



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

**Categories of exceptions authorized
within the framework of standards of
accommodation for air travel**

**Need for clarification and consultation regarding
the delegation of authority and the granting and
reporting of exceptions**

3 December 2009

Assignment No. AH2009/510/2

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Ms. Angela Kane, Under-Secretary-General
A: Department of Management

DATE: 3 December 2009

REFERENCE: IAD: 09- 03164

for *William Petersen*
FROM: Fatoumata Ndiaye, Acting Director
DE: Internal Audit Division, OIOS

SUBJECT: **Assignment No. AH2009/510/2 – Audit of categories of exceptions authorized within the framework of standards of accommodation for air travel**
OBJET: **framework of standards of accommodation for air travel**

1. I am pleased to present the report on the above-mentioned audit.
2. The status of OIOS' recommendations is indicated after each recommendation and is summarized in Annex 1. In order for us to close the recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Your response indicated that you did not accept recommendations 2 and 3. In OIOS' opinion however, these recommendations seek to address significant risk areas. We are therefore reiterating them and request that you reconsider your initial response based on the additional information provided in the report.
4. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1, 2, and 4) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Warren Sach, Assistant Secretary-General, OCSS
Ms. Neeta Tolani, Director, OUSG, Department of Management
Mr. Darshak Shah, Deputy Assistant Administrator, Deputy Director and Chief Finance Officer, Bureau of Management, UNDP
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit Secretariat
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Special Assistant to the USG, OIOS
Mr. William Petersen, Chief, New York Audit Service, OIOS

INTERNAL AUDIT DIVISION

FUNCTION

“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

Audit of exceptions authorized within the framework of standards of accommodation for air travel

OIOS conducted an audit of categories of exceptions authorized within the framework of standards of accommodation for air travel. The overall objective of the audit was to assess compliance with the various General Assembly resolutions pertaining to this issue and to ensure that the reports to the General Assembly were accurate and that internal controls in this area were adequate and effective. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

There is a lack of clarity as to who exactly is delegated to exercise the authority granted by the General Assembly to the Secretary-General for making exceptions. In practice, this authority has been permanently delegated to the Under-Secretary-General for Management, but there is no formal delegation of authority to this effect. Furthermore, various officials in the Department of Management, not just the Under-Secretary-General, have been making decisions on approvals of exceptions over the past six years.

The reports of the Secretary-General to the General Assembly do not state that the exceptions authorized in respect of certain United Nations agencies, funds and programmes are, in fact, exceptions made by those entities themselves (with the exception of cases involving first class travel which are approved by the Department of Management). OIOS determined that the Department of Management considers all such cases to be "self-approved" and merely consolidates the reports received from those entities and forwards the information to the General Assembly. There is no General Assembly resolution authorizing them to act independently in this regard. This raises the question of who is accountable to the General Assembly and clarification is required as to whether these entities should be authorised by the General Assembly to independently approve their exceptions and report on them directly to the General Assembly.

There is a lack of comprehensive coverage and possible under-reporting of exceptions to the General Assembly. Based on the Department of Management's own definition of the scope of coverage, certain entities have been omitted. For example, the Department assumed that UNDP controls the approvals for the United Nations Office for Project Services and United Nations Population Fund, when in fact, it does not. Exceptions for these and other entities such as ICTR and UNRWA may have gone unreported.

The use of certain categories of exceptions was questionable. In particular, there is lack of clarity and consistency with regard to the definitions of "Prominent person" and "Eminent person", and this may be resulting in unnecessary expense to the Organization.

The audit also noted that a former Under-Secretary-General at the International Criminal Tribunal for the former Yugoslavia and a former senior UNDP official received exceptions for first class travel based on medical grounds without following the established procedures.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of categories of exceptions authorized within the framework of standards of accommodation for air travel. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) had recommended in its report A/61/661 that OIOS should be requested to conduct an audit of "all categories of exceptions authorized within the framework of standards of accommodation for air travel". This recommendation was accepted by the General Assembly (A/62/238) and was reiterated by the ACABQ (A/63/715) on 10 February 2009.

3. The General Assembly vested the Secretary-General with the authority to make exceptions to the normal standards of accommodation for air travel, using his discretion on a case by case basis and requested him to report periodically to the General Assembly on the exceptions granted. There are a number of General Assembly resolutions relevant in this context, the main one being 42/214.

4. ST/AI/2006/4 on "Official Travel" states that a higher class of travel may be approved on an exceptional basis, when special circumstances warrant it, such as for duly certified medical reasons, and that such requests shall be made using form TTS.3.

5. The five categories of exceptions shown on the TTS.3 form are:

- Prominent person donating services
- Regular standard not available
- Eminent person (i.e., level of Head of State)
- Arduous journey
- Medical condition

6. The administrative process by which approvals for exception are granted is as follows. The traveller concerned fills out the relevant form, TTS.3, and forwards it through the concerned Executive Office to the Department of Management which reviews the reasons for the request. If the traveller is applying on the basis of a medical condition, the form is sent directly to the Medical Services Division (MSD) of the Secretariat for the recommendation of the Medical Director. Once a traveller's request is approved, the TTS.3 form is forwarded to the Travel Unit and ultimately the travel agent for action.

7. The reports of the Secretary-General to the General Assembly (A/63/524, A/61/188, A/59/523, A/57/485 and A/56/426) include exceptions pertaining to the United Nations Secretariat and "other UN entities" such as funds and programmes of the United Nations. The Department of Management does not approve the TTS.3 forms related to these entities (with the exception of those cases related to first class travel). Rather, these entities review and approve the forms themselves and report exceptions to the Department of Management on a quarterly basis. The Department of Management then incorporates these

quarterly reports into the reports that are submitted biennially to the General Assembly.

8. The total number of exceptions in the latest report to the General Assembly (A/63/524) was 243, and the related total additional cost to the Organization was \$537,654.

9. Comments made by the Department of Management and the United Nations Development Programme (UNDP) are shown in *italics*.

II. AUDIT OBJECTIVES

10. The main objectives of the audit were to ascertain:

(a) Whether the reports to the General Assembly on the exceptions made were accurate and comprehensive;

(b) Whether the relevant General Assembly resolutions, rules and regulations and administrative issuances concerning the exceptions had been complied with; and

(c) The rationale behind each of the categories of exception, and the manner in which they were being utilized.

III. AUDIT SCOPE AND METHODOLOGY

11. The audit covered the period 2000 to 2008. OIOS reviewed all reports to the General Assembly issued during this period. The audit also involved review of relevant documentation available with the Department of Management, which were used to produce these reports, and the actual TTS.3 forms which documented the approval or rejection of requests for exception. OIOS also interviewed responsible officials at the Department of Management who were connected with maintaining the records related to this subject and for producing the reports to the General Assembly. With regard to those cases involving medical matters, OIOS consulted with the Director and Deputy Director of MSD. For those matters related to UNDP, the respective UNDP officials were consulted and the necessary documents and explanations obtained from them.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Lack of clarity on delegation of authority by the Secretary-General, and the authority of other United Nations entities to authorize exceptions

12. There is a lack of clarity on the delegation of authority from the Secretary-General to approve exceptions to the standards of accommodation for

air travel, and the authority of the Under-Secretary-General for Management to further delegate this authority to various individuals or offices.

13. ST/AI/234/Rev.1 lists under Annex I "Matters reserved to the Secretary-General". Included in this list are matters relating to Staff Rules 107.8, establishment of standards of travel accommodation, and 107.10, approval of exceptions to the standards of travel accommodation. Paragraph 4 of this Administrative Instruction provides that the Secretary-General may delegate from time to time his authority to the Under-Secretary-General for Management. In practice, this delegation is, in fact, a permanent delegation of authority. It is unclear if a permanent delegation would be considered inconsistent with ST/AI/234/Rev.1. In addition, OIOS was not provided with any formal documentation of this delegation of authority from the Secretary-General to the Under-Secretary-General for Management.

14. Various persons in the Department of Management were exercising this authority which is reserved for the Secretary-General. OIOS was given to understand that the approval of exceptions was first relinquished by the then Under-Secretary-General for Management in 2002, although there is no documentation to this effect. There was one "delegation" letter issued in 2003 from the then Under-Secretary-General for Management to her Chief of Office. However, it is not clear whether this delegation was valid given that there is no provision under ST/AI/234/Rev.1 for further delegation of the Secretary-General's authority by the Under-Secretary-General for Management.

15. At least four different staff members in the Department of Management, including the Chief of the Office of the Under-Secretary-General and the Chief of Policy and Oversight Coordination, have exercised this authority over the last six years. It is unclear if the de facto delegation by the Under-Secretaries-General were delegations to an Office or personal delegations to individuals. The Department of Management was unable to explain how, if the delegation was to an Office, the delegation was then transferred to other offices. Similarly, if the delegation was a personal one, then it could not have been transferred to other individuals occupying the same office, let alone to other offices.

16. Other United Nations entities including UNDP and UNICEF were making their own approvals of exceptions for business class travel without sending the TTS.3 forms to the Department of Management, and were merely reporting the exceptions to the Department on a quarterly basis. UNDP and UNICEF officials confirmed to OIOS that they had not received any formal authorization from the General Assembly to authorize exceptions. OIOS noted that the discretionary authority granted by the General Assembly was only to the Secretary-General, and was to be exercised by him on a case-by-case basis. There was no mention in any of the General Assembly resolutions pertaining to the matter of exceptions to travel standards of United Nations entities outside the Secretariat having the discretion to exercise the authority independently.

17. *The Department of Management stated that "the General Assembly has directly provided authority to the Funds and Programmes with respect to business class travel acceptances" and that only "first class upgrades were*

limited by the General Assembly and remain an exclusive prerogative of the Secretary-General". The Department of Management bases this interpretation on the fact that "executive heads of the funds and programmes received directly from the General Assembly the authority to appoint and administer their staff" and that "therefore there are GA resolutions authorizing the funds and programmes to act independently, inclusive of those matters relating to the upgrading of travel to business class." UNDP took a similar position.

18. OIOS does not concur with these interpretations. It is not clear that the respective General Assembly resolutions authorizing the executive heads of the funds and programmes to "appoint and administer" their staff would automatically include every matter under the Secretary-General's authority including those "matters reserved to the Secretary General". If this argument were to sustain, then it raises the pertinent question as to why the authority of the Secretary-General under General Assembly resolution 42/214 to grant exceptions for first class travel on a case by case basis should not also be deemed to have been delegated by the General Assembly to all the executive heads of funds and programmes. Notably, both the Department of Management and UNDP agree that the authority to grant exceptions for first class remains the exclusive prerogative of the Secretary-General, but take a different position regarding business class exceptions, which they argue is automatically assigned by virtue of the General Assembly's authorization to the respective heads of funds and programmes to administer their staff. A review of the respective General Assembly resolutions would further highlight this contradiction. For example, resolution 45/248 requests the Secretary-General "...to continue to exercise his discretion in respect of business class travel for United Nations official work...." while resolution 42/214 "authorizes the Secretary-General to exercise his discretion in making exceptions to allow first-class travel on a case by case basis". It is unclear how the "discretion" in resolution 45/248 is considered to have been automatically assigned to the respective heads of funds and programmes, but the "discretion" in resolution 42/214 remains "the exclusive prerogative of the Secretary-General". OIOS therefore finds the interpretations put forward by the Department of Management and UNDP to be contradictory.

19. The situation described above leads to confusion regarding who ultimately is responsible and accountable for the exercise of authority to make exceptions and the accuracy and reliability of the reports to the General Assembly. It would be reasonable to infer that the General Assembly perceives that the Secretary-General exercises sole authority over this matter (with possible delegation to the Under-Secretary-General for Management). Thus, the General Assembly may be unaware that entities outside the Secretariat were independently exercising such authority.

20. In OIOS' view, these issues need to be resolved as soon as practicable. If the intention of the General Assembly is to vest the authority in this matter solely with the Secretary-General, then all approvals must be made by the Secretary-General or by the delegated party, the Under-Secretary-General for Management. If, on the other hand, it was intended that non-Secretariat United Nations entities should independently approve exceptions, then authority should be given to them directly by the General Assembly and they should be responsible and

accountable for all approvals and reports. The Secretary-General should request the General Assembly to clarify its intent under General Assembly Resolution 42/214 dated 21 December 1989. If formal authority is given directly by the General Assembly to the respective heads of those offices, then it may be appropriate for those offices to also report independently to the General Assembly, rather than through the Secretary-General. The Department of Management indicated that it would consult with the Office of Legal Affairs on this matter. OIOS requests that the Department inform OIOS on the results of this consultation.

Recommendation 1

(1) The Under-Secretary-General for Management should obtain from the Executive Office of the Secretary-General a formal delegation of authority for matters related to the standards of accommodation for air travel and granting of exceptions thereunder. This formal delegation of authority should include clarification on whether the Under-Secretary-General for Management can further delegate this authority to other staff members or offices.

21. *The Department of Management stated that exceptions have been reviewed and approved by the USG for Management on behalf of the Secretary-General for many years. This has been considered a de facto delegation or a matter reserved to the Secretary-General that is exercised by the USG for Management on his behalf (as opposed to a delegation). A legal opinion will be sought to clarify this matter and the corresponding action will be undertaken if required.* The Department of Management's response appears to indicate conditional acceptance of the recommendation. Recommendation 1 remains open pending the Department of Management's obtaining the delegation of authority with appropriate clarification on further delegation by the USG for Management. OIOS reiterates that delegation cannot be *de facto* and must be made officially in writing and that matters reserved to the Secretary-General cannot automatically be assumed by the USG for Management without delegation by the Secretary-General.

B. Lack of comprehensive coverage and possible under-reporting to the General Assembly

22. The Department of Management has undertaken to provide the General Assembly with a comprehensive report on exceptions pertaining to the Secretariat and "other UN entities". While the term "other UN entities" is not clearly defined, it has been the practice of the Department of Management to include the International Criminal Tribunals, and funds and programmes such as UNICEF and UNDP.

23. OIOS examined this scope of coverage in greater detail to ascertain whether the report to the General Assembly was comprehensive and accurate. The Department of Management stated that the Office of the Under-Secretary-

General reports exceptions for funds and programmes and that the Under-Secretary-General for Management approves their exceptions for first class, but not exceptions for business class. The Department noted that the organizations it covers are those in the Secretariat and the International Criminal Tribunals for the former Yugoslavia (ICTY) and Rwanda (ICTR). However, the Department's Chief of Oversight Support Unit also provided the scope of coverage as all the organizations included in the Secretariat per ST/SGB/1997/5 as amended by ST/SGB/2002/11 plus UNDP, the United Nations Office for Project Services (UNOPS), United Nations Population Fund (UNFPA), UNICEF, United Nations University, United Nations Institute for Training and Research, ICTY and ICTR.

24. There were inconsistencies in the manner in which this policy was applied. For example, while the Department of Management writes to ICTY and obtains quarterly reports from them, there appears to have been a lapse when it came to ICTR. There is no correspondence with ICTR on file or any quarterly reports. OIOS examined the reports for the periods 2004-2006 and 2006-2008 and found that there were no reports of any exceptions pertaining to ICTR. The Department of Management maintained that this could be explained by the fact that there were no exceptions made, however, OIOS notes there was no correspondence to this effect. The Department could not explain why quarterly reports were consistently sought and obtained from ICTY but not from ICTR.

25. Further, although the Department stated that it follows the practice of writing quarterly to each United Nations entity, Secretariat or otherwise, this was not consistently followed. The Department stated that the regional commissions send their quarterly reports without the necessity of a reminder note. The Department could not explain why it had decided to apply a different procedure for the regional commissions. In OIOS' view, this could give rise to the possibility that some regional commissions may not have been reporting their exceptions.

26. The United Nations Relief and Works Agency for Palestine Refugees in the Near East is included under ST/SGB/1997/5 and ST/SGB/2002/11. By the Department of Management's own definition, therefore, it should be included in the reports to the General Assembly. However, this was not the case.

27. The Department of Management indicated that it assumed that UNDP would cover all entities associated with it, namely, UNFPA, UNOPS and the United Nations Development Fund for Women (UNIFEM). However, inquiries with UNDP showed that they were only including UNIFEM exceptions in the reports. As a result, any exceptions at UNFPA and UNOPS were not being reported. UNDP explained that while it does have an administrative arrangement with UNFPA and UNOPS to provide them travel services, it does not approve exceptions related to those entities and does not include their exceptions in its reports to the Department of Management.

28. It is unclear why the Department does not collect information from the United Nations Joint Staff Pension Fund (UNJSPF), which is an entity falling under the purview of the General Assembly. The explanation provided was that Department of Management covers only "the Secretariat and ICTY and ICTR,

thus UNJSPF and others are excluded.” OIOS noted that this logic was not applied in the case of UNDP or UNICEF. In the case of UNJSPF, the Department of Management has indicated that “the administrative arrangement for the UNJSPF may need to be reviewed after seeking a legal opinion”.

29. The Department’s position regarding entities such as UNDP and UNICEF is that it merely collects reports on business class exceptions from them for consolidation into the report to the General Assembly, and is not responsible for the accuracy of their reports. The Department does not receive the TTS.3 forms related to these entities because they are retained at their respective offices, and records each exception as “self approved”. Given this situation, OIOS decided to examine the accuracy and comprehensiveness of such reports and selected UNDP for review. Examination of available records showed that for an entity the size of UNDP with offices in over 160 countries, the number of exceptions reported was relatively modest, i.e., approximately thirty to forty cases per year. Almost all cases reported to the Department of Management in recent years related to exceptions at the UNDP Headquarters in New York. There were virtually no cases related to the field offices. It is possible in OIOS’ view that cases of exceptions related to field or country offices may have gone unreported.

Recommendations 2 and 3

(2) The Under-Secretary-General for Management should seek guidance from the General Assembly on the scope of entities that should be included in the Secretary-General’s reports to the General Assembly on exceptions authorized within the framework of standards of accommodation for air travel.

(3) The Under-Secretary-General for Management should improve the process for collecting information on exceptions granted and should report all exceptions based on the new list of entities stipulated by the General Assembly in order to provide complete and accurate reports to the General Assembly.

30. *The Department of Management stated that it would refer the matter to OLA.* Recommendation 2 is considered as not accepted and remains open pending receipt of OLA’s opinion.

31. *With regard to recommendation 3, the Department of Management indicated that further details will depend on the legal advice received in this respect.* Recommendation 3 is considered as not accepted and remains open pending action taken by the Department following OLA’s advice.

C. Questionable use of certain categories of exceptions and need for clearer definitions

32. Most exceptions were granted under the category "Prominent persons donating services free of charge to the Organization". The reports to the General Assembly describe this category as one where "The traveller is a prominent person who is donating his or her services free of charge to the Organization and in some cases, at a loss to personal income".

33. OIOS considers that this description does not provide a clear definition that can be consistently applied. Rather, it is prone to differing interpretations and possible misuse. The list of prominent persons under this category has included a broad range of individuals such as a former Minister of State; a special adviser to a former President; a writer; a Brigadier-General; a former Chief Executive Officer; a spouse of a Justice; an artist; and a President of a private foundation.

34. While OIOS does not wish to offer a definition of the term "prominent person", it believes there is a need for more clarity and consistency in the application of this policy to avoid arbitrary and ad hoc decisions. This requires a more specific definition, for example, of the criteria that makes an artist or writer prominent and whether all artists or writers qualify, and if not what the determining factors might be. Similarly, the criteria that would make a head or former head of a non-governmental-organization (NGO) eligible to be classified as a prominent person needs to be spelled out; in other words, how NGOs would be differentiated and categorized for this purpose.

35. "Eminence" is described in the reports to the General Assembly as persons "such as a former Head of State or a prominent international figure in the political, humanitarian or cultural arena". The TTS.3 form itself is more specific and states "i.e. Head of State". While granting a first class ticket to a former Head of State or Head of Government may be entirely appropriate and in keeping with the intentions of the General Assembly, it is unclear how including prominent international figures in this category is warranted given that another category exists to cover such individuals, albeit with the caveat that remuneration is not given. This leaves this category open to interpretation.

36. In 2003, for example, the then Chef de Cabinet decided that candidates for interviews for positions of Under-Secretary-General and Assistant Secretary-General should be upgraded to business class at the cost of the United Nations. This move was not opposed by the Department of Management. While cautioning that the ACABQ and General Assembly were concerned about such exceptions, the Under-Secretary-General for Management nevertheless stated that she saw no difficulty in approving such requests on a case by case basis. Thus began a string of such exceptions for candidates reported under the category of eminent persons. The report A/61/188 includes two cases reported to the ACABQ as initial interviews with the Secretary-General to fill senior level positions. The next report, A/63/524, showed that there were twelve cases reported as interviews for senior level positions and travel of senior officials designate. In all, the fourteen cases cost the Organization over \$50,000.

37. *The Department of Management stated that candidates for ASG and above are considered to be an equivalent status of ASG and above, who are entitled to business class travel.* OIOS notes that there is no General Assembly decision or administrative issuance to this effect, and it is not supported by any UN Staff Rule or Regulation. OIOS also notes that the Department of Management has not addressed the fact that all these cases were reported to the General Assembly as “eminent persons”. Such a designation would not be supported by the Department’s own criteria.

38. This category was also used for individuals, who while they were prominent, may not necessarily be described as eminent, e.g., a former staff member at the Under-Secretary-General level, a Goodwill ambassador and his spouse, a regional ambassador for a United Nations Fund, members of a high level panel, etc. All of these individuals received first class tickets at the cost of the United Nations.

39. ST/AI/2006/4 is silent on the actual categories or criteria for eminent or prominent persons. Only the Secretary-General’s report to the General Assembly and the TTS.3 form itself address these issues.

Recommendation 4

(4) The Under-Secretary-General for Management should review and revise the definition of “prominent person” and “eminent person”.

40. *The Department of Management accepted recommendation 4 and stated that a review will be undertaken and clarifications made as necessary.* Recommendation 4 remains open pending the outcome of the review and promulgation of a clearer definition of the two categories.

D. Special exceptions for first class travel of the Deputy Secretary-General

41. In all reports to the General Assembly, the Secretary-General has mentioned the various categories of exceptions authorized by him. Included among these is the special approval granted to the Deputy Secretary-General. The reports state that “On 18 March 1998, the Secretary-General decided that, as an exception, all travel of the Deputy Secretary-General should be in first class in keeping with his/her special status”. According to ST/AI/2006/4, the Deputy Secretary-General is provided first class travel and the Department of Management stated that this is based on the level of the position. In OIOS’ opinion, the Secretary-General should propose to the General Assembly that the travel of the Deputy Secretary-General no longer be reported as an exception. In addition, the travel of the security detail which accompanies the Secretary-General or Deputy Secretary-General should also no longer be reported as an exception.

Recommendation 5

(5) The Secretary-General should propose to the General Assembly to broaden the considerations extended to him in regards to the official travel under paragraph 2 of General Assembly resolution 42/214 to that of the Deputy Secretary-General and their respective security details.

42. *The Department of Management has accepted recommendation 5. Recommendation 5 remains open pending receipt of the proposal to the General Assembly and its response regarding this matter.*

E. First class travel by former senior United Nations officials

43. OIOS reviewed five reports of the Secretary-General to the General Assembly on "Standards of accommodation for air travel" (A/63/524, A/61/188, A/59/523, A/57/485 and A/56/426) which covered the period between 1 July 2000 and 30 June 2008. The reports indicated that a number of exceptions were granted for upgrades to first class owing to medical conditions. The largest number of these exceptions pertained to a former Under-Secretary-General at ICTY. The Under-Secretary-General was granted exceptions for 26 such trips costing the Organization an additional \$75,514 over and above the business class fares.

44. The then Medical Director in 2000 supported an exception for the former Under-Secretary-General, giving blanket authority for first class travel through 31 December 2000. However, the Medical Director who took over in 2001 reversed this position in March 2001 stating to the Under-Secretary-General for Management that MSD could not find any medical evidence and could not support the request of the former Under-Secretary-General. In another reversal of position just one month later, the same Medical Director authorized the former Under-Secretary-General's upgrade to first class up to the end of 2001, stating that once again MSD could not find any medical evidence at that time but would support the exception as a matter of caution. The Under-Secretary-General for Management at the time then approved the exception for first class travel. This arrangement continued until the retirement of the former Under-Secretary-General in 2007. In all, four Under-Secretaries-General for Management had granted the exceptions on medical grounds from 2000 to 2007.

45. OIOS also found some instances of first class travel by a former UNDP senior official. On one occasion, first class travel was undertaken without proper approval. Subsequently, a blanket de-facto approval for first class travel on medical grounds was granted by the Under-Secretary-General of Management, contrary to established procedures.

46. OIOS confirmed that on the occasions when the official flew in first class, no TTS.3 forms were filled out and were not considered necessary, since the travel agent believed, based on the email correspondence on file, that the

travel by first class was approved for medical reasons. OIOS noted that there were only a few such trips and according to UNDP officials, on those occasions the travel agent had managed to avoid extra cost to the Organization by using special offers from the airlines.

47. *UNDP emphasized that it had operated in a transparent manner and reported the one instance of first class travel to the Department of Management and ultimately the exception was included in the Secretary-General's report to the General Assembly.*

48. OIOS interviewed the current Medical Director of MSD on the medical circumstances which would warrant travel by first class. He indicated that such circumstances do not exist because there was essentially no difference between business class and first class when it came to the safety of a person with a medical condition. It was therefore the long-standing policy of MSD not to support such exceptions. This position has also been reiterated in the "Position Paper" adopted by all medical directors in the United Nations Common System after a conference in April 2007. OIOS reviewed this position paper and noted that the medical directors agreed that there are no medical conditions that would justify first class travel for normal official travel purposes.

49. As these cases are essentially isolated instances involving two staff members who are no longer with the Organization, and not necessarily indicative of a broader or systemic issue, OIOS has not raised any specific recommendations related to these two cases.

V. ACKNOWLEDGEMENT

50. We wish to express our appreciation to the Management and staff of the Department of Management and UNDP for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	The Under-Secretary-General for Management should obtain from the Executive Office of the Secretary-General a formal delegation of authority for matters related to the standards of accommodation for air travel and granting of exceptions thereunder. This formal delegation of authority should include clarification on whether the Under-Secretary-General for Management can further delegate this authority to other staff members or offices.	Compliance	High	0	The Department of Management should obtain the delegation of authority from the Office of the Secretary General.	NOT PROVIDED
2	The Under-Secretary-General for Management should seek guidance from the General Assembly on the scope of entities that should be included in the Secretary-General's reports to the General Assembly on exceptions authorized within the framework of standards of accommodation for air travel.	Governance	High	0	The Department of Management should seek guidance from the General Assembly as recommended and provide OIOS with the result of such consultations.	NOT PROVIDED
3	The Under-Secretary-General for Management should improve the process for collecting information on exceptions granted and should report all exceptions based on the new list of	Operational	Medium	0	The Department of Management should provide OIOS with evidence of improvement in the process of collection of information to ensure comprehensive and accurate coverage	NOT PROVIDED

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
	entities stipulated by the General Assembly in order to provide complete and accurate reports to the General Assembly.				based on a new and comprehensive list of entities obtained after consultations with the General Assembly.	
4	The Under-Secretary-General for Management should review and revise the definition of "prominent person" and "eminent person".	Governance	High	O	The Department of Management should complete the review and provide a clearer and more precise definition of the two categories.	NOT PROVIDED
5	The Secretary-General should propose to the General Assembly to broaden the considerations extended to him in regards to the official travel under paragraph 2 of General Assembly resolution 42/214 to that of the Deputy Secretary-General and their respective security details.	Governance	Medium	O	The Department of Management should provide OIOS with evidence of the proposal to the General Assembly and its response regarding this matter.	NOT PROVIDED

1. C = closed, O = open
2. Date provided by the Department of Management in response to recommendations.