



**Internal Oversight Division**

Reference: IA 2018-01

**Audit Report**

**Audit of Travel Management**

June 29, 2018



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**LIST OF ACRONYMS**

<b>AIMS</b>	Administrative Integrated Management System
<b>ASITF</b>	Advanced Security in the Field
<b>BSITF</b>	Basic Security in the Field
<b>CWT</b>	Carlson Wagonlit Travel
<b>DSA</b>	Daily Subsistence Allowances
<b>E-work</b>	Electronic Workflow System
<b>ECM</b>	Enterprise Content Management
<b>ER</b>	Event Requests
<b>ERM</b>	Enterprise Risk Management
<b>HRMD</b>	Human Resources Management Department
<b>IAOC</b>	Independent Advisory Oversight Committee
<b>IATA</b>	International Air Transport Association
<b>ICS</b>	Individual Contractual Services
<b>IIA</b>	Institute of Internal Auditors
<b>IOD</b>	Internal Oversight Division
<b>JIU</b>	Joint Inspection Unit
<b>MAAS</b>	Management and Administrative Applications Section
<b>OBT</b>	Online Booking Tool
<b>OI</b>	Office Instruction
<b>POC</b>	Proof of Concept
<b>PTD</b>	Procurement and Travel Division
<b>SRR</b>	Staff Regulations and Rules
<b>SSCS</b>	Safety and Security Coordination Service
<b>TA</b>	Travel Authorization
<b>TE</b>	Terminal Expenses
<b>TMS</b>	Travel and Missions Support
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNSMS</b>	United Nations Security Management System
<b>WIPO</b>	World Intellectual Property Organization

## EXECUTIVE SUMMARY

1. In 2016 and 2017, WIPO staff and non-staff members traveled to 157 and 164 countries respectively, involving various forms of travel<sup>1</sup>, for a total combined cost of 47,5 million Swiss francs<sup>2</sup>.
2. Late Event Requests submissions averaged 77 per cent during the biennium, and late Travel Authorizations (TAs) averaged 33.5 per cent. Further, 88 per cent (1,666/1,898) of the late e-TAs were attributable to 10 Programs, and 77 per cent (1,286/1,666) of the late e-TAs for these 10 Programs were from non-staff travelers/third party travelers, against 23 per cent (380/1,286) for staff travelers.
3. These delays have been cited as a contributory factor to the Organization purchasing higher priced tickets. It would therefore be beneficial for WIPO to direct and exert more effort in formulating policies and procedures that ensure Program Managers are timely provided with third party travelers' travel documentation and information, in order to timely process travel arrangements for these travelers.
4. The transaction fees for booking air travel tickets using the Online Booking Tool (OBT) and those charged by the United Nations Development Programme (UNDP), show that on an average the fees charged by the latter are significantly higher. Going forward, WIPO would gain from prioritizing the use of the OBT for booking tickets, and reviewing the conditions under which the UNDP service should be used.
5. According to the United Nations Security Management System (UNSMS), the Duty of Care may extend to persons who are conducting business on behalf of an Organization. One of the prudent and proactive measures for addressing Duty of Care would be to extend the requirement and set conditions under which third party travelers should undertake the requisite security training course prior to undertaking travel. This measure can be implemented once WIPO makes a determination of the applicability of the Duty of Care towards these parties in line with the UNSMS.
6. WIPO would enhance efficiency and effectiveness of travel management, and ensure compliance with related travel policies, by: (i) adopting good practices within the United Nations (UN) Common System which specify a time frame for newly recruited staff members to complete travel security training courses; (ii) taking stock of the number of staff members that have undertaken the mandatory Basic Security in the Field course and monitor progress towards all staff being trained; and (iii) ensuring that all staff members that undertake official travel comply with the requirement to complete the mandatory and appropriate Security training for their designated travel destination.
7. Finally, the travel process would benefit from efficiency gains if the Travel Management System currently being developed to replace the Electronic Workflow System (E-work) System provides for security clearance procedures to run in parallel with the process of purchasing tickets, and is linked to a database for managing travel security training certificates.

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<sup>1</sup> Third party travel, Missions, Home leave, Repatriation, Staff joining at duty station and Education grants travel.

<sup>2</sup> Total includes Travel costs, and non-travel costs (i.e. Hotel, Fees, service costs and other related costs).

## 1. BACKGROUND

8. Travel management is part of WIPO's overall Strategic Goal IX: Efficient Administrative and Financial Support Structure to Enable WIPO to deliver its Programs. The expected result of this goal is effective, efficient, quality and customer-oriented support services both to internal clients and to external stakeholders.

9. The Travel and Mission Support Section (TMS) of the Procurement and Travel Division (PTD) under Program 24, General Support Services, is responsible for travel administration and ensures that travel arrangements are made for WIPO staff on official and institutional travel, as well as for Third Party travelers (speakers, participants and financed delegates attending the WIPO General Assembly for instance and other various meetings held in Geneva and abroad, as well as holders of Individual Contractual Services (ICS) contracts.

10. In more detail, TMS reviews travel itineraries, processes travel visas, sets out to apply the most cost effective fares, reviews, certifies travel quotes for Daily Subsistence Allowances (DSAs) and Terminal Expense (TE) as well as Travel Claims, once the Safety and Security Coordination Service (SSCS) has ensured that travel security and safety requirements are complied with.

11. PTD reports on official travel by, among others, preparing the Travel Dashboard submitted to the Director General via the Assistant Director General of the Administration and Management Sector, providing mainly travel and non-travel cost information. The travel costs include: ticket costs, terminal expenses, transaction fees, and daily subsistence allowance, among others as shown in the table below:

**Table A: Travel and Non-Travel costs - 2016 and 2017**

	Description	2016	2017	Per cent Change
<b>A. Travel costs</b>		<b>CHF ('000)</b>	<b>CHF ('000)</b>	
1.	Tickets	10,633.3	11,501.3	8%
2.	Daily Subsistence Allowances	7,077.7	7,757.16	10%
3.	Terminal Expenses	565.0	605.7	7%
4.	Transaction Fees	283.0	294.7	4%
5.	VISA	90.3	104.62	16%
6.	Train	48.5	68.1	40%
7.	Car <sup>3</sup>	9.1	8.6	(5%)
	<b>Travel costs</b>	<b>18,706.9</b>	<b>20,340.2</b>	<b>9%</b>
<b>B. Non-Travel costs</b>				
8.	Hotel, Fees, service costs and other costs	4,087.0	4,363.8	7%
	<b>Total</b>	<b>22,794.0</b>	<b>24,704.2</b>	<b>8%</b>

Source: WIPO's Business Intelligence Tool - Travel Dashboard

<sup>3</sup> The Car Travel costs included here are not included in TMS reported figures for Travel Costs

12. According to the table above, the total cost of tickets increased by eight per cent while travel related costs increases ranged from four per cent to 40 per cent from 2016 to 2017, with train travel costs increasing by 40 per cent from 48.5 thousand Swiss francs to 68.1 thousand Swiss francs for the same period. Travel and travel related costs increased from 18.71 million Swiss francs in 2016 to 20.34 million Swiss francs in 2017 (nine per cent increase), whilst non-travel costs increased by seven per cent from 4.09 million Swiss francs to 4.36 million Swiss francs in 2016 and 2017 respectively. Overall, the total travel and non-travel costs increased from 22.79 million Swiss francs in 2016 to 24.70 million Swiss francs in 2017, an increase of eight per cent which reflects the standard pattern in the biennium.

**Table B: Number of Tickets Issued in 2016 and 2017**

S/n	Tickets Issued	2016	2017	Percent Change
1.	Staff Members	1,695	1,797	6%
2.	Third Party Travelers	3,878	4,249	10 %
	<b>Total</b>	<b>5,573</b>	<b>6,046</b>	<b>8 %</b>

Source: Travel and Missions Support Section - Activity/Statistics based on AIMS

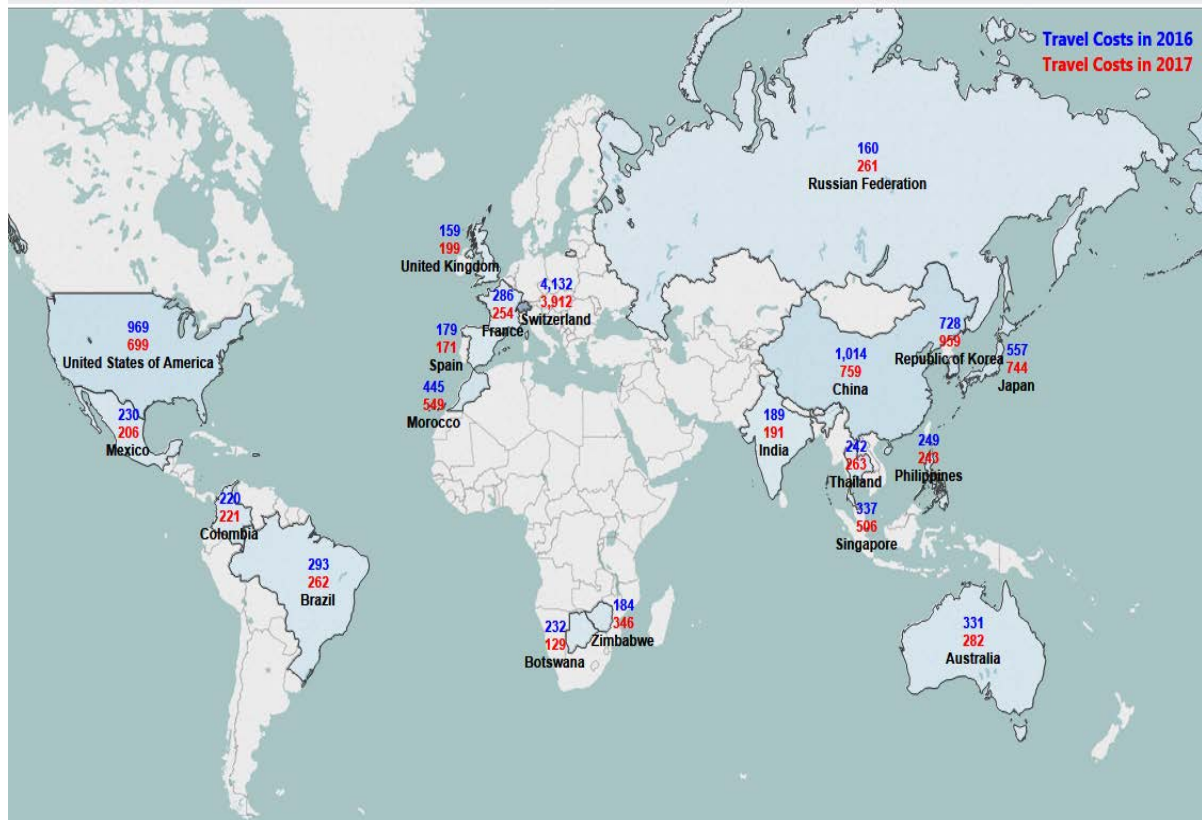
13. According to table B above, the total number of tickets issued increased by eight per cent from 5,573 in 2016 to 6,046 in 2017<sup>4</sup>. The increase in the number of tickets issued to both staff and third party travelers is coherent with the increase in travel costs.

14. In 2016 and 2017, WIPO staff and Third party/non-staff members traveled to a combined total of 157 and 164 countries respectively involving various forms of travel; Third party travel, Missions, Home leave, Repatriation, Staff joining at duty station and Education grants travel.

15. In 2016, third party and non-staff travel accounted for 50 per cent of the travel costs while Staff missions were at 30 per cent, the remaining 20 per cent was composed of the various other types of travel. A similar travel cost pattern was noted in 2017, third party and non-staff travels were 51 per cent, Staff missions were 31 per cent, whilst the remaining 18 per cent of the costs was composed of the other types of travel.

<sup>4</sup> Number of tickets issued based on Administrative Integrated Management System (AIMS) Travel data includes Tickets issued by TMS to Staff and non-staff travelers, tickets issued by UNDP and Self purchased tickets.

### Top 20 Travel Destinations by Travel Costs (in thousands of Swiss francs) in 2016/17 Biennium

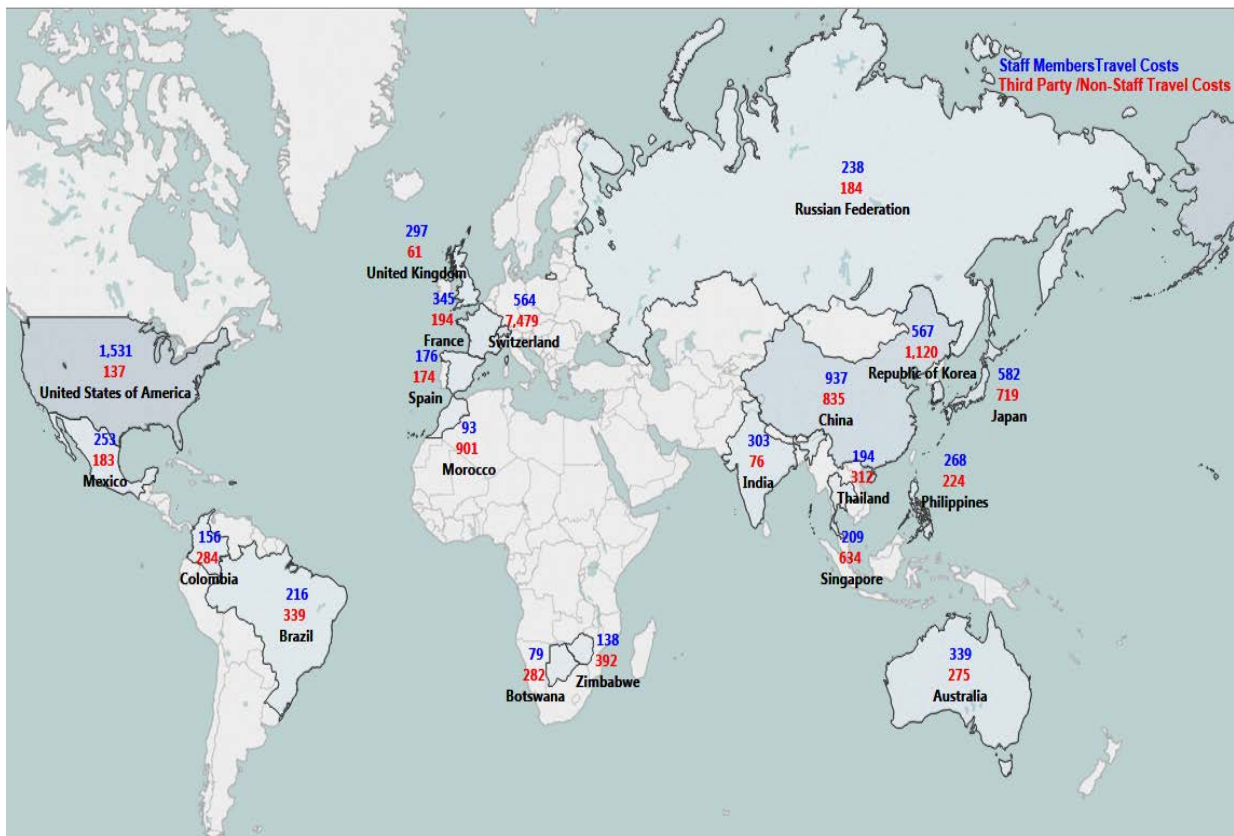


Source: Mapping of Travel destinations based on WIPO's Business Intelligence Tool-Travel Dashboard

16. The Map above summarizes the top 20 travel destinations based on travel costs incurred on Staff missions and third party/non-staff members travels (conference participants, conference lecturers and conference participation - Assemblies and Committees) in 2016 and 2017 respectively.



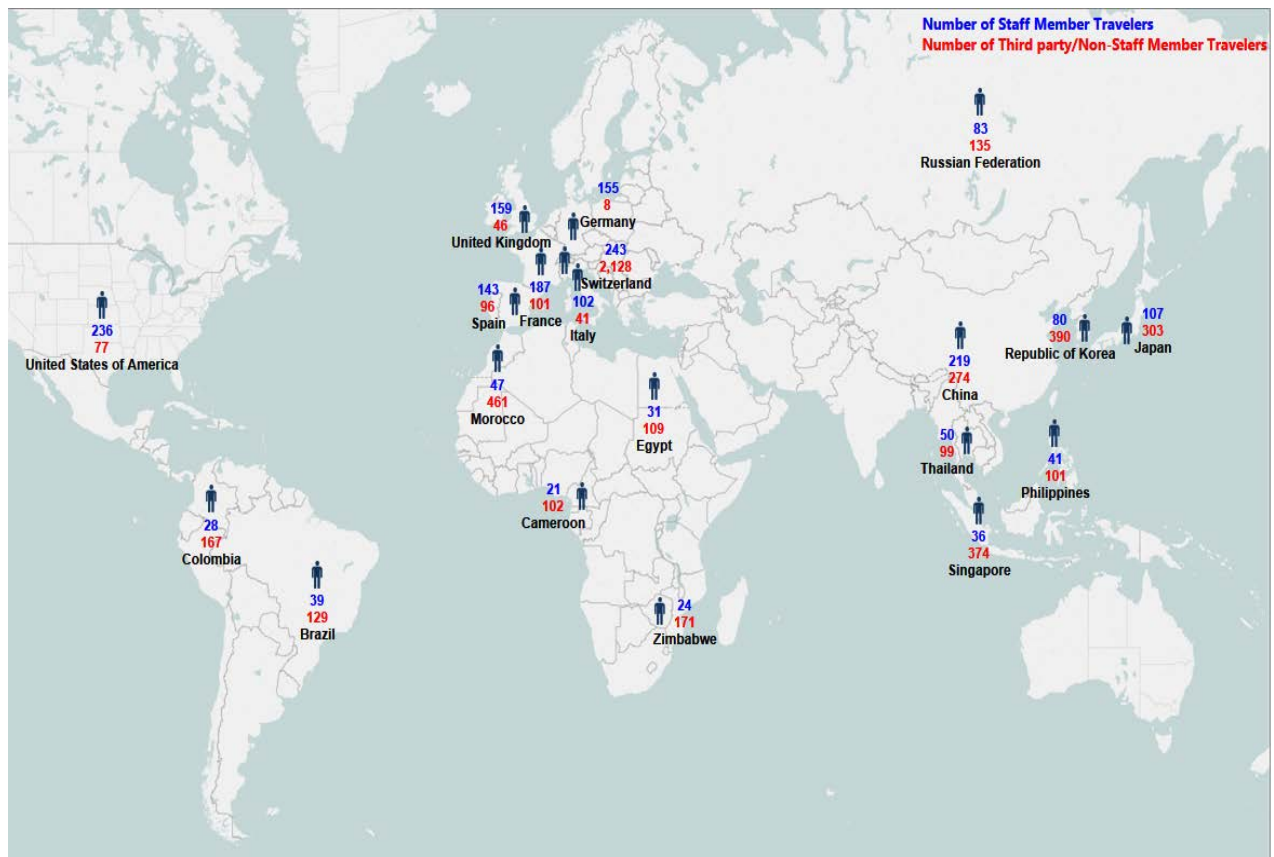
### Top 20 Travel Destinations (Staff and Third Party) Travel Costs (in thousands of Swiss francs) in 2016/17 Biennium



Source: Mapping of Travel destinations based on WIPO's Business Intelligence Tool-Travel Dashboard

17. Further, the Map above summarizes the top 20 travel destinations based on the travel costs incurred on third party/non-staff members' travels (conference participants, conference lecturers and conference participation - Assemblies and Committees) and Staff missions in the 2016/17 biennium.

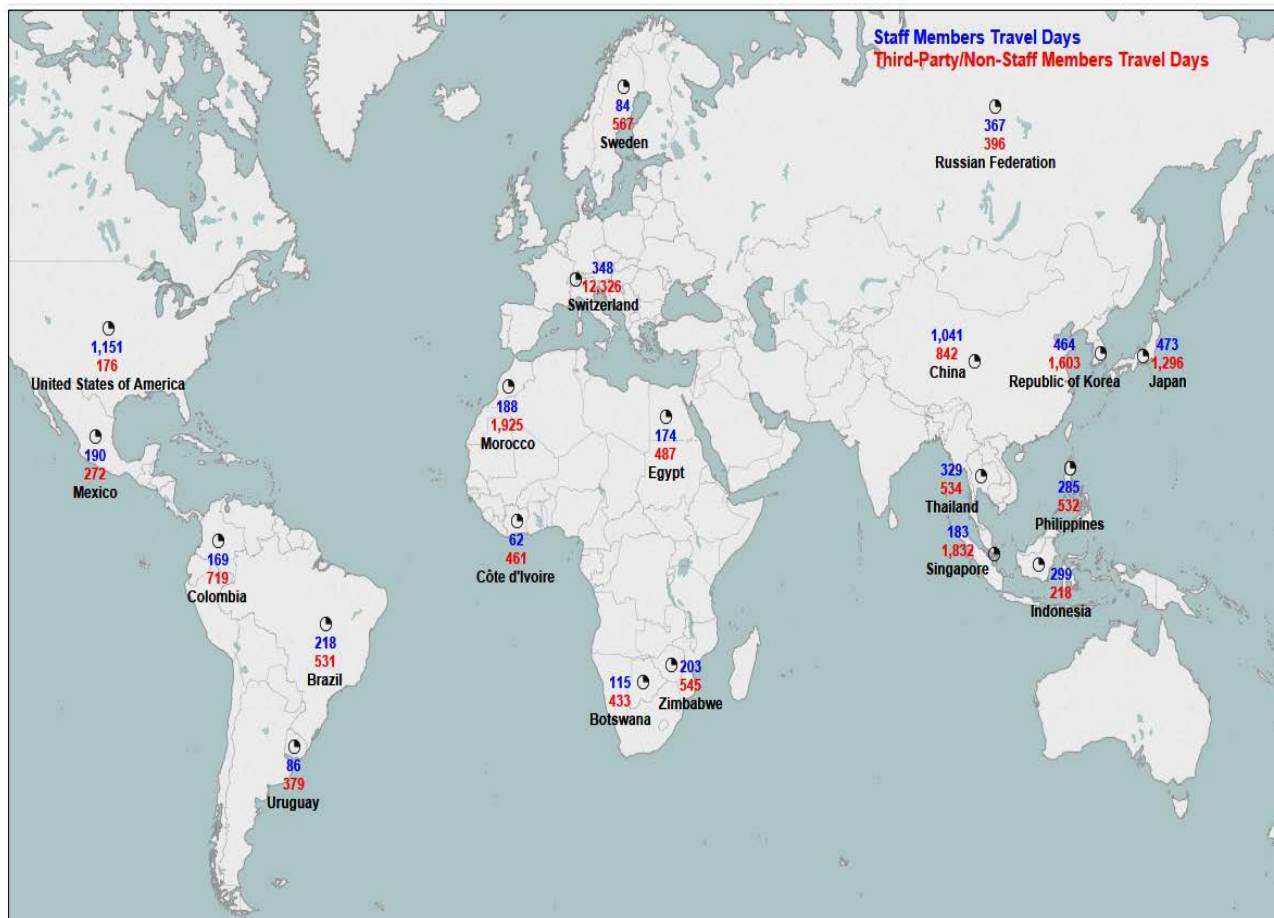
## Top 20 Travel Destinations by Number of Travelers in 2016/17 Biennium



Source: Mapping of Travel destinations based on WIPO's Business Intelligence Tool-Travel Dashboard

18. The Map above summarizes the top 20 travel destinations based on the number of staff members and third party/non-staff member travelers in the 2016/17 biennium. The overall number of travelers i.e. staff members travelling on mission and third party/non-staff members travelers (conference participants, conference lecturers and conference participation - Assemblies and Committees) combined increased by 21 per cent from 4,852 in 2016 to 5,869 in 2017. Third party/non-staff travelers represented 69 per cent (3,350/ 4,852) and 70 per cent (4,119/5,869) of the travelers whilst 31 per cent (1,502/4,852) and 30 per cent ( 4,119 / 5,869) were staff members travelling on various missions in 2016 and 2017 respectively.

## Top 20 Travel Destinations by Number of Days Spent by Travelers in 2016/17 Biennium



Source: Mapping of Travel destinations based on WIPO's Business Intelligence Tool - Travel Dashboard

19. The Map above shows the top 20 travel destinations based on the number of days spent by staff members and third party/non-staff members on travels in the 2016/17 biennium. Further, the overall number of days spent by travelers i.e. Staff missions and Third-party/non-staff members (conference participants, conference lecturers and conference participation - Assemblies and Committees) combined increased by 23 per cent from 23,165 days in 2016 to 28,399 days in 2017. Third party/non-staff travelers represented 69 per cent (15,983/23,165) and 70 per cent (19,879/28,399) of the number of days spent on travels in 2016 and 2017 respectively, with the remaining 31 per cent (7,181/23,165) and 30 per cent (8,519/28,399) representing number of days Staff members spent on mission travels for the same periods.

## 2. AUDIT OBJECTIVES

20. The objectives of this audit were to:

- (a) Review the governance, risk management, and effectiveness of controls in managing travel;
- (b) Assess compliance with related travel policies, rules and procedures; and
- (c) Determine whether quality, efficiency, and best value for money are embedded in WIPO travel management practices.

## 3. AUDIT SCOPE AND METHODOLOGY

21. The audit scope covered various categories of travel undertaken from January 2016 to December 2017. The audit covered some areas of travel like: Missions, Home leave, Repatriation, Staff joining at duty station, Education grants travel and, Third Party travellers. The scope also considered the results of the 2017 UN System wide Review of Air Travel Policies by the Joint Inspection Unit (JIU).

22. The audit methodology included:

- (d) Interviewing key stakeholders on the governance, risk management and control environment surrounding travel management at WIPO;
- (e) Assessing whether travel management policies and procedures are designed to effectively support the organization's needs and objectives;
- (f) Assessing effectiveness by a walkthrough of the key stages of travel management from planning to reporting stages;
- (g) Verifying through tests that travel management workflows and controls are effective, aligned and compliant with related regulations, rules, and office instructions;
- (h) Performing an analytical review of the different categories of travel costs and substantive tests of selected transactions;
- (i) Verifying whether measures taken to control costs are effective, continuously monitored through performance metrics (such as travel costs and timelines), as well as regularly reported in a clear and transparent manner; and
- (j) Assessing whether the Travel Management System is delivering the expected benefits.

23. The audit was performed in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors (IIA).

#### 4. OBSERVATIONS AND RECOMMENDATIONS

24. The audit results address components that support WIPO's Travel management namely: governance, risk management and compliance, efficiency and effectiveness of the travel processes and procedures, including the tools and systems that facilitate travel. The ensuing observations and recommendations are summarized as follows :

##### (A) GOVERNANCE AND RISK MANAGEMENT

25. The Internal Oversight Division (IOD) reviewed WIPO's governance and risk management practices, policies, procedures and guidelines relating to the travel management. Further, WIPO's Program work plans in relation to travel and leading travel practices of the UN Common System and other International Organizations were reviewed. Based on this review the following audit observations are made:

##### (i) Office Instructions on Travel and Security Training

26. The Office Instruction (OI) on Official Travel and Related Expenses No. 29/2013 Rev and OI No.9/2013 on Procedures Concerning Safety and Security Training and Security Clearance Requests in Relation to Travel, need certain provisions on travel to be revised and updated to align with current practice. The cases listed below illustrate the need to revise and update these documents.

27. **Non-Staff members and Third Party travelers** - OI No.9/2013 on Procedures Concerning Safety and Security Training and Security Clearance Requests in Relation to Travel does not address the security training requirements for non WIPO staff members such as agency workers and consultants including third parties and non-staff members who undertake travel to conduct WIPO business.

28. According to the UNSMS, Security Policy Manual, the Policies, procedures, standards and other arrangements of the UNSMS are applicable to the following categories of individuals: consultants, individual contractors and experts on mission when actually employed by an Organization of the UN system; and Officials other than UN Secretariat staff members and similar non-staff officials of the UN system with a direct contractual agreement with the UN system Organization.

29. WIPO has identified Third party travelers or staff members not complying with UN aviation or WIPO travel safety recommendations as one of the risks in the Enterprise Risk Management (ERM) System and given that the Duty of Care by WIPO may extend to persons who are conducting business on behalf of the Organization, one of the prudent and proactive measures of mitigating the risks associated with Third party travelers would be to set conditions under which they would be required to undertake the appropriate security training course before travelling to designated locations on WIPO business.

30. In addition, extending the basic security training to third party travelers and/or non-staff members contracted to work within or outside the Organization would contribute to a more homogeneous response to security related events or incidents, promote a security conscience attitude and overall cultural fit by the entire workforce.

31. **Timeframe for Basic Security Training for Newly Recruited Staff members** - According to OI No.9/2013 all WIPO staff, regardless of whether they are undertaking official travel are required to complete the Online Security training course. No travel should be authorized without the successful completion of the applicable course.

32. IOD notes that WIPO's OIs on Travel or any procedures, policies and guidelines do not stipulate a time frame within which newly recruited staff members (newcomers) are expected or required to complete mandatory Basic Security in the Field (BSITF) course upon reporting for duty. Some proactive practices were noted within the UN Common System where one Organization had rules that specified that Security training should be undertaken within a specified time frame upon reporting for duty.

33. Further, IOD noted two instances in which staff members who did not undertake the requisite Advanced Security in the Field (ASITF) course undertook official travel to field locations in 2017. There was no explanation that was given for these incidents of non-compliance with the abovementioned OI.

34. Going forward, it would be beneficial if newcomers are required to undertake the course within a specific time frame. This would help to, among others; manage or prevent the crystallization of the compliance travel risk noted above, enhance organizational security consciousness and lead to having a more consistent and uniform response in handling and/or responding to security related incidents by the entire workforce.

(ii) Lump sum option in lieu of Standard Home Leave - IATA Full Fares

35. According to the OI No.3/2017 on Home Leave, eligible staff members may opt for a lump sum in lieu of the standard home leave entitlement. The lump sum shall amount to 80 per cent of the International Air Transport Association (IATA) return economy class unrestricted fare, by the most direct route, without taxes and surcharges.

36. The YY or Full fares are IATA multilateral interlineable fares on which WIPO bases the computation of the lump sum for eligible staff members in lieu of the home leave standard (i.e. ticket purchased by the Organization) entitlement.

37. On July 6, 2017, IATA announced that the YY (full) fares will be rescinded with effect from October 31, 2018. According to IATA, rescinding YY fares reflects the significant transformation that continues to take place in the distribution of airline products.

38. IOD notes that IATA's decision to rescind the YY fares will require that a new methodology be defined for calculating the home leave lump sums. Therefore, it is important that WIPO acts proactively and ensures that such a new methodology is defined before the end of October 2018. Further, IOD notes in this respect that PTD is currently working with other Organizations of the UN Common System to identify a workable, fair and sustainable solution, which will subsequently be communicated through the update of the relevant OI.

(iii) Risk Management

39. TMS's Risk Register shows one current risk pertaining to travel management activities. This risk, as indicated in WIPO's ERM system – Acuity STREAM<sup>®</sup> is with regards to delayed processing of Event Requests (ERs), electronic TAs and/or Visa related issues.

40. IOD notes that the last assessment date for the identified risk open (status "not set") in the ERM system is April 2016. This assessment has not changed since then but regular reviews of the assessment have been performed in 2016 as well as in 2017.

41. Key developments in the internal and external environment may impact the current risk profile for travel management and hence emergent risks and mitigation strategies should continue to be identified through proactive and regular reviews.

42. Therefore, it is imperative that PTD's responses to the travel management risks should take into account the dynamic nature of these risks.

**Recommendation(s)**

1. The Procurement and Travel Division (PTD) should work with Human Resources Management Division (HRMD) and Safety and Security Coordination Service (SSCS), to revise the Office Instruction (OI) No.9/2013 on Procedures Concerning Safety and Security Training and Security Clearance Requests in Relation to Travel and any related policies and guidelines, to:
  - (a) Extend the requirement and set conditions under which WIPO non-staff members and third party travelers should undertake the Security training course prior to travelling on WIPO business; and
  - (b) Set a specific timeframe for newly recruited staff members to complete the mandatory Online Basic Security in the Field course.
 (Priority: High)
2. The Procurement and Travel Division (PTD) should hold a facilitated risk identification session with the Office of the Controller to ensure that all relevant travel management risks are appropriately identified and mitigation strategies devised.
 (Priority: Medium)

**(B) COMPLIANCE**

43. IOD reviewed policies and procedures for travel management and performed compliance and performance assessments of travel undertaken during the period under review. The main observations follow:

**(i) Event Travel**

44. **Raising Event Requests** – OI No. 29/2013 Rev on Official Travel and Related Expenses states that when more than one WIPO staff member is undertaking Official Travel to the same event, those staff members are obliged to ensure that an ER is raised and must include all expenditures for each WIPO staff member attending the event, and the corresponding TA(s) must be drawn from that ER.

45. IOD noted eight instances during which staff members, in most cases from the same Sector, created separate electronic TAs instead of raising an Event Request from which to draw the corresponding TAs (see Annex II for details). This was contrary to the procedure that is specified in the Section 9 of the abovementioned OI.

46. Going forward, PTD should periodically remind Programs to improve coordination on the attendance of events so as to create ERs for groups of travelers attending the same event and thereby ensure compliance with the OI on Travel.

47. **Staff Members attending the same Event** – Staff Regulations and Rules (SRRs), Rule 7.2.2 on Event Travel and OI No. 29/2013 Rev on Official Travel and Related Expenses states that generally, no more than one WIPO staff member shall attend a given national event, and no more than two WIPO staff members shall attend the same regional or international event. If the presence of more staff members of the Organization is necessary, the authorization of the Director General is required.

48. IOD noted that in 99 instances (50 in 2016 and 49 in 2017) more than the stipulated number of WIPO staff members were exceptionally approved by the Director General to attend the same national, regional or international event.



(ii) Late Travel and Event Requests

49. OI No.29/2013 Rev on Official Travel and Related Expenses states that:

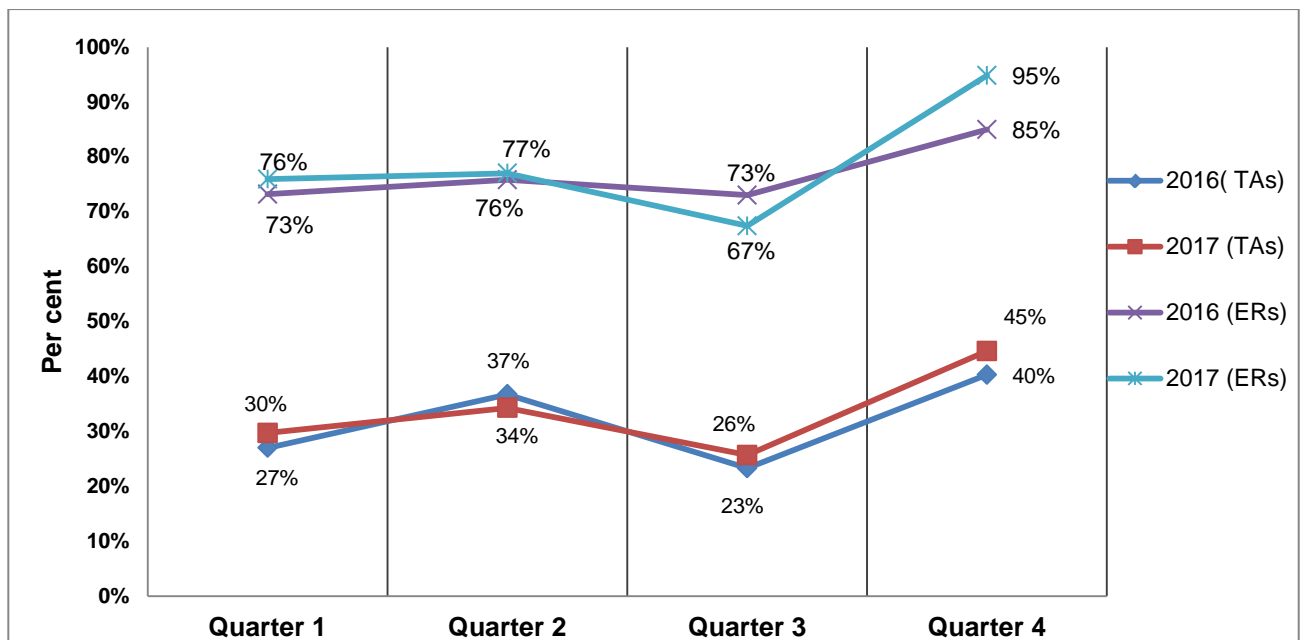
“All tickets for Official Travel shall be purchased by the International Bureau at least ten working days in advance of travel. In the case of event related travel, the TA(s) shall be created immediately following the certification of the ERs and tickets shall be purchased immediately upon certification by TMS Section:

“(a) the TA must be received by TMS Section a minimum of ten working days prior to the travel date.”

(...)

50. However, in July 2015, WIPO issued an Administrative Instruction that increased the TA advance submission to TMS Section to a minimum of 16 calendar days prior to the departure date.

**Figure 1: Late Travel Authorizations and Late Event Request(s) Submissions**

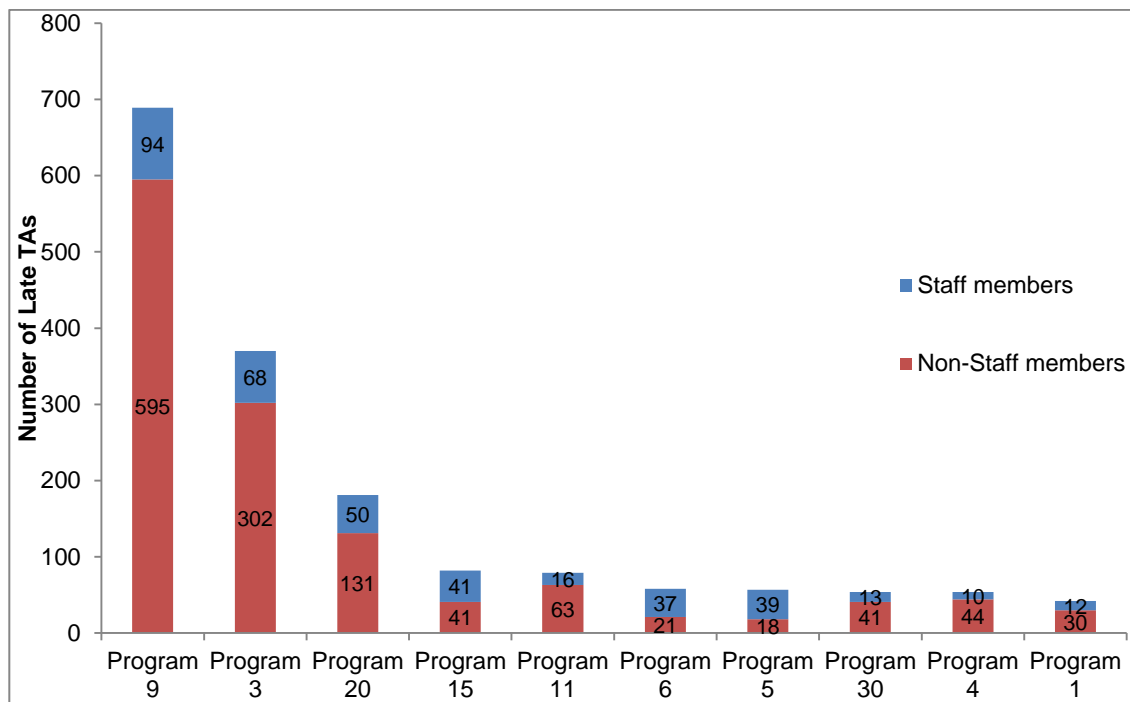


Source: WIPO's Business Intelligence Tool - Travel Dashboard

51. Figure 1 above shows the quarterly breakdown of the late ERs and TAs. A review of travel data for the biennium 2016/17 revealed an upward trend in the percentage of late ERs submissions from 76 per cent in 2016 to 78 per cent in 2017. A similar trend was observed in the percentage of late TAs from 32 per cent to 35 per cent in 2016 and 2017 respectively.



**Figure 2: Top Ten WIPO Programs with Late Travel Authorizations Requests by Staff and Non-Staff Members in 2017**

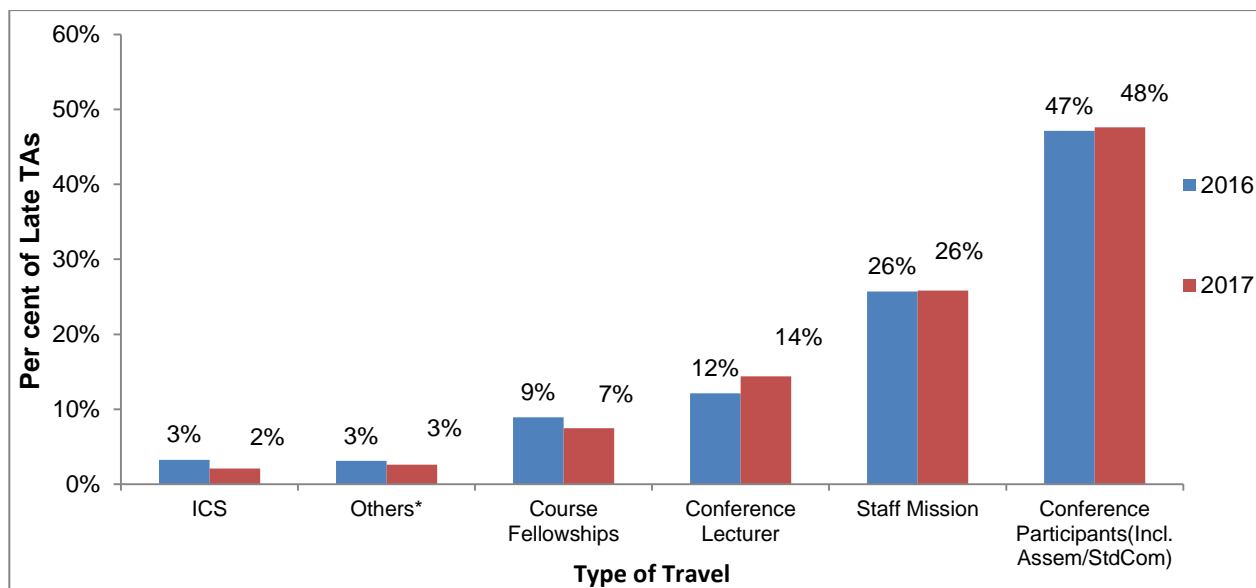


Source: WIPO's Procurement and Travel Division - Late Travel Authorization Requests by Program

52. Figure 2 above shows the top ten WIPO Programs with late TA request submissions in 2017. A review of Late Travel requests submitted by various Programs for staff and Third party/non-staff members in 2017 revealed that 88 per cent (1,666/1,898) of the late TAs were attributable to ten Programs. Further, 77 per cent (1,286/1,666) of the late TA requests for these ten Programs were from third party/non-staff travelers and 23 per cent (380/1,286) were attributable to staff members' travels.

53. A review of the late submissions of TAs for the 2016/17 biennium revealed that the majority i.e. 47 per cent (767/1,627) in 2016 and slightly rising to 48 per cent (913/1,919) in 2017 were attributable to conference participants (includes Assemblies and Standing Committees) travel, 26 per cent (418/1,627) in 2016 and 26 per cent (496/1,919) in 2017 to staff missions, conference lecturers were at 12 per cent (197/1,627) and 14 per cent (276/1,919) in 2016 and 2017 respectively, travelers who are holders of ICS contracts were at three per cent in 2016 and two per cent in 2017 whilst other<sup>5</sup> travelers were at three per cent in both years reviewed as depicted in figure 3 below.

<sup>5</sup> Other Travelers: WIPO Fellowship Appointment, WIPO Fellowship Mission, Staff Join at Duty Station, Staff Education Grant, Staff Appointment, Human Resources Management Department (HRMD) Interviews, and External Auditor/WIPO Independent Advisory Oversight Committee (IAOC).

**Figure 3: Late Travel Authorizations Submissions by Category of Travelers**

Source: WIPO'S Business Intelligence Tool – Travel Dashboards

54. As shown in the figures above, conference participants travels (including Assemblies and Standing Committees) form the majority of the late TA submissions with 47 per cent in 2016 and 48 percent in 2017. WIPO should therefore direct and exert more effort in formulating procedures that ensures Program Managers are provided with the third party travelers' identity and other relevant travel documentation to make sure that travel arrangements are processed in a timely manner.

55. IOD notes that TMS Section has consistently cited delays in submissions of TAs and ERs as a major contributor to the purchase of higher priced tickets which are purchased within a few days before or close to the departure date.

56. Further, IOD notes that on May 23, 2018, PTD sent an e-mail to remind all staff members that as of June 1, 2018, TAs must be received by TMS Section no later than 16 calendar days prior to the travel date. This is valid for staff and third parties, including for tickets purchased through UNDP service.

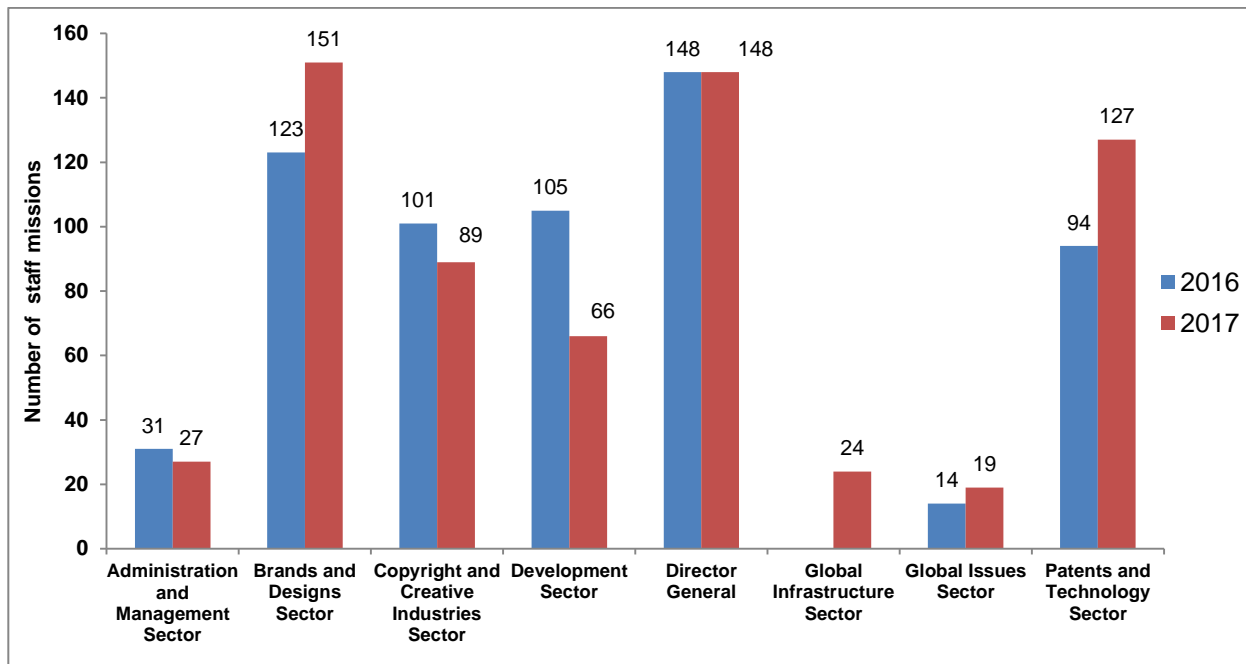
57. Going forward, PTD should periodically remind Programs to enhance the planning and coordination of third party/non-staff members' travels in order to improve timely submission of TAs.

(iii) Submission of mission reports for duty travel

58. OI No.29/2013 Rev on Official Travel and Related Expenses states that all WIPO staff members undertaking duty travel, with the exception of travel on appointment or on separation, must submit a mission report to their Program Manager. In practice, staff members either attach this mission report when finalizing the travel claim in E-work, or indicate that the mission report will be subsequently submitted.

59. A review of travel data in the E-work System for staff members who undertook duty travel revealed that Mission reports were not submitted during the finalization of TAs in 41 per cent ( 616/ 1,502) and 38 per cent (651/1,723 ) of travels in 2016 and 2017 respectively. The figure below shows the trend in the number of missions undertaken for which mission reports were not submitted in E-work.

**Figure 4: Non-submission of Mission Reports during the Finalization of TAs by Sector in 2016 and 2017**



Source: WIPO'S Business Intelligence Tool –Travel Dashboards

60. Mission reports are critical and serve multiple purposes such as: knowledge sharing among staff, linkage between missions and planned program activities and effective and efficient use of WIPO's resources. Currently, there is no effective system of follow-up to ensure that mission reports are eventually submitted to relevant supervisors; and the onus is on Managers and supervisors to ensure that mission reports are subsequently submitted. Program Managers should keep track of, and follow-up on, staff members that prefer to submit mission reports outside E-work.

61. IOD made a recommendation on the need to develop a repository for Mission Reports at an organizational level, during the Audit of Travel and Mission Support (IA 03-2012). This recommendation is still in progress and is being addressed through the Enterprise Content Management (ECM) project.

(iv) Exception to change of class of travel

62. SRRs, Rule 7.2.5 (b)((2(i)) on Travel Conditions, stipulates that in certain exceptional cases according to the exigencies of the service, the Director General may authorize the staff member concerned to accompany another staff member who is entitled to travel in a higher class of travel.

63. IOD noted one instance that involved change of class of travel from economy to business class that was exceptionally approved by the Director General but was not as a result of a staff member accompanying another who was entitled to travel in a higher class as stipulated in the SRRs.

## (C) EFFICIENCY AND EFFECTIVENESS OF TRAVEL OPERATIONS

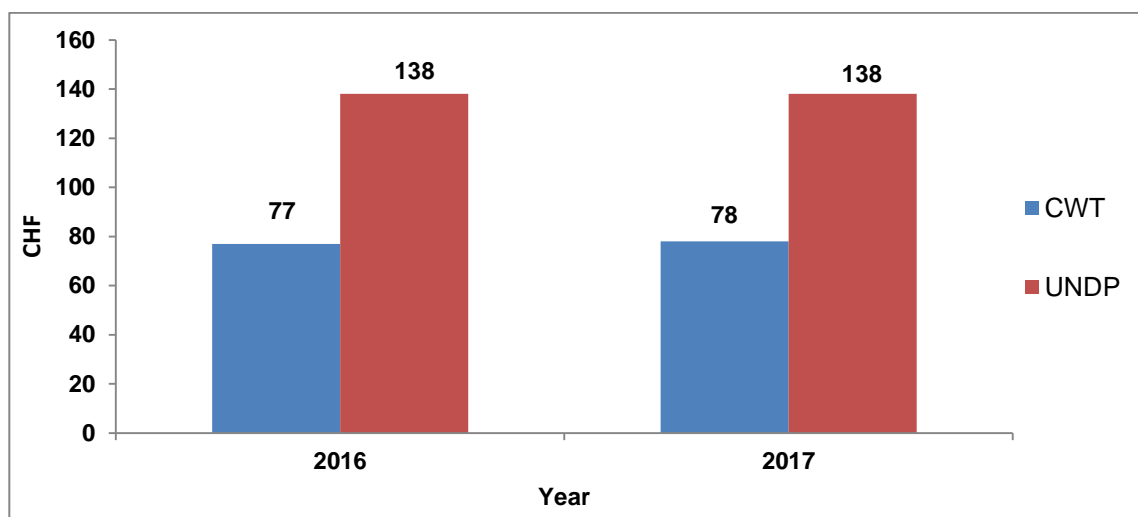
(i) Online Booking Tool and UNDP Service Requests for Booking Tickets

64. In December 2014, WIPO deployed an OBT for staff members to book air tickets for themselves and for Third party travelers (non-staff) who were invited as speakers or delegates to WIPO events/activities as well as individuals invited for recruitment interviews.

65. TravelDoo are the service providers for the OBT, and Carlson Wagonlit Travel (CWT) manages the issuance of tickets, against fees that can vary according to whether the travel was sourced online or offline. WIPO non-staff air tickets can also be purchased through the UNDP Offices worldwide (via Service Requests).

66. The online transaction fee currently stands for 22.40 Swiss francs which is lower compared to 56 Swiss francs charged by UNDP which further charges 56 Swiss francs for facilitating DSA and TE payments for Third party travelers attending events.

**Figure 5: Average Transaction Fees for Air Travel Ticket Bookings using CWT and UNDP**



Source: Travel and Missions Support Section - Activity/Statistics Report 2016/2017

67. Figure 5 above shows a comparison of the transaction fees for booking tickets using the OBT (CWT); and those charged by UNDP. As can be seen from the figure, on average the transaction fees charged by UNDP in 2016 and 2017 are significantly higher compared to transaction fees for booking tickets using the OBT.

68. Going forward, WIPO could derive more benefits in terms of reduction in air travel transaction costs, by prioritizing the use of the OBT for air travel bookings, and reviewing the conditions under which UNDP service should be used.

(ii) Travel Security Clearance Workflow and Practices

69. In the current E-work System workflow for managing travel, SSCS monitors the inclusion of the Basic and/or Advanced security training certificate, whichever one is applicable, in TAs and advises on the security levels or situations of the travel destination countries. In cases where an applicable and valid certificate has not previously been submitted to SSCS<sup>6</sup> or has not been attached to the TA application in E-work, SSCS contacts the staff member and requests for the certificate.

70. With regards the above mentioned travel procedure, IOD notes that the following conditions would need to be addressed:

(a) **Security Clearance Process** – SSCS security clearance process runs sequentially with the process of purchasing tickets by TMS. Delays in security clearance may potentially delay air tickets purchase, resulting in the purchase of higher priced tickets.

(b) **Database for Security Training Certificates** – SSCS maintains a Microsoft® Excel spreadsheet for Staff members that have completed and submitted certificates for the requisite online security training. However, a review of the spreadsheet showed that it was not up to date in that it contained redundant staff members' security training data, lacked accuracy and was susceptible to errors; hence integrity, reliability and completeness of data is not assured.

(c) **Inconsistency in Security Clearance /Notification dates** – SSCS were rarely consistent in inputting the dates in the date field in the E-work System to indicate when the Security clearance/Notification was sent and received. The inconsistency resulted in incomplete data. The date field, when complete and accurate, could be used to easily and readily assess the efficiency of the security clearance processes based on the dates inputted.

71. Going forward, as a way of improving efficiency and effectiveness in the management of travel, WIPO would benefit from developing an integrated process for security certificates management and consider the above mentioned conditions when designing and developing the new Travel Management System that will replace the E-work System.

(iii) Reconciliation of cancelled tickets

72. A review of travel data for 2016 and 2017 showed that 278 staff and non-staff TAs resulted in the cancellation of air tickets for various reasons. The cancellation of tickets resulted in WIPO incurring cancellation costs amounting to 14,959 Swiss francs in addition to the standard online transaction fee or service request charge for tickets booked and cancelled via UNDP.

73. TMS Section mainly purchases lower priced non-refundable tickets at a negotiated rate whilst at times it's necessary for them to book relatively higher priced tickets which can be refunded partially or in full following cancellation.

74. TMS Section and the Finance Division – Expenditure Section receive quarterly reports, albeit delayed, from the Travel agency on tickets that have been partially or fully reimbursed following cancellation.

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<sup>6</sup> As per OI No.9/2013 on Procedures Concerning Safety and Security Training and Security Clearance Requests in Relation to Travel.

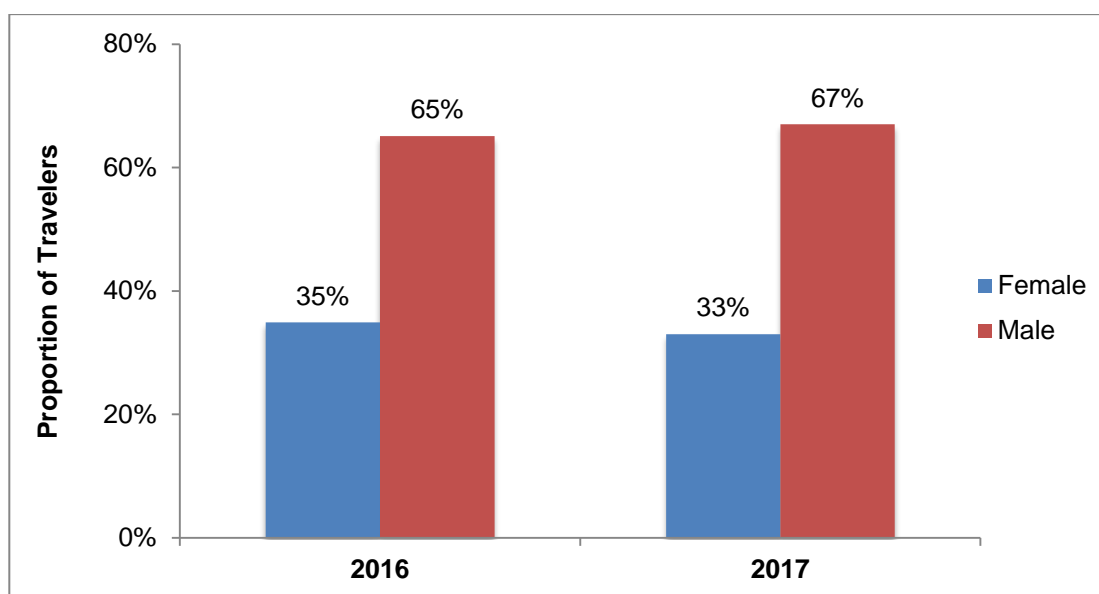
75. IOD notes that while TMS Section and Finance Division reconcile these reports with internal figures, this process is however not formalized through guidelines or standard operating procedures. Developing a formal procedure or guideline would help reinforce formalization of internal controls, and help ensure that the process is properly guided, and performed in a consistent way that meets the organization's needs.

(iv) Gender statistics of staff members travelling on missions

76. Promoting gender mainstreaming is a key priority, and various initiatives have been implemented over the years to promote gender mainstreaming within the Organization.

77. IOD notes that improvements could still be made in the number of staff members of different gender who participate in various missions of their respective sectors/programs. Furthermore, the configuration of Travel Management Systems limits the ability to capture gender data for non-staff members and third-party travelers that are invited by the different Sectors to participate in various WIPO events/activities.

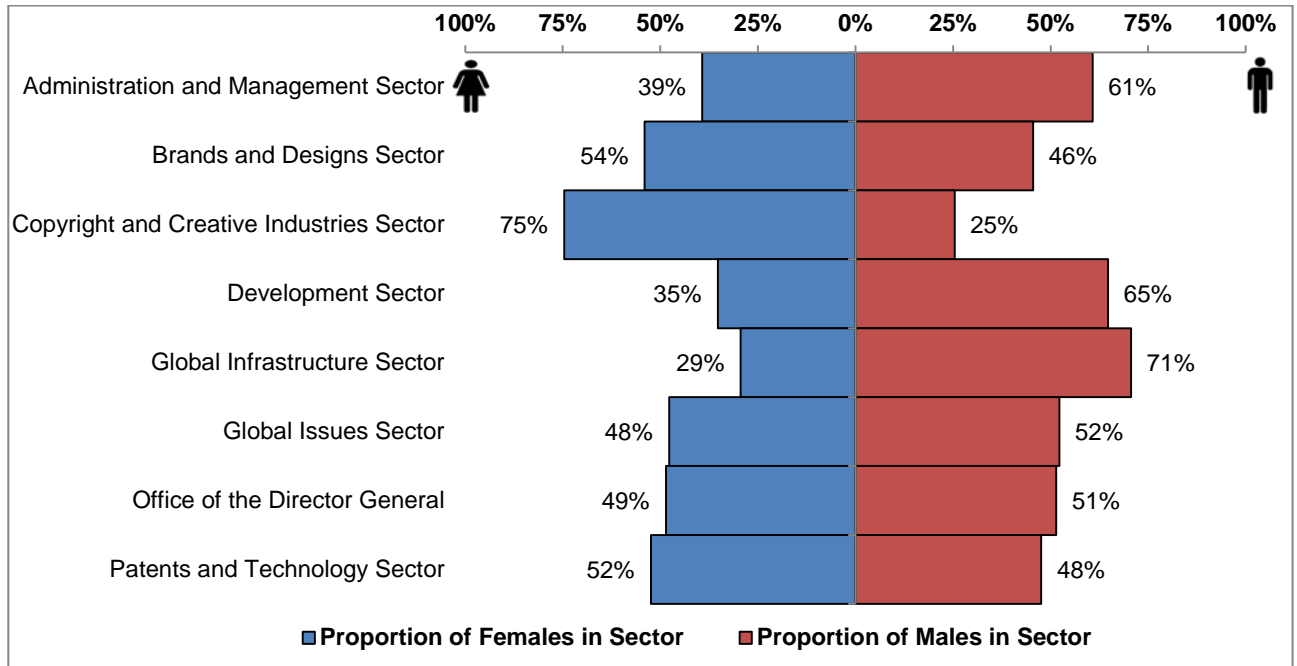
**Figure 6: Proportion of Professional Staff Members Travelling on Mission Disaggregated by Gender**



Source: Compiled from E-works Travel data and HRMD Gender Statistics data

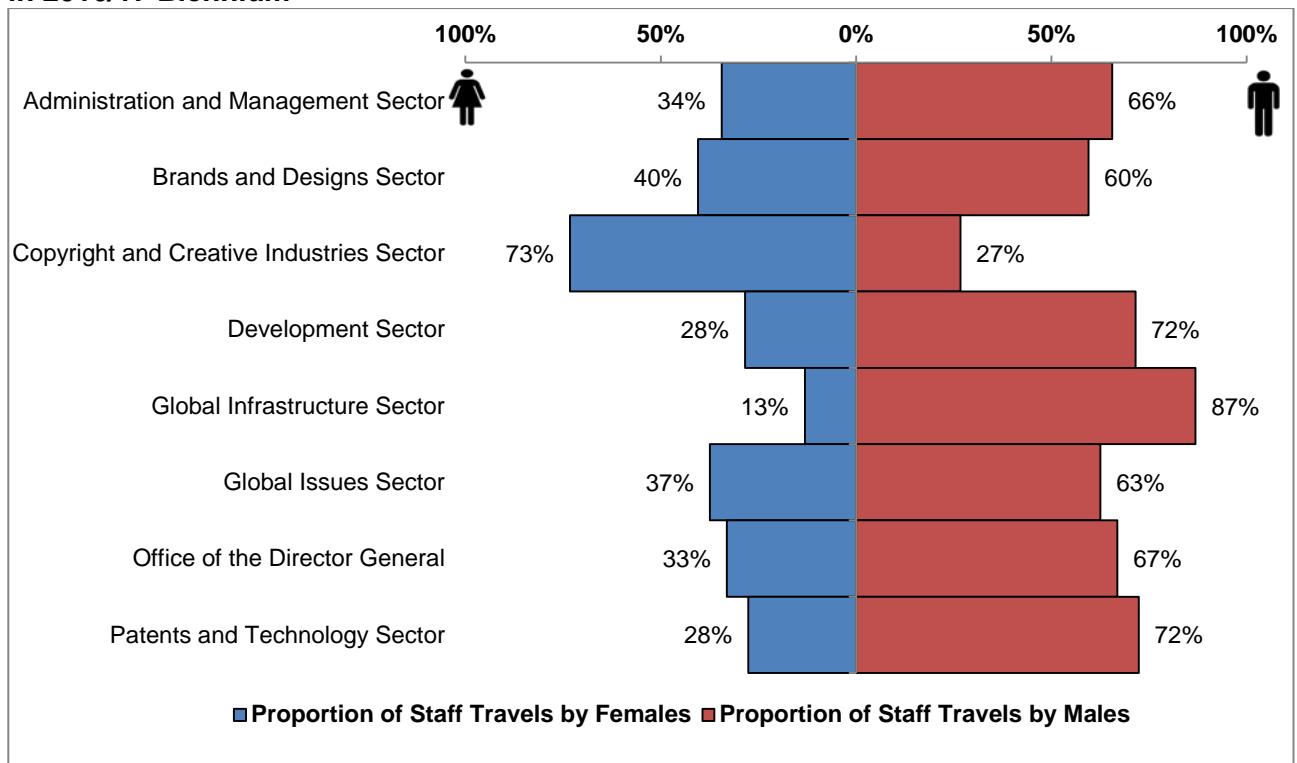
78. Figure 6 above, shows travel data for staff members, in the professional staff grade, that participated in various missions for WIPO Sectors. IOD analysis of the travel data revealed that the proportion of female staff members undertaking travel on missions averaged 34 per cent compared to 66 per cent for male staff members in the 2016/17 biennium.

**Figure 7: Gender Composition of Professional Staff Members per Sector in 2016/17 Biennium**



Source: Compiled from Business Intelligence Tool- HRMD, Gender Dashboard

**Figure 8: Proportion of Travels Undertaken by Professional Staff Members per Sector in 2016/17 Biennium**



Source: Compiled from Business Intelligence Tool- Travel Dashboard

79. Figure 7 above shows the Gender composition of professional staff members in each Sector in the 2016/17 biennium<sup>7</sup>, and Figure 8 shows the proportion of travels that were undertaken by staff members, at professional grade, and by gender, for each Sector during the same period. For example, as can be seen in figures above; while the gender composition of staff members of the Patent and Technology Sector was 52 percent females and 48 percent males, female staff members undertook 28 per cent of the travels against male staff members who were involved in 72 per cent of the travels during the biennium.

80. Further, IOD notes that WIPO's Travel Management Systems do not have a field for capturing data for the gender of non-staff members and Third party travelers and therefore gender disaggregated statistics of these travelers cannot be produced for analysis of trends and gaining further insights into travel patterns by gender.

(v) Replacing the E-work System

81. IOD made a recommendation on the E-work System and its replacement in 2014 - Audit of Events management (IA 2014-02). The recommendation was closed based on a project documentation which outlined the project to replace the E-work System.

82. Various issues have affected the project and IOD notes that between 2016 and 2017, the Organization had incurred around 116,731 Swiss francs, in consulting services and the recruitment and services of a Project Manager for the project to replace E-work. The Project Manager's assignment was divided into two phases: phase one was completed accordingly, however in April 2017, the Travel and Meetings Board decided to discontinue the second phase of the assignment on the basis that it was not needed.

83. The project resumed in April 2018 and the draft Proof of Concept (POC) was presented to stakeholders at the AIMS -Travel and Meetings. Based on the rough estimate in the draft POC, the following activities are expected to be conducted by May 2018; simulation of OBT itinerary data will be undertaken, data will be generated based on sample files provided by Traveldoo and loaded into staging tables. This data will then be used for demonstrating the POC.

84. While the vendor Metastorm's support for E-work will officially end on January 31, 2019, and subsequent support will be on a 'Sustained Maintenance' mode only, the Management and Administrative Applications Section (MAAS) and TMS have both indicated that they do not expect the end of support to significantly affect the E-works operations as they have not been heavily reliant or dependent on vendor support in the past years.

85. IOD has made a series of recommendations on effective project management in the report on the Audit of Project Management (IA 2016-04) issued in 2016, and reiterates the need to implement and complete the project in an effective and efficient manner while minimizing costs.

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<sup>7</sup> The Gender composition of staff members, at Professional grade, in each the Sector is based on the average for the 2016/2017 biennium.



**Recommendation(s)**

3. The Procurement and Travel Division (PTD) with the Safety and Security Coordination Service (SSCS) and Management and Administrative Applications Section (MAAS) should :
  - (a) Ensure that the new Travel Management System provides for security clearance procedures to run parallel (not sequentially as is the case now) with the process of purchasing tickets by the Travel and Missions Support (TMS) Section.
  - (b) Develop a database and process linked to the new Travel Management System that facilitates recording, monitoring, and reporting on data for travel security certificates.
  - (c) Ensure that the new Travel Management Systems have a provision for capturing the gender of both staff and non-staff members to facilitate production of gender disaggregated travel statistics and the development and publication of travel dashboards with a gender perspective.

(Priority: Medium)
4. The Safety and Security Coordination Service (SSCS) should take stock of the number of staff members that have undertaken the mandatory Basic Security in the Field course and monitor progress towards all staff being trained.

(Priority: High)
5. The Procurement and Travel Division (PTD) should work with the Finance Division to develop guidelines/standard operating procedures for the monthly/quarterly reconciliation of cancelled tickets and refunds, to further support the formalization of internal controls.

(Priority: Medium)

**ACKNOWLEDGMENT**

*IOD wishes to thank Travel and Missions Support (TMS) Section and all relevant members of staff for their assistance, cooperation and interest during this assignment.*

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Reviewed by: Alain Garba, Senior Internal Audit Officer, IOD.

Approved by: Rajesh Singh, Director, IOD.

## TABLE OF RECOMMENDATIONS

No.	Recommendations	Priority	Person(s) Responsible	Other Stakeholder(s)	Management Comment(s) and Action Plan	Deadline
1.	<p>The Procurement and Travel Division (PTD) should work with Human Resources Management Division (HRMD) and Safety and Security Coordination Service (SSCS), to revise the Office Instruction No.9/2013 on Procedures Concerning Safety and Security Training and Security Clearance Requests in Relation to Travel and any related policies and guidelines, to:</p> <p>(a) Extend the requirement and set conditions under which WIPO non-staff members and third party travelers should undertake the Security training course prior to travelling on WIPO business; and</p> <p>(b) Set a specific timeframe for newly recruited staff members to complete the mandatory Online Basic Security in the Field course.</p> <p><i>Related risks: Operational, Governance, Compliance</i></p>	High	Dennis Murathaty	Bérénice Bessière  Thérèse Dayer	<p>SSCS will work with PTD and HRMD to review OI. No. 9/2013 to determine whether and to what extent changes should be made with respect to (a) non-staff members and third party travelers undertaking the Security training course prior to traveling on WIPO business; and (b) the implementation of a specific timeframe for newly recruited staff members to complete the mandatory Online Basic Security in the Field.</p> <p>Closure criterion: issuance of an updated OI.</p>	31.03.2019
2.	<p>The Procurement and Travel Division (PTD) should hold a facilitated risk identification session with the Office of the Controller to ensure that all relevant travel management risks are appropriately identified and mitigation strategies devised.</p> <p><i>Related risks: Governance, Operational</i></p>	Medium	Bérénice Bessière	Neïla Krifi  Magdi Bona	<p>Accepted.</p> <p>Closure criterion: delivery of facilitated risk session.</p>	30.06.2019

No.	Recommendations	Priority	Person(s) Responsible	Other Stakeholder(s)	Management Comment(s) and Action Plan	Deadline
3.	<p>The Procurement and Travel Division (PTD) with the Safety and Security Coordination Service (SSCS) and Management and Administrative Applications Section (MAAS) should :</p> <p>(a) Ensure that the new Travel Management System provides for security clearance procedures to run parallel (not sequentially as is the case now) with the process of purchasing tickets by the Travel and Missions Support (TMS) Section.</p> <p>(b) Develop a database and process linked to the new Travel Management System that facilitates recording, monitoring, and reporting on data for travel security certificates.</p> <p>(c) Ensure that the new Travel Management Systems have a provision for capturing the gender of both staff and non-staff members to facilitate production of gender disaggregated travel statistics and the development and publication of travel dashboards with a gender perspective.</p> <p><i>Related risks: Operational, Governance</i></p>	Medium	Bérénice Bessière	Dennis Murathaty  Robert Lawton  Kaori Saito	<p>Accepted.</p> <p>PTD and SSCS will work with MAAS to seek a solution as proposed in (a) and (b).</p> <p>PTD will work with MAAS to ensure that the new travel management systems have a provision to capture the gender of both staff and non-staff travelers.</p> <p>Closure Criteria:</p> <p>(a) New travel management system implemented with the required features;</p> <p>(b) Database created to record/monitor/report on travel security certificates</p> <p>(c) New travel management system implemented with the required features.</p>	30.06.2019

No.	Recommendations	Priority	Person(s) Responsible	Other Stakeholder(s)	Management Comment(s) and Action Plan	Deadline
4.	<p>The Safety and Security Coordination Service (SSCS) should take stock of the number of staff members that have undertaken the mandatory Basic Security in the Field course and monitor progress towards all staff being trained.</p> <p><i>Related risks: Compliance, Operational, Governance</i></p>	High	Dennis Murathaty		<p>Accepted</p> <p>Closure criterion: this is linked to the implementation of 3 (b) above.</p>	31.12.2018
5.	<p>The Procurement and Travel Division (PTD) should work with the Finance Division to develop guidelines/standard operating procedures for the monthly/quarterly reconciliation of cancelled tickets and refunds, to further support the formalization of internal controls.</p> <p><i>Related risks: Operational, Financial</i></p>	Medium	Bérénice Bessièrè	<p>Janice Cook Robbins</p> <p>Neila Krifi</p>	<p>PTD and Finance will review the current procedure for monthly/quarterly reconciliation of cancelled tickets and refunds to determine if additional strengthening or standardization of the process is required to further support the formalization of internal controls.</p> <p>Closure criterion: Review undertaken and any additional measures put in place.</p>	31.12.2018

**ANNEXES**

<b>Annex I.</b>	Risk rating and priority of audit recommendations
<b>Annex II.</b>	Staff Members creating separate Travel Authorizations for attending same event

[Annexes follow]

## ANNEX I: RISK RATING AND PRIORITY OF AUDIT RECOMMENDATIONS

The risk ratings in the tables below are driven by the combination of likelihood of occurrence of events and the financial impact or harm to the Organization's reputation, which may result if the risks materialize. The ratings for audit recommendations are based on the control environment assessed during the audit.

**Table 1.1: Effectiveness of Risks/Controls and Residual Risk Rating**

		Compound Risk Rating (Likelihood x Impact)			
		Low	Medium	High	Very High
Control Effectiveness	Low	Low	Medium	High	Very High
	Medium	Low	Medium	High	High
	High	Low	Low	Medium	Medium

**Table 1.2: Priority of Audit Recommendations**

Priority of Audit Recommendations	Residual Risk Rating
Requires Immediate Management Attention	Very High
Requires Urgent Management Attention	High
Requires Management Attention	Medium
Routine in Nature	Low

[Annex II follows]

**ANNEX II: SECTORS/AREAS CREATING SEPARATE TRAVEL AUTHORIZATIONS FOR ATTENDING THE SAME EVENT IN 2017**

	<b>Sector/Programs(s)</b>	<b>Number of Staff on Event Request</b>	<b>Dates when Separate TA(s) were received and processed by TMS</b>
1.	Brands and Designs	2	5 April, another on 10 April 2017.
2.	Director General (Office of the Legal Counsel and WIPO Beijing Office)	4	3 from WIPO Beijing Office travelled on their Office budget and 1 staff member from headquarters.  May 2017
3.	Development Sector  Brands and Designs Sector	2	One staff initially scheduled to travel alone then another one joined.  Attending June 2017 Event
4.	Copyright and Creative Industries  Global Infrastructure	2	14 June and 21 June 2017
5.	Development Sector  Administration and Management	2	2 June and 14 July 2017 attending same Event.
6.	Patents and Technology  Brands and Designs Sector	3	22 September and 25 September 2017 attending same Event.
7.	Patents and Technology	2	Separate TAs raised on different dates

Source: Data extracted from E-Works System

[End of Annex II and of Document]