 749
UNMIS	168 402	50 917	47 160	35 912	30 870	—	164 859	3 543
UNMIT	208 604	51 055	98 654	42 611	12 526	—	204 846	3 758
UNAMID	1 797 328	727 502	317 015	571 323	108 022	—	1 723 862	73 466
UNSOA	309 691	58 375	32 348	197 035	18 598	—	306 356	3 335
UNISFA	175 500	80 601	8 614	71 916	—	—	161 131	14 369
UNMISS	722 130	190 184	181 721	349 186	—	—	721 091	1 039
UNSMIS	25 135	3 280	722	13 587	—	—	17 589	7 546
Subtotal	7 881 590	2 922 252	1 594 964	2 635 703	424 615	6 736	7 584 270	297 320
UNLB — strategic deployment stock replenishment	121 917 ^a	—	—	22 835	—	—	22 835	99 082
Total	8 003 507	2 922 252	1 594 964	2 658 538	424 615	6 736	7 607 105^b	396 402

(Footnotes on following page)

(Footnotes to Schedule 1)

^a Appropriations do not apply to strategic deployment stock activities. Instead, funding for strategic deployment stocks is based on current period transfers to peacekeeping and political missions and other offices of \$56,319,489 and fund balances brought forward from the preceding period of \$65,597,141.

(Thousands of United States dollars)

^b Total expenditure per schedule 1	7 607 105
Less: pro-rated costs of UNLB and support account per schedule 1	(424 615)
Less: strategic deployment stock replenishments recorded in peacekeeping missions and UNLB	(47 295)
Add: actual costs of support account and UNLB per schedules 18 and 19	409 039
Add: actual expenditure of Peacekeeping Reserve Fund per statement XX	<u>1</u>
Total expenditure as per statement I	7 544 235

Schedule 2

United Nations Peacekeeping Force in Cyprus (UNFICYP)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	24 637	(743)	23 894	23 156	718	23 874	20
Civilian personnel	14 786	860	15 646	15 592	28	15 620	26
Operational requirements	17 089	(117)	16 972	13 011	3 818	16 829	143
Subtotal	56 512	–	56 512	51 759	4 564	56 323	189
Prorated costs							
United Nations Logistics Base	551	–	551	551	–	551	–
Support account for peacekeeping operations	3 058	–	3 058	3 058	–	3 058	–
Subtotal	3 609	–	3 609	3 609	–	3 609	–
Voluntary contributions in kind (budgeted)	1 692	–	1 692	1 277	–	1 277	415
Total	61 813	–	61 813	56 645	4 564	61 209	604

^a In accordance with General Assembly resolution 65/295.

Schedule 3

United Nations Disengagement Observer Force (UNDOF)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	24 863	(1 000)	23 863	20 600	1 691	22 291	1 572
Civilian personnel	11 679	1 527	13 206	12 471	195	12 666	540
Operational requirements	13 984	(527)	13 457	8 677	4 609	13 286	171
Subtotal	50 526	–	50 526	41 748	6 495	48 243	2 283
Prorated costs							
United Nations Logistics Base	492	–	492	492	–	492	–
Support account for peacekeeping operations	2 735	–	2 735	2 735	–	2 735	–
Subtotal	3 227	–	3 227	3 227	–	3 227	–
Total	53 753	–	53 753	44 975	6 495	51 470	2 283

^a In accordance with General Assembly resolution 65/302.

Schedule 4

United Nations Interim Force in Lebanon (UNIFIL)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	312 578	(15 835)	296 743	268 713	27 939	296 652	91
Civilian personnel	98 656	14 085	112 741	112 567	119	112 686	55
Operational requirements	134 237	1 750	135 987	88 123	47 842	135 965	22
Subtotal	545 471	—	545 471	469 403	75 900	545 303	168
Prorated costs							
United Nations Logistics Base	5 320	—	5 320	5 320	—	5 320	—
Support account for peacekeeping operations	29 541	—	29 541	29 541	—	29 541	—
Subtotal	34 861	—	34 861	34 861	—	34 861	—
Total^b	580 332	—	580 332	504 264	75 900	580 164	168

^a In accordance with General Assembly resolution 65/303.

^b In addition, voluntary contributions in kind of \$323,764 and \$163,484 were received from France and Portugal, respectively, for accommodations equipment and supplies, for which budgetary provisions have not been made.

Schedule 5

United Nations Mission for the Referendum in Western Sahara (MINURSO)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	6 667	202	6 869	6 009	694	6 703	166
Civilian personnel	22 559	2 875	25 434	24 397	156	24 553	881
Operational requirements	32 223	(3 077)	29 146	24 135	4 609	28 744	402
Subtotal	61 449	–	61 449	54 541	5 459	60 000	1 449
Prorated costs							
United Nations Logistics Base	603	–	603	603	–	603	–
Support account for peacekeeping operations	3 346	–	3 346	3 346	–	3 346	–
Subtotal	3 949	–	3 949	3 949	–	3 949	–
Voluntary contributions in kind (budgeted)	1 770	–	1 770	2 071	–	2 071	(301)
Total	67 168	–	67 168	60 561	5 459	66 020	1 148

^a In accordance with General Assembly resolution 65/304.

Schedule 6

United Nations Interim Administration Mission in Kosovo (UNMIK)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	731	(97)	634	594	—	594	40
Civilian personnel	35 189	3 888	39 077	37 228	213	37 441	1 636
Operational requirements	8 995	(406)	8 589	7 812	741	8 553	36
Subtotal	44 915	3 385	48 300	45 634	954	46 588	1 712
Prorated costs							
United Nations Logistics Base	440	—	440	440	—	440	—
Support account for peacekeeping operations	2 447	—	2 447	2 447	—	2 447	—
Subtotal	2 887	—	2 887	2 887	—	2 887	—
Total	47 802	3 385	51 187	48 521	954	49 475	1 712

^a \$47,802,200 in accordance with General Assembly resolution 65/300 and \$3,385,300 in accordance with Assembly resolution 66/274.

Schedule 7

United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	531 061	254	531 315	479 983	35 999	515 982	15 333
Civilian personnel	314 205	(2 192)	312 013	296 590	4 209	300 799	11 214
Operational requirements	641 220	1 938	643 158	458 039	104 128	562 167	80 991
Subtotal	1 486 486	—	1 486 486	1 234 612	144 336	1 378 948	107 538
Prorated costs							
United Nations Logistics Base	13 829	—	13 829	13 829	—	13 829	—
Support account for peacekeeping operations	76 784	—	76 784	76 784	—	76 784	—
Subtotal	90 613	—	90 613	90 613	—	90 613	—
Voluntary contributions in kind (budgeted)	2 904	—	2 904	3 335	—	3 335	(431)
Total	1 580 003	—	1 580 003	1 328 560	144 336	1 472 896	107 107

^a \$1,510,443,300 in accordance with General Assembly resolution 65/296 and \$69,560,100 in accordance with Assembly resolution 66/251.

Schedule 8

United Nations Mission in Liberia (UNMIL)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	235 966	2 163	238 129	221 190	16 742	237 932	197
Civilian personnel	120 356	5 320	125 676	123 629	1 436	125 065	611
Operational requirements	169 238	(7 483)	161 755	132 011	27 909	159 920	1 835
Subtotal	525 560	–	525 560	476 830	46 087	522 917	2 643
Prorated costs							
United Nations Logistics Base	5 126	–	5 126	5 126	–	5 126	–
Support account for peacekeeping operations	28 461	–	28 461	28 461	–	28 461	–
Subtotal	33 587	–	33 587	33 587	–	33 587	–
Voluntary contributions in kind (budgeted)	53	–	53	53	–	53	–
Total	559 200	–	559 200	510 470	46 087	556 557	2 643

^a In accordance with General Assembly resolution 65/301.

Schedule 9

United Nations Operation in Côte d'Ivoire (UNOCI)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution^a (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Military and police personnel	300 348	1 550	301 898	268 531	24 905	293 436	8 462
Civilian personnel	122 173	2 676	124 849	117 276	1 760	119 036	5 813
Operational requirements	223 440	(4 226)	219 214	152 662	59 977	212 639	6 575
Subtotal	645 961	–	645 961	538 469	86 642	625 111	20 850
Prorated costs							
United Nations Logistics Base	4 750	–	4 750	4 750	–	4 750	–
Support account for peacekeeping operations	26 374	–	26 374	26 374	–	26 374	–
Subtotal	31 124	–	31 124	31 124	–	31 124	–
Total	677 085	–	677 085	569 593	86 642	656 235	20 850

^a \$517,850,700 in accordance with General Assembly resolution 65/294 and \$159,235,000 in accordance with Assembly resolution 66/242 A.

Schedule 10

United Nations Stabilization Mission in Haiti (MINUSTAH)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution^a (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Military and police personnel	377 978	(198)	377 780	340 564	22 310	362 874	14 906
Civilian personnel	170 348	15 211	185 559	159 636	1 229	160 865	24 694
Operational requirements	245 191	(15 013)	230 178	147 305	68 725	216 029	14 149
Subtotal	793 517	–	793 517	647 505	92 264	739 768	53 749
Prorated costs							
United Nations Logistics Base	7 744	–	7 744	7 744	–	7 744	–
Support account for peacekeeping operations	42 998	–	42 998	42 998	–	42 998	–
Subtotal	50 742	–	50 742	50 742	–	50 742	–
Total	844 259	–	844 259	698 247	92 264	790 510	53 749

^a In accordance with General Assembly resolution 65/256 B.

Schedule 11

United Nations Mission in the Sudan (UNMIS)

Expenditure for the period from 1 July 2011 to 9 July 2011 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	49 358	1 587	50 945	48 919	1 998	50 917	28
Civilian personnel	47 262	3 040	50 302	46 799	361	47 160	3 142
Operational requirements	40 912	(4 627)	36 285	34 781	1 131	35 912	373
Subtotal	137 532	–	137 532	130 499	3 490	133 989	3 543
Prorated costs							
United Nations Logistics Base	4 711	–	4 711	4 711	–	4 711	–
Support account for peacekeeping operations	26 159	–	26 159	26 159	–	26 159	–
Subtotal	30 870	–	30 870	30 870	–	30 870	–
Total	168 402	–	168 402	161 369	3 490	164 859	3 543

^a Represents an appropriation of \$513,330,150 in accordance with General Assembly resolution 65/257 B, which was reduced by \$344,928,550 in accordance with Assembly resolution 66/244.

Schedule 12

United Nations Integrated Mission in Timor-Leste (UNMIT)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Military and police personnel	55 850	(3 188)	52 662	49 197	1 858	51 055	1 607
Civilian personnel	90 262	9 448	99 710	96 653	2 001	98 654	1 056
Operational requirements	49 966	(6 260)	43 706	38 899	3 712	42 611	1 095
Subtotal	196 078	–	196 078	184 749	7 571	192 320	3 758
Prorated costs							
United Nations Logistics Base	1 912	–	1 912	1 912	–	1 912	–
Support account for peacekeeping operations	10 614	–	10 614	10 614	–	10 614	–
Subtotal	12 526	–	12 526	12 526	–	12 526	–
Total	208 604	–	208 604	197 275	7 571	204 846	3 758

^a In accordance with General Assembly resolution 65/297.

Schedule 13

African Union-United Nations Hybrid Operation in Darfur (UNAMID)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution^a (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Military and police personnel	780 741	(34 127)	746 614	673 171	54 331	727 502	19 112
Civilian personnel	288 261	40 824	329 085	315 323	1 692	317 015	12 070
Operational requirements	620 304	(6 697)	613 607	457 785	113 538	571 323	42 284
Subtotal	1 689 306	–	1 689 306	1 446 279	169 561	1 615 840	73 466
Prorated costs							
United Nations Logistics Base	16 486	–	16 486	16 486	–	16 486	–
Support account for peacekeeping operations	91 536	–	91 536	91 536	–	91 536	–
Subtotal	108 022	–	108 022	108 022	–	108 022	–
Total	1 797 328	–	1 797 328	1 554 301	169 561	1 723 862	73 466

^a In accordance with General Assembly resolution 65/305.

Schedule 14

Support for the African Union Mission in Somalia (UNSOA)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution^a (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Military and police personnel	57 141	1 234	58 375	47 791	10 584	58 375	–
Civilian personnel	29 386	2 963	32 349	32 333	15	32 348	1
Operational requirements	204 566	(4 197)	200 369	132 508	64 527	197 035	3 334
Subtotal	291 093	–	291 093	212 632	75 126	287 758	3 335
Prorated costs							
United Nations Logistics Base	2 838	–	2 838	2 838	–	2 838	–
Support account for peacekeeping operations	15 760	–	15 760	15 760	–	15 760	–
Subtotal	18 598	–	18 598	18 598	–	18 598	–
Total	309 691	–	309 691	231 230	75 126	306 356	3 335

^a In accordance with General Assembly resolution 65/306.

Schedule 15

United Nations Interim Security Force for Abyei (UNISFA)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i> (7)=(3)-(6)
	<i>Original distribution^a</i> (1)	<i>Redeployment</i> (2)	<i>Revised distribution</i> (3)	<i>Disbursements</i> (4)	<i>Unliquidated obligations</i> (5)	<i>Total expenditure</i> (6)	
Military and police personnel	85 477	1 583	87 060	69 973	10 628	80 601	6 459
Civilian personnel	13 871	(2 075)	11 796	8 441	173	8 614	3 182
Operational requirements	76 152	492	76 644	45 756	26 160	71 916	4 728
Total	175 500	–	175 500	124 170	36 961	161 131	14 369

^a In accordance with General Assembly resolution 66/241.

Schedule 16

United Nations Mission in South Sudan (UNMISS)

Expenditure for the period from 9 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution^a (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Military and police personnel	241 610	(51 155)	190 455	158 489	31 695	190 184	271
Civilian personnel	89 671	92 152	181 823	175 906	5 815	181 721	102
Operational requirements	390 849	(40 997)	349 852	269 845	79 341	349 186	666
Total	722 130	–	722 130	604 240	116 851	721 091	1 039

^a In accordance with General Assembly resolution 66/243 A.

Schedule 17**United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS)**

Expenditure for the period from 21 April to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Commitment authority^a</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Military and police personnel	4 152	–	4 152	2 926	354	3 280	872
Civilian personnel	1 567	–	1 567	505	217	722	845
Operational requirements	19 416	–	19 416	2 617	10 970	13 587	5 829
Subtotal	25 135	–	25 135	6 048	11 541	17 589	7 546

^a Represents commitments of \$14,142,400 for the period from 14 April to 30 June 2012 and of \$10,992,700 for the drawings from strategic deployment stocks.

Schedule 18

Support account for peacekeeping operations

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance (7)=(3)-(6)</i>
	<i>Original distribution^a (1)</i>	<i>Redeployment (2)</i>	<i>Revised distribution (3)</i>	<i>Disbursements (4)</i>	<i>Unliquidated obligations (5)</i>	<i>Total expenditure (6)</i>	
Civilian personnel	216 500	6 847	223 347	223 005	342	223 347	–
Operational requirements	128 292	(6 847)	121 445	114 707	6 732	121 439	6
Total	344 792	–	344 792	337 712	7 074	344 786	6

^a In accordance with General Assembly resolution 65/290.

Schedule 19

United Nations Logistics Base at Brindisi, Italy (UNLB)

Expenditure for the period from 1 July 2011 to 30 June 2012 as at 30 June 2012

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance (7)=(3)-(6)
	Original distribution ^a (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	
Strategic deployment stock activities							
Replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions and other entities	121 917	–	121 917	5 635	17 200	22 835	99 082
Subtotal	121 917	–	121 917	5 635	17 200	22 835	99 082
Other UNLB activities							
Civilian personnel	40 478	(120)	40 358	39 389	22	39 411	947
Operational requirements	28 034	120	28 154	16 809	8 033	24 842	3 312
Subtotal	68 512	–	68 512	56 198	8 055	64 253	4 259
Total	190 429	–	190 429	61 833	25 255	87 088	103 341

^a Appropriations do not apply to strategic deployment stock activities. Instead, funding for strategic deployment stocks is based on current period transfers to peacekeeping and political missions and other offices of \$56,319,489 and fund balances brought forward from the preceding period of \$65,597,141. Appropriations for other UNLB activities were authorized under General Assembly resolution 65/291.

Notes to the financial statements for peacekeeping operations for the period from 1 July 2011 to 30 June 2012

Note 1

The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, are as follows:

- (i) The maintenance of international peace and security;
- (ii) The promotion of international economic and social progress and development programmes;
- (iii) The universal observance of human rights;
- (iv) The administration of international justice and law;
- (v) The development of self-government for Trust Territories;

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as the financial and administrative aspects of the Organization;

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2

Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations are maintained in accordance with the Financial Regulations and Rules of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations and administrative instructions issued by the Under-Secretary-General for Management or the Controller, taking fully into account the United Nations system accounting standards, as adopted by the United Nations System Chief Executives Board for Coordination. The Organization follows international accounting standard 1, "Presentation of financial statements", on the disclosure of

accounting policies, as modified and adopted by the United Nations System Chief Executives Board as follows:

- (i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;
- (ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;
- (iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;
- (iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;
- (v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;
- (vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified;

(b) The Organization's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity with a separate self-balancing, double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(c) The financial period for peacekeeping operations is one year from 1 July to 30 June. The financial period of the Organization for all other funds is a biennium and consists of two consecutive calendar years;

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting. For assessed income, the policy set out in paragraph (i) (ii) below applies;

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transactions at rates of exchange established by the United Nations. In respect of such currencies, the financial statements shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than the United States dollar translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the Organization's rates of exchange for the last month of the financial period, a footnote will be provided quantifying the difference;

(f) The Organization's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services;

(g) The cash flow statement is based on the indirect method of determining cash flow, as referred to in the United Nations system accounting standards;

(h) The results of the Organization's operations presented in statements I, II and III are shown at a summary level by general type of activity as well as on a combined basis after the elimination of all inter-fund and other balances and instances of double counting of income and expenditure. Their presentation on a combined basis does not imply that the various separate funds can be intermingled in any way, since, normally, resources may not be utilized between funds;

(i) Income:

(i) Amounts necessary to finance the activities of peacekeeping operations are assessed on Member States in accordance with the scale of assessments determined by the General Assembly;

(ii) Income is recognized when an assessment on Member States has been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in the United Nations treaty bodies, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions made in the form of services and supplies that are acceptable to the Secretary-General are credited to income or noted in the financial statements. Income is recorded at the time of delivery of supplies or commencement of services, provided budgetary provision for such supplies or services has been made. In cases where there is no budgetary provision, no accounting entry shall be made, but the amount of the contribution shall be reflected in a footnote to the financial statements. The cost of facilities and services provided under an agreement with a Member State in whose country a peacekeeping operation is located is excluded from the determination of voluntary contributions;

(v) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(vi) Income for services rendered includes amounts charged for salaries of staff members and other costs that are attributable to the provision of technical and administrative support to other organizations;

(vii) Interest income includes all interest earned on deposits in various bank accounts and investment income earned on the cash pool. All realized losses and net unrealized losses on short-term investments in the cash pool are offset against investment income. Investment income and costs associated with operation of investments in the cash pool are allocated to participating funds;

(viii) Miscellaneous income includes income from rental of premises, the sale of used or surplus property, refunds of expenditures charged to prior periods, income from net gains resulting from currency exchange adjustments except for those arising from revaluation of current period obligations as stated in paragraph (j) (i) below, amounts assessed on new Member States for the year of admission to the United Nations, amounts assessed on non-Member States as stated in paragraph (i) (iii) above, monies accepted for which no purpose was specified and other sundry income;

(ix) Income relating to future financial periods is not recognized in the current financial period and is recorded as deferred credits as referred to in paragraph (l) (iii) below;

(j) Expenditure:

(i) Expenditures are incurred against authorized appropriations or commitment authorities. Total expenditures reported include unliquidated obligations and disbursements. Expenditures also include currency exchange adjustments arising from revaluation of current-period obligations;

(ii) Expenditures incurred for non-expendable property are charged to expenses when the property is acquired and are not capitalized. The inventory of such non-expendable property is maintained at historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period and are recorded as deferred charges, as referred to in paragraph (k) (v) below;

(k) Assets:

(i) Cash and term deposits represent funds in demand deposit accounts and interest-bearing bank deposits;

(ii) The cash pool comprises participating funds' share of the cash and term deposits, short-term and long-term investments and accrual of investment income, all of which are managed in the cash pool. Short-term investments are stated at cost or fair value, whichever is lower; long-term investments are stated at cost. Cost is defined as the nominal value plus or minus any unamortized premium or discount. The share in the cash pool is reported separately in each participating fund's statement, and its composition and the fair value of its investments are disclosed in the footnotes to the individual statements. Currently, peacekeeping operations participate in the Headquarters cash pool only. Additional details are provided in note 10;

(iii) Assessed contributions represent legal obligations of contributors, and therefore the balances of unpaid assessed contributions due from Member States are reported irrespective of collectability. It is the policy of the United Nations not to make provision for delays in collection of such assessments;

(iv) Inter-fund balances reflect transactions between funds and are included in the amounts due to and from the United Nations General Fund. Inter-fund balances also reflect transactions directly with the United Nations General Fund. Inter-fund balances are settled periodically, depending upon the availability of cash resources;

(v) Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(vi) For purposes of the statement of assets, liabilities and reserves and fund balances only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time expenditures are charged and the advances are settled;

(vii) Maintenance and repairs of capital assets are charged to expenditures. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Such acquisitions are charged to expenditures in the year of purchase. The value of non-expendable property is disclosed in note 13;

(l) Liabilities and reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(ii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iii) Deferred credits include income received for future periods and income received but not yet earned;

(iv) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to peacekeeping operations remain valid for 12 months following the end of the financial period to which they relate. In accordance with financial regulation 5.5, unliquidated obligations of peacekeeping operations owed to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained for an additional period of four years beyond the 12 month period provided for in financial regulation 5.3, if the requisite claims are not received or processed during the financial period to which they pertain;

(v) Accrued liabilities for the end-of-service and post-retirement benefits comprising those for unused vacation days, repatriation benefits and after-service health insurance, are recorded as liabilities and included in the statement of assets, liabilities and reserves and fund balances. As such liabilities are presently not funded, offsetting amounts are shown as deficits in the reserves and fund balances section of the statement of assets, liabilities and reserves and fund balances (see note 15);

(vi) Contingent liabilities, if any, are disclosed in notes to the financial statements;

(vii) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined-benefit plan. The financial obligation of the Organization to the Pension Fund consists of its mandated contribution at the rate established by the General Assembly, together with its share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. As at the date of the current financial statement, the General Assembly had not invoked this provision.

Note 3

Explanatory notes on assessed contributions receivable

Assessed contributions receivable have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the General Assembly and the policy of the United Nations. With reference to the amounts shown as unpaid, certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. On the basis of United Nations policy as stated in note 2 (k) (iii) above, no provision has been made for delays in the collection of outstanding assessed contributions. With regard to the foregoing, a number of Member States have requested that attention be drawn to their positions (as stated by their delegations at successive sessions of the General Assembly), in particular with respect to the following:

(a) To the extent that the amounts relate to expenditures under the Special Account for UNEF 1956 and under the Ad Hoc Account for ONUC, which, in the view of some Member States, were illegal, they do not consider themselves bound, under the provisions of Article 17 of the Charter of the United Nations, to participate in paying for those expenditures. As a result, withholdings by certain Member States from payments for the financing of UNEF 1956 and ONUC are estimated to be \$38.6 million and \$70.2 million, respectively. The estimate, which is based on the apportioned shares of the Member States concerned, excludes \$5.3 million and \$6.7 million in unpaid assessed contributions to UNEF 1956 and ONUC, respectively, by China for the period up to 24 October 1971. Following the adoption by the General Assembly of its resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations" on 25 October 1971, that amount was transferred to a special account pursuant to Assembly resolution 3049 C (XXVII);

(b) Certain Member States have stated that they do not intend to participate in the financing of UNEF 1973 and UNDOF. As a result, withholding by certain Member States from payments for the financing of UNEF 1973 and UNDOF is estimated to be \$0.1 million, which covers UNEF 1973 until its liquidation in 1979 and UNDOF to 30 June 2012. That amount excludes \$36.0 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(c) Certain Member States have stated that they do not intend to participate in the financing of UNIFIL. As a result, withholdings by certain Member States from payments for the financing of UNIFIL are estimated to be \$2.9 million. That estimate, which is based on the apportioned shares of the Member States concerned from the inception of UNIFIL on 19 March 1978 to 30 June 2012, excludes \$19.6 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(d) The status of unpaid assessed contributions as at 30 June 2012:

Detailed information for each of the separate peacekeeping operations on assessments and collections as at 30 June 2012 and on all outstanding balances due from each Member State is shown on the contributions web portal. The portal as at 30 June 2012 may not reflect assessments or credits returned to Member States that were approved by the General Assembly in late June. However, the financial statements include such late-June transactions, and the new amounts due become part of the outstanding contributions from Member States shown as at 30 June 2012. As a result, the amounts shown as contributions outstanding from Member States as at 30 June 2012 on the portal may be lower or higher than the corresponding amounts included in financial statements as at 30 June 2012.

Note 4

Peacekeeping special account fund summaries: income and expenditure and changes in reserves and fund balances (statement I), assets, liabilities and reserves and fund balances (statement II) and cash flow (statement III)

(a) Statements I, II and III contain financial results for all United Nations peacekeeping funds, which are broken down into three groups of related funds and consolidated into a grand total reflecting all individual peacekeeping accounts of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any other purpose than that for which it is authorized. The financial results of all peacekeeping operations are summarized in statements I, II and III. These are categorized as all active peacekeeping missions (statements IV-XIX), the Peacekeeping Reserve Fund (statement XX), the support account for peacekeeping operations (statement XXI), UNLB (statement XXII), after-service health insurance for peacekeeping operations (statement XXIII) and completed peacekeeping missions (statements XXIV-LI);

(b) To comply with the uniform financial statement formats, statement I contains two calculations of the excess (shortfall) of income relative to expenditure. The first calculation is based on income and expenditure only for the current period. The second calculation shown is a net one, which includes non-budgeted accrued expenses for end-of-service and post-retirement liabilities (see note 15), and any prior-period adjustments to income or expenditure.

Note 5

United Nations Peacekeeping Force in Cyprus (statement IV)

By its resolution 47/236 of 14 September 1993, the General Assembly decided that, beginning on 16 June 1993, the costs of UNFICYP should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations. Accordingly, from

16 June 1993 onwards, appropriations have been approved and assessments have been issued on Member States in accordance with relevant General Assembly resolutions.

Prior to 16 June 1993, the Secretary-General was not authorized to utilize any funds other than the voluntary contributions pledged by Member States for the financing of UNFICYP. The recording of expenditures for the period prior to 16 June 1993 was based on the total of pledged contributions. Obligations to be financed from such voluntary contributions for the period prior to 16 June 1993 totalled \$204,467,757 and are reflected in footnote g to the UNFICYP financial statements (statement IV).

By its resolution 61/233 B of 29 June 2007, the General Assembly reconfirmed its previous resolution 47/236, in which it had decided that the costs of UNFICYP for the period beginning 16 June 1993 should be treated as expenses of the Organization to be borne by Member States.

Note 6

United Nations Emergency Force 1973 and United Nations Disengagement Observer Force (statement V)

The General Assembly has, on a number of occasions, authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNEF 1973 and UNDOF to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83, the authorized retained surplus of \$64,931,001 was reduced proportionately by \$15,321,728 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Under the terms of General Assembly resolution 53/226, followed by its resolutions 54/266 and 55/264, the authorized retained surplus was further reduced by \$13,622,162, leaving a balance of \$35,987,111 as at 30 June 2012. This equals the amount held in the special account for unpaid assessed contributions pursuant to Assembly resolution 36/116 A (see note 3 (b)).

Note 7

United Nations Interim Force in Lebanon (statement VI)

The General Assembly has, on a number of occasions, authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNIFIL to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83, those authorized retained surpluses of \$108,461,935 were reduced proportionately by a total of \$25,583,986 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Subsequently, under the terms of resolution 58/307, the authorized retained surplus was further reduced by \$63,312,709, representing the net accumulated surplus in the account of UNIFIL from 1978 to 1993, leaving a balance of \$19,565,240 as at 30 June 2012. This equals the amount held in the special account for unpaid assessed contributions pursuant to Assembly resolution 36/116 A (see note 3 (c)).

Note 8**Authorized retained surplus**

In its resolution 57/323, the General Assembly decided to suspend financial regulation 5.5 for certain missions in the light of the cash shortages in those missions. The missions with continuing cash shortages and suspension of financial regulation 5.5 are UNSMIH, UNTMIH and MIPONUH (statement XXXIII), MINURCA (statement XXXIV), the Military Observer Group of MINUGUA (statement XL), UNOSOM (statement XLV) and UNTAC (statement XLVII).

Note 9**Strategic deployment stocks**

The General Assembly, in its resolution 56/292, authorized the purchase of strategic deployment stocks. In his report (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that received the stocks. In order to account for replenishment of strategic deployment stocks, a separate revolving fund has been established where all such transactions are recorded and the activities of the revolving fund are reported in the UNLB financial statements (statement XXII). The cumulative surplus at the end of the financial period, which incorporates such items as cancellation of prior-period obligations and timing differences between the recording of transfers and the actual replenishment of strategic deployment stocks, is carried over, to be available in the next financial period

Note 10**Cash pool****(a) Background:**

(i) The United Nations Treasury centrally invests surplus funds on behalf of the United Nations Secretariat, including the peacekeeping operations. Such surplus funds are combined in one of several internally managed cash pools, which invest in major segments of the money and fixed income markets. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale and the ability to spread yield curve exposures across a range of maturities;

(ii) Investment activities are guided by the principles contained in the investment management guidelines. An Investment Committee periodically assesses compliance with the guidelines, makes recommendations for updates thereto and reviews performance of the various cash pools;

(b) Investment management objectives: further to the guidelines, investment objectives of all the cash pools, in order of priority, are the following:

(i) Safety: ensuring the preservation of capital;

(ii) Liquidity: ensuring sufficient liquidity to enable the United Nations to readily meet all operating requirements. Only assets that have a readily available market value and can be easily converted to cash are held;

(iii) Return on investment: attaining a competitive market rate of return taking into account investment risk constraints and the cash flow

characteristics of the pool. Benchmarks determine whether satisfactory market returns are being achieved in the cash pool;

(c) Financial information pertaining to the Headquarters cash pool:

(i) Peacekeeping operations participate in the Headquarters cash pool only, which invests in a variety of securities. Such securities may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. All of the securities are denominated in United States dollars. The cash pool does not invest in derivative instruments, asset-backed, mortgage-backed or equity products;

(ii) Investment transactions are accounted for on a settlement date basis. Investment income is recognized on the accrual basis; transaction costs that are directly attributable to the investment activity of the cash pool are expensed as incurred in the cash pool and the net income is distributed proportionately to the funds participating in the cash pool;

(iii) Gains and losses on the sale of investments are calculated as the difference between the sales proceeds and the carrying amount of investments and are reflected in the net income distributed to the cash pool participants;

(iv) As at 30 June 2012, assets of \$8,379.3 million were held in the cash pool; of this amount, \$2,331.9 million was attributable to peacekeeping operations in aggregate, as reflected against the cash pool line in statement II;

(v) Financial information on the cash pool as at 30 June 2012 is summarized in table V.1.

Table V.1

A. Summary of the assets of the cash pool as at 30 June 2012

(Thousands of United States dollars)

Assets	
Short-term investments	2 873 171
Long-term investments	5 491 959
Total investments	8 365 130
Cash	1
Accrued investment income	14 164
Total assets	8 379 295
Allocation of assets^a	
Payable to peacekeeping operations	2 331 957
Payable to other funds participating in the cash pool	6 047 338
Total assets	8 379 295

B. Summary of net income of the cash pool for the period from 1 July 2011 to 30 June 2012

(Thousands of United States dollars)

Net income	
Interest income	54 389
Realized gains on sales of securities ^b	23 176
Securities lending income ^c	898
Net income from operations	78 463

^a Allocation is based on the principal balance of each entity.

^b Includes realized losses of \$658,235.

^c Securities lending refers to the short-term loan of securities owned by the United Nations to other parties, for which a fee is paid to the United Nations. The terms of the loan are governed by an agreement that requires the borrower to provide the United Nations with collateral of a value greater than the loaned security.

(d) Composition of the cash pool: table V.2 shows a breakdown of the investments held in the cash pool by type of instrument:

Table V.2

Investments of the cash pool by type of instrument as at 30 June 2012

(Thousands of United States dollars)

	<i>Carrying amount</i>	<i>Fair value^a</i>
Bonds		
Government agencies	2 446 629	2 451 842
Non-United States sovereigns and supranationals	1 440 804	1 440 364
United States treasuries	2 199 700	2 196 906
Subtotal	6 087 133	6 089 112
Discounted instruments ^b	184 921	184 951
Term deposits	2 093 076	2 093 076
Total investments	8 365 130	8 367 139

^a Fair value is determined by the independent custodian based on valuations of securities that are sourced from third parties.

^b Includes United States Treasury bills and discounted notes.

(e) Financial risk management: the cash pool is exposed to a variety of financial risks including credit risk, liquidity risk and market risk (which includes interest rate risk and other price risks), as described below:

(i) Credit risk: the guidelines require that investments not be made in issuers whose credit ratings are below specifications, and also provide for maximum concentrations with given issuers. The credit ratings used are those determined by the major credit-rating agencies; Standard and Poor's and Moody's are used to rate bonds and discounted instruments, and the Fitch Viability is used to rate

term deposits. The credit ratings of the issuers whose securities were held in the cash pool as of 30 June 2012 are shown in table V.3:

Table V.3

Investments of the cash pool by credit ratings as at 30 June 2012

(Thousands of United States dollars)

	<i>Total^a</i>	<i>Ratings</i>
Bonds	6 087 133	Standard and Poor's: 27.7% AAA, 67.7% AA+, 3.0% AA- and 1.6% BB+ Moody's: 95.4% Aaa, 0.5% Aa2, 2.5% Aa3 and 1.6% Ba1
Discounted instruments ^b	184 921	Standard and Poor's: A-1+; Moody's: P-1
Term deposits	2 093 076	Fitch: 92.4% aa- and 7.6% a
Total investments	8 365 130	

^a Represents the carrying amount of securities as at 30 June 2012.

^b Includes United States Treasury bills and discount notes.

(ii) Liquidity risk: the cash pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet United Nations commitments as and when they fall due. The major portion of the pool's cash and cash equivalents and investments are available within one day's notice to support operational requirements. Hence, the cash pool is able to respond to withdrawal needs in a timely manner, and liquidity risk is considered to be low;

(iii) Interest rate risk:

a. Interest rate risk is the risk of variability in investments' values owing to change in interest rates. In general, as the interest rate rises, the price of a fixed rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed rate security's duration, with duration being a number expressed in years. The larger the duration, the greater the interest rate risk;

b. The cash pool is exposed to interest rate risk as its holdings comprise interest bearing securities. As at 30 June 2012, the cash pool invested primarily in securities with shorter terms to maturity, with the maximum term being less than 4 years. The average duration of the cash pool was 1.12 years, which is considered to be an indicator of low interest rate risk;

c. Table V.4 shows how the fair value of the cash pool as at 30 June 2012 would increase or decrease should the overall yield curve shift in response to changes in interest rates. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). However in view of the current interest rate environment, the basis point shifts should be considered to be illustrative.

Table V.4
Sensitivity of the cash pool to interest rates as of 30 June 2012

<i>Shift in yield curve (basis points)</i>	<i>Change in fair value (millions of United States dollars)</i>
-200	200
-150	151
-100	101
-50	50
0	0
50	-50
100	-101
150	-151
200	-200

(iv) Other price risk: the cash pool is not exposed to significant other price risk, as it does not sell short, or borrow securities, or purchase securities on margin, all of which limits the potential loss of capital.

Note 11
Ageing of assessed contributions receivable

Assessed contributions receivable from Member States have been outstanding for the periods indicated in table V.5. On the basis of United Nations policy, no provision is made for delays in collection.

Table V.5
Outstanding contributions receivable as at 30 June 2012
(Thousands of United States dollars)

<i>Time outstanding</i>	<i>2012</i>	<i>2011</i>
Less than six months	216 160	284 037
Six months to one year	387 665	441 652
One to two years	167 142	185 801
Over two years	614 163	601 619
Total	1 385 130	1 513 109

Note 12
Expendable property

In accordance with United Nations system accounting standards, expendable property is not included in the assets of the Organization, but is charged to expenditures against current appropriations when acquired. Nor is disclosure of the value of retained expendable property in the notes to financial statements required under the United Nations system accounting standards. However, as a result of a multi-year effort currently under way in preparation for the implementation of International Public Sector Accounting Standards, such disclosure shall be made in

the notes to the financial statements, as soon as sufficiently reliable information becomes available.

Note 13

Non-expendable property

(a) Table V.6 shows the value of non-expendable property, at historical cost, at peacekeeping missions, according to the cumulative inventory records of the United Nations as at 30 June 2012. In accordance with the United Nations system accounting standards, non-expendable property is not included in the assets of the Organization, but is charged to expenditures against the current appropriations when acquired.

Table V.6

Value of non-expendable property as at 30 June 2012

(Thousands of United States dollars)

<i>Peacekeeping mission</i>	<i>2012</i>	<i>2011</i>
UNFICYP	15 620	15 816
UNDOF	39 378	36 004
UNIFIL	131 471	135 881
MINURSO	45 972	39 169
UNMIK	21 656	27 654
MONUSCO	312 639	290 865
UNMIL	135 169	150 884
UNOCI	125 153	107 833
MINUSTAH	194 274	177 539
UNMIS	53 319	299 199
UNMIT	46 869	49 853
MINURCAT	20 729	90 380
UNAMID	551 501	541 586
UNSOA	118 238	83 748
UNISFA	29 162	—
UNMISS	205 341	—
UNSMIS	15 482	—
UNLB	68 695	78 462
UNLB — strategic deployment stocks ^a	98 985	109 925
Total^b	2 229 653	2 234 798

^a Also includes expendable property of \$11,980,492 as at 30 June 2012 (\$13,453,461 as at 30 June 2011).

^b Includes non-expendable property pending write-off and disposal of \$103,777,597 as at 30 June 2012 (\$141,641,510 as at 30 June 2011).

(b) The movement in non-expendable property is summarized in table V.7.

Table V.7
Movement in non-expendable property

(Thousands of United States dollars)

	2012	2011
Balance as at 1 July	2 234 798	2 122 085
Acquisitions	142 885	344 127
Less: write-offs — accidents, malfunctions, losses and other	(21 078)	(27 385)
Less: dispositions and other	(126 952)	(204 029)
Balance as at 30 June	2 229 653	2 234 798

Note 14

Construction of buildings and structures

(a) Given the increasing importance of this investment in the last five years, the Organization is disclosing for the first time the accumulated incurred cost of \$889.6 million as of 30 June 2012 for buildings and infrastructure constructed and in the process of being constructed, which does not include the value of any type of land.

Table V.8
Expenses incurred in construction from 1 July 2003 to 30 June 2012

(Thousands of United States dollars)

<i>Peacekeeping mission</i>	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total	Percentage of total
MINURSO	47	96	87	1 433	474	641	592	364	105	184	4 023	0.5
MINUSTAH	—	234	4 712	14 977	10 000	9 104	9 475	6 691	13 666	10 319	79 179	8.9
MONUSCO	2 618	5 837	6 272	4 671	2 872	5 739	4 303	8 188	7 597	8 111	56 208	6.3
UNOCI	—	301	4 831	7 626	6 592	2 704	3 195	3 395	3 895	4 802	37 341	4.2
UNAMID	—	—	—	—	—	105 123	149 457	40 492	47 790	28 893	371 754	41.8
UNDOF	3 546	2 801	2 517	1 542	588	(97)	2 122	911	1 508	1 273	16 712	1.9
UNFICYP	231	257	759	311	1 383	244	880	558	751	641	6 015	0.7
UNIFIL	643	298	462	1 095	10 113	12 671	14 057	11 528	2 394	3 204	56 465	6.3
UNISFA	—	—	—	—	—	—	—	—	—	3 328	3 328	0.4
UNSOA	—	—	—	—	—	—	—	9 254	20 295	15 064	44 613	5.0
UNMIK	696	429	262	455	97	115	84	125	469	181	2 913	0.3
UNMIL	—	8 251	9 437	6 802	4 135	3 733	1 992	1 350	1 186	1 045	37 931	4.3
UNMIS	—	—	3 141	14 454	25 475	20 005	16 935	25 757	15 590	—	121 358	13.6
UNSMIS	—	—	—	—	—	—	—	—	—	31	31	0.0
UNMISS	—	—	—	—	—	—	—	—	—	26 418	26 418	3.0
UNMIT	—	—	—	—	1 825	842	79	436	122	67	3 371	0.4

<i>Peacekeeping mission</i>	<i>2002/03</i>	<i>2003/04</i>	<i>2004/05</i>	<i>2005/06</i>	<i>2006/07</i>	<i>2007/08</i>	<i>2008/09</i>	<i>2009/10</i>	<i>2010/11</i>	<i>2011/12</i>	<i>Total</i>	<i>Percentage of total</i>
UNLB	1 053	2 601	1 742	901	1 664	1 320	2 430	4 418	5 001	760	21 889	2.5
Total	8 834	21 106	34 224	54 268	65 218	162 146	205 601	113 466	120 368	104 320	889 550	100.0
Percentage of total	1.0	2.4	3.8	6.1	7.3	18.2	23.1	12.8	13.5	11.7	100.0	
Retroactive cumulative percentage	100.0	99.0	96.6	92.8	86.7	79.4	61.1	38.0	25.3	11.7		

(b) This amount was expensed at the various stages of construction and includes the incurred costs from active missions and UNLB for the fiscal periods from 2002/03 to 2011/12. The amount for 2011/12 was \$104.3 million. Almost 80 per cent of the total expense was incurred between 2008 and 2012.

(c) Under the International Public Sector Accounting Standards, from 1 July 2013 these buildings and infrastructures will be valued at fair value considering their expected life, and their recognition as fixed assets will be dependent on the threshold that will be set for that purpose.

Note 15

End-of-service and post-retirement benefits

(a) End-of-service and post-retirement benefits comprise those for after-service health insurance coverage, repatriation benefits and commutation of unused vacation days;

(b) The accrued liabilities for after-service health insurance are shown as liabilities in the after-service health insurance for peacekeeping operations financial statement (statement XXIII). The accrued liabilities for repatriation benefits and unused vacation days are shown as liabilities in the financial statements of the individual missions, the support account for peacekeeping operations, and UNLB, as applicable;

(c) As budgetary provisions for end-of-service and post-retirement liabilities have not been made, the resulting deficits are shown in a separate line in the reserves and fund balances section of the statement of assets, liabilities and reserves and fund balances. Further, the net change in these liabilities during the year ended 30 June 2012 is shown in a separate line as “non-budgeted accrued expenses” in the statement of income and expenditures and reserves and fund balances;

(d) After-service health insurance:

(i) Upon end of service, staff members and their dependents may elect to participate in a defined-benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007, and 5 years for those who were recruited prior to that date. This benefit is referred to as after-service health insurance;

(ii) The liabilities for after-service health insurance are determined on the basis of an actuarial valuation, which is usually undertaken every two years, and was last undertaken by an independent, qualified actuarial firm in order to

determine the liabilities as of 31 December 2011. The major assumptions used by the actuary to determine the liabilities for after-service health insurance as at 31 December 2011 were a discount rate of 4.5 per cent; health care escalation rates of 8.0 per cent in 2012 for all medical plans (except 7.0 per cent for the United States Medicare plan and 5.0 per cent for the United States dental plan), grading down to 4.5 per cent in 2027 and later years; and retirement, withdrawal and mortality assumptions consistent with those used by the United Nations Joint Staff Pension Fund in making its own actuarial valuation of pension benefits. The main changes as compared to the 31 December 2009 valuation were: a decline in the assumption for the discount rate from 6.0 per cent to 4.5 per cent, reflecting a broad decline in interest rates of the benchmark which is based on rates for high-quality corporate bonds; an assumption of higher health-care escalation rates for plans outside of the United States; and requirement for all eligible retirees of the United Nations to be enrolled in the United States Medicare Plan B, which results in reduced costs to the Organization with respect to charges from medical practitioners;

(iii) Another factor in the after-service health insurance valuation is to consider contributions by all plan participants in determining the Organization's residual liability. Thus, contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff is also deducted to arrive at the Organization's residual liability in accordance with cost sharing ratios authorized by the General Assembly. These ratios require that the Organization's share not exceed one-half for non-United States health plans, two-thirds for United States health plans, and three-quarters for the medical insurance plan;

(iv) On the basis outlined in (ii) and (iii) above, the present value of the accrued liability as of 31 December 2011, net of contributions from plan participants for the United Nations, was \$3,654,426,000, of which the portion pertaining to peacekeeping operations was estimated at \$768,750,000;

(v) The accrued liabilities for peacekeeping operations of \$768,750,000 as of 31 December 2011 have been rolled forward to 30 June 2012 and estimated at \$827,399,000, which is shown in the after-service health insurance for peacekeeping operations financial statement (statement XXIII);

(vi) The Organization's gross and net liabilities for peacekeeping operations are shown in table V.9:

Table V.9
**After-service health insurance liabilities for peacekeeping operations as at
30 June 2012**

(Thousands of United States dollars)

	2012	2011
Gross liability	1 372 974	720 398
Offset by contributions from plan participants	(545 575)	(281 419)
Net Organization's liability	827 399	438 979

The increase in liabilities is mainly due to an actuarial loss of \$379,594,000, owing primarily to the change in the assumption for discount rates, from 6.0 per cent as of 30 June 2011 to 4.5 per cent as of 30 June 2012, and the increase in the number of eligible staff through the harmonization of conditions of service in peacekeeping missions;

(vii) Further to the assumptions set out in (ii) above, it is estimated that the present value of the liability would increase by 25 per cent and decrease by 19 per cent, respectively, if the medical cost trend is increased or decreased by 1 per cent, all other assumptions remaining constant. Similarly, it is estimated that the accrued liability would increase by 26 per cent and decrease by 19 per cent, respectively, if the discount rate is decreased or increased by 1 per cent, all other assumptions remaining constant.

(e) Repatriation benefits:

(i) Upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant, which is based upon length of service, and travel and removal expenses. These benefits are collectively referred to as repatriation benefits;

(ii) The total amount of accrued liabilities for repatriation benefits across peacekeeping operations was \$184,433,242 as at 30 June 2012, compared with \$152,596,916 as at 30 June 2011;

(f) Unused vacation days:

(i) Upon end of service, staff members may commute unused vacation days up to a maximum of 60 working days for those holding fixed-term or continuing appointments;

(ii) The total amount of accrued liabilities for unused vacation days across peacekeeping operations was \$131,324,257 as at 30 June 2012, compared to \$118,209,284 as of 30 June 2011.

Note 16

Facilities provided and fees waived under status-of-forces or status-of-mission agreements

(a) Table V.10 presents the value of the facilities provided free of charge under status-of-forces or status-of-mission agreements entered into with Member States in whose country the peacekeeping operation is located. The amount was estimated on the basis of fair rental values. In accordance with the accounting policy set out in note 2 (i) (iv), the provision of these facilities is not accounted for as voluntary contributions in kind.

Table V.10
Facilities provided under status-of-forces agreements or status-of-mission agreements during the year ended 30 June 2012

(Thousands of United States dollars)

<i>Peacekeeping mission</i>	<i>2012</i>	<i>2011</i>
UNFICYP	241	240
UNDOF	511	511
UNIFIL	2 746	2 746
MINURSO	1 370	1 454
UNMIK	113	116
MONUSCO	10 906 ^a	2 987
UNMIL	2 070 ^b	499
UNOCI	1 946 ^b	698
MINUSTAH	5 090	4 523
UNMIS	–	29 536
UNMIT	5 192	4 338
MINURCAT	–	5 675
UNAMID	878	783
UNISFA	10 157	–
UNMISS	37 130	–
UNLB	1 557	2 458
Total	79 907	56 564

^a Reflects increase in fair rental value from 2010/11.

^b Includes the value of facilities, which was omitted in 2010/11.

(b) A number of fees and taxes that are usually charged for services provided were waived under status-of-forces or status-of-mission agreements entered into with Member States in whose country the peacekeeping operation is located. Such waived fees and taxes included landing fees and other fees at airports totalling \$32.7 million, mainly in UNAMID (\$14.5 million), MONUSCO (\$10.6 million) and UNMISS (\$5.3 million); vehicle registration and driving licence fees totalling \$7.8 million, mainly in UNIFIL (\$7.8 million); and airport passenger taxes totalling \$2.2 million, mainly in UNMIL (\$0.9 million) and UNOCI (\$0.8 million). The above excludes import duties and value-added taxes, which were waived or refunded pursuant to the Organization's privileges under the Charter.

The above amounts were estimated by comparison with fees and taxes applicable for similar services. In accordance with accounting policy set out in note 2 (i) (iv), the waiver of these fees and taxes is not accounted for as voluntary contributions in kind.

Note 17

Contingent liabilities

A claim filed by a supplier of generators contesting the arbitration award in favour of the Organization was dismissed. There are no other significant contingent liabilities that require disclosure in the financial statements.

Annex I

**Peacekeeping operations funded by the regular budget:
status of appropriations by major object of expenditure for
the six-month period of the biennium 2012-2013 ended
30 June 2012**

(Thousands of United States dollars)

<i>Programme</i>	<i>Appropriation^a</i>	<i>Salaries and related costs</i>	<i>Travel</i>	<i>Contractual services</i>	<i>Operating expenses</i>	<i>Acquisitions</i>	<i>All other expenses</i>	<i>Total expenditure</i>	<i>Unencumbered balance</i>
Department of Peacekeeping Operations									
Executive direction and management	1 249	342	12	–	1	–	–	355	894
Programme of work	8 028	1 820	18	–	–	–	–	1 838	6 190
Programme support	1 093	195	–	–	134	–	–	329	764
Department of Field Support									
Executive direction and management	2 027	439	–	–	–	–	–	439	1 588
Programme of work	5 961	1 324	–	–	–	–	–	1 324	4 637
Peacekeeping missions ^b									
UNTSO	70 282	13 726	570	91	2 118	421	–	16 926	53 356
UNMOGIP	21 085	3 375	479	78	1 684	475	–	6 091	14 994
Total	109 725	21 221	1 079	169	3 937	896	–	27 302	82 423

^a Appropriation is for the biennium 2012-2013.^b Funded by the regular budget.

Annex II

Activities related to peacekeeping operations funded by trust funds: schedule of income, expenditure, reserves and fund balances for the fiscal year ended 30 June 2012

(Thousands of United States dollars)

<i>Trust fund</i>	<i>Reserves and fund balances beginning of period</i>	<i>Income</i>	<i>Expenditures, transfers and adjustments</i>	<i>Reserves and fund balances end of period</i>
Trust Fund in Support of the Delimitation and Demarcation of the Ethiopia/Eritrea Border	3 950	36	1 258	2 728
Trust Fund to Support the Peace Process in Ethiopia and Eritrea	564	4	568	—
Trust Fund for Somalia — Unified Command	384	4	—	388
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	11	—	—	11
Trust Fund for the Police Assistance Programme in Bosnia and Herzegovina	301	3	—	304
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	7 315	70	1 600	5 785
Trust Fund in Support of the Department of Peacekeeping Operations	9 900	10 245	9 313	10 832
Trust Fund for the Rapidly Deployable Mission Headquarters	987	10	—	997
Trust Fund to Support the Peace Process in the Democratic Republic of the Congo	3 517	3 146	1 652	5 011
Trust Fund to Support the United Nations Interim Administration in Kosovo	1 029	10	—	1 039
Trust Fund to Support the Ituri Pacification Commission	7	—	—	7
Trust Fund in Support of the Peace Process in the Sudan	927	11	(164)	1 102
Trust Fund for the African Union-United Nations Joint Mediation Support Team for Darfur	8 281	584	2 095	6 770
Trust Fund for the Support of the Activities of the United Nations Mission in the Central African Republic and Chad	3 450	24	12	3 462
Trust Fund in Support of the African Union Mission in Somalia	13 462	35 137	24 852	23 747
Trust Fund to Support Lasting Peace in Darfur	271	2	213	60
Total	54 356	49 286	41 399	62 243

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