



# **INTERNAL AUDIT DIVISION**

## **REPORT 2024/095**

---

### **Audit of the travel process at the United Nations Headquarters in New York**

**The travel policy needed to be reassessed to improve operational efficiency and traveller experience, and enable entities to adopt cost-saving strategies that are more suitable to the nature of their operations and travel requirements**

**27 December 2024**

**Assignment No. AH2023-612-01**

# **Audit of the travel process at the United Nations Headquarters in New York**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the travel process at the United Nations Headquarters in New York. The objective of the audit was to assess the adequacy and effectiveness of controls over the travel process at the United Nations Headquarters in New York. The audit covered official, entitlement, and human resources travel that were processed at the Headquarters in New York and undertaken from 1 January 2022 to 30 June 2024. The scope of the audit included policies and procedures, the travel management process and contract management for travel support operations.

In 2022 and 2023, official travel at the Headquarters in New York amounted to \$54.6 million and \$68.6 million, respectively. The audit found that the policy governing travel included multi-layered criteria and requirements, which may compromise operational efficiency and effectiveness. While compliance with the requirement of purchase of ticket at least 16 days in advance of official travel has improved steadily over the past years, some entities faced a challenge to comply with it due to the nature of their operations. Also, early booking did not always result in cost savings due to the complex pricing scheme adopted by airlines. Therefore, the Organization needed to explore other approaches to manage travel costs in addition to the early planning of travel, including scheduling of events, increased use of virtual communication to replace travel, and strategic use of self-ticketing for certain types of travel. Increased flexibility and practicality of the travel policy would improve the operational efficiency and traveller experience.

OIOS made five recommendations. To address issues identified in the audit,

The Department of Management Strategy, Policy and Compliance (DMSPC) needed to:

- Reassess the travel policy for its continued effectiveness, considering financial and non-financial implications of travel and latest industry developments.

The Department of Operational Support (DOS) needed to:

- Amend the information circular on travel to provide guidance on travel arranged outside the Umoja system and incorporating the details of such travels in relevant reports;
- Communicate to travellers and entities, additional cost-saving approaches to manage their travel requirements that may be more tailored to their operational needs;
- Strengthen profile management in travel system tools to ensure that they only retain active staff profiles; and
- Allocate resources to a dedicated role to closely monitor travel management company contract compliance, verify performance data, analyze traveller's complaints and address common issues promptly.

DOS and DMSPC accepted the recommendations and have initiated actions to implement them. Actions required to close the recommendations are indicated in Annex I.

# CONTENTS

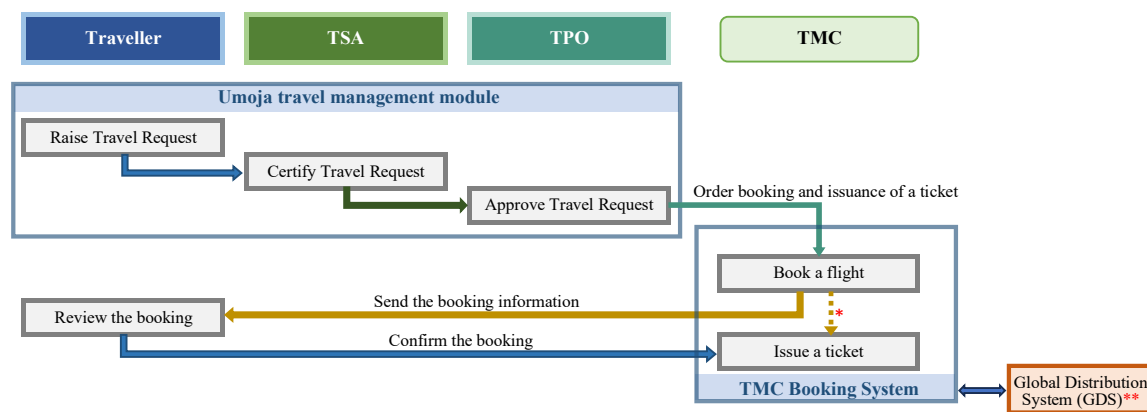
I.	BACKGROUND	1-2
II.	AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2-3
III.	AUDIT RESULTS	3-13
	A. Policies and procedures	3-5
	B. Travel management process at the United Nations Headquarters	6-10
	C. Contract management for travel support operations	10-13
IV.	ACKNOWLEDGEMENT	13
ANNEX I	Status of audit recommendations	
APPENDIX I	Management response	

# Audit of the travel process at the United Nations Headquarters in New York

## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the travel process at the United Nations Headquarters in New York.
2. Travel in the United Nations takes various forms such as official travel (i.e., official business, meetings, training, and evacuation), entitlement travel (i.e., home leave, family visit, rest and recuperation, and education grant), and human resources travel (i.e., appointment, separation, and assignment). Travel is undertaken by staff, their eligible family members, and other authorized travellers, including consultants, event participants, and uniformed personnel. The Staff Regulations and Rules (ST/SGB/2023/1) govern travel management in the United Nations, supplemented by the administrative instructions on official travel (ST/AI/2013/3). Further, the information circular on official travel (ST/IC/2019/16) provides interpretations and operating guidance on travel administration.
3. The Travel Unit of the Travel and Transportation Section (TTS) in the Division of Administration (DOA) of the Department of Operational Support Operations (DOS) centrally supports travel administration at the Headquarters in New York. With 29 staff members on board as of 1 June 2024,<sup>1</sup> the unit plays a key role in, among others, processing travel documents and visas, approving travel requests, and generally overseeing the implementation of travel-related policies. Booking and ticketing services for air and rail transport are outsourced to a travel management company (TMC) which provides 14 agents as key personnel per the contractual agreement.
4. The main participants in the travel process are the traveller, Travel and Shipment Approver (TSA), TTS's Travel Processing Officer (TPO) and the TMC. They play the roles in the arrangement of official travel as illustrated below.

**Illustration 1: Typical process for official travel**



\* TMC proceeds to ticketing when a traveller does not respond within one working day.

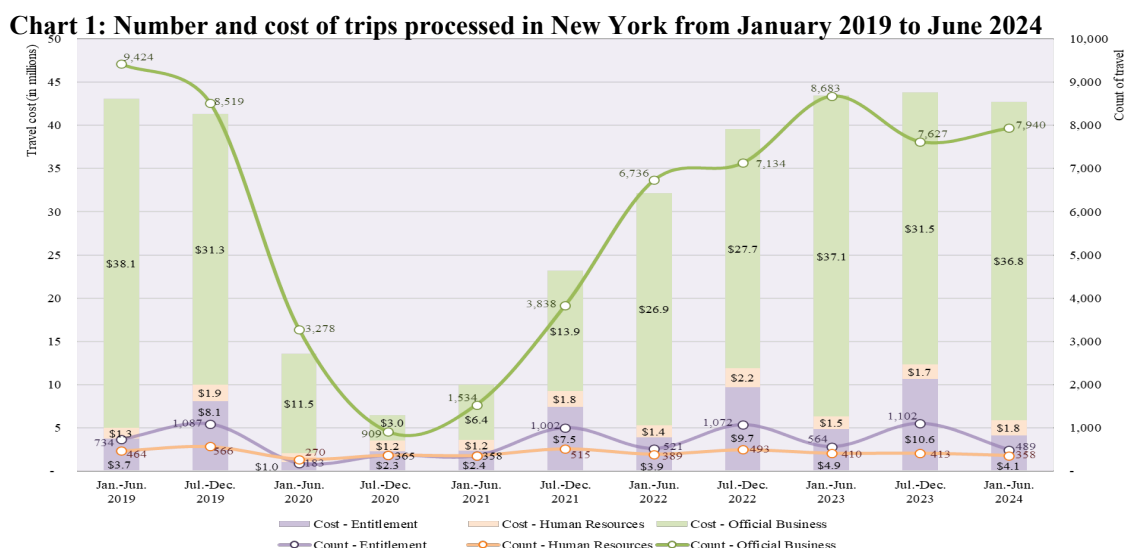
\*\*GDS is a computerized global reservation system that acts as a conduit between suppliers (e.g., airlines) and users (i.e., TMC).

5. The travel process is supported by the Umoja travel management module and the Global Distribution System (GDS), whose access is provided by TMC. The two systems are not interfaced. In addition, data analytic solutions are used to generate various statistics on the interactive dashboard for travel monitoring.

<sup>1</sup> One travel assistant is loaned from the Procurement Division. With five vacant posts, the Travel Unit comprises 34 posts.

6. Travel expenditure accounted for a small part of the overall programme budgets,<sup>2</sup> but travel has been an area of keen interest for the General Assembly, with calls to improve air travel management and the effective and efficient utilization of air travel resources. Of the three travel categories used at the United Nations Headquarters (i.e., official travel, entitlement travel, and human resources travel), official travel made up the most significant part of travel expenditures. In 2022 and 2023, official travel at the Headquarters in New York amounted to \$54.6 million and \$68.6 million, respectively.

7. Travel costs typically include airfare, daily subsistence allowance (DSA), terminal expenses, excess baggage charges, and other travel-related miscellaneous expenses. Travel costs dropped sharply during the COVID-19 pandemic, affected by travel restrictions imposed by many countries. In recent years, however, the number and cost of trips processed at the New York Headquarters have returned to the pre-pandemic level, as shown in Chart 1 below.



8. The United Nations entered into a contract with the current TMC in October 2018 for all-inclusive travel management services<sup>3</sup> for a not-to-exceed (NTE) value of \$7 million over a period of four years. In April and June 2024, two amendments were signed to extend the terms of the contract until June 2025 with a revised NTE value of \$8.9 million. In May 2024, the Procurement Division issued a request for proposal to replace the current contract, and the procurement exercise was underway at the time of the present audit.

9. Comments provided by DMSPC and DOS are incorporated in italics.

## II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

10. The objective of the audit was to assess the adequacy and effectiveness of controls over the travel process at the United Nations Headquarters in New York.

11. This audit was included in the 2023 risk-based work plan of OIOS due to the financial and operational risks associated with the travel process at the Headquarters in New York.

<sup>2</sup> 2.3 per cent of the 2023 regular budget and 0.4 per cent of the 2022/2023 peacekeeping budget.

<sup>3</sup> The contractor is responsible for providing all the necessary personnel, supervision, transport, any other equipment, material, consumables, supplies, and all necessary arrangements, to ensure the fulfilment of its obligations of the contract for its entire duration.

12. OIOS conducted this audit from July to October 2024. The audit covered all travel processed at the Headquarters in New York and undertaken from 1 January 2022 to 30 June 2024. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the travel process at the Headquarters in New York, which included: (a) policies and procedures; (b) travel management process; and (c) contract management for travel support operations.

13. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation, (c) analytical review of Umoja data pertaining to 43,931 trips undertaken during the scope period; (d) sample testing of various types of travel using the stratified random sampling method; and (e) process walk-through.

14. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

### III. AUDIT RESULTS

#### A. Policies and procedures

The travel policy needed to be assessed and suitably adjusted

15. Travel policies and procedures were established to achieve effective travel management while implementing adequate internal controls. However, the travel policy included multi-layered criteria and requirements, as detailed below, which may compromise operational efficiency and effectiveness.

(a) Complex criteria to be considered to determine the route and flying class

16. As per the travel policy, the normal route for all official travel should be the most economical route available, provided that the total additional time of the whole journey does not exceed the most direct route by four hours or more. An example of the application of this requirement is shown in Table 1, which lists available one-way flights from New York to Geneva. In this case, the most economical option for purchase is Flight D.

**Table 1: Example of selecting a flight from available options**

<i>Options</i>	<i>Number of stops</i>	<i>Total duration</i>	<i>Price</i>	
Flight A	Non-stop	7 hrs. 35 mins.	\$568	◀ Most direct
Flight B	Non-stop	7 hrs. 45 mins.	\$480	
Flight C	1 stop	10 hrs. 05 mins.	\$390	
Flight D	1 stop	11 hrs. 10 mins.	\$388	◀ Most economical among available options
Flight E	1 stop	11 hrs. 40 mins.	\$312	◀ Exceed the duration threshold
Flight F	1 stop	12 hrs. 05 mins.	\$246	◀ Exceed the duration threshold

17. For the flying class, travellers are eligible to business class for travel on official business and on appointment, assignment and separation when a single-leg journey is 9 hours or more and for multi-leg journeys if the combined travel time of the journey is 11 hours or more. Further, in computing durations of multi-leg trips, consideration must be given to: (a) connection time to determine the total flight duration, as it is restricted to up to two hours only, regardless of the actual layover time; and (b) the journey to the next destination must resume within 12 hours as a longer stop would impact the authorized standard of accommodation, if not in economy class. Also, the authorized travel itinerary is impacted by rules, such as: (a) rest time is granted for travel in economy class only if the journey is longer than six hours. In these cases, the traveller is normally not expected to start work within 12 hours; and (b) travellers who use business class must report to duty within 4 hours or a reasonable time.

18. These requirements made it difficult to automate the travel process. In line with the general direction of the United Nations to streamline business processes by automation, DOS introduced an online travel booking tool in 2015. The tool was expected to bring efficiency by enabling travellers to select their flights based on a range of options. However, the tool could not consistently and accurately provide travellers with flight options that meet all applicable requirements in the travel policy. The process thus required varying degrees of intervention by TTS and/or the TMC.

(b) Application of the policy and resultant inconveniences for some routes

19. There were instances where the application of the travel policy resulted in arduous journeys. For example, for a trip exceeding 16 hours including a layover of 7 hours and 30 minutes after an overnight flight, the flying class was economy as only two hours of the layover were counted towards the admissible connection time as per the policy. In other instances, travellers were only offered routes with connections, when direct flights were readily available for slightly higher airfares. For example, TMC offered a ticket from New York to a city in Europe with transit in another country when several direct flights were available with price differences of about \$100. Similarly, a traveller had to take a 5:00 am flight, which required the traveller to arrive at the airport at 3:00 am, when a 9:00 am flight was available for a €10 difference. This may not be the best option for solo travellers in terms of convenience and safety in certain locations. With minor price differences, travellers could have used more practical flights with reduced risk of failed connections and safety concerns.

(c) Overall cost of travel

20. The “most economical route” has historically been determined only on the basis of airfare. The service level agreement with the TMC thus reads, “the contractor shall book and ticket all reservations for official travel at the lowest available fares and rates that are consistent within the entitlement of the applicable travel policy.” As such, TMC mostly followed the instruction, as detailed in Section C of the present report, which caused inconvenience for some travellers who may attribute it to the TMC’s inflexibility and poor performance.

21. For effective travel management, the policy may need to consider overall cost associated with travel, including indirect and intangible costs. For instance, multi-leg flights have a higher risk of delays or missed connections, which may result in additional resources (e.g., travel funds of the Organization and time of travellers and support personnel). Also, multi-leg flights often have higher greenhouse gas emissions than direct flights because significant fuel consumptions occur during take-off and landing. Further, most economical flights may not include basic services such as advance seat selection and checked luggage allowance. There were several instances where travellers had to pay for luggage at the airport counter because their tickets did not include the option. In such cases, travellers would need to claim them as “other travel expenses” in the expense report after the completion of the travel. The Organization reimbursed about \$548,000 for other travel expenses during the scope period. The most economical ticket selected may not be the most economical with subsequent add-on expenses. Furthermore, overly arduous travel would impact travellers’ wellness and productivity, which may undermine the achievement of travel objectives.

22. The General Assembly noted in resolution 77/263 B that “a transition to a single threshold for business class travel may expand the use of online booking tools,” as an automated process would likely increase efficiency and traveller satisfaction. Since the travel policy is the purview of the General Assembly, it would be appropriate to bring to the attention of the Assembly the need to reassess the travel policy for their practicality, considering financial and non-financial implications of travel, and suitably adjust the policy to enable a more streamlined process that can be automated with the online booking tool. The Administration last conducted a full-scale review of the travel policy in 2012 with the help of a consultant.

However, there has since been no review on a similar scale, although some targeted reviews were conducted, such as on the thresholds to determine the flying class or treatment of mileage. It would be beneficial to reassess the travel policy for its continued effectiveness, considering the matters discussed above as well as those presented later in the report, taking into account the latest developments in the travel industry.

**(1) DMSPC should reassess the travel policy for its continued effectiveness, considering financial and non-financial implications of travel, and taking into account the latest developments in the travel industry.**

*DMSPC accepted recommendation 1 and stated that the Organization's travel policy is primarily based on the decisions of the General Assembly, and matters concerning cost-effectiveness and industry developments are presented to the Assembly biennially. The latest such report, to be discussed during the seventy-ninth first resumed session of the General Assembly, will include a proposal to establish a single threshold to determine the standard of accommodation for air travel, which would greatly simplify the process and reduce administrative costs. The travel policy would be revised based on the General Assembly's decisions.*

Arrangements of travel outside Umoja needed to be regularized

23. Heads of entities have delegated authority to procure services from United Nations agencies, including travel arrangement services, based on the mutual recognition principle.<sup>4</sup> However, the information circular on travel (ST/IC/2019/16) was yet to be updated to reflect this change as it continues to state that “all travel at the Organization's expense for all categories of travellers must be processed through the Umoja travel module. Travel by commercial aircraft or train may not be procured via purchase orders, contract, or other means.” DOS needed to initiate an amendment to the information circular to resolve this discrepancy.

24. In 2023, 387 purchase orders were issued to agencies to provide travel management services in the United Nations Secretariat, 139 (36 per cent) of which, totalling \$2.8 million, were not captured in the travel management module. Similarly, at least 474 unique entries in Umoja during 2023 indicated that travel costs such as airfares and DSA for consultants and event participants were paid through fund commitments without being processed in the travel management module in the United Nations Secretariat. Since reporting on travel is based on information from the travel management module, the omission of transactions occurring outside the module undermines the accuracy of operational reporting, including in the report of the Secretary-General to the General Assembly on the standards of accommodation for air travel.

**(2) DOS should initiate an amendment of the information circular on travel (ST/IC/2019/16) to provide guidance on the arrangement of travel outside the Umoja travel module, including the reporting on such travel to ensure accuracy of related reports.**

*DOS accepted recommendation 2 and stated that it would, in quarter 1 of 2025, formally request DMSPC, as the designated owner of the travel policy, to review and revise the relevant sections of the information circular. This would also include any changes arising from the General Assembly's consideration of the upcoming report on the standards of accommodation for air travel mentioned above.*

---

<sup>4</sup> The mutual recognition statement was developed in conjunction with the management reform, and it was signed by the Secretary-General and 22 other executive heads to facilitate active collaboration across agencies and reduce transaction costs.



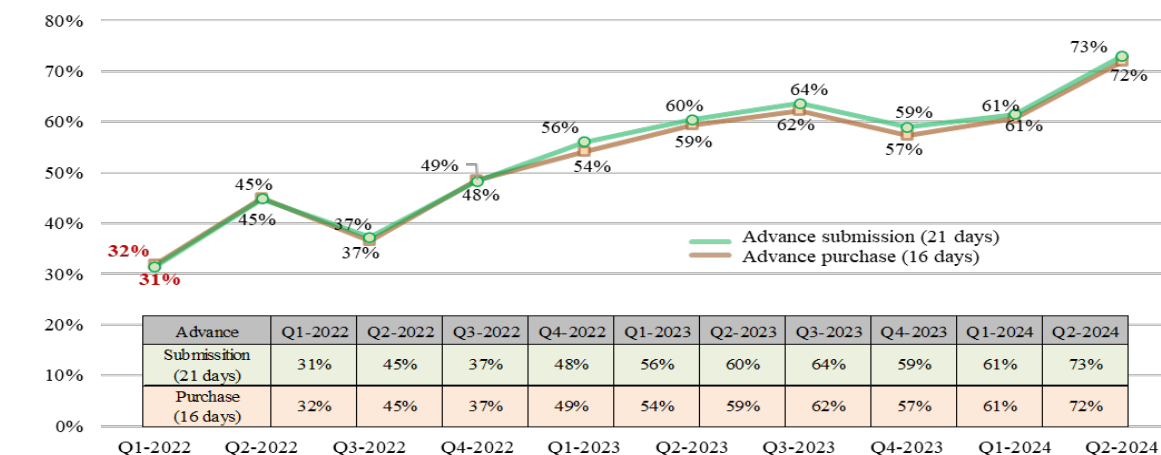
## B. Travel management process at the United Nations Headquarters

### Compliance with advance ticketing requirements has improved steadily

25. As per the travel policy, travel arrangements should be finalized 16 calendar days before the commencement of official travel. To meet this timeline, travellers must submit travel requests at least 21 calendar days before their departure. While early booking does not guarantee cost savings, given the difficulty of predicting the lowest price points in the pricing scheme known as dynamic pricing,<sup>5</sup> it generally increases the likelihood of obtaining lower fares.

26. In the first quarter of 2022, the Under-Secretary-General of DMSPC informed heads of entities of the need to improve their performance against the advance purchase requirement and encouraged the use of monitoring tools to support their efforts. Advance submissions of travel requests and advance ticket purchases for official travel have since steadily improved in a similar manner, which confirmed that early submission of travel requests led to early booking and issuance of tickets. The highest level of compliance was recorded in the second quarter of 2024, with 73 per cent and 72 per cent for advance submissions and purchases, respectively, as shown in Chart 2.

**Chart 2: Performance against advance submissions and purchases for official travel processed at the United Nations Headquarters in New York**



Source: Umoja travel reports

27. While a few entities showed performance fluctuating at lower rates of compliance, most entities (42 of 48<sup>6</sup> or 88 per cent) had improved their performance over the period from January 2022 to June 2024. In July 2024, a revised travel policy came into effect, requiring early submission of travel requests (i.e., 21 days) as a prerequisite for all business-class travel for travellers at the D-2 level and below, where applicable. This is expected to further support the effort of advance submissions and purchases for official travel.

<sup>5</sup> With dynamic pricing, ticket prices continuously fluctuate, driven by supply, demand, competition, and customer behaviour.

<sup>6</sup> Entities which undertook more than 10 trips during the review period.

### The timeliness of ticketing needs to be closely monitored as part of contract management

28. As previously mentioned, early submission of travel requests generally led to early booking and issuance of tickets. However, there were instances where ticketing only took place at the last moment, which rendered the effort of early submission moot.

29. OIOS reviewed randomly selected 50 trips that were ticketed less than three days to departure and noted three leading causes for last-minute ticketing. Firstly, travellers subsequently amended their travel itineraries, which resulted in a change of flights, additional reviews, and delayed ticketing. Secondly, failed communication, such as misunderstanding and delayed responses to inquiries and requests, hampered the process. (The TMC's performance in responding to calls and emails is explained in Section C). Thirdly, some TMC agents waited for traveller's confirmation of booking to purchase tickets, although the agents were instructed to issue tickets within one working day due to the perishable nature of air tickets.<sup>7</sup>

30. To address the issue of late ticketing, TTS requested the TMC for corrective action, which prompted the replacement of some agents. Other causes of late ticketing included cancellation of original flights by airlines due to external factors such as strikes and weather, and travellers' unique roles,<sup>8</sup> which necessitated last-minute changes.

31. To realize the intended benefits of the advance ticketing requirement, it is essential that travel requests are processed without delays, especially in the ticketing phase. OIOS made recommendation 5 (Section C) in this regard.

### Need to explore cost-saving strategies that suit entities' operations and travel requirements

32. Early submission of travel requests (i.e., 21-day rule) was the standard and primary cost-saving strategy for many entities in the United Nations, and the Business Transformation and Accountability Division monitors the performance as one of the accountability indicators. Early booking almost always resulted in lower fares before airlines adopted dynamic pricing. With the pricing scheme today, however, changes in supply and demand constantly move ticket prices up and down at any point in time. OIOS noted several instances where tickets booked early were more expensive than those booked late for the same flight, flying class, and travel durations.

33. While advance booking of flights is still a good practice, there was a need to explore other cost-saving strategies that suit the nature of the entity's operations and meet its travel requirements. Some entities explained that it was not always feasible to plan travel in advance because the nature of their work required staff to travel with short notice. Others highlighted the difficulty of finalizing the schedules of travellers who were external to the Organization, such as committee chairs and members. These entities could adopt other strategies that may better suit their operations and effectively save travel costs, such as the following.

34. **Scheduling of events:** The timing of travel (i.e., seasons and day of the week) is a significant factor that drives ticket prices. For example, flights departing in the middle of the week (i.e., Tuesday, Wednesday and Thursday) were often cheaper than weekend flights or flights on Monday/Friday. Differences in airfares might easily cover a few additional days of DSA. The entities that frequently host meetings and conferences could strategically schedule events for more economical travel. There were a few cases where a

---

<sup>7</sup> In the recent years, a reserved ticket must be issued within a short validity window, or it is cancelled. Further, duplicated reservations are prohibited by the International Air Transport Association.

<sup>8</sup> Travellers accompanying the Secretary-General, the Deputy Secretary-General, or other prominent individuals.

conference/meeting was scheduled to start in the middle of the week, allowing participants to take a more economical flight.

35. **Location of events:** Related to the timing of travel, a location can be selected strategically to the extent possible, for conferences, workshops, and retreats considering the high and low seasons of destinations. Ticket prices usually surge during holidays or vacation seasons for many routes, but some destinations do not follow the seasonal trend. Also, DSA is a major part of travel costs, and conscious selection of a location may assist entities' cost-saving efforts.

36. **Alternative methods of communication and representation:** In a series of resolutions,<sup>9</sup> the General Assembly has reiterated its request to the Secretary-General to hold managers accountable for the judicious use of travel resources by encouraging the use of alternative methods of communication and representation. In response to OIOS queries, only about a third of TSAs asked agreed that travellers actively sought alternative means of travel such as virtual meetings and video conferences. While in-person attendance may be necessary in some cases, further effort in this area would lead to meaningful cost savings.

37. **Use of self-ticketing:** OIOS review showed that airfares offered by major online travel service providers were often lower than those available in GDS. Also, tickets of some low-cost carriers were not available in GDS. Using the self-ticketing option for certain routes may be an effective cost-saving strategy, while recognizing associated risks, such as the lack of the TMC agent's support in cases of changes and cancellation of flights. To encourage effective and conscious use of the self-ticketing option, TTS issued a broadcast to personnel at the New York Headquarters in November 2023, elaborating on the self-ticketing process and potential risks. Facilitating travellers' learning may prompt increased and strategic use of self-ticketing as a viable option for cost savings. Section C provides additional details in this regard.

38. **Mode of travel:** For certain routes, air travel may not be the best option in terms of overall costs and/or convenience. For example, New York - Washington D.C. was one of the most frequently travelled routes during the scope period. Of 553 tickets issued by TMC for this route in 2022 and 2023, about 33 per cent used commercial air. The average airfare was 17 per cent higher than the fare of rail travel. Although the flight duration is only one-third of that of rail, the total travel time may not differ significantly considering the time to/from the airport and the recommended practice to arrive at the airport two hours before departure for domestic flights. Moreover, rail travel is considered a more environmentally friendly mode of travel.

39. **Incentives for voluntary downgrade:** As part of cost-saving measures, the travel policy includes a provision to encourage voluntary downgrades by using "premium economy cabins or premium seats." From January 2022 to June 2024, there were 588 cases of voluntary downgrades, which accounted for about 4 per cent of all flights eligible for downgrade. Despite the small proportion, the savings were estimated at \$2.1 million. The discussion was ongoing to incentivize voluntary downgrades such as allowing additional rest time at destinations or the use of lounges at airports.

40. Further to these means, the easiest way to achieve savings in travel costs was to avoid last-minute changes to the extent possible. Traveller's understanding of available means to save travel costs, in addition to complying with the 21-day rule, would lead to overall cost savings on travel.

<p><b>(3) DOS should communicate to travellers and entities about effective cost-saving approaches that may suit the nature of their operations and travel requirements, including scheduling and location of events and travel dates, alternative methods of communication and</b></p>
---

---

<sup>9</sup> Includes 77/263 B of 27 April 2023, 72/262 B of April 2018, and 75/253 B of April 2021.

**representation, strategic use of self-ticketing, and preventing last minute changes to the extent possible.**

*DOS accepted recommendation 3 and stated that it would issue a dedicated broadcast to all travelers and travel arrangers/planners outlining guidance to plan travel more cost-effectively. This would cover event scheduling, travel dates, alternative communication and representation methods, strategic use of self-ticketing, and minimizing last-minute changes. Additionally, DOS will present these cost-saving approaches at the upcoming Executive Office meetings at Headquarters to further raise awareness and encourage adoption of best practices across the Organization.*

User access to travel management systems needed to be reviewed periodically

41. The travel process is supported by two main systems: the Umoja travel management system and the TMC's booking system, as shown in Illustration 1. TTS also uses the Business Intelligence solution to publish travel statistics in dashboards based on data from Umoja. OIOS reviewed the controls over the management of these systems and noted that Travel Unit's personnel access to the Umoja travel management module was up to date as of 27 August 2024. However, there was no standard process to remove user access to the TMC's booking system for staff who no longer work for the Organization. Their user profiles contained sensitive information such as passport numbers and credit card details, which should be handled appropriately in accordance with the TMC's data management policy.

42. In addition, there were about 450 users of the General Travel Statistics dashboard from 63 global offices in the Secretariat, and the vast majority were involved in travel administration in different capacities and roles. OIOS noted, however, at least five listed users had separated from the Organization, and two had changed their roles. Periodic review of user access would ensure alignment of staff roles with access privileges.

**(4) DOS should strengthen the profile management of travel system tools to ensure that only active staff profiles are retained, while profiles of separated staff or infrequent travellers are suspended after a specified period of inactivity.**

*DOS accepted recommendation 4 and stated that it would leverage information from the iNeed separation process to deactivate the accounts for staff leaving the duty station. DOS would also conduct quarterly scans of the profile tool to monitor traveller logins and activities, and profiles with no activities or transactions within the preceding 12 months would be deactivated.*

DOS was taking action in resolving outstanding expense reports in a timely manner.

43. As per ST/AI/2013/3 Rev.1, travellers are required to submit a travel expense report in Umoja within 14 days of completing their travel to settle advances issued. Failure to do so will result in the automatic recovery of advances from the travellers through payroll deduction. In practice, the system allows another two weeks as a grace period before automatically recovering advances.

44. As of 11 July 2024, 1,037 expense reports were incomplete at various stages: 231 (22 per cent) were initiated but not submitted, 263 (25 per cent) were returned for action, and 543 (53 per cent) were in progress. Further, in the sample review of 100 outstanding expense reports, 52 showed \$55,274 in total payable to travellers, 22 showed \$28,573 in total receivable by the Organization, and 26 required no settlement. However, these statistics do not reflect cases where outstanding balances are settled by creating a standalone expense report without closing the original expense report linked to a trip. Since there was no

systematic way to identify such cases, it is important to stress the travellers' responsibility to complete outstanding expense reports in a timely manner.

45. The system sends only one reminder to travellers upon completion of their travel to submit expense reports. An additional reminder after 14 days of inaction may expedite the submission of expense reports. Further, once expense reports have been initiated in the system, travel advances are not subject to automatic recovery as the system recognizes them as transactions in progress. While unique circumstances may prevent travellers from finalizing their travel claims, long-outstanding expense reports should be subject to automatic recovery. DOS commented that it would initiate discussions with DMSPC early in 2025 to explore the possibility of incorporating additional notifications for expense reports that have not been created or are in progress for an extended period. The goal would be to have these notifications implemented in the Umoja production system by quarter 2 of 2026.

### **C. Contract management for travel support operations**

The TMC mostly met performance targets, but further avenues to save costs needed to be explored

46. The TMC's consistent performance is key to effective travel management. TTS established key performance indicators (KPIs) to assess TMC performance quantitatively and qualitatively. The quantitative aspect of performance is measured by the TMC's selection of the best fares and routes in accordance with the travel policy and business requirements.

47. TTS conducted quarterly internal audits during which it analyzed whether selected routes and fares were the best options available by comparing them to other available options, if any. In cases of exceptions, TTS computed the variances and determined whether they were at an acceptable level or not. TTS also evaluated the performance of each TMC agent based on the processing time and frequency of exceptions. In some instances, TTS' internal audit, along with other assessments, resulted in a request for the TMC's corrective action, such as the replacement of agents. TTS also regularly interacted with the TMC to discuss relevant matters in: semi-annual meetings at management level, bi-weekly meetings at supervisory level, and daily interactions at operational level.

48. In addition to the internal audits, TTS used a third party to verify whether TMC selected the lowest fare available within the travel policy. Based on the three fare audits performed during the scope period,<sup>10</sup> TMC met expectations for 98.2 per cent of trips reviewed.

49. Contrary to the favourable statistics, however, airfares selected by the TMC agents were repeatedly questioned by travellers because they often appeared more expensive than those publicly available on the Internet (i.e., websites of online travel service providers).

- (a) One of the main reasons for price differences was the flying class, as there are several flying classes with varying levels of services and restrictions even within the same economy or business class flight. Therefore, two tickets for the same cabin on the same flight may not be directly comparable.
- (b) Another reason, which may be more fundamental, is that flights listed on the Internet were not always available in GDS for the TMC agents to select. This is because airlines use different price buckets for business travellers, who tend to be less price sensitive than leisure travellers. Fare differences caused by this can be significant for certain routes. Additionally, the average fares on

---

<sup>10</sup> Reports covering: (a) 1 December 2021 to February 2022, (b) 24 October 2022 to 28 February 2023, and (c) 8 December 2023 to 22 March 2024

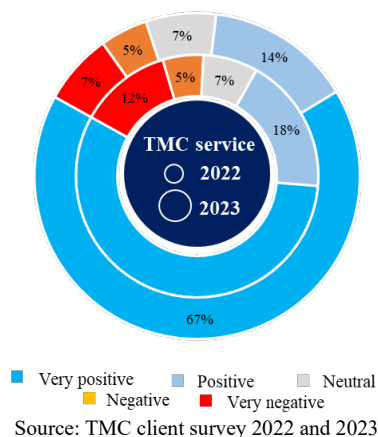
the Internet may be driven down by: (a) deeply discounted tickets that are booked very early (as early as 12 months before); (b) tickets with a long layover, which is usually not selected in GDS as per the travel policy; (c) tickets of low-cost carriers which are not available in GDS.

50. Despite the apparent disadvantage for business travellers, the purpose of using a TMC goes beyond purchasing economical tickets. TTS explained that the benefits include TMC's support in cases of emergency, consistent application of the travel policy, standardization of traveller profiles, data management and reporting, and others. Also, TMC had strength in offering lower airfares than online travel service providers for trips involving destinations uncommon for leisure travellers. To fully realize the value of the TMC, however, it is essential to enable broader implementation of the online booking tool and strengthen contract management. Additionally, deliberate and wider use of self-ticketing for certain routes may create cost savings that cannot be achieved through the TMC. This may also eventually result in reduced TMC fees.<sup>11</sup> OIOS made recommendation 3 in this regard.

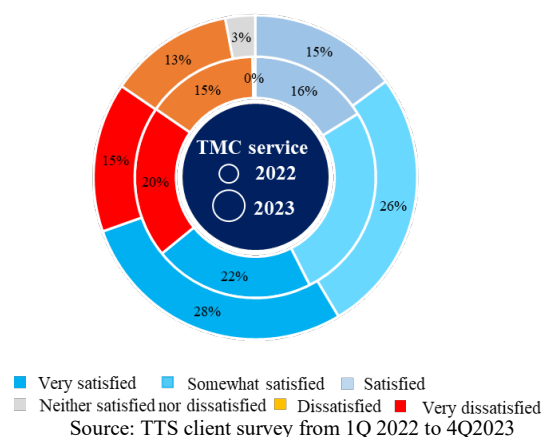
#### Traveller's experience with the TMC showed improvement

51. The quality of TMC performance is measured by the level of client satisfaction. To measure this, TMC sends survey questions to travellers after the completion of each trip. Additionally, TTS asks about travellers' experience with the TMC as part of the quarterly survey on its support services. In the TMC survey, 75 per cent and 81 per cent of respondents stated that they had positive or relatively positive experiences with the TMC agents in 2022 and 2023, respectively. The rates were slightly lower in the survey administered by TTS, showing 64 per cent and 69 per cent had positive experiences with the TMC in 2022 and 2023, respectively, as shown in Charts 3 and 4.

**Chart 3: Client satisfaction survey on TMC service  
(Administered by the TMC)**



**Chart 4: Client satisfaction survey on TMC service  
(Administered by the TTS)**



52. More travellers were satisfied with the TMC service in 2023 and the proportion of respondents who had negative or very negative experiences decreased by 20-29 per cent in both surveys. This may be a reflection of the corrective actions taken by the TMC as requested by TTS to address certain issues.<sup>12</sup>

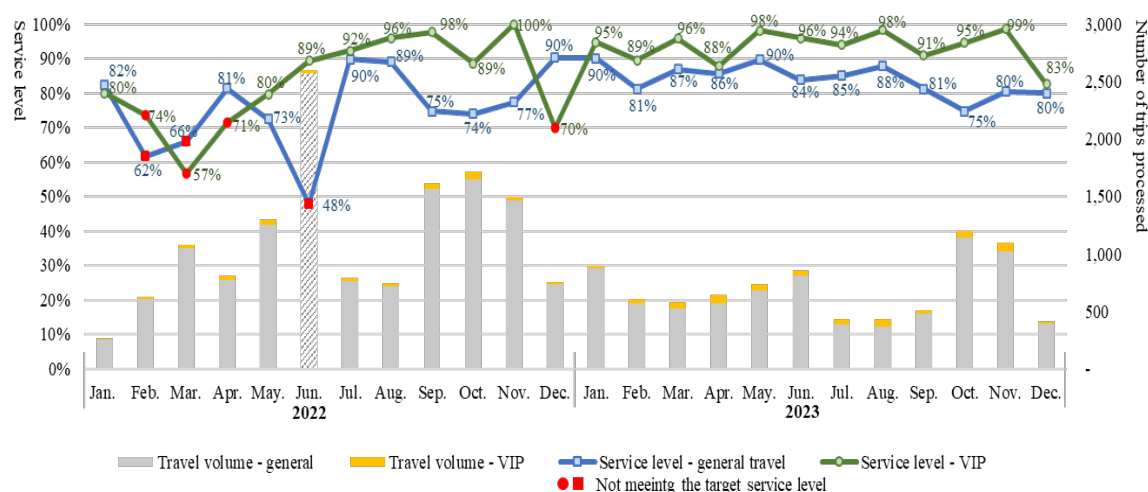
<sup>11</sup> As per the contractual agreements, TMC fees consist of: (a) fixed annual management fee, (b) direct operating expenses (i.e., payroll of TMC agents, overhead, etc.) and (c) value-added service fees. With increased self-ticketing, it may require a smaller number of the TMC agents needed for the travel operations, thereby reducing TMC fees (i.e., reduction of direct operating expenses).

<sup>12</sup> Includes under-staffing of experienced agents, time taken to respond to calls and emails, delayed ticketing etc.

## Need to strengthen contract management

53. In addition to KPIs, the service-level agreement set performance targets to ensure the quality of the TMC service. For example, the TMC agents are expected to answer 70 per cent of calls related to general travel within 30 seconds, and 80 per cent of calls related to VIP travel within 20 seconds.<sup>13</sup> Chart 5 shows that the service level fluctuated with less favourable rates in the first half of 2022, hitting the lowest point in June 2022 for general travel (i.e., 48 per cent) when travel volume peaked. The poor performance was mainly attributable to staffing issues of the TMC, as it faced a challenge in retaining experienced agents after the COVID-19 pandemic. TTS explained that the staffing issue of the TMC was mostly resolved, which could also be observed in the improved customer satisfaction in 2023.

**Chart 5: Service rates for customer support via telephone in 2022 and 2023**



Source: TMC performance reports

54. The TMC agents are also expected to respond to emails within two hours of receipt during normal business hours, which they met in 88 per cent of cases. Despite this, however, there were several complaints by travellers about agents' slow response to their queries by telephone and/or email. Some indicated difficulty in reaching TMC agents from travel destinations and their inadequate support. Others mentioned that airfares increased sharply while waiting for the agent's response. Similarly, travellers complained that the TMC agents did not understand their business requirements, which necessitated multiple email exchanges and resulted in last-minute ticketing. These complaints may require prompt review as they are raised, to evaluate the timeliness of response and effectiveness of assistance provided to travellers.

55. TTS followed up on certain cases, but it was not feasible to analyze all such incidents as TTS stated that it did not have dedicated personnel to monitor the TMC service delivery. Also, while TTS regularly reviewed and discussed the TMC performance based on the statistics provided by them, it was difficult to independently verify the accuracy and reliability of performance reports with the source data or analyze possible gaps (i.e., the high service level in the performance report versus the level of complaints, etc.) due to the time and attention required to perform such tasks.

56. Considering the size of the contract, the volume of transactions, and the interest of travellers and the Organization, it is crucial to strengthen contract management by dedicating a role for monitoring vendor performance. The role should include closely monitoring contractual terms, independently verifying TMC's performance data, analyzing incidents and traveller's complaints, and coordinating with the TMC to resolve

<sup>13</sup> Travel of high-rank officials and prominent individuals

common issues swiftly. Effective vendor management would maximize the value of the TMC services, thereby improving the travel management at the Headquarters and traveller's experience.

**(5) DOS should strengthen management of the contract with the travel management company by allocating resources to a dedicated role to closely monitor contractual terms, independently verify the contractor's performance data, analyze incidents and travellers' complaints, and coordinate with the contractor to address common issues swiftly.**

*DOS accepted recommendation 5 and stated that it intended to repurpose an existing position to dedicate a role specifically focusing on the responsibilities outlined above.*

#### **IV. ACKNOWLEDGEMENT**

57. OIOS wishes to express its appreciation to the management and staff of DOS and DMSPC for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division  
Office of Internal Oversight Services



## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the travel process at the United Nations Headquarters in New York

Rec. no.	Recommendation	Critical <sup>14</sup> / Important <sup>15</sup>	C/ O <sup>16</sup>	Actions needed to close recommendation	Implementation date <sup>17</sup>
1	DMSPC should reassess the travel policy for its continued effectiveness, considering financial and non-financial implications of travel, and taking into account the latest developments in the travel industry.	Important	O	Receipt of evidence of the reassessment of the travel policy considering financial and non-financial implications of travel and taking into account the latest developments in the travel industry.	30 June 2026
2	DOS should initiate an amendment of the information circular on travel (ST/IC/2019/16) to provide guidance on the arrangement of travel outside the Umoja travel module, including the reporting on such travel to ensure accuracy of related reports.	Important	O	Receipt of the revised information circular.	30 June 2026
3	DOS should communicate to travellers and entities about effective cost-saving approaches that may suit the nature of their operations and travel requirements, including scheduling and location of events and travel dates, alternative methods of communication and representation, strategic use of self-ticketing, and preventing last minute changes to the extent possible.	Important	O	Receipt of the broadcast and a copy of presentation.	31 December 2025
4	DOS should strengthen the profile management of travel system tools to ensure that only active staff profiles are retained, while profiles of separated staff or infrequent travellers are suspended after a specified period of inactivity.	Important	O	Receipt of evidence of the implementation of these measures.	31 March 2026
5	DOS should strengthen management of the contract with the travel management company by allocating	Important	O	Receipt of evidence of implementation.	31 March 2025

<sup>14</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>15</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<sup>16</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>17</sup> Date provided by DOS and DMSPC in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the travel process at the United Nations Headquarters in New York

Rec. no.	Recommendation	Critical <sup>14</sup> / Important <sup>15</sup>	C/ O <sup>16</sup>	Actions needed to close recommendation	Implementation date <sup>17</sup>
	resources to a dedicated role to closely monitor contractual terms, independently verify the contractor's performance data, analyze incidents and travellers' complaints, and coordinate with the contractor to address common issues swiftly.				

# **APPENDIX I**

## **Management Response**

TO: Mr. Byung-Kun Min, Director  
A: Internal Audit Division  
Office of Internal Oversight Services

DATE: 24 December 2024

REFERENCE: DOS-2024-04296

CLASSIFICATION: Confidential

THROUGH:  
S/C DE:

FROM: Atul Khare, Under-Secretary-General  
DE: for Operational Support



SUBJECT: **Draft report on an audit of the travel process at the United Nations Headquarters in New York (Assignment No. AH2023-612-01)**  
OBJET:

1. Thank you for the opportunity to comment on the draft OIOS report. Please find attached our comments on the recommendations in Appendix I.
2. We appreciate the excellent cooperation between the Office of Internal Oversight Services and the Administration and stand ready to provide any additional clarification that may be required.

cc: Fatoumata Ndiaye  
Muriette Lawrence-Hume

## Management Response

## Audit of the travel process at the United Nations Headquarters in New York

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DMSPC should reassess the travel policy for its continued effectiveness, considering financial and non-financial implications of travel, and taking into account the latest developments in the travel industry.	Important	Yes	Chief, Human Resources Policy Section (OHR)	Second quarter of 2026	The Secretariat's comments are reflected in the report.
2	DOS should initiate an amendment of the information circular on travel (ST/IC/2019/16) to provide guidance on the arrangement of travel outside the Umoja travel module, including the reporting on such travel to ensure accuracy of related reports.	Important	Yes	Chief, Travel Unit (DOS)  Chief, Human Resources Policy Section (OHR)	First quarter of 2025  Second quarter of 2026	The Secretariat's comments are reflected in the report.
3	DOS should communicate to travellers and entities about effective cost-saving approaches that may suit the nature of their operations and travel requirements, including scheduling and location of events and travel dates, alternative methods of communication and representation, strategic use of self-ticketing, and preventing last minute changes to the extent possible.	Important	Yes	Chief, Travel Unit (DOS)	Fourth quarter of 2025	The Secretariat's comments are reflected in the report.
4	DOS should strengthen the profile management of travel system tools to ensure that only active staff profiles are retained, while profiles of separated staff or infrequent travellers are suspended after a specified period of inactivity.	Important	Yes	Chief, Travel Unit (DOS)	First quarter of 2026	The Secretariat's comments are reflected in the report.

<sup>1</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>2</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

## Management Response

### Audit of the travel process at the United Nations Headquarters in New York

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	DOS should strengthen management of the contract with the travel management company by allocating resources to a dedicated role to closely monitor contractual terms, independently verify the contractor's performance data, analyze incidents and travellers' complaints, and coordinate with the contractor to address common issues swiftly.	Important	Yes	Chief, Travel Unit (DOS)	First quarter of 2025	The Secretariat's comments are reflected in the report.