



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Official travel policies were generally complied with, but should be reviewed to determine if they are efficient and effective and are adequately disseminated and understood

27 October 2009

Assignment No. AH2008/513/04

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: 27 October 2009

REFERENCE: IAD: 09- 03063

FROM: Fatoumata Ndiaye, Acting Director
DE: Internal Audit Division, OIOS

Fatoumata

SUBJECT: **Assignment No. AH2008/513/04 - Audit of travel arrangements in the Secretariat**
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendation no. 1 and 8 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining 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 have not provided an indication of acceptance of recommendation no. 3. In OIOS' opinion however, this recommendation seeks to address significant risk areas. We are therefore reiterating it 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 in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Waren Sach, Assistant Secretary-General, OCSS
Ms. Catherine Pollard, Assistant Secretary-General, OHRM
Mr. Jun Yamazaki, Assistant Secretary-General and Controller, OPPBA
Mr. Anton Bronner, Chief, Commercial Activities Service
Mr. Thomas Hanley, Chief, Travel and Transportation Section
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, 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 travel arrangements in the Secretariat

OIOS conducted an audit of travel arrangements in the Secretariat. The overall objective of the audit was to assess the governance over travel arrangements and compliance with travel policies, regulations and rules. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The audit disclosed that the overall system of internal controls is satisfactory. However, there is improvement in several areas including the following:

- The Travel Unit needs to hold periodic meetings with programme managers and provide training to users to assist them in the management of their travel resources;
- Security clearances need to be granted before releasing the ticket to the travelers to ensure the safety of the staff members;
- Guidelines and procedures for self ticketing should be established in order to optimize travel resources;
- There is a need to review the lump sum for travel entitlement to determine whether this is the most beneficial and cost effective approach for the Organization; and
- The entitlement to travel by business class when stop-over and subsistence allowance are provided en route should be reviewed to determine whether this is in the best interest of the Organization.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of travel arrangements in the Secretariat. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. The audit focused on governance, efficiency, and compliance with travel policies, regulations and rules.
2. The Travel Unit is part of the Travel and Transportation Section (TTS) of the Office of Central Support Services (OCSS). The Travel Unit consists of a Support Section, a Travel Analysis and Coordination Team and a Passport and Visa Team, which was not audited. The Travel Unit is responsible, *inter alia*, for making policy recommendations on all travel and transportation issues.
3. The 2006-2007 total regular budget appropriations for UN travel were \$170,605,220. Travel resources are also included in several other regular budget categories such as "consultants and experts" and "other staff costs". The Travel Unit's budget is part of the TTS budget, which totaled \$9,494,700 for 2006-2007 versus total expenditures of \$9,303,152. The Travel Unit, exclusive of the Passport and Visa Team, has eight staff members, including one P-4 and seven General Service staff.
4. Comments made by the Department of Management (DM) are shown in *italics*.

II. AUDIT OBJECTIVES

5. The main objectives of the audit were to assess whether:
 - (a) Travel policies were adequate and effectively disseminated; and
 - (b) Internal controls were in place and operating effectively.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit period was 2007-2008. The audit focused on travel policies, procedures and standards; travel entitlements and their application; internal controls in place, and follow up of recommendations from OIOS, the Joint Inspection Unit and other oversight bodies where relevant.
 7. OIOS interviewed key personnel in TTS, the Office of Programme Planning, Budget and Accounts (OPPBA), and the Office of Human Resources Management (OHRM). Interviews were also conducted with officials from DM, and selected Executive Offices responsible for the travel management process in the Secretariat. OIOS conducted and analyzed surveys received from the Executive Offices of six departments and offices, and reviewed UN regulations and rules and other administrative issuances related to travel. OIOS also compared the travel processes of Headquarters, the UN Children's Fund
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(UNICEF) and the UN Development Programme (UNDP) for benchmarking purposes and to identify best practices.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Travel Policies in the Secretariat

8. OIOS, inter alia, reviewed selected policies and processes regarding travel arrangements in the Secretariat and how they were disseminated to relevant staff. OIOS sent a survey on the travel management process to 11 Departments and Offices, 6 of which responded (55 per cent response rate), namely DM, and the Departments of Political Affairs (DPA), Public Information (DPI), Peacekeeping Operations (DPKO), Field Support (DFS) and General Assembly and Conference Management (DGACM). As a result of the survey and interviews with key staff, the following issues have been identified.

Lack of informational meeting with programme managers

9. The Travel Unit does not meet with relevant programme managers/executive officers on a regular basis to inform them about travel policies or the latest developments in the travel industry. Four of the departments surveyed indicated that they had never had a meeting with the Travel Unit. One department mentioned that its responsible officials meet with the Travel Unit once a year and another department indicated that discussions took place with a travel associate in the Travel Unit on an as needed basis. The American Express Travel Related Company Inc. (AMEX), the travel management service provider, holds a seminar, typically annually, in cooperation with TTS, on the application of certain travel rules and regulations (e.g. advance booking, use of lowest logical airfare, etc.).

10. Although this is a good practice, in OIOS' opinion, the Organization would benefit from more regular meetings between the Travel Unit and programme managers/executive officers to discuss and brief them on travel policies and best practices, and on ways to manage the travel process and to mitigate risks. The Travel Unit stated that they did hold meetings with programme managers; however, the Unit was unable to substantiate this with meeting minutes or other documentation. One possible venue where the Travel Unit could present travel issues is at the periodic meetings of executive officers.

11. One department surveyed indicated that the travel guidelines need to be simplified. The survey results also revealed that new staff members responsible for processing travel requests are not familiar with the travel guidelines, which could result in staff misinterpreting the travel entitlements or delaying approval of travel authorizations. The Travel Unit explained that staff normally contacts the Unit by phone and email on an as needed basis for guidance. Again, while informal contact is a good practice, in OIOS' view, the Organization would benefit if the Travel Unit held periodic workshops for those staff involved in the application of travel rules, policies and procedures. Issues could be raised by

staff and addressed by the Travel Unit systematically, rather than on an ad hoc basis. This would help assure that the departments make fully informed decisions about their departmental travel resources, which could result in improved management and use of the travel resources.

Recommendation 1

(1) The Assistant Secretary-General, Office of Central Support Services, should instruct the Travel Unit to conduct periodic meetings with the Executive Officers and programme managers at Headquarters to brief them on travel policies and clarify travel issues. The Travel Unit should also hold periodic workshops on the application of travel rules, policies and procedures.

12. *OCSS accepted recommendation 1 and stated that TTS together with the contracted travel agency, invites Executive Officers and travel arrangers on an annual basis to brief them on travel policies and clarify travel issues. In addition to the regular annual briefing sessions, ad hoc sessions are arranged when deemed necessary. TTS also indicated that it routinely addresses any questions from Executive Offices, OAHs, field missions and funds and programmes by phone/email and in person. In OCSS' opinion TTS has quantitatively fulfilled the responsibility; however, it will make further efforts to increase the educational opportunities to OCSS clients. Based on action taken by TTS, recommendation 1 is closed.*

Security clearance

13. Staff members who travel on official business without obtaining the required security clearance in advance represent a safety risk to themselves and to the Organization, particularly if the destination office is not expecting the traveler. Further, if the staff member travels without a clearance with the expectation that s/he will receive one upon arrival, s/he may have to interrupt the travel and return back to the duty station or wait in another country until the security clearance is granted, which could impact travel costs. At present, the Travel Unit is not mandated to monitor the granting of the security clearance to the travelers. The Travel Unit confirmed that it does not monitor this before approving issuance of the ticket. The Travel Unit explained that the relevant Executive Office is responsible to ensure that clearance is granted before certifying the travel authorization.

14. In contrast, the UNICEF Travel Section confirms that the security clearance has been granted to the staff member before approving issuance of the ticket to the staff member. The UNICEF Travel Section stated that this is an essential step in the travel process. OIOS considers this a best practice. Given that the Travel Unit approves the travel entitlement and requests AMEX to issue the ticket, it makes sense for the Travel Unit to confirm that clearance has been granted. Since the Organization plans to deploy a new Enterprise Resource Planning (ERP) system, a good control would be to include a step requiring the

Travel Unit to approve the Travel authorization only after a required security clearance has been granted.

Lack of policy on self-ticketing

15. Fifteen cases of self-ticketing out of fifty-five reviewed (27 per cent) had been purchased by the travelers without the prior approval of the Travel Unit. Self-ticketing may be defined as the practice of the traveler purchasing tickets for official travel outright for subsequent reimbursement. The administrative issuance, ST/AI/2006/4, stipulates that "Under staff rules 107.6, 207.4 and 307.2, all official travel must be authorized in writing before it is undertaken. In exceptional cases, staff members may be orally authorized to travel. In such cases, written confirmation shall be required". In addition, under ST/IC/2001/43 prior authorization for official travel continues to be required. For those cases where prior approval had not been sought, DM should request for the departments and offices to provide the Travel Unit with a periodic listing of such cases with justification for this contravention of rules.

16. In one of the sampled travel requests, a panelist traveled on official business for a scheduled meeting of a high level segment of the Development Cooperation Forum. The meeting was for only one day. The panelist purchased a self-ticket in the business class category on 28 June 2007. The actual departure date, 1 July 2007, was different from the authorized departure date, 3 July 2007, and the ticket cost \$8,512. However, on 26 June 2007, the Travel Unit had approved a travel entitlement of \$3,342 for the ticket, or a \$5,170 difference. On 25 September 2007, in a copy of the travel request, the Travel Unit approved a higher travel entitlement of \$7,165 for the same itinerary. When the panelist requested full reimbursement on 1 October 2007, an amended travel request was approved on 2 November 2007, at a higher cost of \$8,512. Thus, the self-purchase of the ticket without obtaining prior approval from the UN resulted in a more expensive ticket because the traveler was reimbursed for an amount which exceeded the initial authorized entitlement. Since self-ticketing without prior approval can cause unnecessary expense to the Organization and have a negative impact on its travel resources, Executive Offices should obtain advance approval for the purchase of self-tickets for travel on official business.

17. The Travel Unit confirmed that there is no policy requiring the prior approval of the Travel Unit for the purchase of a self-ticket by the traveler. The Travel Unit indicated that it is the departments' responsibility to ensure that the traveler obtains approval prior to purchasing the ticket in accordance with ST/AI/2006/4. While self-ticketing has provided a level of flexibility to the traveler, it may prevent the Organization from benefiting from the negotiated fares the Travel Unit obtains from preferred carriers, and could have a negative impact on the travel resources of the Organization by purchasing tickets at a higher cost.

Recommendations 2 to 4

The Department of Management should:

- (2) **Instruct the Office of Human Resources Management to clarify, in consultation with the Travel Unit, the policy on the granting of security clearances. The policy should indicate that the required security clearance be granted before the ticket is issued.**
- (3) **Ensure that the new Enterprise Resource Planning system includes a control to only issue the ticket after the required security clearance is granted.**
- (4) **Instruct the Office of Human Resources Management to establish, in consultation with the Travel Unit, a policy requiring prior approval for the self-purchase of airline tickets in order for the Organization to benefit from the negotiated fares offered by the preferred carriers. The Travel Unit, during meetings with the Executive Officers, should inform them that they should obtain advance approval for the purchase of self-tickets for travel on official business.**

18. *DM accepted recommendation 2. OHRM stated that reinforcing the security clearance requirement is paramount, and making it a condition prior to granting or releasing of tickets will help correct bad administrative habits and strengthen the awareness on the security issue. OCSS stated that traveler tracking for security purposes is the primary responsibility of DSS which has a system in place, ISECT, that is used for this purpose. In the meantime, TTS has instructed the contracted travel agency to insert a text in the automated itinerary email to travelers reminding them of the requirement to complete a security clearance via the ISECT system since the beginning of June 2009. On 17 July 2009, DSS announced a new policy for the travel security clearance to include areas where no security phase is in effect. The system is available in the DSS website through the ISECT portal. Recommendation 2 remains open pending the issuance of a draft policy on the granting of a security clearance by OHRM. The policy should indicate that the required security clearance be granted before the ticket is issued.*

19. *DM has not indicated in its response whether it has accepted recommendation 3; however, the Department did state that in discussions with the UMOJA [Enterprise Resource Planning] Team, OCSS has emphasized the importance of this requirement. OIOS reiterates its recommendation 3 which remains open pending confirmation that DM will include a control in the new Enterprise Resource Planning system which enables issuance of a ticket only after the required security clearance is granted.*

20. *DM accepted recommendation 4. OHRM stated that it was a sound recommendation but some flexibility must be maintained to cover true force*

majeure cases. It also stated that economy should be one objective, but legitimate, emergency self-ticketing must be facilitated through a reasonable set of procedures. OCSS stated that a policy requiring prior approval for the self-purchase of airline tickets already exists for staff members, but to be congruent with the spirit of the recommendation, TTS will continue its effort to inform Executive Officers that they should obtain advance approval for the purchase of self-tickets for travel on official business based on the existing policy. Recommendation 4 remains open pending issuance by OHRM of a draft policy on self-purchase of airline tickets.

Advanced booking

21. At the present, there are no guidelines requiring or encouraging travelers to book airline travel in advance. The Travel Unit stated that it can provide lower ticket costs through the discounted fares it negotiates with various airlines, and that booking travel in advance, e.g. 21 or 14 days before the scheduled travel date, makes no difference in price. However, the Travel Unit was unable to document this assertion. At the annual travel seminar which OIOS attended, AMEX discouraged making travel reservations too close to the travel date because this could lead to higher ticket costs. AMEX promoted the use of the 21 or 14 day advanced booking option because this enabled it to obtain a lower ticket cost, thereby optimizing travel resources. However, AMEX also was unable to support its assertion that advanced booking saves money.

22. UNICEF confirmed that it requires its staff to make their reservations in advance, e.g. 21 or 14 days in advance, whenever possible in order to reduce ticket costs. The Travel Unit should review whether booking in advance is more advantageous cost-wise than relying solely on negotiated rates. If it is, then the Travel Unit should promote the practice of advanced booking for any travel activities which are known in advance such as scheduled conferences.

TTS website could be improved

23. During the audit, OIOS noted that the website of TTS, of which the Travel Unit is a part, could provide more information to users on travel procedures. OIOS is pleased to note that TTS has already taken corrective action to improve the website. However, TTS could further improve the website to better promote efficient use of travel resources, particularly since a travel manual is no longer published. For example, the website does not emphasize the need to obtain a security clearance prior to travel. In addition, while the website instructs the traveler to contact AMEX in case of changes in the itinerary, it does not elaborate on the procedures to be followed. In addition, the website does not promote on-line booking.

Recommendations 5 and 6

(5) The Assistant Secretary-General, Office of Central Support Services, should instruct the Travel Unit to conduct a study to determine whether advance bookings generate cost savings and if so, request the Office of Human Resources Management to issue an

administrative issuance requiring travelers to use advance booking as appropriate.

(6) The Assistant Secretary-General, Office of Central Support Services, should instruct the Travel and Transportation Section to enhance and update its website in order for it to be a more informative tool to its users and to promote greater efficiency in the use of travel resources.

24. *OCSS accepted recommendation 5 and stated that the time of actual purchase of the air ticket determines the ticket cost, not the time of booking. A booking can be made well in advance of the departure date but if the travel authorization is not issued timely, the booking will be automatically cancelled by the airline. Last minute ticket purchases are generally more expensive. A comparative cost benefit of advance purchases of air tickets has been studied periodically by the travel management service contractor and the information was widely shared with the Executive Offices and travel arrangers through the annual and other information sessions. Although the majority of air ticket purchases take place within 7 days of the departure date at the UN Secretariat, the Executive Offices/travel arrangers have indicated that the main reason for the late purchase of air ticket is the exigency of business and other operational reasons. OCSS has no objection to request OHRM to issue an administrative issuance as recommended. However, they are uncertain that the consequences of such an administrative issuance will/can result in the desired behavioral change by the travelers. Recommendation 5 remains open pending confirmation that a study has been conducted by the Travel Unit to determine whether advance bookings generate cost savings and if so, OHRM has issued an Administrative Issuance requiring travelers to use advance booking as appropriate.*

25. *OCSS accepted recommendation 6 and stated that TTS is in the process of updating its website in order for it to be a more informative tool to its users and to promote greater efficiency in the use of travel resources. Recommendation 6 remains open pending completion of the enhancements to the TTS website.*

Basis of 75 per cent lump sum option should be reviewed

26. The Travel Unit confirmed that no recent study has been conducted to verify if the policy of giving a lump sum of 75 per cent of the full economy fare is in fact a cost effective rate. The lump sum option can be exercised for travel on home leave, education grant, family visit, repatriation and separation. The lump sum option was originally established to simplify travel and achieve administrative and financial; cost savings. The option enables staff members to make their own travel arrangements and receive a lump-sum payment in lieu of the Organization providing the staff member with air travel and related entitlements.

27. The Joint Inspection Unit, in its June 2004 report on harmonization of the conditions of travel throughout the United Nations system identified concerns

with the lump sum option but stated that overall it was a benefit due to the decrease in administrative workload.

28. OIOS is of the opinion that DM should conduct a study on the efficiency and effectiveness of the lump sum option at the current rate of 75 per cent of the full economy fare, and assess whether it continues to be the most economical and cost effective way to optimize travel resources while providing the travelers with the appropriate entitlements to cover their expenses. *OHRM stated that a study must account for multiple variables including regional differences and differences according to routes for which there may be fewer or greater number of options and carriers available. It was also stated that other organizations' practices need to be considered and that administrative simplification must be an additional objective. OCSS stated that the formula for the calculation of lump sum has been established by the General Assembly.* While OIOS is not issuing a specific recommendation on this issue, it would like to stress the need for DM to periodically assess the cost-effectiveness of the lump sum option.

Entitlement to travel by business class when stop-over and subsistence allowance are provided en route

29. ST/AI/2006/4 provides that for staff below the ASG level, the class immediately below first class will be provided for travel on official business, when the duration of the journey is nine hours or longer. The duration is determined based on the combined flying time of all legs of the journey to a given destination by the most direct and economical route available, provided that the journey is not interrupted by official stops of more than one day.

30. This Administrative Instruction provides that for journeys over 16 hours, the staff member may have one stopover with travel subsistence allowance for rest purposes, which shall not exceed 24 hours, at an intermediate point in the journey.

31. The above two provisions, when taken together, provide for a staff member, in certain circumstances, to be entitled to both travel by business class and an intermediate rest stopover for one day with full subsistence allowance. For example, a staff member traveling to South-East Asia or Africa via Europe would be entitled to travel to Europe on business class, stop and rest for one day at a European city en route, with the applicable travel subsistence allowance, and then proceed by business class to the ultimate destination. This would apply even where the journey on the first leg to the European city was shorter than nine hour, and would not normally qualify for business class travel, such as London, Paris or Geneva. It also applies when the continuing leg of the journey is shorter than nine hours.

32. The intention of granting business class travel for journeys over nine hours was to alleviate the exhaustion that would come with a long and tedious journey and to enable the staff member to arrive in good physical condition. If the journey is broken, and the staff member is afforded an opportunity to recuperate for a day at the expense of the UN, then it raises the question as to

why business class should be provided, especially if the second leg of the journey was under the stipulated nine hours.

33. Therefore, under the existing rules and the manner in which they are applied, it is entirely possible for a staff member to undertake an official round-trip with four distinct legs and two breaks in between, and travel business class on all legs and collect travel subsistence allowance for two days, although none of the four legs exceed nine hours. While such cases may be rare, this example nonetheless reinforces the fact that the Organization may be incurring unnecessary expenditures. Even if savings could be made on one or two of the legs of a journey by providing economy rather than business class, such savings could be substantiated.

34. Consequently, the Organization should consider adopting a policy of providing business class for those staff members traveling over nine hours without a stop-over to their final destination, and, in the interests of economy, for those staff taking a rest stopover en route at the cost of the Organization, providing economy class tickets for those flight segments after the stop-over where the journey duration to the final destination is less than nine hours.

35. DM confirmed that a number of such cases did exist but stated that none of these cases could be considered unjustified as there was no violation of the provisions of ST/AI/2006/4. Furthermore, according to DM, it is possible and even likely that due to the way in which fares are constructed, if the OIOS proposal were implemented, it could actually lead to an increase rather than a reduction in costs.

Recommendation 7

(7) The Department of Management should instruct the Office of Human Resources Management to review, in consultation with the Travel Unit, ST/AI/2006/4 and determine whether the practice of providing business class travel for flight segments shorter than nine hours in conjunction with a stop-over is in the best interest of the Organization and revise the instruction accordingly.

36. *DM accepted recommendation 7, but stated that the proposal by audit may be cumbersome to administer and may complicate ticketing with questionable benefits to be obtained; that the use of the UN's nine-hour rule lags behind best practices and medical recommendation, and that the cost/benefits should be weighed as part of the review. Recommendation 7 remains open pending receipt of supporting documentation showing that the recommendation has been implemented.*

B. Best practices related to travel

37. To benchmark and identify best practices, OIOS reviewed the travel practices of UNICEF and UNDP, which are also parties to the UN travel management services contract with the American Express Travel Related

Company Inc. (AMEX) and compared them to the UN Secretariat travel policies. OIOS identified the following:

38. One practice identified involves the UN Travel Unit's "pre-auditing" of every travel request to establish the authorized airfare before ticketing. OIOS determined that UNICEF reviews the fare established by AMEX before the ticket is issued, whereas UNDP informed that it relies on post-auditing only. The practice of 100 per cent pre-auditing has already been raised in the recent OIOS report, Audit of the contract between the United Nations and American Express Travel Related Company Inc. (AH2008/513/05), as well as in a previous OIOS report (AM 96/49), Management audit of United Nations travel, and the Joint Inspection Unit report in 1996. All reports recommended ending the 100 per cent pre-audit, which DM declined.

39. In view of the above, OIOS is of the opinion that, instead of the 100 per cent pre-auditing, the Travel Unit should make alternative arrangements for fare auditing using external experts on at least an annual basis.

40. When surveyed about possible best practices, one department proposed the establishment of an on-line cost estimate for use by the staff processing the travel, i.e., the administrative assistant. This could achieve savings by allowing staff to obtain estimates without having to contact the Travel Unit and AMEX for cost estimates. This could also avoid obligating higher estimates, which may not be realistic, and thereby encumbering a higher allocation of funds than necessary, which may prevent the efficient management of travel resources.

41. The audit also disclosed that staff have not been using the on-line booking tool (OBT) because they are either not aware of this option or they prefer to consult with an agent. UNICEF, on the other hand, has encouraged its staff to use the OBT and currently, approximately 30 per cent do so for both domestic and international travel. UNICEF also, in renewing the AMEX contract, requested that the AMEX facility be located off-site, in order to save approximately \$250,000.

42. In the report, AH2008/513/05, OIOS made the recommendation that the Organization find ways to increase the use of online travel reservation tools. DM declined the recommendation saying that the complexities and multi-leg itineraries of UN travel are generally not conducive to the structure of current OBT, and that OBT lacked the financial controls and linkage to the UN travel authorization, certification and funding process for official travel. DM said it recognized that OBT technology will continue to improve and may ultimately result in a reduction of travel agency involvement and fulfillment, lowering the operating cost to the Organization. OIOS had taken into consideration DM's response but reiterated its recommendation about promoting the use of OBT.

C. Compliance with UN Regulations and Rules

43. OIOS tested on a limited statistical sample basis compliance with the UN Regulations and Rules governing travel on official business, including travel for conferences, interviews, education grant, and home leave. Based on this limited

testing, OIOS concluded that compliance generally had been achieved. However, OIOS did identify the following, which the Travel Unit should discuss in meetings and trainings with staff involved in the travel management process, in order to improve the process and to reinforce the need for compliance.

44. Eight travel requests out of fifty-five reviewed (15 per cent) had been initiated several months after the travel had already taken place. The administrative issuance, ST/AI/2006/4, stipulates that "Under staff rules 107.6, 207.4 and 307.2, all official travel must be authorized in writing before it is undertaken. In exceptional cases, staff members may be orally authorized to travel. In such cases, written confirmation shall be required". In addition, under ST/IC/2001/43 prior authorization for official travel continues to be required. For those cases where prior approval had not been sought, DM should request for the departments and offices to provide the Travel Unit with a periodic listing of such cases with justification for this contravention of rules.

45. One of the sampled travel actions showed that travel to an official meeting on the UN Forum on Forests was supposed to be funded from extrabudgetary resources. However, the department processed the travel using regular budget funds in the interim, before ensuring the receipt of the contributions, and failed to reverse all the related charges. UN Financial Regulation 5.1 stipulates that "The appropriations voted by the General Assembly shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted". In this case, the use of funds approved for a specific purpose for a different purpose is a violation of the financial regulations and could have a negative impact on the delivery of the programme initially approved for the regular budget.

46. Twelve of fifty-five claims (22 per cent) sampled had been processed without the full supporting documentation required, i.e. copies of tickets, boarding passes, etc., as per ST/SGB/107/Rev.6 and ST/AI/2006/4. In addition, a member of a subsidiary organ failed to use the correct reimbursement form, F.56, which could lead to inaccurate reporting of financial information. ST/SGB/107/Rev. 6 stipulates the following: "Claims should be submitted on form F.56 (Reimbursement voucher for official travel of representatives of Member States to the Executive Office, Department of Administration and Management, in the case of General Assembly travel, and to the secretary of the organ concerned or to the Field Operations Division, as appropriate, in all other cases)..."

47. *DM stated that TTS stresses the importance of compliance with UN Regulations and Rules and other administrative issuances.* OIOS however, continues to stress the importance of the EO's need to comply with ST/AI/2006/4, ST/SGB/107/Rev. 6 and the UN Rules and Regulations to ensure that travel requests are initiated before the travel takes place; and for full supporting documentation to be provided before certifying claims for reimbursement of travel expenses, and that the appropriations are used for the purposes intended, respectively.

Recommendations 8 and 9

(8) The Travel Unit, during meetings and training sessions with Executive Offices, should stress the importance of compliance with the UN Rules and Regulations and other administrative issuances on travel.

(9) The Assistant Secretary-General, Office of Programme Planning, Budget and Accounts, should instruct the Travel and Vendor Claims Unit to ensure that travel expenses are only reimbursed upon receipt of the correct reimbursement form and with full supporting documentation.

48. *OCSS accepted recommendation 8 and stated that TTS, together with the contracted travel agency, invites Executive Officers and travel arrangers on an annual basis to brief them on travel policies and clarify travel issues. In addition to the regular annual briefing sessions, TTS with the contracted travel agency arrange for ad hoc sessions when deemed necessary. Such an ad hoc information session was arranged for CTED's Executive Officers and travel arrangers in February 2009. It also stated that TTS routinely addresses any questions from OAH's field missions and Funds and Programmes by phone/e-mail and in person. In this respect, the recent in-person educational session was conducted in February 2009 for ITLOS' travel arranger. In all above mentioned instances, the Travel and Transportation Section stresses the importance of compliance with the UN Regulations and Rules and other administrative issuances on travel. Based on the action taken by OCSS, recommendation 8 has been closed.*

49. *DM accepted recommendation 9 and stated that OPPBA has satisfied OIOS request and provided all the requested supporting documentation in full. Out of the 12 cases OIOS identified that did not have full supporting documentation, OIOS accepts 3 of OPPBA's' responses where the Travel and Vendor Claims Unit has provided copies of the missing documentation. In OIOS' opinion, the justification provided by OPPBA for the remaining nine cases does not comply with the guidelines stipulated in ST/SGB/107/Rev. 6 and ST/AI/2006 in respect of the requirement that full supporting documentation should be submitted for reimbursement purposes. Recommendation 9 remains open pending receipt of a copy of the instructions issued by OPPBA to the Travel and Vendor Claims Unit to ensure that travel expenses are only reimbursed upon receipt of full supporting documentation and the use of the correct reimbursement form.*

V. ACKNOWLEDGEMENT

50. We wish to express our appreciation to the Management and staff of DM, OCHA, DGACM, DESA, DFS and DPKO 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 Assistant Secretary-General, Office of Central Support Services, should instruct the Travel Unit to conduct periodic meetings with the Executive Officers and programme managers at Headquarters to brief them on travel policies and clarify travel issues. The Travel Unit should also hold periodic workshops on the application of travel rules, policies and procedures.	Compliance	Medium	C	Recommendation is closed.	
2	The Department of Management should instruct the Office of Human Resources Management to clarify, in consultation with the Travel Unit, the policy on the granting of security clearances. The policy should indicate that the required security clearance be granted before the ticket is released.	Operational	Medium	O	Receipt of evidence that OHRM has drafted a policy on granting of security clearances and which indicates that the required security clearance is to be granted before the ticket is issued.	30 November 2009 + time to complete formal consultations.
3	The Department of Management should ensure that the new Enterprise Resource Planning system includes a control to only issue the ticket after the required security clearance is granted	Operational	Medium	O	Receipt of confirmation that DM will include a control in the new Enterprise Resource Planning system which enables issuance of a ticket only after the required security clearance is granted.	Not provided.
4	The Department of Management should instruct the Office of Human Resources Management to establish, in consultation with the Travel Unit, a policy requiring prior approval for the self-purchase of airline tickets in order for the Organization to benefit from the negotiated fares offered by the preferred carriers. The Travel Unit,	Operational	Medium	O	Receipt of evidence that OHRM has drafted a policy on self-purchase of airline tickets.	30 November 2009 + time to complete formal consultations.

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
5	during meetings with the Executive Officers, should inform them that they should obtain advance approval for the purchase of self-tickets for travel on official business The Assistant Secretary-General, Office of Central Support Services, should instruct the Travel Unit to conduct a study to determine whether advance bookings generate cost savings and if so, request the Office of Human Resources Management to issue an administrative issuance requiring travelers to use advance booking as appropriate.	Financial	Low	O	OCSS to provide evidence that a study has been conducted to determine whether advance bookings generate cost savings, and if so, OHRM has issued an Administrative Issuance requiring travelers to use advance booking as appropriate.	December 2009
6	The Assistant Secretary-General, office of Central Support Services, should instruct the Travel and Transportation Section to enhance and update its website in order for it to be a more informative tool to its users and to promote greater efficiency in the use of travel resources.	Operational	Medium	O	Receipt of evidence that ITTS' website has been enhanced.	December 2009
7	The Department of Management should instruct the Office of Human Resources Management to review, in consultation with the Travel Unit, ST/AI/2006/4 and determine whether the practice of providing business class travel for flight segments shorter than nine hours in conjunction with a stopover is in the best interest of the Organization and revise the instruction accordingly.	Financial	Low	O	Receipt of evidence that OHRM, in consultation with the Travel Unit, has implemented the recommendation	15 December 2009
8	The Travel Unit, during meetings and training sessions with Executive Offices, should stress the importance of compliance with the UN Regulations and Rules and other administrative issuances on travel	Financial	Low	C	Recommendation is closed.	

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
9	The Assistant Secretary-General, Office of Programme Planning, Budget and Accounts, should instruct the Travel and Vendor Claims Unit to ensure that the travel expenses are only reimbursed upon receipt of the correct reimbursement form and with full supporting documentation	Compliance	Medium	O	Receipt of a copy of the instructions issued by OPPBA to the Travel and Vendor Claims Unit ensuring that the travel expenses are only reimbursed upon receipt of the correct reimbursement form and with full supporting documentation	OPPBA considers that the recommendation has been implemented, therefore no date has been provided.

1. C = closed, O = open
2. Date provided by [client] in response to recommendations. [Insert "Not provided" where date is not provided; "Implemented" where recommendation is closed; (date) given by the client.]