UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

PERFORMANCE AUDIT

OF

TRAVEL MANAGEMENT

IN

UNDP

Report No. 1446

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Report on the audit of UNDP travel management
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of UNDP travel management from 2 March to 17 April 2015. Performance auditing is an independent examination of a programme, function, operation, project, or the management systems and procedures of an entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.

The objective of this audit was to assess whether the current policies, procedures, and tools in place were conducive to the cost-effective management of travel. It aimed to identify opportunities for savings in travel costs and administrative costs of travel in UNDP. The audit focused on two main audit questions:

(a) How can UNDP reduce travel costs?

(b) How can official travel be managed more efficiently in UNDP?

The audit covered the period from 1 January 2013 to 31 March 2015. The audit addressed the overall responsibility for the management of business and entitlement travel by the Bureau of Management, as well as systems and processes to manage travel in headquarters bureaux and Country Offices. Data was collected from 3 headquarters bureaux, 9 Country Offices and 1 regional hub. The audit also built on the experiences of other international organizations.

Overall audit rating

OAI assessed UNDP travel management as **partially satisfactory**, which means, "Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity." This rating was mainly due to the non-availability of the UNDP travel and expense module for non-headquarters units, as well as to identify the potential for further reductions in travel costs and more efficient pre- and post-travel management in UNDP.

Key recommendations: Total = **8**, high priority = **1**

The eight recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendations 1, 2, 3, and 4) and (b) effectiveness and efficiency of operations (Recommendations 5, 6, 7 and 8).

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below.

With regard to the question "How can official travel be managed more efficiently in UNDP?" the following issue was noted:

Country Offices and regional hubs did not have access to the travel and expense module in Atlas (enterprise resource planning system of UNDP). This made travel management more cumbersome and weakened the oversight of travel.

Recommendation: Make the travel and expense module in Atlas available to non-headquarters units.

Good practices

- UNDP headquarters and Country Offices had access to video conference equipment and e-meetings facilities and encouraged their use.

- The Administrative Services Division had negotiated discounted airfares with more than 40 airlines for headquarters travel.

Management comments and action plan

The Bureau of Management accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided had been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.

Helge S. Osttveiten
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