1. Form and content of the programme budget

ITC submits its proposals in accordance with the "Instructions for the preparation of the Proposed Programme Budget" issued by the Assistant Secretary-General for Financial Services, UNNY, for the next biennium during the first year of the current biennium. The budget instructions contain a general budget policy statement and detailed procedures, forms and deadlines for completion of the proposed programme budget.

The regular budget of the United Nations, and consequently that of ITC, covers a biennium - a period of two consecutive calendar years; the biennium begins with an even-numbered year.

The regular budget is prepared in a programme format; it contains a classification of estimated expenditures sub-divided into the sub-programmes proposed to be implemented by the Centre. It contains programme narratives which include a description of outputs and services.

These outputs are described in such a way as to permit comparison between activities in different parts of the United Nations Secretariat and to facilitate performance reporting on the implementation of the approved programmes.

The programme budget estimates also include a secondary classification of expenditure within the programme structure by objects of expenditures such as salaries and common staff costs, travel, general operating expenses, supplies and materials, furniture and equipment, etc.

The proposed programme budget includes for each programme a staffing table which indicates established post requirements by category and within the Professional category by grade; the principal level of the General Service category is also distinguished. It also includes data on extrabudgetary resources and income.

2. Methodology of budget presentation

So as to permit useful comparisons, in particular at the section and programme levels, between the current and proposed budgets, the budget presentation rests on the following principles:

(a) Activities of a non-recurrent nature are identified separately.
(b) Regarding recurrent items, the presentation provides a detailed analysis of the difference between those resources that are contained in the proposed budget and the appropriations allocated to the same item in the current budget. This analysis rests on the concept of a maintenance base that corresponds to the recosting of the current appropriations.

(c) The resources relating to the proposed budget are expressed firstly in the same dollar terms as the maintenance base; the additional impact of inflation and currency fluctuations expected during the ensuing biennium is indicated separately.

3. Policy for the preparation of the programme budget

The medium-term plan, reviewed by the Joint Advisory Group (JAG) and the Committee for Programme and Co-ordination, (CPC, an intergovernmental body consisting of 21 members, plus observers, nominated by ECOSOC and elected by the General Assembly), then formally approved by the General Assembly, constitutes the principal policy directive for the programme budget. Participation in JAG is open to member States of both GATT and UNCTAD; JAG is attended also by representatives of both Secretariats. The medium-term plan serves as a framework for the formulation of the programme budget in the sense that substantive programme proposals in the budget should be derived from the strategy statements in the plan.

Programme elements of the highest or lowest priority which represent, in each case, approximately 10 per cent of the resources requested for substantive programme are identified.

Programme budget proposals presented in the light of intergovernmental mandates also reflect the efforts made by ITC at introducing management improvements.

Programme budget proposals may be submitted to specialized intergovernmental bodies only after clearance by the Assistant Secretary-General for Financial Services. They may not be presented as official proposals unless they have been approved by the Secretary-General.

4. Review and approval of the proposed budget

The initial estimates are prepared, in accordance with the related instructions, by ITC. They are presented to the liaison officers of the parent bodies, (representatives of the GATT Director-General and of the UNCTAD Secretary-General) and sent to the United Nations for review by the Budget Division, Office for Financial Services, and the Office for Programme Planning and Co-ordination - Department of International Economic and Social Affairs; they ensure, respectively, that the submission is made in compliance with the Secretary-General’s policy guidelines, particularly with regard to proposed budget increases, and with the United Nations Medium Term Plan 1984-1989 as approved by the General Assembly. After consultation with ITC, a presentation is made to the Programme Planning and Budgeting Board (PPBB).
Once approved by the PPBB, the proposed programme budget document is submitted to the subsidiary organ of the ECOSOC and of the General Assembly, the CPC.

The CPC is particularly concerned with the substantive content of the programme, the determination of priorities and the assessment of substantive co-ordination within the UN system. It reports to both the General Assembly and the ECOSOC.

It is also submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), consisting of 16 experts serving in their personal capacity and selected on the basis of broad geographical representation, personal qualifications and experience. The ACABQ submits a report to the General Assembly for consideration by the Fifth Committee. On the basis of this consideration the General Assembly approves the Programme Budget for the biennium, in plenary session by a two-thirds majority of those present and voting.

The same document is presented to the GATT Committee on Budget, Finance and Administration together with, if available, the recommendation of the ACABQ.

5. Performance reports

(a) Budget performance report

(i) ITC prepares a Budget Performance Report for submission to the UN Budget Division, Office of Financial Services for submission to ACABQ and to Administrative and Financial Division of GATT for submission to the Committee on Budget, Finance and Administration after eight months actual expenditure in the first year of the biennium and after eighteen months actual expenditure in the second year of the biennium. The first report presents an adjustment to the initial budget to the extent made necessary by the effects of inflation, rates of exchange, while the second one also includes implications of decisions of policy-making organs and other changes on the (revised) appropriations for the biennium.

(ii) The Budget Performance Report is then submitted to ACABQ and to the Fifth Committee. ACABQ submits a report to the Fifth Committee on its observations and recommendations in regard to the Budget Performance report.

(b) Programme performance report

Six monthly reports on programme performance during a given biennium are prepared by ITC. They show the actual delivery of output in comparison with the plans set out in the programme narratives of the approved programme budget, together with explanations of any departures from these plans. The reports are reviewed jointly by OFS and the Office for Programme Planning and Co-ordination and approved by PPBB before consideration by CPC and the General Assembly.
6. **External audit of ITC**

Under the provisions of the UN Financial Rules and Regulations, the external audit of ITC's Regular Budget, Programme Support and Technical Co-operation project expenditures is undertaken by representatives of the UN Board of Auditors, a body appointed by the General Assembly and consisting of three members, each of whom holds the office of Auditor-General (or equivalent title) of a member State.

Each biennium, the auditors carry out interim audits (one and sometimes two visits annually) and a final audit. Observations on particular transactions and/or procedures are referred to ITC in writing and on completion of each audit the auditors send a management letter summarizing the main observations, and which is commented upon by ITC.

The report of the Board of Auditors, featuring the main observations made during the biennium together with the Financial Report and Audited Financial Statements is submitted to the General Assembly through the ACABQ and the Fifth Committee. It is also transmitted through the Committee on Budget, Finance and Administration for information to the GATT CONTRACTING PARTIES.