



PERFORMANCE AUDIT

„PROCUREMENT OF AIRLINE TICKETS IN THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA“

Why a performance audit on airline ticket procurements?

The Institutions of BiH annually spend millions of BAM for procurement of airline tickets **Air transport costs amounted to nearly 7 million BAM in the past two years only.**



Analysis of airline ticket procurement costs **INDICATES THAT INSTITUTIONS OF BIH FAIL TO ENSURE TIMELINESS OF PROCUREMENT AND RATIONAL USE OF PUBLIC RESOURCES FOR THIS PURPOSE.**



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What we looked at?

**DO THE INSTITUTIONS
OF BIH ENSURE TIMELY
PROCUREMENT OF
AIRLINE TICKETS?**

**DO THE INSTITUTIONS
OF BIH USE THE
BENEFITS OF MARKET
COMPETITION WHEN
PROCURING
AIRLINE TICKETS?**



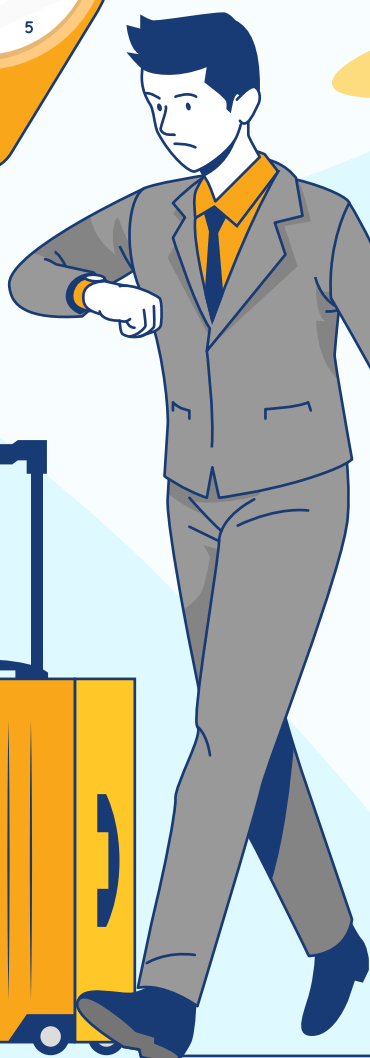
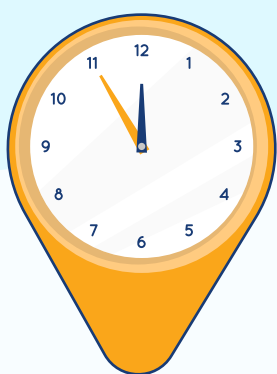


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What we found?

The Institutions of BiH fail to procure airline tickets in a timely manner, thus they not ensure economical use of public funds. Airline tickets are often purchased only a few days prior to the trip, even though the travel dates have been known well in advance, in some cases several months in advance.





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What we found?

The Institutions of BiH fail to use the benefits of market competition when purchasing airline tickets.

BIDDER 2



TSC: **BAM 10.00**
Total ticket price:
BAM 1,300

BIDDER 3



TSC: **BAM 30.00**
Total ticket price:
BAM 1,200

BIDDER 4



TSC: **BAM 50.00**
Total ticket price:
BAM 1,100



Institution of BiH

Contract signed
with Bidder 1



BIDDER 1



TSC: **BAM 0.01**
Total ticket price:
BAM 1,500

The Institutions of BiH do not use the contracted mechanisms to check and control the ticket prices.

The framework agreement is, in most cases, concluded with the agency offering the lowest ticket service charge.

The very fact that **the institutions purchase the tickets and not the service charge in the end,** questions the established manner of airline ticket procurement.



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What could be changed?

Public resources for the purchase of airline tickets could be used in a more efficient and economical way if:



The Council of Ministers of BiH:

**ADOPTED OR PROPOSED MEASURES THAT WOULD
EFFECTIVELY RESPOND TO THE REQUIREMENTS OF THE
DYNAMIC AIRLINE TICKET MARKET.**

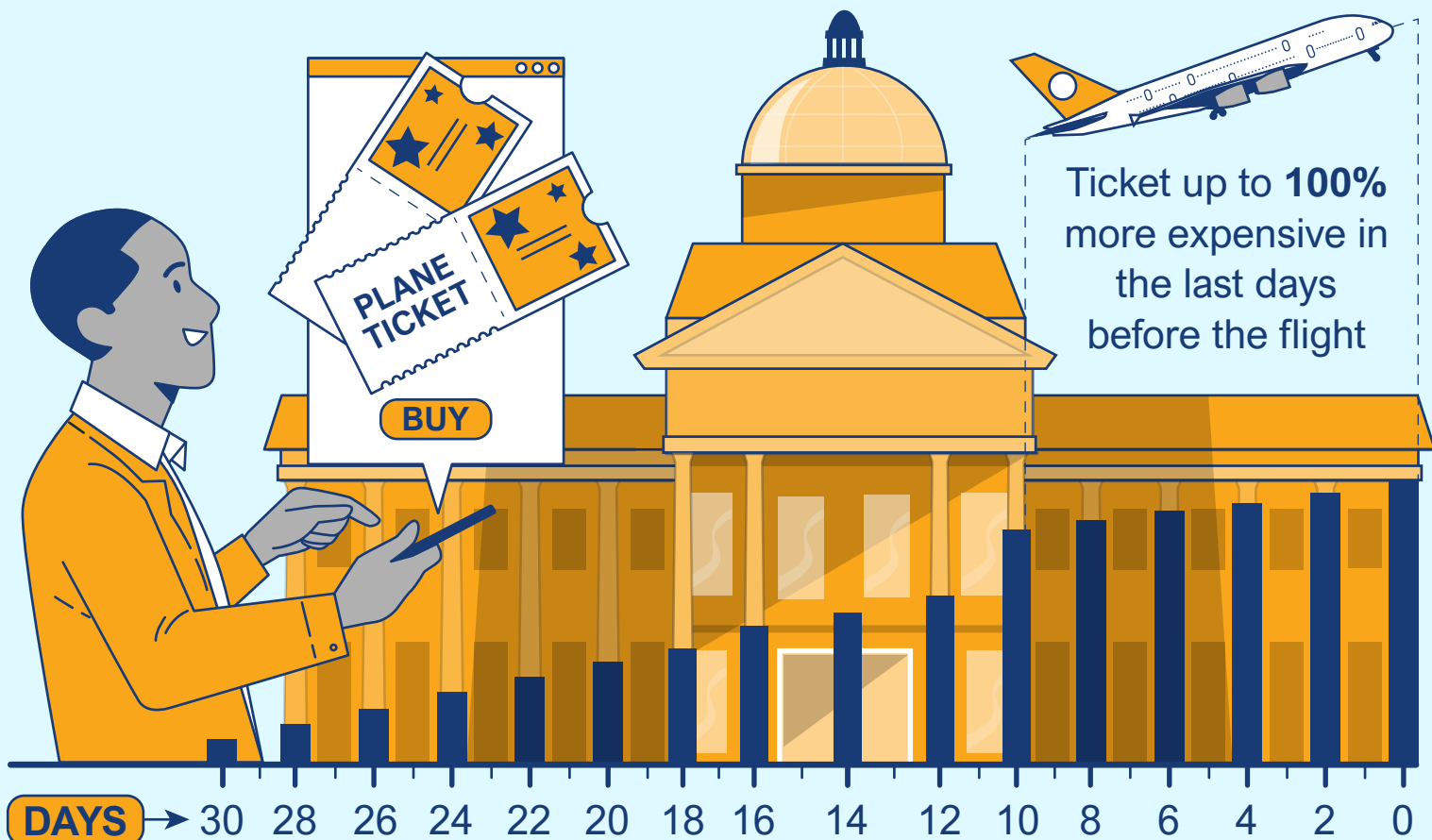


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What could be changed?

Public resources for the purchase of airline tickets could be used in a more efficient and economical way if:



The Institutions of BiH:

- PROCURED AIRLINE TICKETS IN A TIMELY MANNER;
- USED THE BENEFITS OF MARKET COMPETITION WHEN PURCHASING AIRLINE TICKETS;
- ENSURED THE IMPLEMENTATION OF ALL CONTRACTUAL TERMS AND CONDITIONS WHEN PURCHASING AIRLINE TICKETS;
- CONSIDERED THE POSSIBILITY OF CONDUCTING JOINT/ CENTRALIZED PUBLIC PROCUREMENT OF AIRLINE TICKETS.



URED ZA REVIZIJU INSTITUCIJA BiH
КАНЦЕЛАРИЈА ЗА РЕВИЗИЈУ ИНСТИТУЦИЈА БИХ
AUDIT OFFICE OF THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA

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