



INTERNAL AUDIT DIVISION

REPORT 2017/076

Audit of official travel at the
International Criminal Tribunal for the
former Yugoslavia and the Mechanism
for International Criminal Tribunals

Internal controls over travel management
needed to be strengthened

8 August 2017

Assignment No. AA2017/261/06

Audit of official travel at the International Criminal Tribunal for the former Yugoslavia and the Mechanism for International Criminal Tribunals

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of official travel at the International Criminal Tribunal for the former Yugoslavia (ICTY) and the Mechanism for International Criminal Tribunals (MICT). The audit covered the period from November 2015 to May 2017 and included a review of: planning and processing of official travel; the regulatory framework; and procurement and contract management of travel services.

Internal controls over the management of official travel were in place at ICTY and MICT. However, the audit identified some areas where these controls needed to be strengthened.

OIOS made five recommendations. To address issues identified in the audit, ICTY and MICT needed to:

- Keep documented evidence to show that the routes selected for travelers using air transportation were the most economical option available in accordance with ST/AI/2013/3 on official travel;
- Discontinue the reimbursement of train tickets between The Hague and Schiphol Airport as these costs are already covered under terminal expenses defined in ST/AI/2013/3 and update the standard operating procedure accordingly;
- Inform staff about their personal responsibility to apply for and obtain security clearance through the Department of Safety and Security portal and discontinue the practice of providing this service to staff through the Security Section;
- Revise the standard operating procedure on official travel to reflect the processes implemented through the Umoja travel module and ensure compliance with applicable administrative instructions; and
- Formally conduct and document the evaluation of the travel agent's performance on a periodic basis as required by the Procurement Manual, using the performance indicators defined in the contract.

ICTY and MICT accepted the recommendations and have initiated action to implement them.

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Audit of official travel at the International Criminal Tribunal for the former Yugoslavia and the Mechanism for International Criminal Tribunals

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of official travel at the International Criminal Tribunal for the former Yugoslavia (ICTY) and the Mechanism for International Criminal Tribunals (MICT).
2. ICTY was established pursuant to Security Council resolution 808 of 1993 to prosecute persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia. Its mandate is scheduled to expire at the end of 2017. Pursuant to Security Council resolution 1966 of 2010, MICT is responsible for continuing the jurisdiction, rights and obligations and essential functions of ICTY and the International Criminal Tribunal for Rwanda. MICT commenced operations on 1 July 2012 at its Arusha office and 1 July 2013 at The Hague.
3. On 8 November 2015, the ICTY and MICT administration system migrated to the new enterprise resource planning system, Umoja. Since then, the administration of official travel was managed through Umoja except for three types of confidential travel which were processed and managed outside of Umoja: (i) the travel of victims and witnesses; (ii) the travel of MICT Victims and Witnesses Section staff members; and (iii) the travel of the fugitive tracking team.
4. Travel expenditures for ICTY and MICT totaled \$1.74 million and \$1.85 million, respectively, for the 2014-2015 biennium. For the current biennium 2016-2017, the approved travel budgets were \$1.0 million for ICTY (1.05 per cent of its approved budget) and \$1.86 million for MICT (1.35 per cent of its approved budget). As of 31 January 2017, the respective expenditures were \$0.37 million for ICTY and \$0.91 million for MICT.
5. All official travel relating to ICTY and MICT was processed by the ICTY Travel Unit based in The Hague and was the responsibility of ICTY Administration within the ICTY Registry. From November 2015 to 31 January 2017, the ICTY Travel Unit processed 1,671 official travel transactions within Umoja. It also processed between 70 to 90 confidential travels managed outside the system.
6. ICTY and MICT contracted a travel agent to provide travel services. The travel agent used the universal air travel booking system called Galileo for air travel reservations and ticketing. The ICTY Travel Unit had access to the Galileo system for processing bookings and monitoring purposes.
7. Comments provided by ICTY and MICT are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of official travel at ICTY and MICT.
9. This audit was included in the 2016 risk-based work plan of OIOS due to the risks related to official travel and the potential risks related to the use of the relatively new Umoja travel module for processing travel transactions.

10. OIOS conducted this audit from March to May 2017. The audit covered the period from November 2015 to May 2017. Based on an activity-level risk assessment, the audit covered the risk areas in management of official travel which included: planning and processing of official travel; the regulatory framework; and procurement and contract management of travel services.

11. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing. For this audit, OIOS randomly selected 93 out of the 1,671 official travels processed by the ICTY Travel Unit in Umoja. For each selected travel, OIOS reviewed the supporting documentation to determine compliance with applicable rules and instructions.

III. OVERALL CONCLUSION

12. Internal controls over the management of official travel were in place at ICTY and MICT. However, the audit identified the need for ICTY and MICT to: (i) ensure that there was documentary evidence indicating that the routes selected for travelers using air transportation were the most economical option available; (ii) discontinue the reimbursement of train tickets between The Hague and Schiphol Airport as these costs are already covered under terminal expenses defined in ST/AI/2013/3; (iii) inform staff about their personal responsibility to apply for and obtain security clearance through the Department of Safety and Security (DSS) portal; (iv) revise the standard operating procedures for official travel to reflect the operational changes resulting from the implementation of the Umoja travel module; and (v) formally conduct and document the travel agent's performance evaluation on a regular basis.

IV. AUDIT RESULTS

A. Planning and processing of official travel

Selection of most economical itineraries needed to be documented

13. Section 4.2 of administrative instruction ST/AI/2013/3 on official travel states that the normal route for all official travel shall 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.

14. OIOS reviewed a sample of 93 travels of which 73 involved air travel. In the majority of the cases reviewed, the proposed travel was by the most direct route. For the types of trips usually processed at ICTY and MICT, the most economical route was the same as the most direct one, except for certain long trips where the Travel Unit looked for the most economical route which was not always the most direct. The Travel Unit used the International Air Transport Association (IATA) booking system called Galileo to which its staff had been provided access.

15. OIOS noted that the Travel Unit did not maintain supporting evidence to demonstrate that direct routes were the most economical. According to the Travel Unit, keeping a record of the research pertaining to each trip was too time-consuming and cumbersome. The Travel Unit stated that it sought to maximize savings in air fares by always looking for the cheapest tickets available at the time it received the Initial Travel Authorization (ITA) document followed by the travel request.

16. In the absence of supporting evidence, it was not possible for OIOS to assure that the most economical itineraries were selected by the Travel Unit as required by ST/AI/2013/3. The Travel Unit needs to keep adequate documentation to provide assurance that the routes selected for air travel were actually the most economical ones.

(1) ICTY and MICT should keep documented evidence to show that the routes selected for travelers using air transportation were the most economical option available in accordance with ST/AI/2013/3 on official travel.

ICTY and MICT accepted recommendation 1 and stated that management believes that the process in place ensures that the most economical route is selected. In order to demonstrate compliance, the travel office will twice monthly save comparison screen shots of all new bookings for a day, randomly selected, to provide the evidence of the efficacy of the process. Recommendation 1 remains open pending receipt of evidence showing the action taken by ICTY and MICT to assure that the most economical option was being used as required by ST/AI/2013/3.

Reimbursement of train tickets from The Hague to Schiphol airport should be discontinued

17. Section 9.1 of ST/AI/2013/3 states that in accordance with Staff Rule 7.9, terminal expenses incurred for each required trip between the airport or other point of arrival or departure and the hotel or other place of dwelling shall be paid in a fixed amount to staff members and, where applicable, each eligible family member authorized to travel at United Nations expense.

18. OIOS review of travel-related entitlements identified 13 cases of unjustified reimbursement of transportation costs between the train station at The Hague and Schiphol Airport in Amsterdam. The nominal amount per trip was close to \$9. Since 1998, ICTY and MICT staff and travelers were being granted this additional entitlement for train tickets under a local Standard Operating Procedure (SOP) on managing terminal expenses (SOP-TRA-001 on terminal expenses). The current SOP dated 2010 was based on the previous SOP of 1998 as revised in 2003. The current SOP was issued by the ICTY Chief of Administration on 1 February 2010 and reiterated the 1998 and 2003 provisions stating that:

- “where travel initiates from or concludes in The Hague and involves flights arriving at or departing from Schiphol Airport in Amsterdam, and when a United Nations vehicle is not made available, travelers are also entitled to reimbursement of the transportation cost between The Hague train station and the airport”; and
- “the reimbursement of transportation cost to staff members and each family member authorized to travel at United Nations expense for each journey between The Hague and Schiphol Terminal is the cost of a second-class train fare for these two points”.

19. OIOS is of the view that reimbursing travelers the cost of train tickets between The Hague and Schiphol Airport is unjustified and needs to be discontinued because the cost of travel by train is already covered by the terminal expenses entitlement as defined in ST/AI/2013/3.

(2) ICTY and MICT should: (i) discontinue the reimbursement of train tickets between The Hague and Schiphol Airport as these costs are already covered under terminal expenses defined in ST/AI/2013/3; and (ii) update the standard operating procedure accordingly.

ICTY and MICT accepted recommendation 2 and stated that a communication strategy is being prepared and the SOP on Terminal Expenses cancelled, after which this will be implemented. Recommendation 2 remains open pending receipt of evidence showing the discontinuation of reimbursement of train tickets between The Hague and Schiphol Airport and abolition of the related SOP.

Obtaining security clearance is the responsibility of staff members, not the Security Section

20. Section 3.9 of ST/AI/2013/3 requires all United Nations travelers to obtain the necessary security clearance required for their travel. According to the DSS Security Policy Manual, it is mandatory for United Nations personnel and eligible family members to obtain security clearance for all official travel, regardless of location. Security clearance requests are submitted through a web-based tool called TRIP available on the DSS portal. Security clearance requests contain important information such as the personal details of the traveler, travel itineraries, accommodation and contact details.

21. Travelers (staff members and non-staff members) at ICTY and MICT were not personally submitting security clearance requests in TRIP. Instead, this task was assigned to the Operational Unit of the ICTY Security Section. This practice is questionable since it transfers the burden from staff members (who bear responsibility for obtaining security clearance through the DSS portal) to the Security Section. It is also contrary to the practice at other duty stations.

22. ICTY and MICT explained that this practice was put in place a long time ago to keep track of the large number of staff traveling in the former Yugoslavia. Also, the Security Section processed the security clearance requests on behalf of staff as part of its role in approving the ITA document (travel cannot take place without the Security Section's approval).

23. OIOS is of the view that travelers should be responsible for obtaining their own security clearance through TRIP which was specifically set up to enable tracking of their movement while on official travel. This responsibility should not belong to the Security Section. Additionally, utilizing Security Section resources for providing such a service does not constitute their best use, especially in the context of the downsizing of ICTY.

(3) ICTY and MICT should: (i) inform staff about their personal responsibility to apply for and obtain security clearance through the DSS portal; and (ii) discontinue the practice of providing this service to staff through the Security Section.

ICTY and MICT accepted recommendation 3 and stated that a new procedure has already been agreed in a meeting with relevant parties and will be implemented together with the re-issuing of the SOP. Changes will be made to the ITA system to remove Security from the approval process. Recommendation 3 remains open pending receipt of evidence showing that the practice of using the Security Section to obtain security clearances for ICTY and MICT staff has been discontinued.

B. Regulatory framework

SOP on official travel management needed to be updated and revised

24. Policies and procedures need to be current and up to date to provide correct guidance to all concerned. They also need to reflect changes or new developments and should be approved and communicated by authorized officials.

25. The ICTY and MICT SOP (SOP-TRA-07 – MICT-SOP-2015-02) on official travel requests and authorization processing was issued on 30 March 2015. This SOP contains procedures which became obsolete upon the implementation of the Umoja travel module in November 2015. For instance, while the current SOP contained a very clear flowchart of the pre-Umoja travel process, this chart did not reflect the current processes under Umoja such as preparation of travel requests and expense reports. The SOP also

needed to reflect the administrative instructions issued after March 2015, such as ST/AI/2016/4 on excess baggage shipment and the two amendments to ST/AI/2013/3.

26. Additionally, the Secretariat's procedures on self-ticketing was an important development of the Umoja travel module and the procedures recently issued by the Department of Management on self-ticketing also needed to be included in the SOP. Outdated SOP may result in misinterpretation of or non-compliance with applicable instructions.

(4) ICTY and MICT should revise the standard operating procedure on official travel to reflect the processes implemented through the Umoja travel module and ensure compliance with applicable administrative instructions.

ICTY and MICT accepted recommendation 4 and stated that a new procedure has already been agreed in a meeting with relevant parties and will be implemented together with the re-issuing of the SOP. Recommendation 4 remains open pending receipt of the revised SOP on official travel.

C. Procurement and contract management

Travel agent's performance evaluation needed to be conducted and documented on a regular basis

27. Section 15.2 of the United Nations Procurement Manual requires an evaluation of vendor performance to assess the vendor's fulfillment of the contractual requirements with regard to quality, delivery, timeliness, and other performance indicators regarding the promised goods, services or works. The requisitioner and/or end-user shall ensure that adequate vendor performance evaluation is conducted.

28. At ICTY and MICT, travel services are provided by a contracted travel agent. The current travel agent had a long-lasting contractual relationship with ICTY which was passed over to MICT following the downsizing of ICTY. The current contract between MICT and the travel agent was signed in July 2016 for a minimum duration of 18 months with three possible extensions of one year each (2018 to 2020). Performance criteria were defined in article 4 of the statement of work annexed to the contract. In addition, article 5.4 of the statement of work provided specific performance indicators.

29. The Travel Unit, as the end-user of the travel services, had not conducted any performance evaluations of the travel agent. The Travel Unit explained that no formal evaluation was foreseen as the evaluation of services rendered was done on a day to day basis, and that it had direct access to the travel agent in case of any problem. Therefore, there was no need to formalize any performance review.

30. OIOS is of the view that performance evaluation of the vendor has to be formally conducted and documented in accordance with the requirements of the Procurement Manual. This is an important control to provide a documented basis for any future extension of the travel agent's contract.

(5) ICTY and MICT should formally conduct and document the evaluation of the travel agent's performance on a periodic basis as required by the Procurement Manual, using the performance indicators defined in the contract.

ICTY and MICT accepted recommendation 5 and stated that implementation has commenced. The evaluations will be implemented together with quarterly reconciliation of rebates and accounts. Recommendation 5 remains open pending receipt of evidence showing that quarterly evaluations of the travel agent's performance have been conducted and documented.

V. ACKNOWLEDGEMENT

31. OIOS wishes to express its appreciation to the management and staff of ICTY and MICT for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
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Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of official travel at the International Criminal Tribunal for the former Yugoslavia and the Mechanism for International Criminal Tribunals

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	ICTY and MICT should keep documented evidence to show that the routes selected for travelers using air transportation were the most economical option available in accordance with ST/AI/2013/3 on official travel.	Important	O	Evidence showing the action taken by ICTY and MICT to assure that the most economical option was being used as required by ST/AI/2013/3, including through comparison screen shots of bookings showing compliance.	30 September 2017
2	ICTY and MICT should: (i) discontinue the reimbursement of train tickets between The Hague and Schiphol Airport as these costs are already covered under terminal expenses defined in ST/AI/2013/3; and (ii) update the standard operating procedure accordingly.	Important	O	Evidence showing the discontinuation of reimbursement of train tickets between The Hague and Schiphol Airport and abolition of the related SOP	30 September 2017
3	ICTY and MICT should: (i) inform staff about their personal responsibility to apply for and obtain security clearance through the DSS portal; and (ii) discontinue the practice of providing this service to staff through the Security Section.	Important	O	Evidence showing that the practice of using the Security Section to obtain security clearances for ICTY and MICT staff has been discontinued.	30 September 2017
4	ICTY and MICT should revise the standard operating procedure on official travel to reflect the processes implemented through the Umoja travel module and ensure compliance with applicable administrative instructions.	Important	O	Receipt of the revised SOP on official travel.	30 September 2017
5	ICTY and MICT should formally conduct and document the evaluation of the travel agent's performance on a periodic basis as required by the Procurement Manual, using the performance indicators defined in the contract.	Important	O	Evidence showing that quarterly evaluations of the travel agent's performance have been conducted and documented.	30 September 2017

¹ 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.

² 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.

³ C = closed, O = open

⁴ Date provided by ICTY and MICT in response to recommendations.

APPENDIX I

Management Response

Management Response

**Audit of official travel at the International Criminal Tribunal for the former Yugoslavia and the
Mechanism for International Criminal Tribunals**

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ICTY and MICT should keep documented evidence to show that the routes selected for travelers using air transportation were the most economical option available in accordance with ST/AI/2013/3 on official travel.	Important	Yes	Chief, General Services Section	By 30 September 2017	Management believes that the process in place ensures that the most economical route is selected. In order to demonstrate compliance, the travel office will twice monthly save comparison screen shots of all new bookings for a day, randomly selected, to provide the evidence of the efficacy of the process.
2	ICTY and MICT should: (i) discontinue the reimbursement of train tickets between The Hague and Schiphol Airport as these costs are already covered under terminal expenses defined in ST/AI/2013/3; and (ii) update the standard operating procedure accordingly.	Important	Yes	Chief, General Services Section	By 30 September 2017	A communication strategy is being prepared and the SOP on Terminal Expenses cancelled, after which this will be implemented.
3	ICTY and MICT should: (i) inform staff about their personal responsibility to apply for and obtain security clearance through the DSS portal; and (ii) discontinue the practice of providing this service to staff through the Security Section.	Important	Yes	Chief, General Services Section	By 30 September 2017.	A new procedure has already been agreed in a meeting with relevant parties and will be implemented together with the re-issuing of the SOP. Changes will be made to the ITA system to remove security from the approval process.
4	ICTY and MICT should revise the standard operating procedure on official travel to reflect the processes implemented through the Umoja travel module and	Important	Yes	Chief, General Services Section	By 31 August 2017	A new procedure has already been agreed in a meeting with relevant parties and will be implemented together with the re-issuing of the

¹ 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.

² 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.

Management Response

**Audit of official travel at the International Criminal Tribunal for the former Yugoslavia and the
Mechanism for International Criminal Tribunals**

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	ensure compliance with applicable administrative instructions.					SOP.
5	ICTY and MICT should formally conduct and document the evaluation of the travel agent's performance on a periodic basis as required by the Procurement Manual, using the performance indicators defined in the contract.	Important	Yes	Chief, General Services Section	By 30 September 2017.	Implementation has commenced. The evaluations will be implemented together with quarterly reconciliation of rebates and accounts.