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INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION I  
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Mr. Jean Arnault,  
A: Special Representative of the Secretary-General,  
UNAMA

DATE: 13  
6 June 2005

REFERENCE: AUD- 7-5:9 0034  
(105)

THROUGH:  
S/C DE:

FROM: Ms. Patricia Azarias, Director  
DE: Internal Audit Division I, OIOS

*P. Azarias*

SUBJECT: **OIOS Audit No. AP2005/630/03: Travel claims in UNAMA**  
OBJET:

1. I am pleased to present herewith the final report on the above-mentioned audit, which was conducted during January – February 2005. The audit was conducted in accordance with the professional practise of auditing in United Nations organizations.

2. We note from your response to the draft report that UNAMA has generally accepted the recommendations. Based on your response, we are pleased to inform you that we have closed recommendations 2, 3, 5 and 7 in the OIOS recommendations database. Recommendations 4 and 6 have been withdrawn. In order to close the remaining recommendations (1 and 8), we request that you provide us with the additional information as discussed in the text of the report and a time schedule for their implementation. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e. recommendation 1) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

3. IAD is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.

## I. INTRODUCTION

4. Travel Claims Unit is responsible for determining staff members' entitlements while on official travel status. This is done upon presentation of a claim duly certified by a designated certifying officer. The Travel Claims Unit is also responsible for preparing travel advances whenever authorized. The Chief of Travel Claims / Vendor Unit, one international staff, and one local staff assist the Chief Finance Officer in processing the travel claims.

5. The total allotment and expenditures on travel in 2003 and 2004 are reflected in the following table.

<b>In US \$</b>			
<b>Year</b>	<b>Allotment</b>	<b>Expenditures</b>	<b>+ or (-)</b>
<b>2003</b>	1,813,365	2,525,332	(711,967)
<b>2004</b>	668,200	602,875	65,325

6. According to the Mission's Chief Budget Officer, the reason for the excess of expenditure over allotment in 2003 was due to the difficulty in segregation of expenditures booked both by Headquarters, New York and by UNAMA.

7. The comments made by the Management of UNAMA on the draft audit report have been included in the report as appropriate and are shown in italics.

## **II. AUDIT OBJECTIVES**

8. The main objectives of the audit were to determine: (a) the adequacy and effectiveness of internal controls in ensuring compliance with the established UN rules and regulations; and (b) whether travel funds were spent with due regard for economy and efficiency.

## **III. AUDIT SCOPE AND METHODOLOGY**

9. The scope of audit was limited to travel advances and travel claims processed in the mission during the period 1 January 2003 to 31 December 2004. Audit methodology included interviews with concerned mission personnel, collection and analysis of data, and review of relevant documentation.

## **IV. OVERALL ASSESSMENT**

10. OIOS was concerned to note the breakdown of controls in restricting the movement of personnel on duty travel within the mission area, which was mainly caused by inadequate supervision. There is also a need to bring about greater accountability in recovering costs of non-duty travel from staff members.

## **V. AUDIT FINDINGS AND RECOMMENDATIONS**

### **A. Travel within the mission area**

11. The authority to approve movement of personnel (MOP) on official business and liberty travel is contained in Section 4(iv) of UNAMA Information Circular No. 56/02 dated 12 December 2002. The MOP form is to be used for requesting duty-related movement within the mission area. In the regions, each Area Office Manager (AOM) is authorized to approve movements of personnel for travel his/her jurisdiction. The Chief, Field Services Coordination Unit or Chief of Staff should approve movements of personnel for travel outside the area offices.

### Breakdown of internal controls

12. A review of 50 cases of travel within the mission area revealed a serious breakdown of controls in granting approvals for travel of personnel within the area offices as well as outside the area offices. The reason for movement was not provided in six cases, and inadequate reasons for movement were provided in six cases. In three cases, prior authorization from the approving officer was not obtained, and in one other instance, a national staff member (who was a cleaner in the Mission) moved from Kandahar to Quetta in Pakistan, outside the mission area. Furthermore, unauthenticated changes in travel dates, overwriting etc. were noticed on the approved MOPs. In OIOS' view, lax supervision is a major cause for the indiscriminate movement of personnel within the regions. During the audit, OIOS was informed that the Chief, Technical Services is taking steps to revise the format of the MOP to include more details and bring about greater accountability.

### Security clearance

13. Afghanistan is categorized as Phase III risk area. It is mandatory for all staff to obtain prior security clearance from the designated security officer before embarking on any movement within the mission area. In three cases, staff members moved without obtaining security clearance, and in twelve other instances, the AOM signed on behalf of security officials instead of getting security officials to provide the security clearance. Personnel movement without the professional advice from security officials constitutes a major risk to the staff member and the Organization.

#### **Recommendation 1**

OIOS recommends that the UNAMA Chief of Mission issue strict instructions reiterating the need for mission staff to obtain prior security clearance from designated security officers, and also advise certifying officers not to certify travel claims that are not supported by such clearance in writing (AP2005/630/03/001).

14. *UNAMA accepted recommendation 1 and stated that a draft circular has been prepared, which is awaiting approval by the Chief Administrative Officer.* Recommendation 1 remains open in OIOS' recommendations database pending formal issuance of the circular by the Mission management.

### Travel by UN flights

15. UNAMA operates its own fleet of fixed wing aircraft and helicopters for movement of its personnel and cargo within Afghanistan and to Dubai. UNAMA has a regular schedule of flights to the regions and does not levy charges for movement of its personnel. In addition to UNAMA, the United Nations Humanitarian Air Services (UNHAS) operates flights to the regions and UNAMA personnel are charged variously according to the fare structure.

16. OIOS found that 27 UNAMA staff members traveled by UNHAS flights on various dates. UNAMA paid an amount of \$2,550 towards flight charges of these personnel to UNHAS. The payments were made on behalf of staff who traveled on personal reasons such as leave. Finance

Section was under the impression that UNAMA's Movement Control Section (MOVCON) checks the MOP, and accordingly certifies the amounts to be paid. The MOVCON Assistant informed OIOS that UNAMA pays for staff members' travel by UNHAS flights regardless of whether or not the travel was official. There was, however, no written policy or authorization to that effect. Furthermore, UNAMA paid flight charges to UNHAS even in instances where staff members did not show up after being booked on UNHAS flights. In OIOS' opinion, non-duty travel should be charged to the concerned staff member. Likewise, in case of "no show", the cost should be charged to the concerned staff member unless the "no show" was caused by exigencies of service.

### **Recommendation 2**

OIOS recommends that the UNAMA Chief Finance Officer review all cases of personal travel on UNHAS flights and recover the cost relating to non-duty travel from the concerned staff members, including "no show" cases that are not attributable to official reasons (AP2005/630/03/002).

17. *UNAMA accepted recommendation 2 and provided a copy of the relevant information circular on personal travel. The Mission clarified that costs prior to issuance of the Mission's information circular were not recoverable. Based on the Mission's response, OIOS has closed recommendation 2.*

### **B. Travel outside the mission area**

18. The Travel Unit within the General Services Section facilitates the official travel of staff members outside the mission area by arranging for visas and tickets. The Travel Unit is headed by an international staff and assisted by a UNV and two local staff. Dubai is the port of entry and exit for UNAMA staff. Occasionally, staff members are also routed through Islamabad. A Dubai-based travel agency named DNATA is the authorized travel agency for UNAMA. This travel agent was selected after due procurement process.

19. The Travel Officer solicits fare quotations from carriers by e-mail by the most direct and economical route. The carrier is selected based on the option that is most beneficial to the Mission. The Travel Unit was satisfied with the services provided by DNATA. However, upon inquiry as to whether DNATA had a transparent process of sharing their fare database with UNAMA to ensure that the fare options provided were the most economical and direct, the Travel Officer indicated that DNATA had not been sharing the data with UNAMA. The Mission relied mainly on the fare quotations sent by e-mail. In the circumstances, the Travel Unit had no means to ascertain whether the travel agent was suppressing information for its own gain.

### **Recommendation 3**

OIOS recommends that the UNAMA Chief of General Services, in consultation with the Chief Procurement Officer, prevail upon the Mission's travel agent to provide access to the fare database in order to ensure that UNAMA gets economical fares by the most direct route (AP2005/630/03/003).

20. *UNAMA accepted recommendation 3 and stated that it has been implemented. The Mission now has access to the fare database to enable it to do random checks of fares quoted by the travel agent.* In view of the action taken, OIOS has closed recommendation 3.

#### No cost travel

21. UNAMA's Information Circular 18/02 dated 20 October 2002 reiterates the Organization's policy on categorizing absences for the purpose of participating in privately arranged professional development activities that involve no cost to the UN and can be shown to be relevant and beneficial to the work of the mission (to include attendances at conferences, training seminars and workshops) as "official travel".

22. A staff member (index No. 741728) requested a travel authorization to attend summer school training programme at Georgetown University in Washington, DC from 11–30 July 2004. The cost of the training programme was split equally between UNAMA, Office for the Coordination of Humanitarian Affairs (OCHA) and the staff member. The PT. 8 form (M5R-00298) authorized the payment of \$1,500 towards part payment of tuition cost in addition to 10 days' DSA out of the UNAMA Trust Fund. An amount of \$1,600 was paid to the staff member as travel advance. It is not clear how UNAMA could approve the travel costs for a training that was personal. Besides, there appeared to be no basis for charging the travel costs to the UNAMA Trust Fund.

### **Recommendation 4**

OIOS recommends that the UNAMA Chief Finance Officer recover the part payment of tuition fee amounting to \$1,500 paid by the Mission, along with the cost of 10 days' DSA amounting to \$2,350 from the concerned staff member and credit the amount to the UNAMA Trust Fund (AP2005/630/03/004).

23. *In response to the draft report, UNAMA provided additional documentation indicating that the staff member's participation in the training and the funding arrangements for the course had been officially approved by UNAMA senior management, and that the training expenditure was official and properly chargeable to the trust fund.* Based on the additional information and documentation provided by the Mission, OIOS has withdrawn recommendation 4.

### Abandonment of post

24. A staff member (index no. 555352) traveled from Kabul to Washington, DC to participate in the internship and training organized by a non-governmental organization (NGO). The NGO requested UNAMA to obtain a visa for the staff member and also provide assistance in arranging the travel. Based on the recommendation of the Chief Civilian Personnel Officer, the Officer-in-Charge of Administration approved the staff member's travel by air by business class. The staff member was advanced an amount of \$2,300. The estimated cost to the Mission was \$7,759. The staff member traveled to the United States and abandoned the post. At the time of the audit, the travel advance of \$2,300 had not been recovered.

25. In another case (relating to staff member index no. 230428), travel authorization no. M5R-00649 indicated that an amount of \$77 should be deducted from the staff member's final pay. The deviation cost had not been adjusted till date although the journey was performed in January 2004. OIOS understood that the staff member had abandoned the post. In yet another case, a staff member (index No. 409464) abandoned his post in January 2004, and the travel advance of \$1,000 paid to had not been recovered.

### **Recommendation 5**

OIOS recommends that the UNAMA Chief Finance Officer, in consultation with the Chief Civilian Personnel Officer, initiate action to recover the outstanding amounts from the concerned staff members who abandoned their posts (AP2005/630/03/005).

26. *UNAMA accepted recommendation 5 and stated that travel advance of \$2,300 had been recovered from one staff member; recovery from a staff member currently at Headquarters in New York was being pursued, and travel advance of \$1,000 was being recovered from another staff member's final payment.* In view of the action taken by the Mission, OIOS has closed recommendation 5.

### Repatriation travel

27. UNAMA arranged the repatriation travel of a staff member (index no. 585001) based on the financial cable and travel authorization (no. 41948) issued by OCHA. UNAMA's travel authorization (M5R-00256) dated 24 March 2003 clearly stated that Finance Section should debit the charges to OCHA by inter-office voucher in the amount of \$25,787. Barring an amount of \$1,314 that was received from OCHA, the balance amount of \$24,473 was still outstanding. UNAMA Accounts Section had no record to show that any follow-up action was taken to recover the balance.

### **Recommendation 6**

OIOS recommends that the UNAMA Chief Finance Officer initiate action to recover the outstanding balance of \$24,473 from OCHA (AP2005/630/03/006).

28. *UNAMA clarified that the balance of \$24,473 represented unutilized obligations by OCHA, which have since been cancelled.* In view of the Mission's response, OIOS has withdrawn recommendation 6.

#### Terminal expenses

29. Terminal expenses amounting to \$9 was being reimbursed at Kabul International Airport in accordance with UNAMA Information Circular No. 51/02 dated 10 December 2002. Subsequently, on 21 September 2004, by an e-mail from the CFO, payment of terminal expenses was stopped. However, no instructions were issued to the staff informing them of the decision to stop further payment of terminal expenses at Kabul.

#### **Recommendation 7**

OIOS recommends that the UNAMA Chief Administrative Officer issue necessary information circular informing the staff about the reasons for non-payment of terminal expenses at Kabul (AP2005/630/03/007).

30. *UNAMA accepted recommendation 7 and provided a copy of the circular issued by the Mission.* Based on the action taken, OIOS has closed recommendation 7.

#### **C. Other issues**

31. As a follow up to an OIOS investigation regarding fabrication of claims and misappropriation in a field mission, the Finance Management and Support Service of the Department of Peacekeeping Operations (DPKO) issued a fax (2004-UNHQ-029859 dated 14 October 2004) to all missions instructing the Finance Section to conduct test checks on the claims submitted for reimbursement. The UNAMA Finance Section had been conducting the test checks in accordance with the procedure prescribed.

32. The DPKO Human Resources Handbook provides for monthly reporting by missions of the statistical data on the lump-sum option to the Personnel Management and Support Service in New York. The Civilian Personnel Section of UNAMA did not prepare any such report. This feedback is required by Headquarters, New York to assess the financial impact of the pilot project.

#### **Recommendation 8**

OIOS recommends that the UNAMA Civilian Personnel Section compile the data relating to lump-sum travel grant in the prescribed format and report the data every month to the Personnel Management and Support Service of DPKO (AP2005/630/03/008).

33. *UNAMA accepted recommendation 8 and stated that the Personnel Section is taking action to implement it.* Recommendation 8 remains open pending its implementation by the Mission.

## VI. ACKNOWLEDGEMENT

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

Copy to: Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations  
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