



INTERNAL AUDIT DIVISION

REPORT 2018/109

Audit of official travel at the United Nations Environment Programme

There is a critical need to enhance accountability and transparency in the management and utilization of travel funds

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Audit of official travel at the United Nations Environment Programme

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of official travel at the United Nations Environment Programme (UNEP). The objective of the audit was to assess the adequacy and effectiveness of UNEP's governance, risk management and control processes in ensuring that official travel was undertaken with due regard for economy, efficiency and effectiveness. The audit covered the period from 1 January 2016 to 31 March 2018 and included a review of: (i) accountability and transparency in utilization of travel funds; (ii) travel planning and authorization; (iii) travel arrangements and transaction processing; (iv) travel claims and expense reports; (v) ticket billing; and (vi) impact of travel on the Organization's carbon footprint.

Official travel is an essential element of UNEP's activities to implement its mandate and programme of work. To this end, UNEP had established a travel pre-authorization process that required supervisors to authorize travel plans quarterly, in advance. Staff were also required to document mission reports after completion of their travel. However, the audit showed that there is a critical need for UNEP to enhance accountability and transparency in the management and utilization of travel funds.

OIOS made one critical and 13 important recommendations. To address the issues identified in the audit, UNEP needed to:

- Establish an appropriate tone at the top by emphasizing the necessity for managers and staff to respect the applicable regulations and rules established by the Secretary-General and the Executive Director needed to demonstrate personal commitment to accountability and transparency in the economical use of travel funds (**critical**);
- Revoke all flexible working arrangements that are not in accordance with the Secretary-General's bulletin ST/SGB/2003/4 and ensure that such arrangements do not result in additional costs for the Organization;
- Ensure that staff record the leave taken during official travel in the time management module of Umoja as required;
- Demonstrate the value addition from travel expenditures by ensuring that they are linked to the outputs and outcomes outlined in its programme of work;
- Establish and enforce an accountability mechanism to ensure that managers and staff travelling on mission prepare mission reports and promote transparency by ensuring that such mission reports are stored in a central repository that is accessible by staff for reference and follow up action as appropriate;
- Strengthen its travel pre-authorization process by ensuring that all trips are authorized prior to commencement of travel and that approval of travel plans and certification of travel requests are based on complete and accurate information in the quarterly travel plans and travel authorization forms;
- Ensure that managers and supervisors reviewing travel plans clearly indicate on the travel plan that the necessity to travel has been assessed, and that alternative methods have been considered and found to be ineffective;
- Ensure that travel arrangements are completed at least 21 days prior to commencement of travel and that reasons are recorded in writing in instances where this requirement could not be complied with;
- Establish a mechanism to monitor and resolve long outstanding travel advances;

- Establish appropriate procedures to ensure that cancellations of travel are adequately monitored, approved by the concerned supervisors, and appropriately documented; and
- Develop policies and incentives that minimize travel and thereby reduce carbon emissions and ensure that its senior management leads by example to demonstrate strong commitment to implementing such policies and incentives. Management should also review the funding status of the Climate Neutral Fund to ensure that adequate funds are available to procure carbon offsets beyond 2021.

Further, UNON needed to:

- Vigorously follow up and settle the outstanding balance of \$970,812 advanced to conference paymasters, particularly old balances, and establish effective controls to ensure that advances paid in future are promptly followed up, fully accounted for, and adequately supported by the required documentation;
- Review travel advances that remained open in Umoja and pursue them appropriately to ensure their closure; and
- Monitor the balances in the ticket clearing account and liaise with the concerned United Nations entities to ensure that outstanding balances are cleared in a timely manner.

UNEP and UNON accepted the recommendations and have initiated action to implement them.

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Audit of official travel at the United Nations Environment Programme

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of official travel at the United Nations Environment Programme (UNEP).
2. UNEP is the leading global environmental authority that sets the global environmental agenda, promotes coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment. UNEP's mission is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and people to improve their quality of life without compromising that of future generations.
3. UNEP staff undertake travel in their official capacity to various places to provide technical assistance to countries and partners and to help build capacities of governmental and non-governmental organizations. As experts on issues relating to the environment, UNEP staff members: attend meetings and conferences relevant to UNEP's mandate; deliver presentations, keynote speeches, and training on issues related to UNEP's mandate; and are involved in donor engagement. UNEP also organizes travel for non-staff stakeholders involved in its activities, mainly to enable them to attend meetings and seminars.
4. Travel costs typically include air fare, daily subsistence allowance (DSA), terminal expenses, excess baggage charges and other miscellaneous expenses as necessary. At UNEP, the processing of travel-related disbursements and tickets is decentralized and managed from various locations. UNEP has signed long-term service level agreements with entities providing travel-related services in these locations which include the United Nations Office at Nairobi (UNON), the United Nations Office at Geneva (UNOG), and the Economic and Social Commission for Asia and the Pacific (ESCAP), besides travel agents in Montreal, Canada and Panama.
5. During the period January 2016 to March 2018, UNEP incurred a total expenditure of \$58.5 million on travel costs, involving 27,458 trips. The travel costs were for programme of work activities as well as activities relating to the secretariats of the multilateral environment agreements, conventions and other governing bodies administered under UNEP. Table 1 provides a breakdown of these costs and trips.

Table 1: Year to year travel costs and number of trips

	2016		2017		2018 (1 January to 31 March 2018)	
	Non-staff	Staff ¹	Non-staff	Staff	Non-staff	Staff
Total travel costs ² (\$)	12,280,390	13,603,739	14,177,711	13,039,722	2,664,868	2,763,025
Number of trips	6,900	4,761	7,546	5,234	1,848	1,169

6. Comments provided by UNEP, UNON and the Department of Management are incorporated in italics, as appropriate.

¹ Includes travel costs of consultants but the number of consultants that travelled was not known at the time of the audit.

² Total travel costs for 2016 and 2017 based on UNEP's audited financial statements. Total travel costs for 2018 and the number of trips for each year were obtained from Umoja.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of UNEP's governance, risk management and control processes in ensuring that official travel was undertaken with due regard for economy, efficiency and effectiveness.

8. This audit was included in the 2018 risk-based work plan of OIOS due to the risk that potential control weaknesses in the management of official travel may preclude UNEP from securing best value for the expenditure incurred on such travel, with a resultant impact on donors' confidence in UNEP's ability to utilize its resources responsibly and prudently.

9. OIOS conducted this audit from March to July 2018. The audit covered the period from 1 January 2016 to 31 March 2018. Based on an activity-level risk assessment, the audit covered risk areas in the management of official travel which included: (i) accountability and transparency in utilization of travel funds; (ii) travel planning and authorization; (iii) travel arrangements and transaction processing; (iv) travel claims and expense reports; (v) ticket billing; and (vi) impact of travel on the Organization's carbon footprint. The audit was undertaken at UNON and UNEP in Nairobi, Kenya and focused only on official travel undertaken by serving staff and non-staff personnel. It did not cover other kinds of travel (such as home leave/education grant travel and travel on initial appointment).

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing of transactions.

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

III. AUDIT RESULTS

A. Accountability and transparency in utilization of travel funds

Need for senior management to set the appropriate tone for accountability and transparency

12. Over the years, the General Assembly has repeatedly stressed³ the need for efficient and effective utilization of travel funds, including streamlining the standards of travel across United Nations entities and exploring options for reducing costs of air travel. In its resolution 69/274, the General Assembly requested the Secretary-General to hold managers accountable for the judicious use of travel resources, in particular by encouraging the use of alternative methods of communication and representation and by giving primary consideration to authorizing official travel only where direct face-to-face contact was necessary for mandate implementation. This requirement was reinforced by Section 3.1 of ST/AI/2013 on official travel and supported by the compacts signed between the Secretary-General and heads of departments/agencies who committed to adhering to regulations and rules, and upholding and demonstrating integrity, transparency and accountability to ensure that financial resources are utilized in a responsible manner. A report of the Joint Inspection Unit (JIU/REP/2017/3) on a review of air travel policies in the United Nations system stated that effective and efficient utilization of resources for air travel requires a change of culture – beginning with executive heads and senior managers – for greater accountability, coordination and transparency.

³ Resolutions 60/255, 62/238, 63/268, 65/268, 69/274 and 72/262.

13. OIOS review of travel expenditure and related mission reports pertaining to 32 managers and staff of UNEP involving a total expenditure of \$1,583,171 showed instances where the above-mentioned principles were not adhered to. In some cases, travel funds were not utilized in an economical manner and travels were not adequately justified and accounted for through mission reports documenting the work performed and the follow up action required, if any. There were instances of uneconomical routing of flight itineraries, opting for more expensive airlines, implementation of teleworking arrangements that were outside the existing policy on flexible working arrangements, and absences taken during travel that were not recorded or accounted for, as explained later in the present report.

14. According to a memorandum of 12 September 2012 issued by the then Executive Director of UNEP, all UNEP staff were required to complete mission reports within two weeks after return from travel. Staff were required to submit these reports to their immediate supervisors for review and approval. Mission reports are intended to ensure accountability for the time and resources spent on travel, and the value secured in return. They enable preservation of institutional memory, knowledge sharing, and transparency. As explained later in the present report, a significant amount of travel funds was spent on travels that were not supported by mission reports.

(i) Travels relating to a senior manager

15. Between May 2016 and March 2018, a senior manager of UNEP incurred travel costs amounting to \$488,519 and spent 529 days on travel, which meant that he was away from the duty station (Nairobi) for 79 per cent of the time. *UNEP stated that the travels of the senior manager have been aimed at advancing the implementation of the programme of work and the mandate of the Organization. Thus, a purely quantitative approach to considering the travel of the senior manager fails to capture programmatic aspects and important results, thereby being decontextualized and failing to capture what it has achieved.* While the senior manager provided mission reports for most of the trips as required, he did not account for trips totaling 72 days to Paris and Oslo, to which cities he had re-routed his trips during travel to other locations. The re-routing of these travels through these two cities was uneconomical and contravened Section 4.2 of ST/AI/2013/3 on official travel which states that the normal route for all official travel shall be the most economical route available. Most of the re-routed trips to the two cities were made prior to or during weekends or public holidays. Details of these trips were not included in pre-authorization documents and if they were, they were only described as “bilateral meetings” or “official meetings”. For example:

(a) In July 2016, two days after joining the Organization, the senior manager travelled to Paris for a one-day official meeting. However, he stayed on for one month and accounted for nine days as annual leave. The remaining days were not accounted for. Following his stay in Paris, the senior manager travelled to six cities in North and South America. The travel cost for the entire trip was \$14,515. The documentation subsequently provided to OIOS in October 2018 related to the same nine leave days that were already accounted for in the Umoja time management module. The remaining days were still not accounted for.

(b) In August and September 2016, the senior manager travelled for 42 days to 24 destinations costing the Organization \$53,142. During this time, he re-routed his trips eight times from various destinations to either Paris or Oslo. Four of these trips were not included in the travel plan or travel authorization documents while the other four trips were described as “bilateral meetings” in the pre-authorization document. For the first leg of the trip, the senior manager travelled from Nairobi to Oslo where he stayed for four days between 18 and 21 August 2016 before travelling to Addis Ababa which is only two hours from Nairobi. UNEP subsequently provided the senior manager’s calendar showing that he had three meetings on a Friday morning in Oslo. No other information was provided on the nature, purpose and outcomes of these meetings.

(c) In another leg, the senior manager made an 8-hour trip from Washington, DC to Paris for the weekend of 17/18 September 2016 before taking a return flight to New York City on 19 September 2016. *UNEP stated that this was one of six trips that was investigated by OIOS' Investigations Division, following which the senior manager refunded \$7,022 for two of the trips. For the specific trip mentioned above, UNEP stated that it was not informed whether to refund the travel costs incurred.* Other routings made to Paris and Oslo on this trip included those from Abidjan (August 2016), Geneva (August 2016), Honolulu (September 2016), Beijing (September 2016) and Brussels (September 2016), to cite a few. For these routings, UNEP did not provide any information or documentation to account for four of these trips, but provided an email showing that the senior manager had a one-and-a-half-hour magazine interview on a Friday evening during one of the trips made to Paris where he stayed for four days. However, UNEP did produce evidence to show that the senior manager paid for one of the trips made to Oslo.

(d) Between 16 December 2016 and 8 January 2017, the senior manager travelled to Oslo two times in between his travel to other destinations including Stavanger, Brussels, Copenhagen and Stockholm. The trips to Oslo totaling 18 days were described as “bilateral meetings”. There were no explanations or documentation to account for the first trip to Oslo made during the weekend of 17 to 19 December 2016. The second trip was made between 22 December 2016 and 6 January 2017 including the Christmas holidays. UNEP subsequently provided a mission report to account for only four days of the second trip. *For the remaining days, UNEP stated that the senior manager was working on email and via telephone but would seek to retroactively record the days as leave even though the senior manager worked on those days.* The total cost of the entire trip was \$6,020.

(e) Also, from 15 to 19 May 2017, the senior manager travelled from Beijing to Oslo after which he travelled to Paris for the weekend before returning to Nairobi. The total cost of the trip was \$18,979. *For the five days spent in Oslo, UNEP stated that this was one of six trips that was investigated by OIOS' Investigations Division, following which the senior manager refunded \$7,022 for two of the trips.* For the trip to Paris, UNEP subsequently (October 2018) provided a mission report to account for two days (19 and 20 May 2017).

16. The above examples are just a few of the 27 trips to Paris and Oslo which were not fully accounted for and were a result of re-routing during travel to other locations. Overall, UNEP provided documents and information to account for 9 out of the 27 trips while no documentation or information was provided to account for and justify 12 trips taken to Paris and Oslo. *UNEP stated that 3 of the 12 trips were previously investigated, and the senior manager refunded \$7,022 for two of those trips.* For six trips, UNEP subsequently (October 2018) provided the senior manager’s calendar and email correspondence as supporting documentation. Based on a review of the calendar and email correspondence for these six trips, OIOS is of the view that instead of travelling long distances to attend these short meetings, alternative means such as video teleconference could have been used. For example, the senior manager traveled from New York to Paris where he stayed for three days during which he held a one-and-a-half-hour meeting with one of the Regional Coordinators on 11 November 2016. On another occasion, the senior manager stayed in Paris for four days during which time he held a one-and-a-half-hour magazine interview on a Friday evening.

17. *UNEP stated that the senior manager’s travels were undertaken at the invitation of Member States and were for the implementation of the Organization’s programme of work and mandate, and the conclusions reached by OIOS did not take into consideration the changed international and regional contexts since 2016 (i.e., since the senior manager was appointed in UNEP). UNEP stated that the senior manager’s engagement with Member States had resulted in some critical achievements such as decisions and announcements to phase out single-use plastics in India. UNEP also stated that it would seek the advice of the Department of Management on the retroactive recording of leave days and/or personal deviations as required.*

18. In addition to the above, on two occasions, the senior manager chose to travel using more expensive airlines, resulting in an additional cost of over \$6,800. For example, on 7 June 2017, the senior manager travelled from New York to Oslo using the most expensive airline option which was priced at \$6,628 while the least expensive option was priced at \$1,599, resulting in an additional expenditure of \$5,029. On 30 June 2017, the senior manager changed from the cheaper airline which cost \$5,455 to a more expensive option that cost \$7,310, resulting in an additional travel cost of \$1,855. In both cases, there was no valid justification and no time saving as a result of selecting the more expensive option. *UNEP stated that for the first trip taken on 7 June 2017, the senior manager chose to take the most expensive airline for that specific leg but kept the overall cost of the trip cheap by taking cheaper flights for subsequent legs.* OIOS is of the view that this contravenes Section 4.2 of ST/AI/2013/3 on official travel which requires that the entire route be the most economical route available; it does not allow for selective application of this requirement. *For the second trip taken on 30 June 2017, UNEP stated that the senior manager was mindful of airspace restrictions that the cheaper airline was subject to during that period which could have resulted in delays, hence the choice for the more expensive airline.* OIOS is of the view that these considerations for routing of travel are under the purview of UNON's Travel Office which is expected to know about such constraints, if any.

(ii) Travels relating to other managers

19. Another UNEP manager spent 331 days on travel between June 2016 and March 2018 and incurred travel costs amounting to \$82,687 (excluding DSA for some trips even though they were processed as official travel). Out of the 331 days, 215 days were spent in the manager's home country. While the manager accounted for 11.5 days as leave, the manager did not provide mission reports to account for 203.5 days but stated that all the travels were authorized by the supervisor and oral debriefings were provided owing to the "political and confidential nature" of the meetings held. The manager stated that activities undertaken included: involvement in strategic high-level political engagements with Member States and intergovernmental negotiations; organizing summits; leading strategic political discussions with the national authorities which resulted in adoption of the Global Pact for the Environment and strengthened cooperation between UNEP and the concerned government; and engagement with partners and artists/celebrities including being instrumental in the selection of the UNEP Patron. The manager also stated that the extended stay in Paris was authorized by the supervisor to enable the manager to work from the Paris office under a teleworking arrangement, owing to family ties in the city. OIOS did not receive documentation to justify the 203.5 days of travel other than web links to the Global Pact for the Environment and the profile of the UNEP Patron.

20. The same manager also travelled to other cities such as New York, Bonn, Brussels, Copenhagen and Stockholm for which DSA was paid, but there were no mission reports or other documentation to establish the purpose of travel. In one instance, the manager travelled to Abidjan for four days and three nights for which DSA was paid, but only accounted for one day as official business through a mission report. Also, the need for exercising economy in travel expenditure may not have been considered because the manager travelled from Nairobi to other cities in Europe for one-day meetings even though UNEP has 22 directors (at D-1 and D-2 level, some with representation responsibilities) in Europe, in the proximity of these cities.

21. *UNEP stated that the manager was involved in strategic engagements with the French government, civil societies and businesses and found it inappropriate to share details of specific initiatives with OIOS.* OIOS is unable to accept this explanation because refusal to provide records or other materials in connection with its work violates the provisions of ST/SGB/273 on the establishment of OIOS, and its mode of operation. *UNEP also stated that the visit to Abidjan included one day of "flexi-work" for which the manager was paid DSA in error and had now initiated recovery.* According to UNEP, the trip to Abidjan was part of the manager's routine visit to all regional offices and offices in Europe. Regarding the

manager's one-day trips to Europe, UNEP stated that it was not the role of OIOS to pass subjective judgements on decisions that were programmatic in nature. OIOS did not receive any documentation or information to justify these uneconomical trips.

22. OIOS review of relevant correspondence indicated a culture of scant regard for internal controls and existing rules of the Organization which are established to ensure responsible use of public funds. Legitimate queries raised by the UNON Travel Office (such as asking UNEP to specify the reason for the travel) were rebuffed by the senior manager and dismissed as "stupid questions". The senior manager described himself as "revolutionary by nature" and advised his staff that "it is better to ask forgiveness for making mistakes than to wait for clearance of everything in a dysfunctional bureaucracy". Instead of proposing changes to existing rules that are supposedly dysfunctional, the senior manager's solution was to advise his managers to willfully violate them and then explain away the irregularities as if they were "mistakes". In another instance, when the UNON Travel Office requested justification for re-routing a trip, a staff member from the senior manager's office instructed UNON to "stop questioning decisions" made by the senior manager regarding his travels. Regulations and rules were dismissed as "bureaucratic" and "political". These actions and behaviours by UNEP senior management encouraged a culture of impunity, incited the violation of rules governing the use of the Organization's resources, and weakened the control environment instead of promoting accountability and transparency among managers and staff despite the several resolutions of the General Assembly imploring accountability for the judicious use of travel resources. It also increased the risk of a potentially adverse impact on donor confidence and the reputation of the United Nations.

(1) The UNEP Executive Director should take tangible measures to: (a) establish an appropriate tone at the top by emphasizing the necessity for managers and staff to respect the applicable regulations and rules established by the Secretary-General, particularly those governing the responsible use of the Organization's resources; and (b) demonstrate personal commitment to accountability and transparency in the economical use of travel funds.

UNEP accepted recommendation 1 and stated that the Executive Director acknowledges the importance of establishing an appropriate tone at the top by emphasizing the need for managers and staff to respect rules and regulations, particularly those governing the use of the Organization's resources. The Executive Director was redoubling efforts and reminding all staff and senior management including himself, to respect and follow rules and regulations. The Executive Director had taken swift action to dispel any perception to the contrary. In an email to all staff on 17 September 2018, the Executive Director stressed that if "administrative rules are found to have been overlooked, I accept personal responsibility and offer my strong commitment to immediately refine this process going forward." This message was reiterated during a town hall meeting with all staff on 18 September 2018.

In a letter to members of the Committee of Permanent Representatives on 25 September 2018, the Executive Director expressed a strong commitment to implementing all recommendations of the final travel audit. In the spirit of the Secretary-General's reform agenda, all efforts will be made to ensure UNEP's continued ability to respond quickly to needs of Members States, and enhance speed and efficiency in delivery. The Executive Director was committed to demonstrating his personal commitment to accountability and transparency in the economical use of travel funds. Following receipt of the detailed audit results, summaries of all of the Executive Director's missions in 2018 are now published on the UNEP website. Each summary outlines clearly the objectives and outcomes of all missions and links to the programme of work. UNEP further stated that all efforts will be made to ensure travel by the most economical routes; explore the feasibility of technology

for virtual participation, and further rely on the regional and country presence of UNEP to ensure the agency is well represented at important events and to manage important relationships.

Recommendation 1 remains open pending receipt of evidence that the measures indicated in UNEP's response have been implemented fully and effectively, and their implementation is demonstrated by actual results in terms of: (i) significant reduction in the use of travel funds; (ii) increased use of videoconferencing and other alternatives in lieu of travel; and (iii) a culture of accountability for compliance with the applicable regulations and rules, particularly those pertaining to the responsible use of the Organization's resources.

Cases of uneconomical flexible working arrangements

23. The Secretary-General's bulletin ST/SGB/2003/4 on flexible working arrangements (FWA) provides for four options: (i) staggered working hours; (ii) compressed work schedule (ten working days in nine); (iii) scheduled break for external learning activities; and (iv) working away from the office or telecommuting (up to two days per week). One of the principles of FWA is that no extra costs will be incurred by the Organization as a result of such arrangements.

24. Two managers whose posts were based in Nairobi were allowed to work out of UNEP's office in Paris under teleworking arrangements. The managers explained that the arrangements were authorized due to family considerations. However, OIOS established that the teleworking arrangements were not in accordance with ST/SGB/2003/4 on FWA, as explained below.

(i) Case A

25. One of the managers travelled to Paris from Nairobi on several occasions on trips indicated as official business but extended her stay in Paris without indicating any personal deviation in the travel requests. For example, on one trip, the manager travelled to Paris for 27 days, returned to Nairobi for three days and then went back to Paris for 26 days. This was repeated in three other trips where the manager made short stays of as little as two days in Nairobi before returning to Paris, which resulted in the manager effectively residing in Paris instead of her duty station in Nairobi. The manager stated that authorization to work from Paris was in terms of a teleworking arrangement but no such arrangement was documented. While residing in Paris under this arrangement, the manager did not claim DSA but UNEP paid for air tickets and terminal benefits for the travel. These arrangements were contrary to the ST/SGB on FWA which requires such arrangements to be documented and approved, without resulting in incremental costs to the Organization.

26. *UNEP stated that: (i) no extra costs were incurred by the Organization; (ii) there were cost savings arising from this arrangement; and (iii) the arrangement has since stopped.* UNEP did not provide evidence to support its assertion that there were cost savings, or to show that the FWA in this case had been stopped.

(ii) Case B

27. Another manager who was based in Nairobi since recruitment in August 2016 received approval from the Executive Director in August 2017 to telework from UNEP's Paris office and only commute to Nairobi eight times a year. This arrangement was also granted on family considerations and approved despite the written reservations expressed by the manager's direct supervisor.

28. From a review of this manager's trips between August 2017 and January 2018, OIOS noted that all the trips originated from Nairobi instead of Paris. As a result, low cost trips to neighbouring cities within

Europe such as Stockholm, Valletta, Monaco, Alicante and Oslo originated from Nairobi instead of Paris, costing the Organization an additional expense of \$23,276. Further, despite residing in Paris under the teleworking arrangement, the manager continued to receive residential security allowance of \$13,881 for Nairobi, even though there was no evidence that the manager had a residence in Nairobi. The residential security allowance was discontinued in May 2018 after commencement of the audit, and UNON started recovery of the allowance in July 2018. The manager's travels included trips to various destinations such as Alicante, Oslo and Brussels for which there were no mission reports to show that they were for official purposes.

29. *UNEP stated that the manager's trips originated from Nairobi in line with the telecommuting arrangement signed in May 2017 as Nairobi was the manager's official duty station. An amendment to the FWA was made in June 2018 and the trips are since initiated and completed from the manager's place of telecommuting. With regard to the residential security allowance of \$13,881, UNEP stated that UNON's Human Resources Management Service (HRMS) was provided with the telecommuting agreement, but it was not registered in the system and therefore the entitlements continued to be paid.*

30. However, OIOS confirmed with UNON HRMS that the arrangement was not brought to its attention until March 2018, which was eight months after commencement of the teleworking arrangement. Further, an extension of the period for the arrangement to 28 September 2018 was also not brought to the attention of UNON HRMS. According to Section 2.4 of ST/AI/2009 on recovery of overpayments made to staff members, staff are required to advise the Organization of any overpayments made to them. The manager did not advise UNON regarding the continued payment of residential security allowance. *UNEP stated that a mission report had been provided to account for the trips made to Alicante, Oslo and Brussels. However, OIOS verified that the mission report provided was for a different trip made in April 2017, not the December 2016 trip in question.*

31. The teleworking arrangements allowed by UNEP for these two managers virtually changed their duty station from Nairobi to Paris, even though they were recruited to perform functions relating to posts established at UNEP headquarters in Nairobi. They may set a precedent for other similar requests from staff asking to be allowed to work in duty stations of their choice even though their posts are located in Nairobi. Denial of such requests may raise complaints of discrimination.

(2) UNEP should revoke all flexible working arrangements that are not in accordance with the Secretary-General's bulletin ST/SGB/2003/4 and ensure that such arrangements do not result in additional costs for the Organization.

UNEP accepted recommendation 2 and stated that an email had been circulated to all staff on 7 August 2018 reminding them of the applicable rules, benefits, procedures and processes to be followed as they related to FWA outlined in ST/SGB/2003/4. An extensive review of all FWAs since 2016 had been completed. The review identified 118 arrangements that were not fully in compliance with the ST/SGB/2003/4. Of these, 115 had lapsed. Of the three that are current, two are outside the scope of the above-mentioned ST/SGB and have been submitted to the Office of Human Resources Management for review and approval. One was revoked on 8 November 2018. UNEP stated that it was committed to ensuring all future FWAs are issued in accordance with ST/SGB/2003/4. All such arrangements will be noted and monitored in Umoja and the weCollaborate intranet platform. Recommendation 2 remains open pending receipt of evidence that UNEP has revoked all FWAs that are not in accordance with the Secretary-General's bulletin ST/SGB/2003/4 and has ensured that such arrangements do not result in additional costs for the Organization.

Non-compliance with administrative instructions on recording of attendance and leave

32. According to ST/AI/1999/13 and ST/AI/2005/1 on recording of attendance and leave, staff members are required to record leave taken to ensure effective internal control of entitlements. With the introduction of Umoja, leave requests and recording of leave is performed through employee self-service in the time management module of Umoja.

33. Leave days taken during official travel were not always recorded in the time management module. For example, of the 72 days spent by the senior manager in Paris and Oslo, which were indicated as “bilateral meetings”, 14 days were not supported by any documentation. These days were not recorded as leave and no explanation was provided to account for them. Similarly, the manager referred to in Case B above travelled to Alicante, Spain on a two-day mission from 5 to 7 April 2017 but returned to Nairobi on 17 April 2017 (10 days later). Only one day was recorded as leave in the time management module but no explanation or documentation was provided to account for the remaining nine days. In addition, a staff member who accompanied the senior manager on several trips indicated a total absence of 54 days between June 2016 and 2017 during official travel. UNEP stated that the staff member’s leave absences were approved by the concerned supervisor and personal deviation was accordingly indicated on the travel requests in Umoja. However, OIOS was not provided with leave records to indicate that the leave days taken were recorded as such and the leave balance was adjusted accordingly. Since the staff member was hired through the United Nations Office for Project Services, her leave records were not in Umoja.

34. *UNEP stated that it was not practically feasible to constantly monitor and enforce that all leave days taken were appropriately recorded in Umoja.* UNEP also provided documentation to account for the senior manager’s leave days and emails to indicate that leave for the staff member who accompanied the senior manager was approved. However, the documents provided for the senior manager were for the leave days that were already recorded in the Umoja time management system, not for the days that remained unaccounted for. *UNEP stated that it would seek advice from the Department of Management on the retroactive recording of leave days and/or personal deviations as required. For the second manager referred to in Case B above, UNEP stated that the lack of recording of the nine leave days while in Alicante was an involuntary oversight.* UNEP did not specify the action proposed to be taken to rectify the anomaly for Case B. Staff Rule 5.1 requires all leave to be approved. Further, if a staff member is absent from work without authorization, payment of salary and allowances shall cease for the period of unauthorized absence. The Office of Human Resources Management’s Manual titled “Time Management in Umoja” spells out the role of the time manager, which is to approve all absence requests by the staff. It is therefore the responsibility of the staff member’s supervisor to ensure that all leave absences are approved in Umoja.

(3) UNEP should ensure that staff record the leave taken during official travel in the time management module of Umoja as required.

UNEP accepted recommendation 3 and stated that by 31 December 2018, revised and updated travel guidelines will be sent reminding staff of the critical need to duly record leave taken during official travel in the time management module of Umoja. The Corporate Services Division of UNEP will support rigorous monitoring of all leave records during official travel. Results will be shared with staff and management every quarter. Recommendation 3 remains open pending receipt of evidence that UNEP has implemented measures to ensure that staff members record the leave taken during official travel in the time management module of Umoja as required.

Creation of linkages between travel costs and programme of work outputs and outcomes

35. During the 72nd session of the General Assembly (September 2017), the Secretary-General presented his proposal (document A/72/492) on reform of the administrative and finance functions of the

United Nations which would enhance effectiveness, accountability, agility and transparency. The proposed reforms included: streamlining of budgets to better link resources and programme delivery; decentralization of management decision making; and re-organization of headquarters functions to better support managers and ensure accountability. The Secretary-General emphasized the need for transparency and accountability, stating that organizations are required to visibly and meaningfully demonstrate a clearer link between resources and results. The proposed linkages were akin to the results-based management and results-based budgeting (RBB) approaches adopted by UNEP. The RBB approach sought to improve programme delivery by focusing on accomplishing defined results and ensuring that effectiveness, efficiency and accountability is enhanced by justifying resource requirements based on expected results.

36. UNEP did not have a mechanism for linking travel costs to the delivery of its programme of work. While budgets were produced at the sub-programme level in the biennial programme of work and budget, OIOS could not establish the optimal travel resources required to accomplish the programme of work's deliverables. During the period under review, UNEP incurred travel costs amounting to \$17.7 million in 2016 and \$19.1 million in 2017 for programme of work activities and indicated the accomplishment of 65 per cent of the programme of work's deliverables for the 2016-2017 biennium.

37. UNEP stated that since 2016, the international and regional context had changed, resulting in the need to invest heavily in travel to forge new partners to adapt to a global system in transition. UNEP also stated that some of the travel costs incurred by its managers had resulted in several accomplishments including India's decision and announcement to phase out single use plastics by 2022, and development of the Global Pact for the Environment for which the General Assembly adopted a resolution titled "Towards a Global Pact for the Environment" in May 2018. However, UNEP indicated that these initiatives were not captured in the programme of work as they were not foreseen at the planning stage. *This was because the development of the programme of work starts three years ahead of the effective initiation date of the programme and the approval of the programme of work happens two years before the initiation of the new cycle. UNEP also stated that it responds to demands for its services from partners, countries and stakeholders hence it was important to have the flexibility to accommodate and fulfill new challenges.* However, OIOS noted that there was no evidence that these changes were brought to the attention of the Committee of Permanent Representatives (CPR) in accordance with Decision 27/2 that was adopted by the Governing Council during the first universal session of the Global Ministerial Environment Forum.

38. In the Executive Director's brief to the 141st meeting of the CPR to UNEP held on 20 February 2018, UNEP highlighted its global initiatives to the CPR members, who requested information on how these initiatives integrated into and supported the implementation of the UNEP's programme of work and management theories. At the time of completing the audit fieldwork, OIOS had not received UNEP's response to these questions. *According to UNEP, it was unclear how the activities of the CPR as well as the Executive Director's communication to them on the programme of work is relevant to the audit. The programme of work is not a function of travel.* OIOS is of the view that UNEP management needs to demonstrate the relevance of travel expenditure to the activities outlined in the Executive Director's report to its governing body, and how they contributed to delivering the programme of work.

39. Without a clear linkage between programme resources and programme outcomes, there is a risk that UNEP may not be able to demonstrate value for the money spent on travel, particularly in view of repeated calls by the General Assembly to ensure that travel resources are used judiciously, including through the use of alternative methods of communication and representation.

(4) UNEP should demonstrate the value addition from travel expenditures by ensuring that they are linked to the outputs and outcomes outlined in its programme of work.

UNEP accepted recommendation 4 and stated that it will issue revised and updated travel guidelines that will require all staff planning travel to clearly indicate the programme of work/ sub-programme output in all travel plans. UNEP will issue quarterly reports on travels vis-a-vis sub-programmes and corporate representation. Recommendation 4 remains open pending receipt of evidence that travel expenditures are linked to the outputs and outcomes outlined in UNEP's programme of work.

Need to enhance accountability and transparency through preparation of detailed mission reports

40. As stated earlier, the then Executive Director's memorandum of 12 September 2012 required all UNEP staff to prepare mission reports which serve to enhance accountability and transparency, preserve institutional knowledge, possibly prevent duplication of work, enable follow up, and provide a mechanism to record lessons learned. For mission reports to be useful, they must be recorded in sufficient detail and either disseminated or made available in a central repository for use by the staff at large, as needed. OIOS is of the view that proper compliance with such a procedure should not be seen as a "bureaucratic" requirement but a means to demonstrate responsible use of resources by a public organization such as UNEP.

41. UNEP staff did not always complete mission reports. Out of 596 missions (travels) undertaken by 32 UNEP managers and staff at a total cost of \$1,583,171, only 186 mission reports representing a travel cost of \$624,658 were made available for OIOS review at the time they were requested. Another 200 (or 34 per cent) mission reports for missions amounting to \$476,315 were prepared after OIOS's request even though the missions had been undertaken in 2016 and 2017. Fifty-seven of these 200 mission reports for trips amounting to \$142,502 appeared to have been hastily prepared as they consisted of only one paragraph giving a brief overview of the nature of travel with no other useful information. Half of these reports were not signed by the concerned managers/staff or their supervisors which showed that they were neither properly reviewed nor formally approved. Mission reports for the remaining 210 missions amounting to \$482,198 were not provided to OIOS. Some managers and staff instead provided meeting agendas, brochures and written speeches in lieu of mission reports even though some of these missions were for more than 10 days. Such token compliance with the requirement to submit mission reports – much of it on an ex post facto basis, years after the missions had been undertaken – is practically of little or no value and defeats their purpose.

42. In instances where mission reports had been prepared, their quality varied from one office to another since there was no standard template outlining the minimum information to be documented in a mission report. Additionally, UNEP did not have a centralized repository for mission reports. Consequently, there was no mechanism to facilitate knowledge sharing for missions undertaken by UNEP managers and staff, and to ensure complementarity in their work. Seventeen of the 32 managers/staff (53 per cent) requested for more time to retrieve their mission reports from sources such as archived databases, emails and personal folders.

43. UNEP stated that ST/AI/2013/3 on official travel does not specifically require mission reports and therefore other documents such as briefing memos and meeting notes were used to assess the impact of mission travel. However, UNEP acknowledged that mission reports were an important tool, as indicated in the Executive Director's memorandum of 12 September 2012. UNEP also stated that the memorandum was not sufficiently enforced and distributed during subsequent years among staff, resulting in non-submission of mission reports.

44. UNEP has established a knowledge-sharing platform known as "We Collaborate" which includes repositories for all key documents, including mission reports. However, as at the time of the audit, staff members had not started utilizing the portal to submit and share their mission reports.

(5) UNEP should: (a) establish and enforce an accountability mechanism to ensure that managers and staff travelling on mission prepare mission reports based on a standard template that indicates the minimum level of detail required for the reports to be useful; and (b) promote transparency by ensuring that such mission reports are stored in a central repository that is accessible by staff for reference and follow up action as appropriate.

UNEP accepted recommendation 5 and stated updated and revised travel guidelines issued by the UNEP will require staff to submit mission reports online, based on a standard template. The mission report template and existing repository is already available online on the weCollaborate intranet platform. The system includes an automated periodical reminder to submit mission reports. Recommendation 5 remains open pending receipt of evidence that UNEP has: (a) established and enforced an accountability mechanism to ensure that managers and staff travelling on mission prepare mission reports based on a standard template that indicates the minimum level of detail required for the reports to be useful; and (b) promoted transparency by ensuring that such mission reports are stored in a central repository that is accessible by staff for reference and follow up action as necessary.

B. Travel planning and authorization

Need to streamline the travel pre-authorization process

45. According to Section 3.1 of ST/AI/2013/3, official travel must be authorized in writing before it is undertaken. UNEP has a well-established travel pre-authorization process where staff document their travel plans that are approved quarterly in advance by their supervisors. This forms the basis for certification by the certifying officers, and approval by the office processing the travel. Where travel is required to be undertaken at short notice, a separate travel authorization form is prepared and approved by the immediate supervisor. OIOS reviewed a sample of pre-authorization plans and written approvals for 100 trips costing \$266,183 and noted the following:

(a) 23 out of 100 trips were not reflected in the approved quarterly travel plans. With many UNEP staff located remotely from their immediate supervisors, the lack of evidence of pre-authorization increased the risk of unauthorized travel.

(b) In the absence of a standard format for travel plans, each office/unit of UNEP collected a diverse range of information for their plans. For example, some travel plans did not include: the programme of work's output relating to the travel; and the estimated cost and budget lines to be charged to ensure that funds were available prior to the approval of the travel plans.

(c) One manager reviewed and approved two of her own travel authorization forms, contrary to established controls and UNEP's delegation of authority policy. Another manager originated her trips from a destination other than the one indicated in the travel plan, resulting in excess travel costs of \$23,276.

46. OIOS concluded that controls over the travel authorization process need to be strengthened. Some supervisors and certifying officers were approving plans and certifying travel requests based on travel plans that had incomplete information. Insufficient information on the estimated cost of travel or budget codes could, for example, have contributed to the delayed approval for 3,464 travel requests (or 12 per cent of a

total of 27,458 trips). UNEP stated that a reminder would be sent to all staff on the use of relevant templates for travel, including the approval and certifying processes.

(6) UNEP should strengthen its travel pre-authorization process by: (i) ensuring that all trips are authorized prior to commencement of travel; (ii) establishing standard templates and a checklist to facilitate supervisory review prior to authorization of travel; and (iii) ensuring that approval of travel plans and certification of travel requests are based on complete and accurate information in the quarterly travel plans and travel authorization forms.

UNEP accepted recommendation 6 and stated that the updated and revised travel guidelines issued by UNEP will address this concern. Recommendation 6 remains open pending receipt of evidence that the travel pre-authorization process has been strengthened by: (i) ensuring that all trips are authorized prior to commencement of travel; (ii) establishing standard templates and a checklist to facilitate supervisory review prior to authorization of travel and; (iii) ensuring that approval and certification of travel requests are based on complete and accurate information in the quarterly travel plans and travel authorization forms.

Consideration of alternatives to travel

47. According to Section 3.2 of ST/AI/2013/3 on official travel, the primary consideration for authorizing travel should be whether direct face-to-face contact is necessary for mandate implementation. If not, alternative methods should be employed. Programme managers are required to certify that alternative methods, such as video conference, audio conference or other remote business practices, such as online meetings, have been carefully reviewed, were found not to be effective, and that travel is therefore necessary.

48. There was no evidence that the need for travel was assessed prior to pre-authorization because only 21 out of the 77 travel plans reviewed by OIOS contained a statement to the effect that the necessity to travel had been assessed. Even in these plans, there was no indication of how the review was performed. There was no mechanism to hold managers accountable for assessing the necessity to travel. Since the estimated cost of travel and availability of funds were key considerations for assessing the necessity to travel, the lack of such data in many of the travel plans reviewed indicated that the assessment may not have been done properly. According to UNEP, review of necessity to travel was done and the cost of travel was considered. However, there was no evidence to support UNEP's assertion that the required assessments had actually been performed.

49. Within Umoja, certifying officers who check the availability of funds for travel were given the role of assessing the necessity to travel. Normally, these certifying officers did not have first-hand knowledge of the justification for the travel, and they did not have sufficient authority to question the necessity of travel to be undertaken by senior staff/managers whose travel requests they certified. The role of certifying officers in such cases was reduced to rubber stamping the travel requests. In OIOS' opinion, the responsibility for assessing the necessity for travel should be borne by managers/staff and their respective supervisors who should also be held accountable for their assessments.

(7) UNEP should ensure that managers and supervisors reviewing travel plans clearly indicate on the travel plan that the necessity to travel has been assessed, and that alternative methods have been considered and found to be ineffective.

UNEP accepted recommendation 7 and stated that the updated and revised travel guidelines issued by UNEP will request staff to indicate in the travel plan that the necessity to travel has been assessed, and that alternative methods have been considered and found to be ineffective. Recommendation 7 remains open pending receipt of evidence that it has been fully implemented.

C. Travel arrangements and transaction processing

Delays in processing travel requests

50. According to Section 3.3 of ST/AI/2013/3 on official travel, all travel arrangements, including advance booking and purchase of tickets, should be finalized 16 calendar days prior to commencement of official travel. With the implementation of Umoja, the timeline for completion of travel arrangements was increased to 21 days.

51. UNEP had a low compliance rate with reference to this 21-day requirement: 37 per cent in 2016, 47 per cent in 2017, and 50 per cent in the first quarter of 2018. On average, 30 per cent of staff who did not comply with the 21-day requirement did not provide justification for non-compliance, as required. Some 12 per cent of staff indicated insufficient funding or delay in confirmation of budget line as reasons for the delay. The audit showed that availability of funding was not always confirmed during the travel pre-authorization process as explained earlier. Non-compliance with the 21-day requirement in some 58 per cent of the cases was primarily due to delayed confirmation of travel itineraries, delay in applying for visas, and delayed confirmation of participants.

52. Additionally, OIOS identified 803 cases where the travel was approved either after it had commenced, or after it had been completed. This was against the ST/AI which requires staff to travel only after the approval process was complete. Delayed processing of travel requests resulted in delayed issuance of travel advances in 577 out of the 803 cases identified. UNEP needed to minimize travel costs by ensuring that travel arrangements are made in accordance with the 21-day requirement, with reasons recorded in instances where this requirement could not be complied with due to operational exigencies.

(8) UNEP should ensure that: (a) travel arrangements are completed at least 21 days prior to commencement of travel to minimize costs; and (b) reasons are recorded in writing in instances where this requirement could not be complied with.

UNEP accepted recommendation 8 and stated that the updated and revised travel guidelines issued will request staff to comply with the 21-day travel rule for ticket purchases. UNEP will also circulate quarterly reports on compliance. Recommendation 8 remains open pending receipt of evidence that: (a) UNEP has established a mechanism to ensure that travel arrangements are completed at least 21 days prior to commencement of travel; and (b) reasons are recorded in writing in instances where this requirement could not be complied with.

D. Travel claims and expense reports

Need for UNON to review and clear the outstanding balance relating to conference paymasters

53. DSA was disbursed to conference participants through various modalities including: outsourcing to other agencies such as the United Nations Development Programme who made the payments based on a contractual arrangement; issuance of debit cards to participants through a contracted vendor; direct disbursement to participants through Umoja; and by using the conference paymaster (CPM) module in Umoja whereby DSA was disbursed through travel administrators (staff members designated as conference paymasters) based on a pre-approved roster. To disburse funds through the CPM, a unique event identification number is assigned in Umoja to conference paymasters who receive the DSA funds for disbursement to participants. Conference paymasters are required to account for the funds within 14 days after disbursement by submitting copies of identification documents and signed participants' lists. Any funds that remained undisbursed are required to be banked immediately.

54. During the period under review, UNEP disbursed \$7,125,199 through CPM. OIOS noted the following from a review of these disbursements:

(a) UNEP did not adhere to the timeline of five working days for submitting written requests to UNON for transferring funds to conference paymasters. Only 3 of the 14 sample requests reviewed were submitted to UNON on time; the remaining 11 were submitted either a day prior to the event or after the event had commenced.

(b) Advances amounting to \$970,812 paid through CPM were outstanding and not accounted for as of 31 March 2018. The outstanding balance was either due to excess cash not banked, or the non-submission of documentation to support the disbursements. The outstanding balance included an amount of \$518,613 that was pending from 2015 and 2016 which increased the risk of loss particularly since the validity of the grants and commitments which covered these advances had expired. The authenticity of any documents submitted at this stage or later to account for these old balances dating back to events that took place two or three years may be questionable.

(c) Conference paymasters handled significantly large amounts of cash to disburse to participants. In some cases, they handled more than \$300,000 and received as many as ten advances to cater for ten separate events. Since sums entrusted to them were large, the outstanding balances from each were also large, with the ten highest balances totaling \$446,319 or an average of \$45,000 per conference paymaster.

55. There is a risk that UNEP may stand to lose significant amounts of funds due to the delays in accounting for and settling the old advances which relate to events dating two to three years back. UNON needs to vigorously follow up on the outstanding balance of \$970,812 paid through CPM to fully account for the funds without further delay, and also review its current practices to ensure that advances paid to conference paymasters in future are promptly followed up and settled without undue delays.

(9) UNON should vigorously follow up and settle the outstanding balance of \$970,812 advanced to conference paymasters, particularly old balances, and establish effective controls to ensure that advances paid in future are promptly followed up, fully accounted for, and adequately supported by the required documentation.

UNON accepted recommendation 9 and stated that the outstanding balance as at 6 November 2018 was \$277,457. UNON will continue to follow up with UNEP certifying officers to ensure that these outstanding conference paymaster advances were accounted for by 15 December 2018. Procedures were currently under review to reduce risks going forward. Recommendation 9 remains open pending receipt of evidence that the outstanding balance of \$970,812 advanced to conference paymasters has been settled, and UNON has established effective controls to ensure that future advances are promptly followed up, fully accounted for, and adequately supported by the required documentation.

Need for timely recovery of long outstanding travel advances

56. According to Section 13 of ST/AI/2013/3 on official travel, staff members are required to submit a travel claim 14 days following the completion of the travel to account for the advance disbursed. In Umoja, this is done through submission of a travel expense report. Advances not accounted for within the stipulated time were to be recovered from the concerned staff through payroll deduction. The payroll recovery process required manual intervention until April 2017 when the process was automated in Umoja, and recovery was automatically effected the month following the completion date of the travel.

57. As of 31 March 2018, UNEP had outstanding travel advances amounting to \$1,730,602 of which \$1,239,024 (72 per cent) were due for recovery (\$124,101 dating back to 2015 and 2016). The balances were outstanding either due to technical errors or because the balances pertained to non-staff personnel for whom automatic payroll recovery could not be effected. Travel advances were also pending due to delayed certification, insufficient funds in the allocated budget lines, and lapsed funding periods (especially for 2015 and 2016 balances). However, if a staff member initiates an expense report in Umoja but fails to complete and submit it, the payroll recovery module would not automatically recover the outstanding travel advance. Staff could therefore prevent payroll recovery by initiating the expense report but leave it pending in the system. *The Department of Management stated that a housekeeping tool is now available, which enables the closure of trips and initiation of recovery where expense reports are pending submission in the system for 90 days, and after 60 days where the expense report is pending approval in the system.*

58. In January 2018, UNEP followed up on outstanding travel advances for December 2017, which resulted in a reduction of 2015 and 2016 balances from \$438,496 to \$124,101. However, there was no monitoring and follow up mechanism to ensure that outstanding balances were cleared promptly.

59. OIOS also identified 42 travel advances totaling \$51,037 that were overdue for recovery. Eight of these transactions totaling \$5,220 were recovered between January and June 2018. Of the remaining \$45,817, 12 transactions totaling \$12,122 should have been recovered automatically but remained pending. UNON stated that the payroll recovery process worked properly, and that the exceptions noted did not compromise the integrity of the process, but agreed that a closer review was needed of open items that were due for recovery.

(10) UNEP should establish a mechanism to monitor and resolve long outstanding travel advances.

UNEP accepted recommendation 10 and stated that it will review the financial information package provided by UNON which includes an accounts payable report with a separate list of travel advances. UNEP will remind all fund and management officers on a quarterly basis to clear outstanding travel advances and will issue quarterly basis progress reports. Recommendation 10 remains open pending receipt of evidence that UNEP has established a mechanism to monitor and resolve long outstanding travel advances.

(11) UNON should review travel advances that remained open in Umoja and pursue them appropriately to ensure their closure.

UNON accepted recommendation 11 and stated that the balance as at September 2018 was \$329,906. UNON will continue to follow up with UNEP certifying officers to ensure that these outstanding travel advances were cleared. Individuals and certifying officers will be required to complete expense reports or take steps to cancel the trip if travel did not take place by 30 November 2018. For individual staff members on UNON's payroll with balances remaining by 1 December 2018, recovery will be initiated in the December payroll. For others not on UNON's payroll, global offsets will be requested. Procedures were under review to reduce risks going forward. Recommendation 11 remains open pending receipt of evidence that UNON has closed the travel advances that remained open in Umoja.

E. Ticket billing

Need to clear old outstanding balances in the ticket clearing account

60. The ticket clearing account is used to clear all air tickets prior to payment. Invoices received from the travel agent are matched to the amounts in the ticket clearing account before payments are processed.

61. As of 31 March 2018, there was an outstanding amount of \$694,543 pertaining to ticket transactions of which \$263,964 pertained to periods between 2015 and 2017. These were outstanding due to several reasons such as delayed invoicing, insufficient funds for payment, and incomplete information in invoices. Long outstanding ticket transactions increased the administrative burden on UNEP and UNON and resulted in delayed payments to travel agents. There was also an increased risk that the funding period would lapse (or the grant period may expire) before the payments are made to vendors.

62. Clearance of the ticket clearing account was the responsibility of the respective United Nations entities that processed UNEP's travel. However, of the old outstanding balances from 2015 and 2017 amounting to \$263,964, 92 per cent (\$244,012) was pending reconciliation and clearance by UNON and UNOG. OIOS noted that UNON, as the account holder for UNEP, did not consistently follow up with UNOG to clear the outstanding balances.

(12) UNON should monitor the balances in the ticket clearing account and liaise with the concerned United Nations entities to ensure that outstanding balances are cleared in a timely manner.

UNON accepted recommendation 12 and stated that the balance as at 6 November 2018 was \$483,488 of which \$270,196 was pending action from other United Nations offices. UNON will continue to follow up with the processing offices to clear the remaining open balances for the travels processed by their offices and tickets issued by their contracted travel agents. A final review of 2017 balances will be conducted on 30 November 2018 and anything unresolved will be escalated to Directors of relevant entities for action before 31 December 2018. Recommendation 12 remains open pending receipt of evidence that UNON has established a mechanism for monitoring the balances in the ticket clearing account and has liaised with the concerned United Nations entities to ensure that outstanding balances are cleared in a timely manner.

Need to monitor cancelled flights

63. During the period under review, UNEP incurred \$227,942 in cancellation charges for 797 cancelled trips processed by UNON and UNOG alone. Fees were charged by travel agents for all cancelled trips, as well as the cost of non-refundable tickets. OIOS requested 144 staff to provide reasons for their cancelled trips and received 72 responses. The main reasons given were medical emergencies, inability to obtain visas in good time, airline strikes, bad weather, last minute changes in the travel itinerary, cancellation/postponement of events, and work emergencies.

64. UNEP did not monitor cancelled travels to identify the reasons for such cancellations and take preventive measures to avoid payment of unnecessary cancellation charges. There were no controls or procedures to ensure that cancellations were approved by the concerned supervisors based on adequate justification and documentation to assure that unnecessary expenditure is avoided.

(13) UNEP should establish appropriate procedures to ensure that cancellations of travel are adequately monitored, approved by the concerned supervisors, and appropriately documented.

UNEP accepted recommendation 13 and stated that the updated and revised travel guidelines issued by UNEP will request fund and management officers to inform the travel agent and UNON's Travel, Shipping and Visa Unit on travel cancellations as soon as possible, and that these cancellations are appropriately documented. Recommendation 13 remains open pending receipt of evidence that UNEP has established appropriate procedures to ensure that cancellations are adequately monitored, approved by the concerned supervisors, and appropriately documented.

F. Impact of travel on the Organization's carbon footprint

Need for high level policy and incentives to manage carbon emissions from travel

65. Following the launch of the United Nations Climate Neutral Strategy in 2007, United Nations agencies, funds and programmes committed themselves to reduce their environmental footprint by: (i) measuring their greenhouse gas emissions; (ii) undertaking efforts to reduce greenhouse gas emissions to the greatest extent possible; and (iii) analyzing the cost implications of these emissions for purchasing carbon offsets. According to UNEP's 2017 publication on greenhouse gas emissions titled "Greening the Blue", which published 2016 emissions data, air travel accounted for 42 per cent of the United Nations system's total emissions. In UNEP, air travel accounted for 76 per cent of its total emissions which stood

at 6,722 tonnes of carbon dioxide equivalent by end of 2016. Data for 2017 had not been published at the time of the audit.

66. UNEP had not established a framework of policy guidelines, procedures or incentives that staff could apply to control their travel and manage carbon emissions. Staff were not motivated or encouraged to minimize travel, seek alternatives to travel or use cheaper means of travel. While ST/AI/2013/3 on official travel required supervisors to assess whether alternatives to travel such as video conference, audio conference or other remote business practices could be utilized, there was no evidence that this was consistently applied. Further, the extensive and sometimes uneconomical and inefficient travel patterns of senior managers was not conducive to promoting a culture of striving to reduce UNEP's carbon emissions. In 2011, UNEP coordinated the publication of a report titled "Moving Towards a Climate Neutral United Nations" in which the Secretary-General had said: "What we demand of others, we must do ourselves". Any perception that UNEP was failing to lead by example in reducing its carbon footprint poses a serious risk to its reputation and credibility as the leading international organization for the environment. According to UNEP, it had an environmental management system in place that addressed environmental performance in different areas such as water, on-source waste separation, energy and travel amongst others. However, UNEP acknowledged that further emphasis needs to be placed on the travel aspect of the environmental management system.

67. Several entities had introduced reform in their travel policies to curb travel expenditure and manage carbon emissions. For example, the Food and Agriculture Organization, the World Food Programme, and the United Nations Educational, Scientific and Cultural Organization had changed their travel policies to impose annual travel limits to curb the number of trips per staff per year and lower the accommodation standards to discourage unnecessary travel. For UNEP, the adoption of policies and incentives that encourage positive behavior, such as voluntary downgrades, cheaper modes of travel, and use of alternatives to travel – with senior managers leading by example – could go a long way in demonstrating its commitment to its mission.

68. To manage its emissions, UNEP procures certificates of emission reduction from the internationally recognized "Clean Development Mechanism" established under the Kyoto Protocol and managed by the United Nations Framework Convention on Climate Change. Each emission reduction certificate is equivalent to one carbon credit which is used to offset one tonne of carbon dioxide (or equivalent measure of greenhouse gas). Proceeds from the sale of carbon credits support emission reduction projects such as construction of hydropower plants, wind power plants and biogas projects.

69. UNEP maintains a Climate Neutral Fund which is used for procuring carbon emission certificates, as well as to fund the post of a Sustainability and Climate Neutral Officer. In 2014, UNEP established a charge rate of \$30 per tonne of carbon dioxide for each office/unit within UNEP. This was reduced to \$20 per tonne in 2016. The Sustainability and Climate Neutral Officer computes the amount of carbon emissions based on the total travel undertaken by each office/unit of UNEP. Each office/unit is required to remit the charged amounts annually.

70. From a review of the Climate Neutral Fund, OIOS noted that it had been in deficit since 2013, and the current cash reserve of \$607,383 could only sustain the Fund until 2021 at the present rate of income and expenditure. The decline in funds was due to the reduction of the charge rate from \$30 to \$20 per tonne of carbon dioxide or equivalent, as well as non-remittance of all amounts due from various offices/units of UNEP. Since UNEP relied significantly on carbon offsets to manage its emissions, the reduction in funds could adversely affect the management of its carbon footprint.

(14) UNEP should: (a) develop policies and incentives for its managers and staff to minimize travel and thereby reduce its carbon emissions; (b) ensure that its senior management leads by example to demonstrate strong commitment to implementing such policies and incentives; and (c) review the funding status of the Climate Neutral Fund to ensure that adequate funds are available to procure carbon offsets beyond 2021.

UNEP accepted recommendation 14 and stated its overall carbon footprint had progressively declined over a period of 10 years. This included a 60 per cent cut in total emissions, including flights, from 2011-16. Emissions did increase in 2017 in part due to the Organization's mandate of organizing and hosting a heavier calendar of meetings, conferences and assemblies. Nevertheless, all carbon emissions were offset, and UNEP continued to be climate neutral. UNEP will put further emphasis on the travel aspect of its Environmental Management System. UNEP was already assessing actions such as to: (i) increase use of train travel instead of short haul flights where applicable; (ii) increase the number of combined missions; (iii) publish per capita emissions for divisions or individuals; (iv) consider quotas for travel, based on staff grade, learning from other United Nations entities; (v) enhance tools and mechanisms available to staff to conduct remote conferencing; and (vi) increase transparency and reporting on emissions to the CPR.

UNEP will review the status of the Climate Neutral Fund, which will ensure all emissions were offset up to and including 2021. Taking into account the commitment to prioritizing emissions reductions over offsets, in addition to the steps outlined above, UNEP will explore options to ensure the long-term health of the fund.

Recommendation 14 remains open pending receipt of evidence that UNEP has: (a) developed policies and incentives for its managers and staff to minimize travel and thereby reduce its carbon emissions; (b) ensured that its senior management leads by example to demonstrate strong commitment to implementing such policies and incentives; and (c) reviewed the funding status of the Climate Neutral Fund to ensure that adequate funds are available to procure carbon offsets beyond 2021.

IV. ACKNOWLEDGEMENT

71. OIOS wishes to express its appreciation to the management and staff of UNEP and UNON for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	The UNEP Executive Director should take tangible measures to: (a) establish an appropriate tone at the top by emphasizing the necessity for managers and staff to respect the applicable regulations and rules established by the Secretary-General, particularly those governing the responsible use of the Organization's resources; and (b) demonstrate personal commitment to accountability and transparency in the economical use of travel funds.	Critical	O	Receipt of evidence that the measures indicated in UNEP's response have been implemented fully and effectively, and their implementation is demonstrated by actual results in terms of: (i) significant reduction in the use of travel funds; (ii) increased use of videoconferencing and other alternatives in lieu of travel; and (iii) a culture of accountability for compliance with the applicable regulations and rules, particularly those pertaining to the responsible use of the Organization's resources.	31 December 2018
2	UNEP should revoke all flexible working arrangements that are not in accordance with the Secretary-General's bulletin ST/SGB/2003/4 and ensure that such arrangements do not result in additional costs for the Organization.	Important	O	Receipt of evidence that UNEP has revoked all flexible working arrangements that are not in accordance with the Secretary-General's bulletin ST/SGB/2003/4 and has ensured that such arrangements do not result in additional costs for the Organization.	Not provided
3	UNEP should ensure that staff record the leave taken during official travel in the time management module of Umoja as required.	Important	O	Receipt of evidence that UNEP has implemented measures to ensure that staff record the leave taken during official travel in the time management module of Umoja as required.	31 December 2018
4	UNEP should demonstrate the value addition from travel expenditures by ensuring that they are linked to the outputs and outcomes outlined in its programme of work.	Important	O	Receipt of evidence that travel expenditures are linked to the outputs and outcomes outlined in UNEP's programme of work.	31 December 2018
5	UNEP should: (a) establish and enforce an accountability mechanism to ensure that managers	Important	O	Receipt of evidence that UNEP has: (a) established and enforced an accountability mechanism to	31 December 2018

⁴ 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.

⁵ 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.

⁶ C = closed, O = open

⁷ Date provided by UNEP in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
	and staff travelling on mission prepare mission reports based on a standard template that indicates the minimum level of detail required for the reports to be useful; and (b) promote transparency by ensuring that such mission reports are stored in a central repository that is accessible by staff for reference and follow up action as appropriate.			ensure that managers and staff travelling on mission prepare mission reports based on a standard template that indicates the minimum level of detail required for the reports to be useful; and (b) promoted transparency by ensuring that such mission reports are stored in a central repository that is accessible by staff for reference and follow up action.	
6	UNEP should strengthen its travel pre-authorization process by: (i) ensuring that all trips are authorized prior to commencement of travel; (ii) establishing standard templates and a checklist to facilitate supervisory review prior to authorization of travel; and (iii) ensuring that approval of travel plans and certification of travel requests are based on complete and accurate information in the quarterly travel plans and travel authorization forms.	Important	O	Receipt of evidence that the travel pre-authorization process has been strengthened by: (i) ensuring that all trips are authorized prior to commencement of travel; (ii) establishing standard templates and a checklist to facilitate supervisory review prior to authorization of travel and; (iii) ensuring that approval and certification of travel requests are based on complete and accurate information in the quarterly travel plans and travel authorization forms.	31 December 2018
7	UNEP should ensure that managers and supervisors reviewing travel plans clearly indicate on the travel plan that the necessity to travel has been assessed, and that alternative methods have been considered and found to be ineffective.	Important	O	Receipt of evidence that the recommendation has been fully implemented.	31 December 2018
8	UNEP should ensure that: (a) travel arrangements are completed at least 21 days prior to commencement of travel to minimize costs; and (b) reasons are recorded in writing in instances where this requirement could not be complied with.	Important	O	Receipt of evidence that: (a) UNEP has established a mechanism to ensure that travel arrangements are completed at least 21 days prior to commencement of travel; and (b) reasons are recorded in writing in instances where this requirement could not be complied with.	31 December 2018
9	UNON should vigorously follow up and settle the outstanding balance of \$970,812 advanced to conference paymasters, particularly old balances, and establish effective controls to ensure that advances paid in future are promptly followed up,	Important	O	Receipt of evidence that the outstanding balance of \$970,812 advanced to conference paymasters has been settled, and UNON has established effective controls to ensure that future advances are promptly followed up, fully accounted for, and	15 December 2018

STATUS OF AUDIT RECOMMENDATIONS

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
	fully accounted for, and adequately supported by the required documentation.			adequately supported by the required documentation.	
10	UNEP should establish a mechanism to monitor and resolve long outstanding travel advances.	Important	O	Receipt of evidence that UNEP has established a mechanism to monitor and resolve long outstanding travel advances.	1 January 2019
11	UNON should review travel advances that remained open in Umoja and pursue them appropriately to ensure their closure.	Important	O	Receipt of evidence that UNON has closed the travel advances that remained open in Umoja.	1 December 2018
12	UNON should monitor the balances in the ticket clearing account and liaise with the concerned United Nations entities to ensure that outstanding balances are cleared in a timely manner.	Important	O	Receipt of evidence that UNON has established a mechanism for monitoring the balances in the ticket clearing account and has liaised with the concerned United Nations entities to ensure that outstanding balances are cleared in a timely manner.	31 December 2018
13	UNEP should establish appropriate procedures to ensure that cancellations of travel are adequately monitored, approved by the concerned supervisors, and appropriately documented.	Important	O	Receipt of evidence that UNEP has established appropriate procedures to ensure that cancellations are adequately monitored, approved by the concerned supervisors, and appropriately documented.	31 December 2018
14	UNEP should: (a) develop policies and incentives for its managers and staff to minimize travel and thereby reduce its carbon emissions; (b) ensure that its senior management leads by example to demonstrate strong commitment to implementing such policies and incentives; and (c) review the funding status of the Climate Neutral Fund to ensure that adequate funds are available to procure carbon offsets beyond 2021.	Important	O	Receipt of evidence that UNEP has: (a) developed policies and incentives for its managers and staff to minimize travel and thereby reduce its carbon emissions; (b) ensured that its senior management leads by example to demonstrate strong commitment to implementing such policies and incentives; and (c) reviewed the funding status of the Climate Neutral Fund to ensure that adequate funds are available to procure carbon offsets beyond 2021.	31 January 2020

APPENDIX I

Management Response



Executive Office



From: **Erik Solheim, Executive Director** *Erik Solheim* Date: **13. 11. 2018**

To: **Gurpur Kumar, Deputy Director, Internal Audit
Division, Office of Internal Oversight Services** Reference: **Executive/2018**

Subject: **Draft report on an audit of official travel at the United Nations Environment Programme
(Assignment No. AA2018/220/03)**

1. I refer to your memorandum, dated 30 October 2018, regarding the above-mentioned audit. Please find attached UN Environment Programme's management response.
2. We stand ready to provide any further information that may be required.

Cc: Mr. Chris Kirkcaldy, Director, Division of Administrative Services, UN Office at Nairobi
Mr. Zachary Ikiara, Chief, Oversight and Support Coordination Unit, Department of Management
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, Office of Internal Oversight Services
Joyce Msuya, Deputy Executive Director, UN Environment Programme
Elizabeth Mrema, Acting Director, Corporate Services Division, UN Environment Programme

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNEP Executive Director should take tangible measures to: (a) establish an appropriate tone at the top by emphasizing the necessity for managers and staff to respect the applicable regulations and rules established by the Secretary-General, particularly those governing the responsible use of the Organization's resources; and (b) demonstrate personal commitment to accountability and transparency in the economical use of travel funds.	Critical	Yes	Executive Director	a. By 31/12/2018 b. Ongoing	UN Environment Programme accepts the recommendation. 1. The Executive Director acknowledges the importance of establishing an appropriate tone at the top by emphasizing the need for managers and staff to respect rules and regulations, particularly those governing the use of the organization's resources. 2. The Executive Director is redoubling efforts and reminding all staff and senior management including himself, to respect and follow rules and regulations. 3. The Executive Director has taken swift action to dispel any perception to the contrary. In an email to all staff on 17/09/2018, the Executive Director stressed that if " <i>administrative rules are found to have been overlooked, I accept personal responsibility and offer my strong commitment to immediately refine this process going forward.</i> " This message was reiterated during a UN Environment Programme townhall with all staff on 18/09/2018. 4. In a letter to Members of the Committee of Permanent Representatives on 25/09/2018, the Executive Director expressed a strong commitment to implementing all recommendations of the final travel audit. 5. In the spirit of the Secretary-General's reform agenda, all efforts will be made to ensure UN Environment Programme's continued ability to respond quickly to needs of Members States, and enhance speed and efficiency in delivery. 6. The Executive Director is committed to demonstrating his personal commitment to accountability and transparency in

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 United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>the economical use of travel funds. Following receipt of the detailed audit results, summaries of all of the Executive Director's missions in 2018 are now published on the UN Environment Programme website. Each summary outlines clearly the objectives and outcomes of all missions and links to the Programme of Work.</p> <p>7. All efforts will be made to ensure travel by the most economical routes; explore the feasibility of technology for virtual participation, and further rely on the regional and country presence of UN Environment Programme to ensure the agency is well represented at important events and to manage important relationships.</p>
2	UNEP should revoke all flexible working arrangements that are not in accordance with the Secretary-General's bulletin ST/SGB/2003/4 and ensure that such arrangements do not result in additional costs for the Organization.	Important	Y	Director, Corporate Services Division	Implemented	<ol style="list-style-type: none"> 1. An organization-wide email circulated by the UN Environment Programme on 07/08/2018 reminded staff of applicable rules, benefits, procedures and processes to be followed as they relate to flexible working arrangements outlined in ST/SGB/2003/4. 2. An extensive review of all flexible working arrangements since 2016 has been completed. The review identified 118 arrangements that were not fully in compliance with the ST/SGB/2003/4. Of these, 115 have lapsed. Of the 3 that are current, 2 are outside the scope of the above-mentioned ST/SGB and have been submitted to the Office of Human Resources Management for review and approval. One was revoked via email from the Director a.i., Corporate Services Division dated 08/11/2018 to the concerned supervisor. 3. UN Environment Programme is committed to ensuring all future flexible working arrangements are issued in accordance with ST/SGB/2003/4. All such arrangements will be noted and monitored in Umoja and the weCollaborate intranet platform.
3	UNEP should ensure that staff	Important	Y	Director,	1. By 31/12/2018	1. By 31/12/2018, revised and updated travel guidelines will

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	record the leave taken during official travel in the time management module of Umoja as required.			Corporate Services Division	a memo will be sent to all supervisors and staff. 2. Every quarter in 2019.	be sent reminding staff of the critical need to duly record leave taken during official travel in the time management module of Umoja. 2. The Corporate Services Division will support rigorous monitoring of all leave records during official travel. Results will be shared with staff and management every quarter.
4	UNEP should demonstrate the value addition from travel expenditures by ensuring that they are linked to the outputs and outcomes outlined in its programme of work.	Important	Y	Director, Corporate Services Division	1. By 31/12/2018 2. Reminders will be sent every quarter	1. UN Environment Programme will issue revised and updated travel guidelines that will require all staff planning travel to clearly indicate the programme of work/ sub-programme output in all travel plans. 2. UN Environment Programme will issue quarterly reports on travels vis-a-vis sub-programmes and corporate representation.
5	UNEP should: (a) establish and enforce an accountability mechanism to ensure that managers and staff travelling on mission prepare mission reports based on a standard template that indicates the minimum level of detail required for the reports to be useful; and (b) promote transparency by ensuring that such mission reports are stored in a central repository that is accessible by staff for reference and follow up action as appropriate.	Important	Y	Director, Corporate Services Division	1. By 31/12/2018 2. Reminders will be sent every quarter	The updated and revised travel guidelines issued by the UN Environment Programme will require staff to submit mission reports online, based on a standard template. The mission report template and existing repository is already available online on the weCollaborate intranet platform. The system includes an automated periodical reminder to submit mission reports.
6	UNEP should strengthen its travel pre-authorization process by: (i) ensuring that all trips are	Important	Y	Director Corporate Services	By 31/12/2018 Reminders will be sent every	The updated and revised travel guidelines issued by the UN Environment Programme will address this concern.

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	authorized prior to commencement of travel; (ii) establishing standard templates and a checklist to facilitate supervisory review prior to authorization of travel; and (iii) ensuring that approval of travel plans and certification of travel requests are based on complete and accurate information in the quarterly travel plans and travel authorization forms.			Division	quarter	
7	UNEP should ensure that managers and supervisors reviewing travel plans clearly indicate on the travel plan that the necessity to travel has been assessed, and that alternative methods have been considered and found to be ineffective.	Important	Y	Director, Corporate Services Division	By 31/12/2018 Reminders will be sent every quarter	The updated and revised travel guidelines issued by the UN Environment Programme will request staff indicate in the travel plan that the necessity to travel has been assessed, and that alternative methods have been considered and found to be ineffective.
8	UNEP should ensure that: (a) travel arrangements are completed at least 21 days prior to commencement of travel to minimize costs; and (b) reasons are recorded in writing in instances where this requirement could not be complied with.	Important	Y	Director, Corporate Services Division	By 31/12/2018 Reminders will be sent every quarter	1. The updated and revised travel guidelines issued will request staff to comply with the 21-day travel rule for ticket purchases. 2. The UN Environment Programme will circulate quarterly reports on compliance
9	UNON should vigorously follow up and settle the outstanding balance of \$970,812 advanced to conference paymasters, particularly old balances, and establish effective controls to	Important	Y	Chief Financial Officer, United Nations Office in	By 15/12/2018	Balance as at March 2018: \$970,181.99 Balance as at Sept. 2018: \$435,700.79 Balance as at 6 Nov. 2018: \$277,457.17 The United Nations Office in Nairobi will continue to follow up with UN Environment Programme Certifying Officers to

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	ensure that advances paid in future are promptly followed up, fully accounted for, and adequately supported by the required documentation.			Nairobi		ensure that these outstanding conference paymaster advances are accounted for by 15/12/2018. Procedures are currently under review to reduce risks going forward.
10	UNEP should establish a mechanism to monitor and resolve long outstanding travel advances.	Important	Y	Director, Corporate Services Division	1. 01/01/2019 2. Reminders will be sent every quarter	1. UN Environment Programme will review the financial information package provided by the United Nations Office in Nairobi which includes an accounts payable report with a separate list of travel advances. 2. UN Environment Programme will remind all fund and management officers on a quarterly basis, to clear outstanding travel advances and will issue quarterly basis progress reports.
11	UNON should review travel advances that remained open in Umoja and pursue them appropriately to ensure their closure.	Important	Y	Chief Financial Officer, United Nations Office in Nairobi	By 30/11/2018 all staff that have not completed expense reports will have to cancel the TRIP. By 01/12/2018, UNON will begin recovery for remaining balances	Balance as at March 2018: \$1,730,602.10 Balance as at Sept. 2018: \$329,906.53 The UN Office in Nairobi will continue to follow up with UN Environment Programme Certifying Officers to ensure that these outstanding travel advances are cleared. Individuals and certifying officers will be required to complete expense reports or take steps to cancel the TRIP if travel did not take place by 30/11/ 2018. For individual Staff members on UNON payroll with balances remaining by 01/12/2018, recovery will be initiated via December Payroll. For others, not on UNON payroll, global offsets will be requested. Procedures are currently under review to reduce risks going forward.
12	UNON should monitor the balances in the ticket clearing account and liaise with the concerned United Nations entities to ensure that outstanding balances are cleared	Important	Y	Chief Financial Officer, United Nations Office in	Final review of balances to be undertaken by 30/11/2018 Any unresolved	Balance as at March 2018: \$694,543.43 Balance as at Sept. 2018: \$523,459.31 Balance as at 6 Nov. 2018: \$483,488.99 of which 270,196 is pending action from other UN offices. The UN Office in Nairobi will continue to follow up with the

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	in a timely manner.			Nairobi	balances on this date will be escalated to Directors by 30/11/2018 Final action to be taken by 31/12/2018	processing offices to clear the remaining open balances for the travels processed by their offices and tickets issued by their contracted travel agents. A final review of 2017 balances will be conducted on 30/11/2018 and anything unresolved will be escalated to Directors of relevant entities for action before 31/12/ 2018.
13	UNEP should establish appropriate procedures to ensure that cancellations of travel are adequately monitored, approved by the concerned supervisors, and appropriately documented.	Important	Y	Director, Corporate Services Division	Travel guidelines to be issued by 31/12/2018 Reminders will be sent every quarter	The updated and revised travel guidelines issued by the UN Environment Programme will request fund and management officers to inform the travel agent and UNON/Travel, Shipping and Visa Unit on travel cancellations as soon as possible, and that these cancellations are appropriately documented.
14	UNEP should: (a) develop policies and incentives for its managers and staff to minimize travel and thereby reduce its carbon emissions; (b) ensure that its senior management leads by example to demonstrate strong commitment to implementing such policies and incentives; and (c) review the funding status of the Climate Neutral Fund to ensure that adequate funds are available to procure carbon offsets beyond 2021.	Important	Y	Coordinator, Sustainable United Nations (SUN) facility/Economy Division	1. By 30/06/2019, policies to reduce travel emissions is finalized. 2. By 30/01/2020 – strengthened, long-term health of the fund ensured	1. UN Environment Programme has an Environmental Management System in place that addresses environmental performance in different areas such as, water, at source waste separation and recycling, energy and travel amongst other. The System falls under the “Sustainable United Nations -SUN” initiative. The system is updated every three years. 2. The overall carbon footprint of the UN Environment Programme has progressively declined over a period of 10 years. This includes a 60% cut in total emissions, including flights, from 2011-16. Emissions did increase in 2017 –in part due to our mandate of organising and hosting a heavier calendar of multilateral meetings, Conferences of the Parties, conferences and assemblies. In 2017, participant/non-staff travel accounted for more than 50% of the Organization’s total travel expenditure. Nevertheless, all carbon emissions are offset and the UN Environment Programme continues to be climate neutral. The UN Office

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>in Nairobi has confirmed that offsets (Certificate of Emission reductions), were recorded in, and up to, 2017. Carbon offsets for 2018 will be recorded as soon as the carbon footprint data for this year is tabulated.</p> <p>3. The UN Environment Programme accepts the recommendation and will put further emphasis on the travel aspect of its Environmental Management System. The Organization recognises that offsetting is a last resort, and that reduction needs to be the consistent priority. UN Environment Programme is therefore entirely committed to clear, time-bound and firm action on all three points raised in recommendation 14.</p> <p>4. UN Environment Programme is already assessing actions such as to:</p> <ul style="list-style-type: none"> a. Increase use of train travel instead of short haul flights where applicable. b. Increase the number of combined missions. c. Publish per capita emissions for divisions or individuals. d. Consider quotas for travel, based on staff grade, learning from other UN entities. e. Enhance tools and mechanisms available to staff to conduct remote conferencing. f. Increase transparency and reporting on emissions to the Committee of Permanent Representatives. <p>5. In the medium and longer term, it is the UN Environment Programme's intention to assess the possibility of introducing additional measures including introduction of an internal emissions cap and trading scheme that goes above and beyond any existing measures in place in the United Nations system. Resources permitting, this could be phased in from beginning 2020.</p>

Management Response

Audit of official travel at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>6. The Senior management at the UN Environment Programme recognises that leading by example is a crucial element of climate emissions reduction and will be at the forefront of demonstrating commitment to these policies.</p> <p>7. The UN Environment Programme will review the status of the Climate Neutral Fund, which will ensure all emissions are offset up to and including 2021. Taking into account the commitment to prioritizing emissions reductions over offsets, in addition to the steps outlined above, UN Environment Programme will explore options to ensure the long-term health of the fund.</p>



TO: Mr. Gurpur Kumar, Deputy Director
A: Internal Audit Division
Office of Internal Oversight Services

DATE: 15 November 2018

THROUGH: Olga de la Piedra, Director

S/C DE: Office of the Under-Secretary-General for Management

FROM: Mario Baez, Chief, Policy and Oversight Coordination Service

DE: Office of the Under-Secretary-General for Management

SUBJECT: **Draft report on an audit of official travel at the United Nations Environment Programme**
OBJET: **(Assignment No. AA2018/220/03)**

1. We refer to your memorandum dated 30 October 2018 regarding the above-mentioned subject and provide you with the comments from the Department of Management (DM) below.

Paragraph 57

As of 31 March 2018, UNEP had outstanding travel advances amounting to \$1,730,602 of which \$1,239,024 (72 per cent) were due for recovery (\$124,101 dating back to 2015 and 2016). The balances were outstanding either due to technical errors or because the balances pertained to non-staff personnel for whom automatic payroll recovery could not be effected. Travel advances were also pending due to delayed certification, insufficient funds in the allocated budget lines, and lapsed funding periods (especially for 2015 and 2016 balances). However, if a staff member initiates an expenses report in Umoja but fails to complete and submit it, the payroll recovery module would not automatically recover the outstanding travel advance. Staff could therefore prevent payroll recovery by initiating the expense report but leave it pending in the system.

2. It is not clear to DM what “technical errors” are being referred to above. DM requests for more details of those errors in order to provide OIOS with a complete response.

3. In respect of the statement that “*However, if a staff member initiates an expense report in Umoja but fails to complete and submit it, the payroll recovery module would not automatically recover the outstanding travel advance. Staff could therefore prevent recovery....*”, it should be noted that a Housekeeping Tool is now available, which enables the closure of trips and initiation of recovery, where expense reports are pending submission in the system for 90 days; and after 60 days where the expense report is pending approval in the system.

4. Thank you for providing us with the opportunity to provide comments on the draft audit report.

cc: Ms. Beagle