



INTERNAL AUDIT DIVISION

REPORT 2015/092

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Overall results relating to management of official travel activities were initially assessed as partially satisfactory. Implementation of eight important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

1 September 2015
Assignment No. AR2014/161/01

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AUDIT REPORT

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees.
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. Official travel comprises: (a) mission travel of staff members, consultants and other individuals authorized to travel for official purposes; and (b) statutory travel, which includes the travel of staff and their eligible family members in connection with recruitment, time in service, and separation from service (i.e. appointment, reassignment, home leave, family visit, education grant travel, and repatriation on separation travel), as per entitlements set in the United Nations Staff Rules and Regulations. Travel activities are decentralized in UNHCR. The Travel and Visa Unit of the General Services Section within the Division of Financial and Administrative Management in Geneva deals with mission travel of headquarters based staff, provides advice to the field offices in the interpretation of the travel policies, reviews all requests for deviations to the travel policies prior to their submission to the United Nations Secretariat in New York for approval, and provides training on travel related matters. At the UNHCR Global Service Centre in Budapest, the Personnel Administration and Payroll Section within the Division of Human Resources Management deals with statutory travel for the whole of UNHCR, while the Centre Management Unit deals with mission travel for the Centre itself. On 1 December 2013, UNHCR established a new travel policy, as well as specific instructions and templates, based on the revised United Nations Administrative Instruction on Official Travel (ST/AI/2013/3) dated 12 August 2013.
4. UNHCR uses different vendors to deliver travel or related services (e.g., travel tickets, visas, and debit and credit cards for the payment of travel entitlements). The contracting and management of these services is also decentralized in UNHCR. From January 2013 to October 2014, UNHCR disbursed \$131.1 million in official travel expenses (including disbursements in lump sum options for travel on home leave, family visit or education grant).
5. Comments provided by UNHCR are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNHCR governance, risk management and control processes in providing reasonable assurance regarding the **effective management of official travel activities**.
7. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNHCR because of the risks associated with the management of official travel activities in a decentralized environment.

8. The key controls tested by the audit were: (a) Regulatory framework; and (b) Coordinated management. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide official travel management activities at UNHCR; (ii) are implemented consistently; and (iii) ensure financial and operational information is reliable and produced with integrity.

(b) **Coordinated management** - controls that provide reasonable assurance that adequate arrangements are in place for coordinated management to ensure efficient and effective delivery of travel management activities at UNHCR to achieve synergy and avoid potential overlaps.

9. The key controls were assessed for the control objectives shown in Table 1.

10. OIOS conducted the audit from December 2014 to April 2015. The audit covered the period from 1 January 2013 to 31 October 2014. The locations reviewed included: Headquarters in Geneva; Global Service Centre in Budapest; United Kingdom; Belgium; Afghanistan; Colombia; the Democratic Republic of the Congo; Ethiopia; Iraq; Lebanon; the Philippines; South Sudan; and Turkey. The travel expenditure for the locations reviewed was \$41.0 million, or 31 per cent of the total UNHCR travel expenditure during the period of the audit's scope.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The UNHCR governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of official travel activities**. OIOS made eight recommendations to address issues identified in the audit.

13. There was a need for UNHCR to: (a) strengthen travel planning and enforce timeliness of travel arrangements; (b) ensure and demonstrate in the travel records that the correct standard of travel and the lowest available fare was selected in compliance with the travel policy; (c) enhance review procedures over the calculation and payment of travel entitlements; (d) establish appropriate controls over the submission and approval of travel self-certifications/claims; (e) establish contracts with travel services providers; (f) define guidance and strengthen controls over the use of corporate credit cards; (g) improve recording of travel transactions in the Managing for Systems, Resources and People system to allow adequate tracking of travel expenses; and (h) define management information reports for effective monitoring of travel activities and expenditures.

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as the implementation of eight important recommendations remains in progress.

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review

Table 1
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of official travel activities	(a) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Coordinated management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Regulatory framework

There was a need to strengthen travel planning and enforce timeliness of travel arrangements

15. In accordance with the UNHCR travel policy, travel should be undertaken by ensuring the following: all travel for official purposes is authorized in writing before it is undertaken; travel authorizations specify the purpose of travel and take into consideration whether the purpose of the travel could have been achieved through alternative means of communication, such as video or audio-conference; and travel arrangements are made 16 days prior to the travel date.

16. While travel authorizations were generally present, there were shortcomings in respect of travel planning in the following instances:

- a. In 37 out of 102 cases reviewed (or 36 per cent), the purpose of travel was not clearly stated in relevant travel requests. The requests reviewed frequently referred in generic terms to “official mission” or “internal meetings” as the purpose of the travel. In one case, approval was accorded to a staff member for two consecutive travels with duration of one month each to her home country, in conjunction with her annual leave. The justification given was “to provide leadership in the USA (Washington) during the transition phase”. The staff member received \$21,199 of travel entitlements for these two travels.
- b. Out of 102 cases reviewed, none of the travel requests/authorizations reflected whether alternatives to official travel were explored to achieve the intended purposes.
- c. Travel requests were not raised sufficiently in advance to comply with the requirement for travel arrangements to be made 16 days prior to the travel date. Out of 102 cases reviewed, 65 (or 64 per cent) were approved between the actual date of travel and 14 days before the date of travel. In addition, in some instances, travel requests were approved retroactively after the date of travel, with delays reaching up to 95 days. The exceptions to the rule included travel for training, workshops and internal meetings which did not justify the absence of timely travel arrangements.

17. The inadequate justifications for travel and absence of timely travel arrangements were primarily due to the lack of travel plans. In addition, the standard UNHCR template for travel authorization did not provide clear instructions for the level of information that was required to demonstrate the need for and the purpose of the travel, and also did not include a specific field to allow confirmation of whether alternative means to the travel were considered. Further, the UNHCR travel policy did not require

programme managers to provide a relevant justification when official travel arrangements could not be finalized 16 days in advance of the commencement of travel. Inadequate planning and absence of travel arrangements increased the risks of unnecessary travel or the travel not meeting its intended purposes and inefficient use of resources.

(1) The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux, should: a) establish a requirement for travel plans to be prepared and aligned with specified activities or objectives; b) revise the travel authorization template to include instructions for elaborating on the purpose of the travel and a field to confirm due consideration of alternative means to the proposed travel; and c) put in place arrangements to enforce the requirement to observe the 16-day deadline for advance completion of travel arrangements and to ensure that where the deadline cannot be met adequate justification is included in the travel authorization.

UNHCR accepted recommendation 1 and stated that: a) it would issue an operational guidance note strengthening the need for documentation of travel plans and missions aligned with specific activities; b) it had revised the travel authorization template to incorporate a field for the consideration of alternative means to the travel, which had already been implemented at headquarters in Geneva, and would advise the field operations to use the new template in the new guidance to be issued; and c) it would reinforce the need to comply with the 16-day advance planning and to provide justification when this is not met. Recommendation 1 remains open pending receipt of: (i) the operational guidance note that establishes the requirements for preparing travel plans and observing the 16-day deadline for travel arrangements; and (ii) the revised travel authorization template that includes fields to elaborate the purpose of the travel and to confirm due consideration of alternative means to the proposed travel.

There was a need to ensure selection of the correct standard of travel and the lowest available fare, and document the selection in travel records

18. The UNHCR travel policy requires selection of the most economical route available, provided that the total additional time for the whole journey does not exceed the most direct route by four hours or more. The travel policy also defines the conditions for the selection of the standard of travel as economy or business class depending on the traveler's stature, duration of the travel, and purpose of the travel. Exceptions to the normal standard of travel, such as on medical grounds, need to be approved by the Under-Secretary-General for Management. The submission of UNHCR requests for approval of such exceptions is centralized in Geneva at the Travel and Visa Unit.

19. The issues highlighted below were observed in connection with the selection of the correct standard of travel and the lowest available fare. On the other hand, good practices were identified in some of the locations reviewed, where the services concerned verified - through access to travel software systems or through searches on the internet - the market quotes obtained, in order to ensure that the travel agencies were providing all available and cheaper options for tickets.

- a. In 10 of the 13 locations reviewed, the selection of correct standard of travel and the lowest available fare could not be confirmed by review of the travel records, as the offices did not include the quotes obtained for tickets on file. For example, in four of those 10 locations, 22 out of 59 travel records reviewed (or 37 per cent) did not include any quotes obtained for tickets.
- b. The correct standard of travel was not selected in four out of 59 cases reviewed (or seven per cent). In two of these cases, the selection of business class was justified for protocol reasons (travel of UNHCR partners, who were Ministers or members of ministries, to attend meetings). However, the respective offices did not request approval for these exceptions

from the United Nations Secretariat, through the Travel and Visa Unit in Geneva, as required. In the other two cases, where the travel was for training purposes, the purchase of business class tickets was done contrary to the requirement of the travel policy.

- c. Two organizational units in one location accounted for 240 short duration trips between the location and UNHCR headquarters locations (Geneva and Budapest), but did not enforce selection of the most economical routes available for all these trips, as required by the travel policy. Instead, the most direct route was always selected in order to save travel time. The units concerned explained that they did not apply the rule because they did not consider it efficient to book short haul trips with stopovers, instead of the direct flights. However, they did not conduct a cost-benefit analysis of travel in respect of these itineraries with stop-overs versus direct flights and also did not request approval for the exceptions.

20. The above shortcomings were attributed to lack of clear instructions regarding the minimum documentation requirements for travel records to demonstrate selection of the correct standard of travel and the lowest available fare. Inadequate travel records and non-selection of the required standard of travel and the lowest available fare resulted in failure to demonstrate cost efficiency and transparency in travel arrangements.

(2) The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux, should issue instructions to enforce the need to: a) comply with the requirement to select the correct standard of travel and the lowest available fare; b) document the approval of any exceptions through prescribed channels; and c) define minimum documentation standards for travel records to demonstrate the selections made.

UNHCR accepted recommendation 2 and stated that the Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, would supplement the travel policy through Frequently Asked Questions on the intranet. Additionally, it would issue an operational guidance note that reinforces the need to comply with the travel policy and provides guidance on the approval process and minimum documentation required for the approval of exceptions. Recommendation 2 remains open pending receipt of the guidance note and Frequently Asked Questions: (i) reinforcing the selection of the correct standard of travel and the lowest available fare; (ii) clarifying the approval process for exceptions to the normal standard of travel; and (iii) defining the minimum documentation requirements for travel records.

Formal review procedures over the calculation and payment of travel entitlements were required

21. The UNHCR travel policy defines the travel entitlements (Daily Subsistence Allowance and terminal expenses) that are due to travelers and the respective conditions of payment. The policy also defines applicable reductions to the Daily Subsistence Allowance (DSA) and terminal expense rates, depending on: the length of the journeys and missions, existence of pickups/drop-offs from and to the airport, and provision of packages for meals and accommodation. The DSA disbursed comprises the total UNHCR contribution payable to persons authorized to conduct official travel for UNHCR, for charges such as meals, accommodation, gratuities, incidental expenses and/or other payments.

22. In 102 cases reviewed, the audit observed 18 cases of incorrect calculation of travel entitlements (or 18 per cent), which resulted in overpayments amounting to \$7,596. The errors were due to incorrect DSA or terminal expense rates used for the calculations, incorrect number of days considered for the calculations, non-consideration of private deviations, and incorrect details on travel entitlements included in administrative instructions issued for workshops and training courses. Information on these cases was

transmitted to the respective locations during the audit, to enable review and initiation of recoveries when applicable.

23. The above weaknesses were due to inadequate review procedures to ensure that all relevant travel details were available and manual calculations of travel entitlements were done correctly. Errors in the calculations of travel entitlements and unjustified payments of DSA led to resources not being spent effectively.

(3) The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux, should put in place formal review procedures over the calculation and payment of travel entitlements.

UNHCR accepted recommendation 3 and stated that it had issued an Administrative Instruction for Ad-Hoc DSA on 17 August 2015. Additionally, a revised travel request calculator with the re-introduction of travel time would be implemented. Recommendation 3 remains open pending receipt of evidence of implementation of formal review procedures over the calculation and payment of travel entitlements.

Appropriate controls needed to be established over the submission and approval of self-certifications and claims

24. The UNHCR travel policy requires that travelers submit within two calendar weeks after the end of travel a self-certification stating that the travel went as planned, or a travel claim if there has been a change from the initially approved itinerary, dates and/or corresponding payment of travel expenses. If travel self-certifications/claims are not submitted, UNHCR must initiate recovery of travel advances.

25. Travel self-certifications/claims were not consistently submitted as required or were submitted with delays. In one location, the review indicated that for 700 travel authorizations (17 per cent of the total number issued), with total travel costs of \$2.3 million, the self-certifications/claims were not submitted, and were pending between 0 and 679 days, or 208 days on average. For this same location, when available, submissions of self-certifications/claims were done between 0 and 580 days after the travel was completed, and on average 40 days after the travel was completed. Where self-certifications/claims were submitted and well documented with boarding passes, train tickets, mission reports and/or meeting agendas, they were not systematically signed by the traveler and/or the supervisor as required. The review also observed long processing and approval periods for travel self-certifications/claims received.

26. The above weaknesses were due to lack of or inadequate procedures to control submission of travel self-certifications/claims. Also, some locations used an outdated travel claim template, which did not include a field for the supervisor's signature. Good practices were also observed in some locations, including: the development of reports and/or alert systems to follow up on the submission of travel self-certifications/claims with travelers; withholding part of the payment of travel entitlements until self-certifications/claims were submitted; and random verification of travel self-certifications. Nevertheless, varying practices in different locations had mixed success on travel finalization procedures, and a large number of travel self-certifications/claims were not submitted. As a result, significant travel expenditure was not confirmed and UNHCR lacked assurance that travel had taken place for approved purposes. Additionally, the backlog of travel self-certifications/claims needed to be resolved prior to the planned upgrade of the Managing for Systems, Resources and People (MSRP) system, the UNHCR enterprise resource planning system, as changes were expected in the travel management process as a result of the upgrade.

(4) The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux should: a) undertake or promote an organization-wide review of the backlog of travel self-certifications and claims and initiate recovery of travel entitlements where applicable; and b) develop standard procedures and tools to minimize delays in the submission and approval of travel self-certifications and claims.

UNHCR accepted recommendation 4 and stated that the Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, would: a) disseminate instructions to regional bureaux and country offices and to the Personnel Administration and Payroll Section to conduct a review of travel self-certifications and claims and to initiate recovery where applicable. At headquarters, the General Services Section would strengthen the enforcement of the two-week submission rule. UNHCR would also define standard operating procedures to minimize delays through the issuance of an operational guidance note on travel. The current manual processes would be addressed in the scope of the MSRP upgrade. Recommendation 4 remains open pending receipt of: (i) evidence of the review of the backlog of travel self-certifications/claims and initiation of recoveries where applicable; and (ii) the guidance note that emphasizes the need to minimize delays in the submission and approval of travel self-certifications and claims.

Contracts needed to be established with travel service providers in all locations

27. In accordance with the United Nations Financial Rule 105.18(a), all procurement actions above a pre-defined monetary value should be in writing. A travel contract should set forward the conditions and levels of service, pricing, obligations of the parties, relevant dispositions in case of dispute, and contact details of the parties.

28. In nine of the locations reviewed, travel contracts were established, included the UNHCR General Conditions of Contract, and defined common elements such as provision of emergency contacts for off office hours and emergencies and conditions of payment. The types of services provided, pricing, rebates and level of services depended on local market conditions. However, four locations that spent \$2.1 million on the acquisition of tickets and other services from travel agencies did not have contracts established with the respective service providers. OIOS also noticed that travel contracts established in four locations made reference to outdated provisions from the previous travel policy regarding standards of travel and fares.

29. The reasons for the absence of travel contracts varied across locations, and included delayed or unsuccessful procurement exercises, as well as lack of consensus over contract clauses. Outdated clauses were in place because contracts were signed before the new travel policy was implemented. Lack of travel contracts and/or outdated clauses exposed UNHCR to risks such as ineffective delivery of travel services, lack of means to resolve disputes, and acquisition of tickets that did not meet the requirements established in the travel policy for the standard of travel and lowest available fare.

(5) The Division of Financial and Administrative Management, in coordination with the Division of Emergency Security and Supply and the Regional Bureaux, should conduct a review to identify the locations where contracts with travel services providers have not been concluded, and ensure that such contracts are adequately established.

UNHCR accepted recommendation 5 and stated that the Division of Financial and Administrative Management, in coordination with the Division of Emergency Security and Supply and regional bureaux, would conduct a review to identify country offices that have not established contracts with travel services providers. Recommendation 5 remains open pending receipt of evidence of completion

of the review conducted to identify locations that have not entered into contracts with travel services providers and confirmation that action is underway to establish such contracts where these do not exist.

There was a need to define guidance and strengthen controls over the use of corporate credit cards

30. The use of credit cards is governed by standard security rules and conditions of use defined by the credit card companies which require that credit card holders adequately safeguard their credit card information.

31. As part of specific packages of payment solutions contracted with service providers, two locations held virtual corporate credit cards for the payment of travel expenses. In one of the locations, the full details of the virtual credit card were made available to all staff members and used directly by the staff members to purchase travel tickets on the websites of airline and train companies where the card was accepted. OIOS could not determine to what extent corporate credit cards were used across UNHCR and whether adequate safeguards were in place to ensure its usage under adequate security conditions.

32. By disseminating the credit card details widely, the two offices in question did not comply with the standard security rules and conditions of use of the card. In addition, although a process of reconciliation of the credit card statements was in place, it would not have been effective in identifying and initiating recoveries of potentially fraudulent purchases by, for example, former employees retaining the credit card details after departure from UNHCR, third parties managing to illicitly obtain the credit card details (phishing), or current employees purchasing tickets for non-authorized travelers. The practice also exposed UNHCR to the risk that purchases of travel tickets were done before the issuance and approval of travel authorizations, or that these purchases were not in compliance with the standards of travel and lowest available fare prescribed by the travel policy.

(6) The UNHCR Division of Financial and Administrative Management should: a) identify all headquarters and field locations and offices that are using corporate credit cards for the payment of travel related expenses and review the adequacy of controls in place for the use of those credit cards; and b) define specific guidance for the use of corporate credit cards.

UNHCR accepted recommendation 6 and stated that the Division of Financial and Administrative Management would: a) disseminate a request to identify offices that use corporate credit card for travel and to ensure that there are adequate controls in place, if corporate credit cards are used; and b) issue an operational guidance note on travel which would include the guidelines on the use of corporate credit cards for travel purposes. Recommendation 6 remains open pending receipt of: (i) evidence that UNHCR has identified the locations where corporate credit cards are used and assessed the adequacy of controls in place for their usage; and (ii) the guidance note defining specific guidance for the use of corporate credit cards.

B. Coordinated management

Recording of travel transactions in the Managing for Systems, Resources and People system needed to be more consistent to allow adequate tracking of travel expenses

33. The UNHCR enterprise resource planning system, MSRP, should provide for accurate and reliable recording of travel expenditures, in order to ensure effective financial control and accountability as required by the UNHCR Financial Internal Control Framework. Each travel transaction recorded in MSRP should include the correct identification of the traveler, the identification of the travel authorization or addendum number, and a pre-defined travel account.

34. A review of 381 travel payments including travel advances, final settlements and payment of transportation costs to different suppliers was carried out to assess the manner in which these transactions were recorded in MSRP. The following weaknesses were observed in connection with the recording of travel transactions in MSRP:

- a. The transactions related to the payment of travel entitlements were not recorded consistently in MSRP by all locations. The discrepancies included varying identification of travelers and of travel authorization numbers. For example, in one location, payments of travel entitlements were made through transfers to the traveler's debit card provided by UNHCR and recorded in MSRP under the vendor who supplied these cards (i.e., not under the traveler's name). The travel authorization number and last name of the traveler were included in free text fields in MSRP, which did not allow an effective search of transactions per traveler or per travel authorization number. Another location raised requisitions and purchase orders to pay travel advances and transportation costs. The travel authorization number was not recorded in MSRP, and instead, the requisition number was the relevant identifier to trace payments done in connection with a specific trip.
- b. Except for one location, transactions related to transportation costs were not linked to a specific travel or traveler, as payments recorded in MRSP did not include information on the travel authorization or addendum number.
- c. Each location used different naming and numbering conventions for the travel authorization or addendum number (i.e., different combinations of alphanumeric, numerical, and special characters).

35. The inconsistent recording of transactions was due to the manual nature of the travel process which led to the development of different practices in different locations. There was insufficient guidance available to MSRP users on the recording of travel transactions (travel identifiers, MSRP fields, and standard naming and numbering conventions for travel identifiers) to reduce inconsistencies. This led to difficulties in the tracking of all travel related payments made organization-wide to a specific traveler in connection with a specific trip and exposed UNHCR to a risk of undetected duplicate payments.

(7) The UNHCR Division of Financial and Administrative Management should implement, in the context of the Managing for Systems, Resources and People system upgrade project, arrangements for consistent recording of travel transactions and enable tracking of travel related expenditure per traveler and travel.

UNHCR accepted recommendation 7 and stated that with the MSRP upgrade, a single travel system for global use in UNHCR would be established, and would incorporate automated travel management, common processes, common business rules, and reports. Recommendation 7 remains open pending receipt of evidence that consistent recording and tracking of travel transactions was implemented in the context of the MSRP upgrade.

Standards for reporting and monitoring on travel activities and expenditures needed to be defined

36. The UNHCR High-Level Internal Control Framework with Focus on Financial Management requires that necessary information is communicated to all relevant users of the information and control owners. Relevant management information reports on travel management activities and expenditures must therefore be made available to enforce control and accountability.

37. Apart from general expenditure reports, UNHCR did not define specific travel management reports and there was no general overview of travel management information organization-wide.

Contracts established with travel services providers in eight locations reviewed defined sets of reports and statistics to be provided periodically by these service providers. However, in the other seven locations reviewed, there were no contracts established to confirm the reporting requirements by the travel agencies. When reporting requirements were in place, even though there was some common information being requested from travel agencies in different locations (for example, in terms of volumes of tickets issued, main carriers and destinations), the types of reports and periodicity of their issuance varied across locations. Where such information was contractually made available, the locations did not monitor its delivery by the travel agencies, and there were no defined procedures to internally review and periodically report the information to relevant managerial levels.

38. The reason for the diverse reporting and monitoring practices was the lack of guidance regarding standard reports (internally and externally produced), review procedures that should be followed locally, and the level of oversight that should take place at headquarters. The lack of overall reporting and monitoring of travel activities may prevent UNHCR from obtaining an accurate and reliable assessment of its travel costs, determining levels of adherence to the travel policy, assessing how effectively travel activities are delivered, and identifying specific constraints in the delivery of travel activities.

(8) The UNHCR Division of Financial and Administrative Management should define standard management information reports on travel activities and expenditures to be produced internally and/or provided externally by travel services providers that should be available organization-wide, and establish appropriate review and monitoring procedures, both at field and headquarters levels, over such reports.

UNHCR accepted recommendation 8 and stated that the Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, would define standard management reports for the monitoring of travel and expenses in the context of the MSRP upgrade. Recommendation 8 remains open pending receipt of: i) a sample of standard management information reports on travel activities and expenditure to be produced both internally and/or provided externally by travel services providers; and ii) evidence of review and monitoring of those reports.

IV. ACKNOWLEDGEMENT

39. OIOS wishes to express its appreciation to the Management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux, should: a) establish a requirement for travel plans to be prepared and aligned with specified activities or objectives; b) revise the travel authorization template to include instructions for elaborating on the purpose of the travel and a field to confirm due consideration of alternative means to the proposed travel; and c) put in place arrangements to enforce the requirement to observe the 16-day deadline for advance completion of travel arrangements and to ensure that where the deadline cannot be met adequate justification is included in the travel authorization.	Important	O	Submission to OIOS of: (i) the operational guidance note that establishes the requirements for preparing travel plans and observing the 16-day deadline for travel arrangements; and (ii) the revised travel authorization template that includes appropriate fields to elaborate the purpose of the travel and to confirm due consideration of alternative means to the proposed travel.	31 December 2015
2	The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux, should issue instructions to enforce the need to: a) comply with the requirement to select the correct standard of travel and the lowest available fare; b) document the approval of any exceptions through prescribed channels; and c) define minimum documentation	Important	O	Submission to OIOS of the guidance note and Frequently Asked Questions: (i) reinforcing the selection of the correct standard of travel and the lowest available fare; (ii) clarifying the approval process for exceptions to the normal standard of travel; and (iii) defining the minimum documentation requirements for travel records.	31 December 2015

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	standards for travel records to demonstrate the selections made.				
3	The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux, should put in place formal review procedures over the calculation and payment of travel entitlements.	Important	O	Submission to OIOS of evidence of implementation of formal review procedures over the calculation and payment of travel entitlements.	31 December 2015
4	The UNHCR Division of Financial and Administrative Management, in coordination with the Division of Human Resources Management, other Divisions and the Regional Bureaux should: a) undertake or promote an organization-wide review of the backlog of travel self-certifications and claims and initiate recovery of travel entitlements where applicable; and b) develop standard procedures and tools to minimize delays in the submission and approval of travel self-certifications and claims.	Important	O	Submission to OIOS of: (i) evidence of the review of the backlog of travel self-certifications/claims and initiation of recoveries where applicable; and (ii) the guidance note that emphasizes the need to minimize delays in the submission and approval of travel self-certifications and claims.	31 March 2016
5	The Division of Financial and Administrative Management, in coordination with the Division of Emergency Security and Supply and the Regional Bureaux, should conduct a review to identify the locations where contracts with travel services providers have not been concluded, and ensure that such contracts are adequately established.	Important	O	Submission to OIOS of evidence of completion of the review conducted to identify locations that have not entered into contracts with travel services providers and confirmation that action is underway to establish such contracts where these did not exist.	31 March 2016
6	The UNHCR Division of Financial and Administrative Management should: a) identify all headquarters and field locations and offices that are using corporate credit cards for the payment of travel related expenses and review the adequacy of controls in place for the use of those credit cards; and b) define specific guidance for the use of	Important	O	Submission to OIOS of: (i) evidence that UNHCR has identified the locations where corporate credit cards are used and assessed the adequacy of controls in place for their usage; and (ii) the guidance note defining specific guidance for the use of corporate credit cards.	31 December 2016

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	corporate credit cards.				
7	The UNHCR Division of Financial and Administrative Management should implement, in the context of the Managing for Systems, Resources and People system upgrade project, arrangements for consistent recording of travel transactions and enable tracking of travel related expenditure per traveler and travel.	Important	O	Submission to OIOS of evidence that consistent recording and tracking of travel transactions was implemented in the context of the MSRP upgrade.	30 June 2017
8	The UNHCR Division of Financial and Administrative Management should define standard management information reports on travel activities and expenditures to be produced internally and/or provided externally by travel services providers that should be available organization-wide, and establish appropriate review and monitoring procedures, both at field and headquarters levels, over such reports.	Important	O	Submission to OIOS of: i) a sample of standard management information reports on travel activities and expenditure to be produced both internally and/or provided externally by travel services providers; and ii) evidence of review and monitoring of those reports.	31 March 2016

APPENDIX I

Management Response

Management Response

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
			Yes		31/12/2015	<p>include additional text requesting mandatory completion of all duties per location with respective dates. These will be reiterated in the operational guidance on travel that will be issued.</p> <p>DFAM in coordination with DHRM and relevant Bureaus will put in place arrangements to re-enforce the need to comply with the 16 days advance rule and the requirement to provide justification when this is not met. However, it must be noted that UNHCR is an operational agency and is often required to respond to emergency/urgent events or requests. It should also be noted that a larger number of statutory travels will face difficulties to comply with the 16 day requirement due to visa, medical clearance, and fast track assignments. In addition Management of travel is delegated to the country offices, while GSS is responsible for travel of staff at HQ. Oversight of the compliance of the country offices may rest with</p>

Management Response

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The Division of Financial and Administrative Management, in coordination with the Division of Emergency Security and Supply and the Regional Bureaux, should conduct a review to identify the locations where contracts with travel services providers have not been concluded, and ensure that such contracts are adequately established.	Important	Yes	Deputy Controller (Finance)	31/03/2016	DFAM in coordination with DESS and the Regional Bureaux will conduct a review to identify country offices that have not established contracts with travel service providers. The review in headquarters (i.e. Copenhagen; Budapest and Geneva) will be undertaken by GSS.
6	The UNHCR Division of Financial and Administrative Management should: a) identify all headquarters and field locations and offices that are using corporate credit cards for the payment of travel related expenses and review the adequacy of controls in place for the use of those credit cards; and b) define specific guidance for the use of corporate credit cards to be applied UNHCR-wide.	Important	a) Yes b) Yes	Deputy Controller (Finance)	31/12/2015 31/12/2016	a) DFAM will disseminate a request to all offices to identify locations that use corporate credit card for travel and to ensure that there are adequate controls in place, if corporate credit cards are used. b) DFAM will issue the operational guidance on travel which will include the guidelines on the use of corporate credit card for travel purposes.
7	The UNHCR Division of Financial and Administrative Management should implement, in the context of the Managing for Systems, Resources and People system upgrade project, arrangements for consistent recording of travel transactions and enable tracking of travel related expenditure per traveler and travel.	Important	Yes	Deputy Controller (Finance)	30/06/2017	The key priority of the MSRP Upgrade for Travel and Expense is to establish a single travel system for global use by UNHCR in the field and headquarters that is adapted/seamlessly interfaced with MSRP.

Management Response

Audit of the arrangements for official travel at headquarters and in field operations in the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>Currently, the administration and management of travel is a paper-based manual process outside of MSRP and is delegated to country offices.</p> <p><u>Future State:</u> Management of travel is more automated, using common processes and business rules streamlined all across the organization with appropriate system controls. Financial reports can be generated to analyze travel expenses across the organization.</p>
8	The UNHCR Division of Financial and Administrative Management should define standard management information reports on travel activities and expenditures to be produced internally and/or provided externally by travel services providers that should be available organization-wide, and establish appropriate review and monitoring procedures, both at field and headquarters levels, over such reports.	Important	Yes	Deputy Controller (Finance)	31/03/2016	<p>DFAM in coordination with DHRM will define management standard reports for the monitoring of travel and expenses.</p> <p>This is one of the objectives of the implementation of the incorporation of the Travel and Expense Module in the MSPR upgrade.</p>