



INTERNAL AUDIT DIVISION

REPORT 2025/009

Audit of official travel at the Office of United Nations High Commissioner for Refugees

UNHCR needed to review its strategic approach to travel management and improve compliance with the travel policy provisions to ensure efficiency and cost effectiveness of official travel

04 June, 2025

Assignment No. AR2024-161-01

Audit of official travel at the Office of United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of official travel at the Office of United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess the extent to which travel arrangements in UNHCR were operating efficiently, cost-effectively and in accordance with policy requirements. The audit covered the period from 1 January 2022 to 31 July 2024 and included: (a) strategic planning; (b) travel management systems; (c) travel costs and entitlements; and (d) management of travel management companies.

UNHCR's global travel strategy primarily focused on efficiencies, with progress achieved in consolidating travel arrangements across the regions and countries. However, the UNHCR travel strategy needed to give more consideration to economy and cost-effectiveness considering the organization's ongoing financial constraints. Additionally, gaps in controls over travel resulted in non-compliance with the travel policy going undetected and, in some instances, overpayments of allowances. The deferred functionalities and system bugs of the recently implemented travel management system reduced its effectiveness in driving compliance with policy and providing data for decision making. Travel management companies were also not effectively monitored to ensure full compliance with contractual obligations.

OIOS made seven recommendations. To address issues identified in the audit, UNHCR needed to:

- Update its multi-year travel strategy and policy to consider further cost-saving opportunities, and enforce cost containment guidelines in line with prevailing financial circumstances.
- Further articulate the impact of the proposed consolidation model on cost-effectiveness and improved compliance, and assess the relevance of the wider use of self-ticketing.
- Address key deferred system functionalities of travel management system; resolve key outstanding user and integration issues; and finalize the development and deployment of Business Intelligence reports to aid decision making.
- Strengthen implementation of travel policy with regard to advance booking, and adopt measures for timely recovery of travel related overpayments.
- Enhance the capacity of travel experts at headquarters and operations.
- Implement measures to further improve the cost effectiveness of the air travel booking process through the global travel agency.
- Strengthen management of travel management companies by monitoring service providers' performance against agreed metrics in the agreements and utilizing global airline discount agreements.

UNHCR accepted recommendations and has initiated actions to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of official travel at the Office of United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of official travel at the Office of United Nations High Commissioner for Refugees (UNHCR).

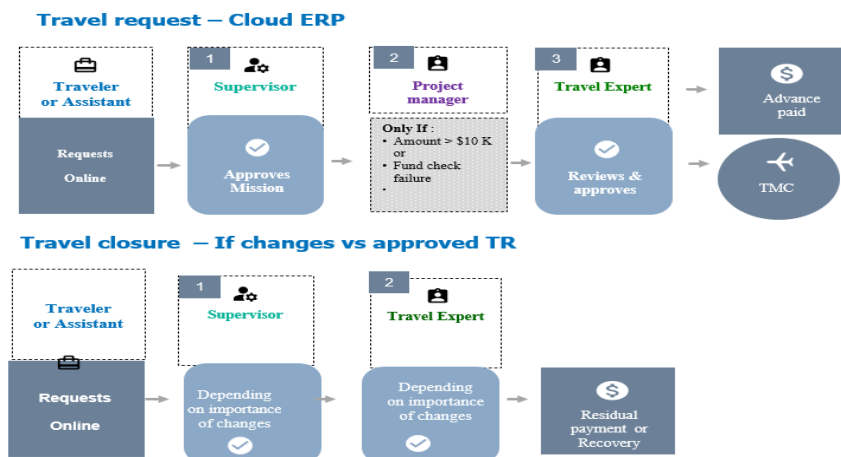
2. Travel is an essential and enabling activity in UNHCR and is necessary to deliver the Organization's core mandate. Per the United Nations Staff Rules and Regulations, official travel comprises: (a) mission travel of staff members, consultants and other individuals authorized to travel for related purposes; and (b) statutory travel, for staff and their eligible family members related to appointment, reassignment, home leave, family visit, education grant travel, and repatriation on separation travel. The primary focus for this audit was on mission travel.

3. The Global Travel Section within the Division of Financial and Administrative Management (DFAM) provides end-to-end administration of official travel originating from Headquarters (HQ), supports operations in the implementation of the travel policy across the UNHCR, and is responsible for the deployment of global airline and travel agencies contracts at HQ. In UNHCR field operations, not covered by the global frame agreement, travel arrangements are administered by designated travel assistants who are responsible for arranging travel in accordance with policy and in coordination with travel agencies.

4. In February 2022, UNHCR introduced amendments to the UNHCR Policy on Travel for Official Purposes- IOM/072-FOM/073/2013 (travel policy) through administrative instruction covering both mission and statutory travel, to facilitate more effective, client oriented and greener travel services at UNHCR. This policy is based on the United Nations Secretariat Administrative Instruction on Official Travel ST/AI/2013/3, which was amended in May 2024. UNHCR also has a global strategy that sets out its future vision in terms of digitization, simplification of workflows and consolidation of travel arrangements through introduction of umbrella contracts.

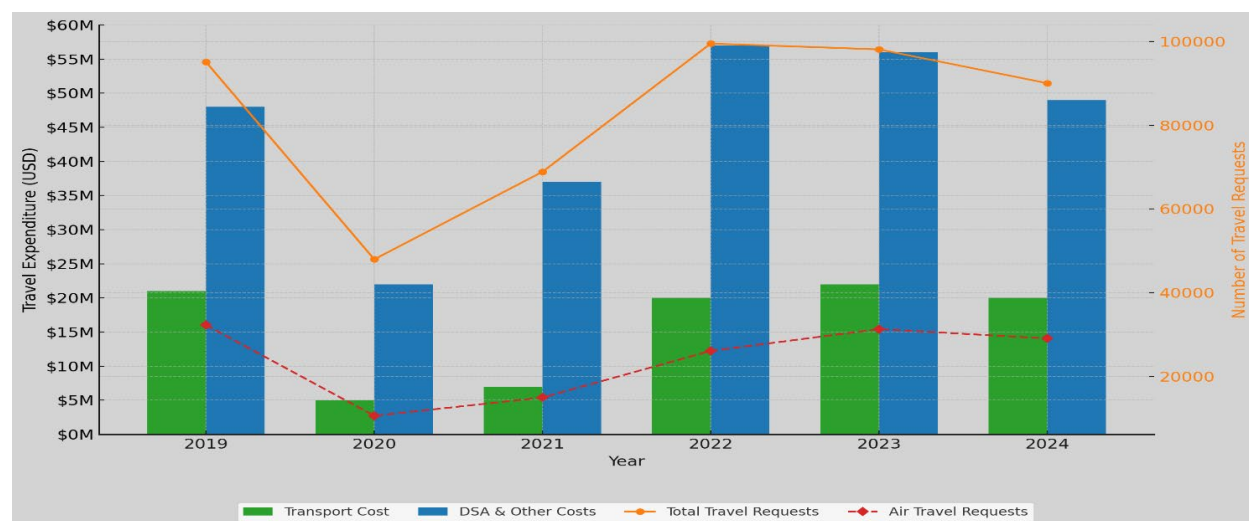
5. UNHCR implemented a travel management solution within the Cloud ERP system in September 2023, replacing the legacy system. Developed as a customized platform-as-a-service, this self-service solution aimed to streamline travel processes by digitizing the approval workflow and automating back-office travel processes. The key roles in the arrangement of official travel are shown below:

Figure 1: Process for official travel:



6. UNHCR spent \$223.8 million on official travel for the period 2022 to 2024, as shown in graph 1. Although travel expenditure accounts for a small part of the overall UNHCR budgets, it has been an area of interest for the General Assembly, with calls to improve air travel management and ensure cost-effective and efficient utilization of resources.

Graph 1: Travel cost and number of travel requests of official travel from 2019 to 2024



7. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the extent to which travel arrangements in UNHCR were operating efficiently, cost-effectively and in accordance with policy requirements.

9. This audit was included in the 2024 risk-based work plan of OIOS due to the importance of official travel in supporting UNHCR achieve its mandate.

10. OIOS conducted this audit from September to December 2024 at the UNHCR HQ in Geneva and virtually in country operations in Ethiopia, Chad, Democratic Republic of the Congo (DRC), Afghanistan, Türkiye, Iraq, Mexico and headquarter divisions. The audit covered the period from 1 January 2022 to 31 July 2024. Based on an activity-level risk assessment, the audit covered higher and medium risk areas relating to: (a) strategic planning; (b) travel management systems; (c) travel costs and entitlements; and (d) management of travel management companies.

11. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, (c) assessment and analytical review of data of the client's data management systems, including Managing for Systems, Resources and People (MSRP) and Cloud ERP, for financial reporting and supply chain management, Travel Solution for management of travel and COMPASS, for strategic planning, budgeting, monitoring, and reporting, (d) sample testing¹ of travel requests and claims using a systematic sampling of high value travel claims from the selected operations, (e) administration of questionnaires for collecting information on the implementation of the travel strategy and other

¹ A sample of 175 high value travel requests/claims was selected from the population of travel requests processed from the operations of Mexico, Iraq, Afghanistan, Ethiopia, Turkey, Chad, DRC and Headquarters from 2022 to July 2024

arrangements; and (f) benchmarking of travel activities with peer agencies including pricing arrangements with TMCs and travel process efficiencies.

12. OIOS assessed the reliability of data related to travel management in cloud ERP, MSRP and COMPASS by: (a) testing travel authorizations, claims and expenses; and (b) interviewing Global Travel Section personnel knowledgeable about the data, and (c) reviewing travel strategy, indicators and results. Additionally, OIOS traced a random sample of data to source documents. Based on the assessment, OIOS determined that except for the observations raised in section B below, the data was sufficiently reliable for the purpose of addressing audit objectives.

13. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Strategic planning for travel management

14. UNHCR formulated its global travel strategy in 2020 with the objective of: (i) simplifying processes by reducing travel-related workload by 25 per cent and digitalizing travel workflows; (ii) consolidating expenditures with 70 per cent covered by umbrella contracts, and (iii) promoting sustainability by reducing CO2 emissions by 15 per cent. A review of the strategy indicated the following ways in which it could be more effective in driving the desired change.

Need to assess the strategic approach to travel management in response to prevailing financial circumstances

15. The strategy focused primarily on improving travel efficiencies without considering economical travel. For instance, the strategy was premised on digitization, i.e., through the implementation of a new travel solution. It, however, did not elaborate how the system would be leveraged to achieve cost savings. There is a need for a renewed focus on cost-effectiveness, especially considering the organization's current financial constraints.

16. Given the UNHCR's resource constraints at the time of the audit, the existing policy offered limited cost-saving strategies beyond the advance purchase of tickets. This approach on its own proved ineffective in significantly reducing travel costs. Other potential cost-saving measures had not been explored in the context of the current financial environment, such as:

- Holding managers accountable for the effective implementation of travel alternatives, such as video and audio conferencing, in line with the provisions of the travel policy.
- Moving ticketing away from the traditional three-class system, i.e., first, business, economy class to modern and more dynamic pricing strategies in air travel that reflect adjusted fares by airlines based on demand, seasonality, and competitor rates.
- Increasing the threshold for business class travel, given the availability of comfortable travel options like premium economy which offer wider seats, legroom, priority boarding, and improved meal services at a lower cost.
- Offering incentives such as additional vacation days, monetary bonuses, or other perks to staff to voluntarily downgrade from business class to economy.

17. On 27 January 2025, the High Commissioner announced precautionary measures to mitigate the impact of significant funding uncertainty on UNHCR's operations. This included a freeze on all

international travel and workshops/events. However, available data indicated that over 150 international travel authorizations (50 of which were from HQ) totaling \$800,000 were approved in February and March 2025 alone. Also, contrary to the freeze, some \$250,000 of this total was travel related to workshops and events. In light of the prevailing circumstances, it was imperative that DFAM ensure that UNHCR entities enforce cost-saving measures.

(1) The UNHCR Division of Financial and Administrative Management should update its multi-year travel strategy and policy to consider further cost-saving opportunities and enforce cost containment guidelines in line with prevailing financial circumstances.

UNHCR accepted recommendation 1 and stated that it will update its travel strategy for the period 2026–2031, while also identifying additional cost-saving opportunities. UNHCR will also update the travel policy considering changes introduced under the new ERP framework.

Strategic objectives not fully operationalized

18. Although key performance indicators and targets were defined for the strategic objectives, performance was not appropriately monitored nor reported in UNHCR's COMPASS system. This impacted UNHCR's ability to track progress in implementing the travel strategy.

(a) Simplifying and digitalizing travel workflows for reduction of travel-related workload

19. UNHCR adapted a travel management solution by Oracle in 2023 which aimed to enhance efficiency by having a 100 per cent digital travel workflow that would reduce travel related workload by 25 per cent. At the time of the audit, close to 100 per cent of the travel workflow had been digitalized; except for medical evacuation (medevac) computations which were still manual. However, no reports were available on how the 100 percent digitalization of the process impacted the workload and contributed to meeting the set target.

20. As of July 2024, only 1.7 per cent of tickets purchased during the audit period within UNHCR were self-purchased, which is one of measures to enhance the simplification and reduce workload. This figure was low, especially considering the numerous advantages of online/self-ticketing, such as decreased transaction costs, improved pricing transparency and 24-hour availability. This also gave staff the opportunity to choose the best combination of flights that met their specific business requirements in the most cost-effective manner. There was a need to further promote self-ticketing for both air and rail travel.

(b) Consolidation of travel under a few umbrella contracts

21. In line with the United Nations Secretariat approach and industry best practice, UNHCR sought to increase efficiency and cost-effectiveness by consolidating 70 per cent of global air ticket expenditure under global umbrella contracts. By September 2024, it had 55 per cent of commercial tickets (excluding UNHAS tickets) booked through a global frame agreement. This resulted in: (i) centralized billing thereby reducing the workload; (ii) cost savings from access to global airline rates; and (iii) dedicated teams that had expertise and were knowledgeable of organizational policies and travel procedures.

22. However, in consolidating travel under one frame agreement, consideration was not given to the unique circumstances of countries:

- No consideration was given to discounts provided to local travel service providers that were not available at HQ. For instance, the UNHCR operations of Iraq, Afghanistan and Ethiopia had negotiated discounts of 14-50 per cent for domestic flights (domestic flights constituted more than

50 per cent of travel in these operations). Although domestic fares represented about 25 per cent of the ticket expenditure globally, consideration should also be given to locally discounted fares that may exist in certain operations, to ensure these discounts are not forfeited during the deployment of the global framework agreement.

- When consolidating travel service provision, limited consideration was given to the local context in some operations. For instance, it did not consider the differences in the working week in countries in MENA and Asia Pacific that run from Sunday to Thursday. This affected the response time of the HQ service provider.

(c) Implementation and monitoring of sustainable travel

23. In line with the General Assembly (A/RES/77/263 B), UNHCR sought to reduce carbon emissions by 15 per cent by minimizing travel through the use of web/video conferencing, giving preference to non-stop flights and promoting rail journeys for short distance travel. OIOS review of sustainable travel revealed the following areas that need to be improved.

- DFAM did not have mechanisms for enforcing and monitoring proposed initiatives for sustainable travel. Thus, at the time of the audit, no data was available on the extent to which this initiative was implemented and the progress made towards reaching the target. For instance, the travel related to training, workshops, and meetings did not reduce between 2022 to 2024. The proportion of travel requests associated with training, workshops, and meetings has risen from 4 per cent in 2022 (3,379 travel requests) to 22 per cent as of July 2024 (10,631 travel requests) which was an indication that operations were not opting for virtual meetings over travel. Between September 2023 to July 2024: (i) \$21 million (38 per cent) of UNHCR travel costs and (ii) \$338,852 (34 per cent) of the travel costs in Mexico were for trainings, official meetings and workshops.
- The automation of the calculation of CO2 emissions had not been implemented resulting in DFAM reporting greenhouse gas emissions only on an annual basis. This report covered UNHCR as a whole and did not detail CO2 emissions by operation or route, which limited the organization's analysis of trends and implementing targeted, localized solutions. Further, greenhouse gas emissions from air travel increased by 2 per cent from 2022 to 2023.

(2) The UNHCR Division of Financial and Administrative Management should: (a) further articulate the desired impact of the proposed consolidation model and digitisation on cost-effectiveness and improved compliance; (b) assess the relevance of the wider use of self-ticketing; and (c) reinforce the monitoring of progress in implementing strategic objectives against established key performance indicators including sustainable travel.

UNHCR accepted recommendation 2 (a) and (b) and stated that these aspects will be addressed as part of the updated travel strategy and policy. For recommendation 2 (c) UNHCR stated that in view of the current funding constraints and the need to prioritize core activities, it was highly unlikely that UNHCR would be able to allocate additional resources beyond those already dedicated.

B. Travel management system

Need to optimize the use of the travel management system

24. In September 2023, UNHCR replaced the legacy travel system in MSRP with a new travel management solution integrated into Cloud ERP. However, the system was launched with incomplete

features and failed critical user acceptance tests. For instance, by the go-live date, there were 683 failed tests, 299 of which were classified as high risk. This led to persistent stability and reliability issues, with recurring bugs and failures reported. By November 2024, 252 travel solution related incidents remained unresolved, two of which were classified as high risk. Fifty-four of these outstanding incidents (21 per cent) had been open for over three months.

25. Efforts to stabilize the system led to fewer bugs and complaints by October 2024, but some deferred functionalities and integration features impacted the optimization of the travel system as noted below.

(a) Absence of key system functionalities

26. The travel system lacked certain key functionalities to ensure effectiveness. For example:

- Contrary to the policy, the system did not have provisions for approvers to assess and opine whether alternatives to travel could be considered. This impacted on UNHCR's ability to monitor effectiveness of proposed measures for reducing greenhouse emissions.
- The system functionality to automatically close the travel claims and recover advanced amounts if staff did not provide self-certifications within 14 days of their return was yet to be implemented.
- The system lacked functionality for computing medevac-related DSA. Thus, related computations were conducted manually, many of which contained errors. For instance, there were errors in the computation of DSA in three of the six medevac travel authorizations reviewed in the Ethiopia and DRC operations. DFAM noted that the automation of computation of medevac-related DSA was complicated, but it had not instituted alternative arrangements to reduce errors arising from manual computations.

(b) Integration with other systems

27. Cloud ERP and Workday (human resources management system) were not fully integrated at the time of audit. As a result, the receivables generated by the travel solution were not automatically transmitted to payroll for recovery of overpayments, advances, or canceled travel requests. This resulted in:

- Delayed recovery of travel-related receivables with 548 staff with a cumulative balance of \$480,206 by 21 March 2025 (down from \$967,344 in September 2024). Of this amount, 122 transactions totaling \$95,840 were from as far back as 2023. Additionally, there were some travel advances related to staff who had already separated from UNHCR in DRC and Afghanistan.
- Discrepancies in data, with amounts shown as receivables in the travel solution not reconciled with balances in the general ledger.

28. Furthermore, the travel solution was yet to be integrated with systems such as: (i) the Online Booking Tool Solution to allow staff to make air travel reservations directly; (ii) United Nations Department of Safety and Security clearance system; and (iii) the UNHCR medical clearance system at the time of the audit. This impacted on the efficiency with which travel-related processes were executed by staff.

(c) Data reliability and reporting

29. A review of the travel expenditures identified a \$1.3 million variance between the travel system and the general ledger module on 13 September 2024. Various explanations were provided for this variance, including challenges in synchronizing the data between the two systems, but no assurance could be provided

that this was an isolated incident. This not only impacted related data accuracy but also compromised the reliability of available financial information.

30. The travel solution was to offer comprehensive and flexible Business intelligence (BI) reporting facilities for key management functions like expenditure data and workflow efficiency indicators. However, no BI reports to aid travel monitoring were available at the time of the audit. While the related BI reports module was under development, there were a few reports being generated as a work around to aid monitoring, which, however, were not comprehensive. The absence of comprehensive reports hindered informed decision-making. For instance, operations lacked information to inform decisions especially on expenditure data related to their operations. It also impacted on the monitoring of compliance against the travel policy and strategy.

(3) The UNHCR Division of Financial and Administrative Management should optimize the effectiveness of the travel management system by: (a) addressing key deferred system functionalities; (b) resolving key outstanding user and integration issues; and (c) finalizing the development and deployment of Business Intelligence reports to aid decision making.

UNHCR accepted recommendation 3 and stated that a plan to address system modifications was ongoing. However, due to funding constraints, UNHCR would need to prioritise critical system enhancements that were necessary.

C. Travel costs and related entitlements

31. OIOS reviewed 175 travel requests from Ethiopia, Chad, Democratic Republic of Congo (DRC), Iraq, Afghanistan, Türkiye, Mexico and HQ (Divisions). Although, travel requests were generally executed in accordance with the relevant policy, exceptions were noted regarding travel planning, compliance with the travel policy, computation of travel entitlements and certification of travel claims, as noted below.

Need to strengthen management of long missions

32. UNHRC had 15,887 recorded long missions, i.e., missions lasting over 30 days, in the period from 2022 to July 2024 and incurred \$26 million on daily subsistence allowance. While some of these missions were attributed to emergency deployments that typically lasted three months, others were related to field visit missions. A review of these extended missions showed that:

- Several extended missions lacked clear terms of reference and schedules, with many being prolonged beyond their original duration without proper justification. For instance, eight long missions in Ethiopia and Chad were repeatedly extended without any assessments of the remaining workload. This led to additional DSA payments and penalties for ticket changes.
- The certification of travel, which occurred only after their completion, was often fraught with errors since staff frequently had difficulty recalling mission details due to the passage of time. Furthermore, the lack of integration between the travel management system and the leave management system compromised the accuracy of calculating long mission entitlements as well as tracking leave taken during official missions.
- Additionally, the closure and certification process for long missions did not consistently involve the supervisors of staff. Instead, it was completed by staff and signed off by travel experts and administration officers with limited knowledge of specific missions. This often resulted in errors and inaccuracies in the calculation of related entitlements, such as DSA.

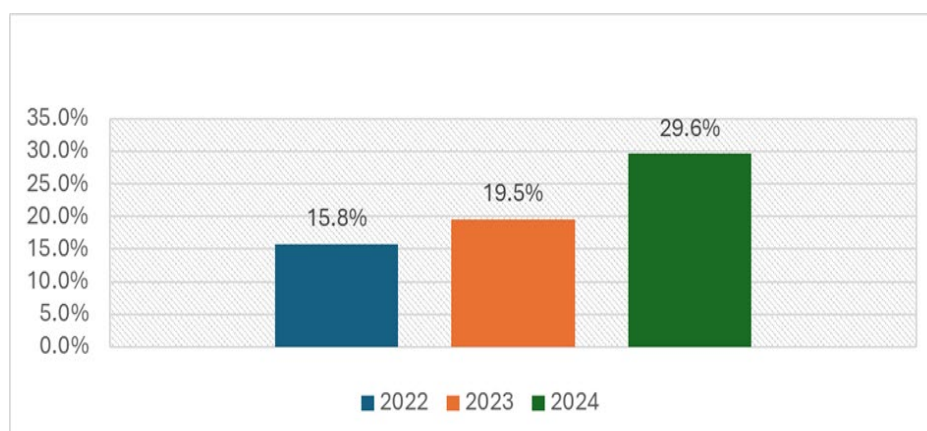
33. Given the frequency and costs of long missions, calculation errors and inconsistencies could be reduced by setting in place a standard operating procedure to guide and strengthen travel management for long missions.

Need to strengthen controls around obtaining cost-effective air tickets

(a) Advance booking of tickets

34. Of the 175 travel authorizations reviewed, 135 (77 per cent) did not comply with the policy requiring travelers to submit requests at least 21 calendar days in advance and purchase air tickets 16 days prior to the travel date. For instance, some staff at HQ and in Mexico purchased air tickets just one day before travel. This led to significantly higher costs despite having sufficient time to plan missions. The policy, however, does not specify any consequences for non-compliance. As shown in graph 2, the compliance rate for travel authorizations processed from 2022 to 2024, excluding emergency deployments, remained low but with improvement noted over the years.

Graph 2: Compliance with Advance booking for air tickets from 2022 to 2024



(b) Use of cost effective and economical routes

35. All seven operations and entities in the HQ reviewed did not consistently purchase economical (least expensive) air tickets in accordance with the travel policy. The instances below should have been identified by the travel experts that were responsible for ensuring that travel arrangements were made in a cost-effective manner and in accordance with policy. For example:

- Some business class tickets from Nairobi to Geneva were purchased for over \$10,000 yet on average this route costs \$3,400. The same itinerary for the same route in March, June, July and September 2023 had between \$2,000-4,000 variance in ticket price compared to the average fare.
- Contrary to the travel policy, the least expensive fare on a direct service was not always selected. For example, a staff member in Afghanistan travelled from New Delhi to Kabul via Dubai in business class at a cost of \$3,090 when there was a direct flight costing \$371.
- Contrary to the policy, business-class tickets were booked for travel below the 10-hour threshold² as noted below without a waiver from the Controller for the exception – (i) A staff member selected

² UNHCR applies the less burdensome single threshold for business class travel unlike the United Nations Secretariat where a dual threshold applies.

an alternative route from Geneva to Kabul other than the approved route. This increased the travel time to over 10 hours, with the staff travelling business class at an additional cost of \$5,553; (ii) Three guests travelled business class from Chad to Geneva when the travel time was below 10 hours, and this resulted in the organization incurring an extra \$7,400.

(c) Obtaining quotations to inform travel

36. Further, contrary to some travel management contracts and good practice, travel management companies did not always provide at least three quotations from which the lowest cost and most direct would be selected. Tickets for 35 of the 175 travel requests sampled, totaling \$68,512, were purchased without comparing at least three quotations. While operations like Chad and DRC had limited travel options available, this was not the case for others like Iraq, Afghanistan, and Ethiopia.

37. In addition, delays in staff confirming quotes and frequent changes of travel itineraries also often led to higher costs. Such instances in four travel authorizations at HQ and Mexico resulted in UNHCR having to pay an extra \$3,605 due to increases in ticket price. While some itinerary changes were inevitable, frequent and unjustified changes in ticket dates and locations resulted in penalties, as was noted in Iraq, Afghanistan and Türkiye where over \$1,000 was paid in extra costs.

(d) Fare validation

38. While travel experts at HQ had access to Global Distribution Systems (GDS), which provided fare information against which reasonableness of tickets offered by the travel management company could be assessed, there was no documentation to evidence that they validated fares proposed. The travel experts in field operations on the other hand did not have access to the GDS and this impaired their ability to validate fares. Thus, the cost-effectiveness of air tickets was left to the travel agents, without any oversight thereby resulting in potentially higher charges for tickets going unchecked. The following instances also indicated ineffective fare validation processes by travel experts:

- A traveler in Chad noted that the ticket proposed by the agency was \$3,000 more than similar tickets that were available.
- In 28 instances noted in the Mexico operation, not only were actual costs higher than the estimates in the travel module but there were also significant variances in ticket prices for the same destination during the same travel period and by the same airline.

Need to strengthen controls around computation of travel entitlements

39. Travelers did not always file expense claims two weeks from their completion of travel as proof that the travel occurred and to account for travel advances as required in the travel policy. From the samples tested, 94 cases (54 per cent) travelers did not submit the expense claims (self-certification) within the required policy time limit. Across the entire population of claims, the average period within which staff completed their travel claims was 17, 18 and 22 days for 2022, 2023 and 2024, respectively. This non-compliance with the travel policy resulted in travel advances totaling \$1.7 million pending self-certification as of July 2024.

40. Travel administrators and/or experts that were responsible for reviewing and approving claims to ensure their compliance with the policy did not always execute this role effectively. Thus, based on the sample of claims reviewed, the audit identified overpayments to staff due to discrepancies in the calculation of 17 DSA and terminal entitlements totaling \$43,390. This included travelers claiming terminal expenses

when the operation had provided airport pick-up and drop-off, leading to overpayment of \$12,341 in Chad. Of the total overpaid amounts, \$15,143 was recovered after the audit.

Table 1: Overpayments related to travel from the review of the sample of travel claims

Business Unit	Amount overpaid	Amount Recovered as at 25/01/2025
Ethiopia	8,727	3,016
Chad	18,452	11,888
DRC	960	-
Turkey	15,251	239
Total	43,390	15,143

41. Further, travel experts lacked guidance on what to look for or which documents to expect when approving claims, leading to inconsistencies in the certification process. For instance, some travel experts did not obtain supporting documentation for review prior to certifying travel claims. This contributed to uneconomic travel bookings, poor compliance with policy and errors going undetected.

(4) The UNHCR Division of Financial and Administrative Management should, in coordination with Regional Bureaux and country operations, strengthen implementation of travel policy with regard to advance booking, timely filing of travel claims and recovery of travel-related advances and overpayments.

UNHCR accepted recommendation 4 and stated that the first point would be addressed both through manager awareness-raising efforts and, potentially, additional policy measures and the second, would be addressed primarily through system improvements aimed at enhancing compliance.

(5) The UNHCR Division of Financial and Administrative Management should enhance the capacity of travel experts at headquarters and operations levels by developing standard operating procedures and providing relevant training material to guide their work.

UNHCR accepted recommendation 5 and stated that it will develop a SOP and supporting tools covering all main aspects of the reviews and controls conducted by the travel experts whether related to fare selection, policy, or procedural elements.

D. Management of travel management companies

Need to strengthen the management of service providers

(a) Fees charged by the HQ Travel Management Company (TMC) were higher than those charged by local TMCs

42. The HQ TMC charged higher transaction fees than the local TMCs in the six field operations reviewed. In addition to the annual management fees of Euro 50,000 per year, the HQ TMC charged 14 Euros per ticket issued (26 Euro for low-cost airlines). The HQ TMC also charged about \$40 per international ticket for the transactions carried out in the Asia region. In contrast, TMCs in the six operations did not charge an annual management fee and their fees were between US\$ 0-10 per ticket issued.³ Thus,

³ Two operations did not have transactions fees on air tickets issued.

while the HQ service provider's fees were lower than those of the UNOG provider, they were still twice as high as the UNON providers' transaction fees.

(b) Monitoring and tracking of travel related invoices

43. The fees charged by TMCs at HQ and field operations ranged between 1.5 and 2 percent of air travel costs. The operations of Ethiopia, Chad, DRC, and Türkiye did not have an effective system for monitoring payments against invoices for tickets issued, which led to inaccurate and incomplete documentation of payments. The following issues were noted:

- The operation in Türkiye did not enforce the contract requirement that travel agencies develop an "invoice tracking system." Instead, it provided discharge letters from two of the three travel agents stating that the agencies had been paid in full in the past years. However, these letters were not supported by reconciliations of air tickets issued, invoices raised, and payments effected.
- All four travel service providers in Afghanistan submitted monthly invoices to the operation but they lacked a breakdown of costs regarding airfare payable to the travel agency, transaction costs, and fees payable to the provider. Thus, there was no basis for verifying that the fees charged by the service provider were in accordance with the agreements in place. Furthermore, there was no evidence that the discounted fares referenced in the contracts were granted.
- The lack of reconciliations in Ethiopia resulted in an overpayment of \$14,490 to the TMCs which had not been recovered at the time of the audit.
- The operation in DRC did not provide documentation to support the payments made to TMC in the period under audit. Thus, OIOS could not establish whether the payments totaling \$705,383 between 2022 and August 2023 were adequately supported.

(c) Monitoring against key performance indicators

44. All operations reviewed had agreements with travel management companies, with indicators and targets listed for the measurement of their performance. However, two operations, i.e., DRC and Chad, did not conduct performance evaluations during the period under audit. This was a missed opportunity to assess performance and/or improve service delivery.

45. The other operations conducted annual performance evaluations of TMCs, but they were generic since they were not aligned with the performance metrics outlined in the agreements. For example:

- The TMCs in Türkiye, Afghanistan, and Ethiopia did not comply with the requirement that they report cost savings achieved using travel agencies.
- Performance evaluations were conducted at HQ, but only for service level metrics pertaining to response to emails and telephone calls. It was unclear whether other aspects such as service quality, cost-effectiveness, and adherence to UN policies were monitored.
- Provisions for discounts on local and international tickets in contracts signed with TMCs in Afghanistan and Iraq were not properly monitored; and this resulted in a missed opportunity to obtain discounts totaling \$60,000 in Afghanistan alone.

46. Further, TMCs only provided management reports to HQ and the Mexico operation. In the case of HQ, there was no documentation to evidence that the management reports were analyzed and used to influence decision-making. For example, HQ received reports on advance booking behavior and the use of

the lowest fare, but there was no evidence that UNHCR took action to investigate and remedy the issues raised in the reports. The lack of management reports in certain operations made monitoring challenging.

(d) Global airline discount agreements

47. UNHCR obtained cost savings on tickets purchased through 14 global discount airline agreements with over 35 airlines. The HQ TMC had access to the global discount agreements and the corresponding discounted fares through the global distribution system (GDS). However, this was not the case in the field operations, which was a missed opportunity for UNHCR to obtain savings on tickets.

48. While many tickets issued by HQ were at negotiated fares, there was no documentation to evidence the monitoring of discounts applied by the global TMC. In some cases, the codes in the TMC's reports were not aligned to the global discount agreements, thereby complicating possible verification that programmes were being utilized. Furthermore, despite utilizing discounted fares, the dynamic nature of airline pricing posed challenges in determining actual cost savings. For instance, within the economy class, various subclasses such as premium, standard/full, and basic economy were offered by different airlines. This complexity indicated the need for clear guidelines regarding what essential amenities were included in the economy class. It was observed that TMC at HQ frequently offered all the sub-classes of economy but mainly selected full economy, which was more costly than others.

Need to ensure cost-effective ticketing by the TMC

49. The United Nations Secretariat implemented measures proposed in the Secretary General's report A/79/628 date 26 November 2024 to ensure that the booking of air tickets through TMC was cost effective. These measures had, however, not been adopted yet by UNHCR and they included:

- Conducting pre-and post-purchase reviews and audits, to ensure that the Organization benefits from agreed corporate rates with airlines and the TMC issued tickets in line with applicable rules;
- Implementing a control mechanism in the ERP system that required that the TMC bears additional costs emanating from purchased tickets that exceeded an estimate by a defined threshold; and
- Implementing price optimization tools which require the TMC to continue searching for lower-priced tickets after purchase; and
- Including booking retention in agreements, which prevent the airline from cancelling the booking and ensuring the United Nations benefits from the best available fares.

(6) The UNHCR Division of Financial and Administrative Management should implement measures in line with Secretary General's report to the General assembly A/79/628 dated 26 November 2024 to further improve the cost effectiveness of the air travel booking processes through the global travel agency.

UNHCR accepted recommendation 6 and stated that it will continue the efforts to further enhance the cost-effectiveness of air travel booking processes through the global travel agency. This work will be conducted within the framework of the new contract with the global travel agent and will focus on the use of online booking tools and specific procedures for high-value tickets.

(7) The UNHCR Division of Financial and Administrative Management, in coordination with Regional Bureaux, should strengthen management of travel management companies by providing guidance on: (a) the regular conduct of reconciliations between payments and invoices and tickets issued; (b) the monitoring of service providers' performance against

agreed metrics in the agreements; and (c) broader utilization of global discount agreements.

UNHCR accepted recommendation 7 and stated that the recommendation will be addressed by actions for recommendation 5 and the expanded the use of the global TMC frame agreement within the context of UNHCR operations to ensure broader utilization of global discount agreements.

IV. ACKNOWLEDGEMENT

50. 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.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of official travel at the Office of United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	The UNHCR Division of Financial and Administrative Management should update its multi-year travel strategy and policy to consider further cost-saving opportunities and enforce cost containment guidelines in line with prevailing financial circumstances.	Important	O	Submission of the updated multi-year strategy and policy including cost saving initiatives.	30 April 2026
2	The UNHCR Division of Financial and Administrative Management should: (a) further articulate the desired impact of the proposed consolidation model and digitisation on cost-effectiveness and improved compliance; (b) assess the relevance of the wider use of self-ticketing; and (c) reinforce the monitoring of progress in implementing strategic objectives against established key performance indicators including sustainable travel.	Important	O	Submission of evidence of the impact of the consolidation model and the wider use of self-ticketing.	31 March 2026
3	The UNHCR Division of Financial and Administrative Management should optimize the effectiveness of the travel management system by: (a) addressing key deferred system functionalities; (b) resolving key outstanding user and integration issues; and (c) finalizing the development and deployment of Business Intelligence reports to aid decision making.	Important	O	Resolution of deferred system functionalities, integration issues and deployment of business intelligence reports.	30 April 2026
4	The UNHCR Division of Financial and Administrative Management should, in coordination	Important	O	Submission of evidence of strengthened implementation of advance booking and more	30 March 2026

⁴ 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.

⁵ 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.

⁶ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁷ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of official travel at the Office of United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
	with Regional Bureaux and country operations, strengthen implementation of travel policy with regard to advance booking, timely filing of travel claims and recovery of travel-related advances and overpayments.			timely filing of travel claims and recovery of travel-related advances and overpayments.	
5	The UNHCR Division of Financial and Administrative Management should enhance the capacity of travel experts at headquarters and operations levels by developing standard operating procedures and providing relevant training material to guide their work.	Important	O	Submission of evidence of standard operating procedures and training material for travel experts.	31 December 2025
6	The UNHCR Division of Financial and Administrative Management should implement measures in line with Secretary General's report to the General assembly A/79/628 dated 26 November 2024 to further improve the cost effectiveness of the air travel booking processes through the global travel agency.	Important	O	Submission of evidence of the implementation of measures to ensure that the existing process of booking of air tickets through the contracted travel agency is cost-effective.	30 April 2026
7	The UNHCR Division of Financial and Administrative Management in coordination with Regional Bureaux should strengthen management of travel management companies by providing guidance on: (a) the regular conduct of reconciliations between payments and invoices and tickets issued; (b) the monitoring of service providers' performance against agreed metrics in the agreements; and (c) broader utilization of global discount agreements.	Important	O	Issuance of guidance on the need to conduct reconciliations between payments, invoices and tickets issued, monitoring of travel service providers' performance against agreed metrics and the broader utilization of global discount agreements.	31 December 2025

APPENDIX I

Management Response

MANAGEMENT RESPONSE

Audit of official travel at the Office of United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁸ / Important ⁹	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
1	The UNHCR Division of Financial and Administrative Management should update its multi-year travel strategy and policy to consider further cost-saving opportunities and enforce cost containment guidelines in line with prevailing financial circumstances..	Important	Yes	Head of Global Travel Section	30 April 2026	Recommendation accepted. UNHCR will update its travel strategy for the 2026–2031 period, while also identifying additional cost-saving opportunities. UNHCR will also update the travel policy—particularly in light of changes introduced under the new ERP framework. UNHCR would like to emphasize that, over the past few months, it has already implemented several highly effective and impactful cost-saving measures—some of which are expected to inform the upcoming policy discussions.
2	The UNHCR Division of Financial and Administrative Management should: (a) further articulate the desired impact of the proposed consolidation model and digitisation on cost-effectiveness and improved compliance; (b) assess the feasibility of the wider use of self-ticketing; (c) set-up mechanisms to monitor the implementation of sustainable travel; and reinforce the monitoring of progress in implementing strategic objectives against established key performance indicators including sustainable travel.	Important	Yes	Head of Global Travel Section	31 March 2026	Point (a) – Accepted. This point will be addressed as part of the ongoing reflection on the updated travel strategy. Point (b) – Accepted. However, we suggest rephrasing it as: “Assess the relevance of a wider use of self-ticketing” (as reflected in the previously shared version). This point will be addressed as part of the broader reflection on the updated travel policy.

⁸ 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.

⁹ 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.

Rec. no.	Recommendation	Critical ⁸ / Important ⁹	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
						Point (c) – Given the critical funding constraints currently faced by UNHCR and the need to prioritize core activities, it is highly unlikely that UNHCR will be able to allocate additional resources beyond those already dedicated (i.e., the “travel data cube”). UNHCR accepts the residual risks and requests closure of this part of the recommendation.
3	The UNHCR Division of Financial and Administrative Management should optimize the effectiveness of the travel management system by: (a) addressing key deferred system functionalities; (b) resolve resolving key outstanding user and integration issues; and (c) finalizing the development and deployment of Business Intelligence reports to aid decision making.	Important	Yes	Head of Travel Section	30 April 2026	Recommendation accepted. A plan to address the most critical modifications in already ongoing. However, it should be noted that due to funding constraints, UNHCR will need to prioritise system enhancements that are strictly necessary—such as the integration enabling end-to-end automation of advance recoveries.
4	The UNHCR Division of Financial and Administrative Management should in coordination with Regional Bureaux and country operations: (a) strengthen implementation of travel policy with regard to advance booking, and (b) adopt measures for more timely filing of travel claims and recovery of travel-related advances and overpayments.	Important	Yes	Head of Travel Section	30 March 2026	Recommendation accepted. The first point will be addressed both through manager awareness-raising efforts and, potentially, additional policy measures. The second, will be addressed primarily through system improvements aimed at enhancing compliance.
5	The UNHCR Division of Financial and Administrative Management should enhance the capacity of travel experts at headquarters and operations levels by developing standard operating procedures and providing relevant training material to guide their work.	Important	Yes	Head of Travel Section	31 December 2025	Recommendation accepted. UNHCR will develop a SOP and supporting tools covering all main aspects of the reviews and controls carried out by the travel experts—whether related to fare selection, policy, or procedural elements.

Rec. no.	Recommendation	Critical ⁸ / Important ⁹	Accepted? (Yes/No)	Title of responsible individual	Implementation date	UNHCR comments
6	The UNHCR Division of Financial and Administrative Management should implement measures on the lines suggested by the Secretary General's report to the General Assembly A/79/628 date 26 November 2024 to further improve the cost effectiveness of the air travel booking processes through the global travel agency.	Important	Yes	Head of Travel Section	30 April 2026	UNHCR will continue the efforts to further enhance the cost-effectiveness of air travel booking processes through the global travel agency. This work will be carried out within the framework of the new contract with the global travel agent and will focus in particular on the use of online booking tools and specific procedures for high-value tickets. However, we would propose removal of explicit reference in this Recommendation to the report A/79/628, as it largely pertains to UN Secretariat specific matters, which may limit its broader applicability.
7	The UNHCR Division of Financial and Administrative Management in coordination with Regional Bureaux should strengthen management of travel management companies by providing guidance on: (a) the regular conduct of reconciliations between payments and invoices and tickets issued; (b) the monitoring of service providers' performance against agreed metrics in the agreements; and (c) broader utilization of global discount agreements.	Important	Yes	Head of Travel Section	31 December 2025	Recommendation accepted, noting that points (a) and (b) will, most likely, be addressed by the actions to be taken in response to the recommendation 5. As for point (c), UNHCR intend to achieve this objective solely through the expanded use of the global TMC frame agreement, which we consider the only controlled and effective approach—within the context of UNHCR operations—to ensure broader utilization of global discount agreements.