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Organización
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Организация
Объединенных Наций по
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منظمة الأمم المتحدة
للتربية والعلم والثقافة

联合国教育、
科学及文化组织

**Internal Oversight Service
Audit Section**

IOS/AUD/2009/15

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**Compliance Audit of UNESCO's HQ
Travel Processes**

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Auditors:

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EXECUTIVE SUMMARY

Key Results of the Audit

The compliance audit of travel expenditures revealed that there is general conformance to applicable rules and that adequate budgetary and procedural controls are in place. However, there are opportunities for savings in travel expenditure, for instance, by better use of the Self Booking Tool, which could result in savings of up to \$300,000 per year. Furthermore, some \$280,000 could be saved by purchasing the most economical ticket offered by the service provider when this is possible.

UNESCO has achieved significant reduction in business class travel since the Director General introduced more stringent requirements in November 2007. However, business class travel still represents 30 percent of all ticket expenditure and a significant proportion is for journeys less than eight hours. For further economy, ad hoc waivers for journeys of less than eight hours should be avoided. Use of video-conferencing and greater use of train travel within Europe would also lead to a lower carbon footprint and further savings in travel expenditure.

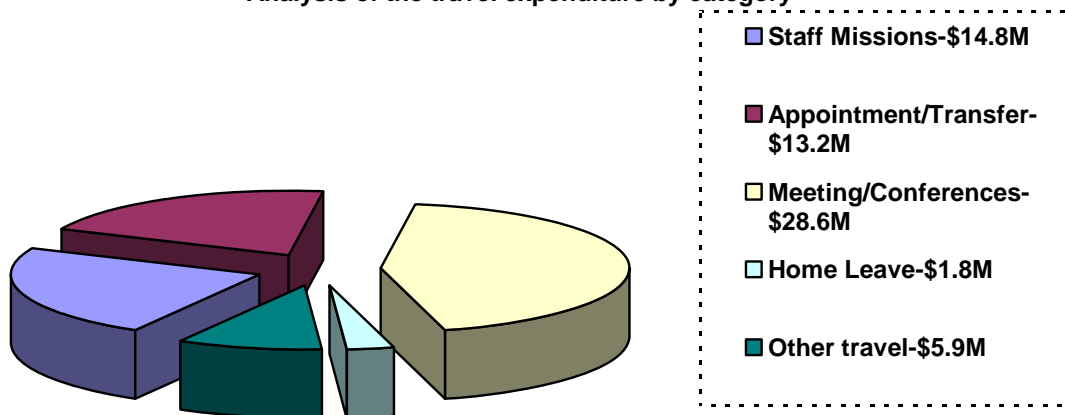
Finally, there is a perception that too many staff travel more than 30 percent of the time. The audit confirmed that this is not the case for Headquarters staff where only six staff fitted this profile.

The measures recommended in this report, if implemented, could lead to an annual savings of up to \$1 million.

Background, Scope and Objective

1. The Organization's policies on travel on mission i.e. travel undertaken by staff and non-staff, travelling on behalf of the Organization, are defined in the Administrative Manual. The policies on statutory travel (home leave travel, education grant travel etc.) are defined in the Staff Regulations and Staff Rules. The management of statutory travel is with HRM. BOC manages the overall process relating to mission travel but authorization and processing of individual missions is decentralized to Sectors/Services. The total annual expenditure on all types of travel is of the order of \$64 million.

Analysis of the travel expenditure by category



2. The Internal Audit Service (IOS) audited management of travel process at UNESCO Headquarters in June/July 2009 to provide assurance that mission travels are economic and cost effective. The audit also examined a sample of home leave travel to provide assurance on compliance with relevant policies. The scope of the audit included missions, conferences, workshops and home leave travel undertaken in 2008-09.

3. The audit was performed in accordance with the International Standards for the Professional Practice of Internal Auditing. The methodology was based on a risk assessment conducted during the planning phase of the audit and included substantive testing of a sample of 70 missions/conferences in 2008-09. Statistical analysis was also done for all mission travel undertaken during 2009 and the auditors interviewed staff involved in travel management.

4. Challenges and Opportunities in travel process

- The existing procurement of tickets can be made more efficient through the introduction of a Self Booking Tool.
- The agreement with UNESCO's travel agent should include additional performance metrics.
- Approximately \$280,000 is lost annually in terms of missed saving opportunities by not purchasing the most economical ticket and controls can be improved to avoid the purchase of uneconomical tickets.
- There is an overall decline in business class travel. However, ad hoc waivers to the policy still comprise a significant portion of such travel.
- An increase in video-conferencing participation at meetings could be encouraged.
- Green House Gas (GHG) could be estimated more efficiently by adapting the AMEX calculator.
- Train travel within Europe should be encouraged to reduce the overall GHG emission.
- Travel policy could be clarified for meeting/conference travel.
- The pilot project on corporate credit card is not effective and needs to be discontinued.
- The terminal expense claim should be explicitly declared in the travel record to ensure that it is paid when one is entitled to it.
- The management of documents in BOC/FNS should be improved.

5. Table of recommendations

Recommendation 1: Prepare a time bound action plan to implement corporate-wide self booking tool for online ticket reservation.

Recommendation 2: Assess AMEX performance against indicators established in the Service Level Agreement and explore possibility of retendering/renegotiating the contract with AMEX with a view to engage in a consolidated contract including all field locations. Other travel services (e.g. hotel bookings etc.), if not required, should be costed out of the contract.

Recommendation 3: Institute procedures to require written justification by the traveller's supervisor for not taking the most economic fare.

Recommendation 4: Review the business class travel policy with a view to reducing ad-hoc waivers.

Recommendation 5: Incorporate into the standard travel order form a clear undertaking from the approving office, and certification by the traveller, that other means of communication/action (e.g. e-mails, telephone calls, video-conferencing) are not more effective, efficient or economical.

Recommendation 6: Make train travel compulsory for selected destinations within Europe.

Recommendation 7: Explore more cost-effective methods to calculate the GHG emission data (e.g. adapt AMEX calculator).

Recommendation 8: Provide normative guidance on travel relating to meetings/conferences in order to harmonise Organization-wide practices.

Recommendation 9: Discontinue the pilot project on the travel corporate credit card system.

Recommendation 10: Modify the standard travel record form to require declaration (affirmative or negative) on the use of official transport when claiming terminal expenses.

Recommendation 11: Institute procedures to monitor use of home leave entitlement.