



INTERNAL AUDIT DIVISION

REPORT 2025/042

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

**Some aspects of governance arrangements,
performance reporting and monitoring, pricing
and billing, and feedback mechanisms needed
to be strengthened**

**23 September 2025
Assignment No. AE2024-310-01**

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the arrangements for provision of administrative services by the United Nations Office at Geneva (UNOG). The objective of the audit was to assess whether UNOG had established and implemented adequate arrangements to provide efficient and effective administrative services to client entities. The audit covered the period from 1 January 2023 to 31 December 2024 and included a review of risk areas relating to: (a) governance arrangements; (b) pricing and billings; (c) performance reporting and monitoring; and (d) client support and feedback mechanisms.

UNOG provided administrative services to 60 United Nations entities based in Geneva and other parts of Europe. The audit showed that some aspects of governance arrangements, performance reporting and monitoring, pricing and billing, and feedback mechanisms needed to be strengthened.

OIOS made nine recommendations. To address the issues identified in the audit, UNOG needed to:

- Finalize all pending service level agreements for regular administrative services and Adobe licenses where applicable, with priority being given to finalizing agreements with high volume of licenses to mitigate potential financial risks;
- Establish terms of reference for the Client Board and key Service-level forums to clearly define their purpose, roles and responsibilities, composition, working arrangements and reporting requirements;
- Reassess and eliminate or reduce expenditures on initiatives financed from its cost recovery fund balance, particularly for services with limited or declining revenues; and ensure that future fund utilization strategies prioritize areas that are directly related to service delivery, such as investments in performance reporting tools;
- Improve the arrangements for sharing the methodology and justification for price changes to enhance transparency and client understanding of the methodology and the rationale for price changes;
- Enhance the transparency and governance of special adjustment factors by establishing clear and documented criteria and formalizing these factors in an acceptable format, such as annexes to service level agreements;
- Assess the potential demand for Adobe licenses across United Nations entities and develop a targeted outreach strategy to onboard additional clients to help increase the license uptake and reduce unit costs;
- Request all client entities to identify frequently used and strategically necessary telephone lines to reduce the total number of assigned lines and the associated service costs;
- Identify key performance indicators for reporting on a regular basis and update Annex 3 of service level agreements to clearly specify the key indicators that will be measured and reported, and those that are for only information purposes; and
- Strengthen its client feedback mechanisms by streamlining the number of surveys and improving their design, dissemination and response rates; considering additional feedback mechanisms; and establishing action plans to address the issues raised.

UNOG accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the arrangements for provision of administrative services by the United Nations Office at Geneva (UNOG).
2. UNOG was established in 1947 pursuant to General Assembly resolution 24 (I) and successive resolutions of the Assembly. It is responsible for providing administrative services to United Nations Secretariat entities in Geneva as well as a few other organizations of the United Nations common system in Geneva and other parts of Europe. It also provides conference services for United Nations meetings held at Geneva and other locations.
3. The Secretary-General's bulletin ST/SGB/2000/4, which replaced ST/SGB/1997/5, defines the mandate and structure of UNOG. Its main organizational units include: the Office of Director-General, the Division of Administration, the Division of Conference Management, the United Nations Library and Archives, and the United Nations Information Service. The Division of Administration is headed by a Director at D-2 level and consists of four Services: (i) the Human Resources Management Service (HRMS); (ii) the Financial Resources Management Service (FRMS); (iii) the Central Support Service (CSS); and (iv) the Information and Communications Technology Service (ICTS).
4. UNOG established written agreements with client entities for provision of administrative services. Clients were billed for standard and recurring services quarterly in arrears, using a price list that was communicated annually. The UNOG 2023 and 2024 cost plans showed projected recoveries of \$37 million and \$40 million, respectively. Also, there were recoveries for non-standard items that were billed separately. For the period 2023-2024, these included Adobe license (\$9.8 million), fixed telephony (\$2.8 million), language training for self-paying students (\$0.4 million), and parking fees (\$0.6 million).
5. UNOG used corporate platforms including Umoja, Inspira, Office 365 and iNeed as its information management systems for administrative transactions and activities. In addition, UNOG developed a tool called Key Indicators Site (KIS) to record workload volumes and generate billing data for all service activities. The tool was also used to extract productivity reports and statistics.
6. Comments provided by UNOG are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether UNOG had established and implemented adequate arrangements to provide efficient and effective administrative services to client entities.
8. This audit was included in the 2024 risk-based work plan of OIOS due to operational, reputational and financial risks related to provision of administrative services by UNOG.
9. OIOS conducted this audit from March to June 2025. The audit covered the period from 1 January 2023 to 31 December 2024. Based on an activity-level risk assessment, the audit covered risk areas relating to: (a) governance arrangements; (b) pricing and billings; (c) performance reporting and monitoring; and (d) client support and feedback mechanisms.

10. The audit methodology included: (a) interviews with key personnel in UNOG and client entities; (b) review of relevant documentation; (c) assessment of the client's data management systems, including KIS and iNeed; (d) analytical review of workload and staff data; and (e) sample testing of invoices and billing data.

11. OIOS assessed the reliability of workload and pricing data by: (a) performing electronic testing; (b) reviewing existing information about the data and the related source spreadsheets; and (c) interviewing UNOG personnel knowledgeable about the data. In addition, OIOS traced a random sample of data to source documents. Based on the assessment, OIOS determined that the data was sufficiently reliable for the purpose of addressing audit objectives.

12. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Governance arrangements

Need to establish service level agreements with all clients

13. The Secretariat's cost recovery policy and guidelines require UNOG to establish written agreements between the United Nations and the entities receiving administrative services. These agreements must clearly define the services to be provided, the associated costs, and the responsibilities of each party. Such documentation helps to ensure transparency and accountability.

14. As of December 2024, UNOG had signed 53 memoranda of understanding/service level agreements (SLAs). The SLAs outlined key elements such as service scope, responsibilities, cost structures, and performance monitoring. The Budget Section led the negotiation and finalization of these agreements. However, SLAs had not been established for seven regular service entities to which UNOG provided varying range of services.

15. UNOG also entered into a three-year enterprise term license agreement for Adobe software licenses valued at \$17.7 million from 1 March 2024 through 28 February 2027. Under this agreement, ICTS purchased a bundle of Adobe licenses and redistributed them to clients on a cost-recovery basis. To mitigate financial risks, ICTS required client entities to sign separate SLAs, committing to maintaining a specified number of licenses and making annual payments throughout the contract period.

16. However, only 42 of the 115 entities that used the Adobe products in 2024 had signed SLAs. The remaining 73 entities had no formal agreements in place. This gap exposes UNOG to financial risks if entities reduce their license usage, potentially leaving UNOG responsible for covering the contractual obligations. While some of the entities without SLAs had minimal usage, 10 had 2024 billings ranging from \$100,000 to \$900,000.

17. FRMS indicated that they had made several attempts over the years to finalize the SLAs, but the entities had not completed the process. Nevertheless, all amounts billed by UNOG had been paid. Some of the entities without SLAs have their own full-fledged administrative units and only used UNOG for limited services. For such cases, it would be beneficial for UNOG to explore the possibility of a simplified SLA instead of the standard template, as this may facilitate easier review and approval by clients.

18. For Adobe related SLAs, ICTS maintained records of entities with signed SLAs but had not analyzed the number of entities without SLAs. They prioritized onboarding new clients. Given the ongoing

budget and liquidity challenges across various United Nations organizations, it would be prudent for UNOG to engage with client entities, if necessary, at senior levels to formalize arrangements for service provision including those related to Adobe licenses.

- (1) UNOG should finalize all pending service level agreements for regular administrative services and Adobe licenses where applicable, with priority being given to finalizing agreements with high volume of licenses to mitigate potential financial risks.**

UNOG accepted recommendation 1 and stated that the pending SLAs for administrative services have already been shared with the clients. For the Adobe licenses, UNOG will review the standardized SLA template to identify any required changes to speed up negotiations and reduce legal review time. SLAs with high volume of licenses for non-Secretariat entities will also be completed, with cooperation of those entities by 31 March 2026.

Need to formalize and strengthen governance arrangements

19. UNOG established a client board engagement forum (Client Board) with its client entities. This was a positive initiative aligned with standard practices for administrative service providers. Although terms of reference (TORs) were drafted, they had not been finalised. The draft TORs outlined the forum's purpose as an advisory and feedback mechanism to monitor UNOG's service delivery, ensure performance targets are met, and ensure that the effectiveness of operations is maintained. The draft TORs also stated that the Client Board will encourage collaboration among participating entities with a view to finding means of further leveraging respective resources and obtaining economies of scale.

20. OIOS reviewed presentations made in the eight quarterly meetings held in 2023-2024 and noted that the Client Board was an important information sharing forum. Regular agenda items included topics such as updates on liquidity crisis, service price updates, the Strategic Heritage Plan, and invitation for client entity comments under tour-de-table. UNOG also conducted polls in seven out of the eight meetings on topics such as future agenda items, the impact of the liquidity crisis on clients' ability to meet cost recovery bills, the adequacy of the focal point systems, and concerns about decommissioning of Umoja Business Intelligence.

21. However, the forum was not used to monitor the effectiveness of service provision through review of performance indicators as envisioned in the draft TORs. Although the SLAs included performance indicators and called for annual joint reviews of services, these were not conducted. UNOG had not identified key performance indicators (KPIs) to regularly measure and report. Only workload indicators were shared in quarterly reports.

22. Attendance in the meetings varied with some larger clients sending multiple representatives, some clients opting to watch the recording of the meetings later, and some sending substitutes who may not feel authorized to speak on behalf of their entities. This makes it difficult to analyze and use the feedback from the polls, as some entities may be overrepresented through multiple votes, while others may abstain due to perceived lack of authority. OIOS analysis of attendance indicated that in the June 2024 Client Board meeting, only 24 entities were represented by the 88 participants present. It would be beneficial for UNOG to analyze the attendance records to get insights on attendance trends and to help contextualize the feedback received.

23. Client participation during the question and answer and "any other business" segments was limited. The clients interviewed by OIOS acknowledged the value of the Client Board as an information sharing mechanism. However, they noted that it was a high-level meeting that was not always appropriate for expressing concerns specific to their respective entities. Furthermore, 6 out of 10 client entities interviewed

expressed concerns about the transparency in pricing of services. Although presentations on pricing changes were provided in the Client Board meetings, they were high-level and did not adequately explain justifications for changes.

24. UNOG management stated that there was no legislative requirement to establish a client board with formal TOR. While this was the case, the establishment of the Client Board is a good initiative given the nature of UNOG mandate and broad range of clients. It is a good practice to document TORs for such a board to ensure there is a common understanding of its role and to guide its operations and working procedures. Other United Nations administrative service providers have established formal TORs for similar forums.

Operational level client engagements forums

25. At the operational level, three of the four Services (HRMS, ICTS and CSS) had established some client engagement forums related to some aspects of their services. OIOS' review showed a lack of harmonized approach to the establishment and functioning of these forums as discussed below.

- (a) The Human Resources Coordination Group met quarterly in 2024, with structured agendas, documented minutes, and systematic follow-up on action items. The group consisted of eight entities that had significant human resources footprint.
- (b) The Renovated Building User Group was composed of representatives of client tenants, UNOG facilities management, and UNOG Staff Union that met monthly online. A review of the issue log confirmed that concerns were being addressed, albeit without formal tracking.
- (c) The Information Communications and Technology (ICT) Chiefs Committee met monthly to discuss cybersecurity, procurement, and ICT governance issues. ICTS clarified that this was a collaborative forum for ICT Chiefs to share ideas and experiences and did not focus on the services provided by UNOG to its clients. The forum operated informally, without TORs or meeting minutes. Participation was voluntary and limited mainly to 10 principal Secretariat entities out of the 62 regular UNOG clients. UNOG attributed the lack of formal structure to the absence of ICT governance guidance on establishing local ICT committees.
- (d) The Staff Wellbeing Committee, which comprised the Ombudsman, Staff Counsellor and representatives from HRMS, medical team and the Staff Union, had not been active since mid-2024 due to resource constraints. The Health and Safety Committee continued to be active with a focus on the Strategic Heritage Plan. It was composed of three members appointed by the administration and three members designated by staff. The Chief of HRMS indicated that the scope of these two committees may need to be revised to address current priorities, such as occupational health and staff mental health and wellbeing.

26. The Service-level engagement forums are important governance and information sharing platforms that complement the Client Board by addressing specific issues within their respective areas. It would therefore be beneficial for UNOG to leverage their experience to date to strengthen and, where appropriate, formalize their roles, membership and any reporting requirements to the Client Board.

- (2) UNOG should establish terms of reference for the Client Board and key Service-level forums drawing on past experience to clearly define their purpose, roles and responsibilities, composition, working arrangements and reporting requirements.**

UNOG accepted recommendation 2 and stated that TORs for the Client Board, the Human Resources Coordination Group, and the Committee on Health and Safety and Staff Wellbeing will be finalized in the first quarter of 2026, in consultation with the clients.

B. Pricing and billings

Need to re-assess service improvement related expenditures financed from cost recovery income

27. The cost recovery policy and guidelines require UNOG to prepare annual cost plans outlining anticipated income and related operational expenditures for cost recovery services, in accordance with the principle of non-cross-subsidization. This principle mandates that assessed resources should not subsidize non-assessed activities, and vice versa; and that revenue generated from specific services must be used exclusively for those services. The cost recovery policy also states that service providers should not use cost recovery revenue to support underfunded or unfunded activities. Carry forward balances and surpluses may only be utilized to improve the services through which they have been generated. This includes capital improvements over multiple years. Short-term positions can also be funded from surplus funds, but the funding of long-term positions is not admissible unless there is a continuous revenue stream.

28. The UNOG 2023 and 2024 cost plans showed projected recoveries of \$37 million and \$40 million, respectively. There were projected deficits of \$6 million and \$5 million in 2023 and 2024 respectively, which were to be covered by the cost recovery fund balance (reserve) carried over from previous years. The reserve declined from \$46 million at the end of 2022 to \$40 million by the end of 2024. This amount represented about 83 per cent of 2024 expenditure, which is considered a reasonable level of reserve. UNOG indicated that it conducted a detailed bottom-up cost mapping annually by activity and provided the information to management to support decision-making.

29. However, the 2023-2024 level of expenditure was not sustainable and needs to be re-assessed and better aligned to revenues. A review of the cost plans revealed some expenditures that were not clearly aligned with administrative service activities or cost-saving opportunities. UNOG indicated that they were temporary exceptional capacity approved by the Director, Division of Administration to improve service delivery. They included the following:

- (a) Political Affairs position, which UNOG indicated was funded from the revenue stream referred to in the SLA billings as “apportioned overhead for the office of Director-General and office of the Director of Administration.” The post is however not closely aligned to overhead costs for administrative service delivery and should be re-assessed.
- (b) The Strategic Heritage Plan related costs included funding for 10 positions (2 professional and 8 general service level positions), which UNOG indicated were established to mitigate the ownership transition risk from the construction contractor to UNOG and are funded from the facilities management revenue stream. OIOS is of the view that since there was a funding deficit of almost \$1.9 million in this revenue stream, the continued need for such a high number of posts needs to be reconsidered, and the posts reduced. On the other hand, the need to use some of the funding to accrue and maintain a maintenance reserve for non-recurring future maintenance costs needs to be considered in future budgets. UNOG indicated that there was an ongoing global working group that was established in 2025 to harmonize rental practices, including accrual of reserves for non-recurring maintenance.
- (c) Deficit in HRMS, which was the largest deficit at \$2.1 million in 2024. Despite losing a major client in 2021 resulting in a \$1.2 million revenue drop, HRMS staffing increased from 22 in 2021

to 29 in 2024. UNOG explained that HRMS staffing increases were intended to facilitate knowledge transfer in anticipation of retirements. Cost-cutting measures were being developed, including a proposal to reduce costs by \$900,000 in 2026 and \$500,000 in 2027, though these plans were not yet approved in the cost plan. Further, the 2024 plan included a HRMS communication officer post, even though there were already two communication officers within the Division of Administration Director's office. HRMS explained that this recruitment was in response to the Client Needs Analysis, which called for addressing gaps and strengthening communication with clients on human resources matters.

30. Budget Section staff explained that budget constraints under the regular budget made it difficult to secure new funding, therefore putting a strain on the cost recovery reserves. The situation might worsen in the future given the ongoing cost containment measures at the Secretariat, which would reduce volume of transactions, and the anticipated strengthening of the Swiss franc increasing the operational costs. OIOS is of the view that this underscores the need for expenditure management to be largely aligned with the non-cross-subsidization principle to ensure financial sustainability. OIOS is also of the view that priority to utilizing any surplus reserves should be given to investment in tools for performance reporting as these are integral to monitoring efficiency in the delivery of administrative services.

(3) UNOG should: (a) reassess and eliminate or reduce expenditures on initiatives financed from its cost recovery fund balance, particularly for Services with limited or declining revenues; and (b) ensure that future fund utilization strategies prioritize areas that are directly related to service delivery, such as investments in performance reporting tools.

UNOG accepted recommendation 3 and stated that the 2026 10RCR cost plan, which includes expenditure reductions, is being formulated and will be finalized for implementation by 1 January 2026.

UNOG had established a methodology for determining cost recovery rates/prices

31. UNOG had detailed guidelines that outlined the methodology for determining cost recovery rates. Services proposing price changes were required to provide detailed justifications, which were reviewed by the Budget Section during the cost planning process. In determining the service cost, UNOG used two main approaches: (a) bottom-up – applied to services without reliable workload estimates; costs were based on defined service components, and (b) top-down – applied to high-volume, transaction-based services; costs were allocated based on historical workload data. Both approaches included direct and indirect staff costs and non-staff costs. The unit costs were determined by adding all these costs and factoring them to a total projected annual workload volume data, which was based on the average volumes for the preceding 12 to 24 months. OIOS' review of the pricing calculations for 13 services indicated that the prices were properly determined using the established methodology. Final price lists were reviewed and approved by the Director, Division of Administration and the Office of the Controller.

Need to improve the sharing of information on service costs, to enhance transparency

32. The cost recovery guidelines require UNOG to periodically disclose a breakdown of the costs incurred, including details of each cost component to foster a shared understanding of cost components among stakeholders. The revised UNOG price list was circulated to client entities at the end of each year and justifications for price adjustments were communicated in Client Board meetings. A review of the presentations in these meetings indicated that the justifications for price revisions were not comprehensive and did not cover all the cost drivers. For example, in 2024, there were new prices for medical services without adequate supporting details. Similarly, increases in cost for ICTS services were justified by a 9 per cent rise in the cost for a P-3 staff but no further details of cost components for other staff categories were provided. Moreover, the methodology used to determine price revisions was not presented in the Client

Board meetings. In the Client Board meeting of 24 September 2024, all five responses to a poll on topics for future discussions related to concerns about rising costs and the need for information on the methodology and cost drivers. Further, the client entities interviewed by OIOS (6 out of 10) indicated transparency of pricing of services as a concern. Given the high-level nature of Client Board meetings, and complex nature of the methodology, more detailed discussions may be better suited for forums dedicated for such matters, and with the appropriate client entity staff.

(4) UNOG should improve the arrangements for sharing the methodology and justification for price changes to enhance transparency and client understanding of the methodology and the rationale for price changes.

UNOG accepted recommendation 4 and stated the methodology and justification for price changes will be shared with clients in focus group meetings starting in the first quarter of 2026.

Quarterly billing process was satisfactory

33. UNOG used the internally developed tool (KIS) to manage the billing process. The billing relied on workload volume data, unit prices and adjustment factors. Each Service was responsible for monitoring the volume of services provided to clients. The main source of this information was Umoja with additional input from systems like the Privileges Diplomatique Tool, the UNLP¹ manager database, and the Cartes de Legitimation portal. Excel spreadsheets were also used to supplement offline processes and cases where it was difficult to extract data from corporate platforms. For example, HRMS used excel spreadsheets to track recruitment related activities.

34. Each quarter, service sections uploaded workload data into KIS. OIOS review of 15 service lines confirmed that the workload volume data were accurately uploaded except for one case where OIOS noted three duplicated records of job openings, which led to overbilling. The responsible staff took action to correct the overbilling and indicated that a “distinct count” check would be introduced in the Excel spreadsheet used to track workload, to prevent recurrence. The use of manual spreadsheets poses a risk to data accuracy.

35. Once the workload volume data was uploaded in KIS, the Budget Section generated invoices and posted service/sales orders in Umoja. OIOS’ review of a sample of 14 invoices showed that they were aligned with the approved price list and adjustment factors. The Budget Section maintained an error log to track and respond to client billing queries. In 2023 and 2024, 403 queries were logged with only 3 unresolved at the time of the audit. These queries led to 320 corrections, resulting in an over-recovery of \$384,000 and an under-recovery of \$324,000, representing a net variance of less than 1 per cent of total cost recovery revenue.

36. OIOS concluded that the billing process was compliant with agreements and sufficiently detailed to allow clients to independently verify accuracy. The client verifications were essential as they helped to mitigate the risk of errors associated with the manual upload of some of the workload data.

Need for enhanced transparency on adjustment factors

37. For client entities funded from both regular budget and extrabudgetary funds, UNOG was only required to recover costs associated with extrabudgetary activities. Where direct segregation was not possible or practical, the total cost of service provision would be adjusted using a percentage that reflects the client’s overall funding split. UNOG applied an adjustment factor based on either the prior year’s

¹ United Nations Laissez-Passer

funding ratio of extrabudgetary to regular budget; or the ratio of staff headcount funded by extrabudgetary and regular budget resources. This data was provided annually by clients, at the beginning of each year.

38. UNOG granted an additional special adjustment factor to clients that performed a significant part of a process themselves, or did not utilize the full scope of services included in the standard pricing model. For example, for vendor payments, the Office for the Coordination of Humanitarian Affairs performed about 50 per cent of the processing itself, hence an additional special adjustment factor was applied to reflect this contribution. In total there were seven service categories that benefitted from special adjustment factors ranging from 12.5 to 90 per cent. However, there were no signed commitments on the setting up of these factors or defined published criteria governing the application of these factors. The only evidence was the exchange of emails between FRMS and client staff. The absence of formal documentation undermines transparency, institutional memory, and may create perceptions of preferential treatment.

(5) UNOG should enhance the transparency and governance of special adjustment factors by: (a) establishing clear and documented criteria; and (b) formalizing these factors in an acceptable format, such as annexes to service level agreements, to ensure consistency, accountability, and institutional continuity.

UNOG accepted recommendation 5 and stated that the rationale for applying special adjustment factors to individual clients, and the methodology used to determine those factors, will be communicated in writing to impacted clients as part of the annual communication on price lists.

Need to manage financial risks associated with the Adobe contract

39. As noted earlier in the report, UNOG entered into a three-year enterprise term license agreement for the provision of Adobe software licenses from 1 March 2024 to 28 February 2027. Under the terms of this agreement, Secretariat and non-Secretariat entities were required to make payments to UNOG, which would then pay one invoice to Adobe. UNOG applied an administrative fee of 3 per cent. The contract included a deployment cap for each license bundle, with a total contract value of €15.7 million (\$17.7 million), billed annually in advance.

40. A review of the contract administration revealed financial risks related to underutilization. For example, the Adobe Acrobat Pro DC license bundle allowed for up to 35,212 licenses at a cost of €4.8 million (\$5.4 million) over three years. However, as of 2024, only about 17,000 licenses were in use, which was less than 50 per cent of the cap. At this usage level, the annual unit price was set at \$89. Increasing license uptake would reduce the unit cost and overall financial burden. ICTS staff indicated that additional clients had expressed interest, and the license uptake had increased to 22,600 in the 2025 billing cycle after onboarding of two clients. However, this is 65 per cent of available licenses and further expansion of the client base should be continued.

41. Further, the SLA entered by ICTS, and the Adobe client entities required annual billing in advance. A review of the billing for the license year that commenced on 1 March 2024 indicated that only about \$1.9 million out of \$6 million due (32 per cent) had been billed by September 2024, seven months into the license year. OIOS was informed that delays were attributed to challenges in obtaining funded coding blocks from clients facing liquidity constraints. For example, one client owing \$155,000 only provided a funded coding block in December of 2024, after protracted follow-up. Even though ICTS had managed to substantially bill for the entire amount due by December 2024, delays in cost recovery puts a strain on UNOG resources and cashflows.

42. ICTS indicated that the billing process in 2024 was impacted by a long-term absence of the staff member responsible for this process. A new manager had been assigned since June 2024, which was

expected to ensure timely billing and cost recovery through improved client engagement and SLA compliance. Additionally, as noted earlier in this report, the absence of signed SLAs with all Adobe clients increases the risk of non-recovery and non-compliance with license commitments through 2027.

(6) UNOG should assess the potential demand for Adobe licenses across United Nations entities and develop a targeted outreach strategy to onboard additional clients to help increase the license uptake and reduce unit costs.

UNOG accepted recommendation 6 and stated that as the current Adobe contract will expire on 28 February 2027, it will formalize a strategy by 31 December 2025 that includes: (i) identifying United Nations entities that may not yet have licenses via the enterprise term license agreement contract; (ii) preparing a SharePoint resource centre for Adobe; and (iii) promoting Adobe licensing opportunities by informing new and existing UNOG clients of the possibility to join Adobe contract. Further, for the upcoming cycle, it will assess the potential demand by launching a survey of existing and potential clients that have shown interest regarding future licensing needs by the first quarter of 2027.

Need to review the continued relevance for rendering fixed telephony services

43. ICTS maintains a contractual arrangement with a vendor for the provision of fixed telephony services. OIOS' review showed that for the months of January, July and December 2024, UNOG recovered an average of \$132,000 monthly for costs related to provision of telephony services. The cost build-up for the service included significant cost drivers like staff and individual contractors equivalent to 10.8 full-time positions estimated at an annual cost of \$1.4 million, which was expected to support 5,003 telephone lines. However, only an average of 540 lines made calls to external numbers that generated traffic and incurred charges based on call duration, destination, and call type. This was a low utilization rate of 11 per cent (540/5,003).

44. The monthly external vendor invoices averaged \$1,880 (on chargeable external communication). The ICTS team indicated that the cost of a rental line embeds a free-use threshold of non-chargeable traffic, which would otherwise generate traffic and incur charges in a different (pay-per-minute) price model. For example, calls to local Swiss landlines are free and do not incur traffic charges, and therefore the actual utilization of telephone lines must be higher. The data on such free calls was, however, not provided by the vendor. OIOS is of the view that the data was unlikely to change the utilization rates significantly given that in a poll conducted in the Client Board meeting of September 2024, only 3 of the 42 respondents indicated that their staff members needed a distinct telephone line.

45. ICTS indicated that it informed some of its clients that they had the authority to decide whether to cancel their telephone lines and, in 2025, it initiated contact with some entities to review their needs to determine the reductions. In the case of the Division of Administration, ICTS carried out a thorough review and was in the process of cancelling unused and unnecessary lines. ICTS needs to review the current cost base of the fixed telephony service with a view to aligning those resources to the fixed telephone lines that record external communication on a priority basis.

(7) UNOG should request all client entities to identify frequently used and strategically necessary telephone lines to reduce the total number of assigned lines and the associated service costs.

UNOG accepted recommendation 7 and stated that it will request all client entities using its fixed telephony service to review their required telephone lines.

C. Performance reporting and monitoring

Measurement and reporting of performance indicators needed to be strengthened

46. UNOG, in its budget, committed to deliver faster and more efficient services, including through digital transformation and the use of innovative tools in line with the Secretary-General's strategy on new technologies. The SLAs require UNOG to establish mechanisms to measure performance, report annually on discrepancies, and conduct joint service reviews with client entities. Annex 3 of the SLA template outlines 81 service activities, each with one or more performance indicators.

47. UNOG prepared and shared operational indicator reports with client entities on a quarterly basis. However, these reports did not include information on processing timelines, which is a key metric for assessing service efficiency. Of the 81 service activities in the SLAs, some with multiple performance indicators, UNOG formally measured and reported on only one indicator - submission of procurements to the Local Committee on Contracts.

48. UNOG indicated that the indicators in the SLA were indicative of service standards and were not all meant to be formally measured and reported. However, the SLAs did not distinguish between indicators meant solely for information purposes to guide service delivery and those considered key for formal measurement and reporting. Furthermore, while some performance indicators were quantifiable, others lacked measurable metrics. For example, the performance indicator for accounting services "review accounting entries, annexes provided, post accruals and other year-end adjustments" did not include measurable targets.

49. Without measuring and reporting performance indicators, UNOG cannot demonstrate service delivery efficiency at the transaction level, resulting in an expectation gap between its commitments in the SLAs and actual practices. Moreover, the current indicators in the SLAs have remained unchanged for nine years and are overdue for review and streamlining. Priority should be given to measuring and reporting on high revenue, high visibility or high usage services.

(8) UNOG should: (a) identify key performance indicators for reporting on a regular basis; and (b) update Annex 3 of service level agreements to clearly specify the key indicators that will be measured and reported, and those that are for only information purposes.

UNOG accepted recommendation 8 and stated that KPIs that will be measured and reported annually will be identified. These indicators will be shared with the UNOG Client Board annually to enhance transparency and accountability. Annex 3 of the SLA will be updated to include the identified KPIs, with a clear distinction between those used for performance monitoring and those provided for information purposes only.

D. Client support and feedback mechanism

Need to enhance client feedback mechanisms

50. UNOG was required to conduct annual client entity and end-user surveys to assess client satisfaction with the services provided. This was necessary to meet the Director-General's compact commitment to continuously improve client services based on evidence, using strategic data collection and analysis and other client engagement mechanisms. UNOG had implemented several initiatives to gather feedback on service quality and effectiveness as detailed below:

(a) Annual Client Focal Point surveys

51. These surveys assessed satisfaction across 39 service categories. The survey results reflected a high satisfaction rate of 88 per cent in 2023 and 83 per cent in 2024. However, response rates were low at 26 per cent in 2024 (16 of 60 entities) and 16 per cent in 2023 (10 of 60 entities). Some client focal points expressed reluctance to participate because the surveys were not anonymous. To improve participation, UNOG should consider maintaining anonymity for questions related to service quality and using alternative mechanisms to get client specific feedback where anonymity is not needed.

(b) All staff survey

52. These were conducted biennially and showed satisfaction with service quality by survey respondents was high at 87 per cent in 2022 and 90 per cent in 2024. However, the response rates were very low at 2.6 per cent in 2022 (117 responses out of 4,480 staff). The very low response rates affected the utility of the surveys. For Secretariat staff, the survey was distributed through the weekly UNOG newsletter/broadcast, which may be overlooked. Using focal points for distribution, as done for non-Secretariat entities could improve visibility and participation levels. Additionally, the survey included services that were not widely used, which increased its length and potentially discouraged participation. For example, there were five areas for which over 80 per cent of respondents indicated that they did not use or had never used the service.

(c) Pulse surveys

53. In 2024, UNOG conducted single question “pulse” surveys through the weekly broadcasts for eight service areas. The average satisfaction level was 38 per cent with an average of 53 responses. However, the low response rate affects the utility of the results.

(d) HRMS needs assessment

54. In 2024, HRMS conducted a comprehensive needs assessment to better understand client expectations and constraints. HRMS was in the process of incorporating the required actions in the 2025/2026 work planning process. This was a good initiative that other Services could emulate.

(e) Client Support Centre evaluation

55. UNOG has operated a centralized Client Support Centre since 2018. Survey results and interviews with clients showed a high level of satisfaction with the Centre. Nonetheless, comments in the staff surveys highlighted some concerns and suggestions related to service quality and timelines. An internal evaluation in 2022 identified areas for process improvement. In response, 24 actions were planned for 2025 including: (i) training on entitlements - one session on home leave entitlement had already been conducted as of the time of the audit; and (ii) enhancements to phone communications. For example, the Medical Insurance Section introduced a tool for scheduling phone appointments. Further, each team in the Client Support Centre designated members to monitor calls during specific time slots and to proactively return missed calls.

(f) iNeed satisfaction survey

56. Surveys were administered after closure of service requests and queries for 43 service activities. A total of 3,793 records from 2023-2024 showed a 98 per cent satisfaction rate. Some dissatisfied clients were contacted for resolution, but this was not done consistently. Establishing a defined sampling target for such follow-ups would help ensure a more systematic and equitable approach.

(g) ICTS transaction-level surveys

57. ICTS conducted transaction-level surveys for all service tickets raised (around 15,000 tickets per year). In total, 5,358 responses were received during 2023 and 2024, with an overall satisfaction rate of 98 per cent. Most dissatisfaction came from service areas relating to IT and communications (74 cases) and Unite Mail (26 cases), which constituted less than 5 per cent of overall ratings in each service category. However, follow-up with dissatisfied clients was inconsistent.

(h) Targeted section-level surveys

58. The Procurement and Contracts Unit had conducted annual surveys since 2020. In 2023, the response rate was 18 per cent (38 of 206 invitees) with 81-97 per cent satisfaction rates in communication, responsiveness and contract quality.

59. Despite the extensive feedback channels, discussions with 10 client entities indicated additional concerns that were not covered in the 2024 surveys as outlined below.

(i) Transparency in pricing - clients raised concerns about rising service costs, lack of disclosure of reserves, and unclear rationale for charging some services to core clients.

(ii) Service efficiency issues - perceived inefficiencies in delivery of services as UNOG is the only designated provider of administrative services, with limited transparency on any ongoing efficiency drives to keep prices low. Concerns were also raised that there were limited engagement forums to share ideas on what could be improved.

(iii) Performance indicators - concerns that clients were not involved in setting up performance indicators, which is provided for in the SLA template.

(iv) ICTS-related issues - concerns about lack of disaster recovery services and limited support for emerging technological advances like use of artificial intelligence (AI), and big data.

(v) Recruitment risks - concerns of inadequate support in mitigating AI-related fraud in exams. HRMS indicated that clients can request for Proctorio for administering exams to mitigate this risk. The fact that this was raised as a concern could mean that the clients were not aware of this provision.

(vi) Delays in disbursement of travel allowances especially for last-minute travel requiring currency exchange.

60. The above concerns highlight the need for bilateral meetings with individual or small group of clients as one of the feedback mechanisms. This will help ensure that issues are identified and clarified or addressed in a timely manner. Further, UNOG had not established a formal mechanism to receive, escalate and track complaints from individual staff.

61. Based on the above, OIOS concluded that UNOG needs to reassess and refine its feedback mechanisms based on experience to date, and lessons learned. This is addressed in recommendation 9.

Need to improve follow-up of issues raised in survey results and other feedback mechanisms

62. The analysis and implementation of corrective measures in response to feedback in the surveys were managed by each of the Services (HRMS, FRMS, CSS and ICTS), without documented action plans. While the Services indicated that they had reviewed the survey results, and, where possible, adapted to client needs through bilateral engagements, there was no evidence of such actions in all cases. Furthermore, practices varied across Services. OIOS noted the following regarding the actions taken:

- (a) ICTS indicated that it conducts reviews to assess if the feedback is actionable, following which it organizes meetings with clients' managers.
- (b) The Purchase and Transportation Section indicated that it holds monthly and bimonthly meetings with its major clients and maintains records of the discussion points. In 2024, the section also conducted two procurement training courses aimed at building capacity and bridging expectations gaps with clients.
- (c) For UNLP-related issues raised in the surveys, UNOG initiated quarterly information sessions for certifying officers to clarify requirements and improve compliance. The first session, held in March 2025, was attended by 91 participants, with three additional sessions planned for the year. Further, the UNOG Laissez-Passer issuance office had planned to develop standard operating procedures in conjunction with the headquarters United Nations Laissez-Passer issuance office to harmonize documents processing procedures.

63. UNOG needs to improve the arrangements for dealing with the issues raised in surveys to ensure that they are systematically monitored and adequately addressed.

- (9) UNOG should strengthen its client feedback mechanisms by: (a) streamlining the number of surveys and improving their design, dissemination and response rates; (b) considering additional feedback mechanisms such as meetings with clients and staff as appropriate; and (c) establishing action plans to address the issues raised.**

UNOG accepted recommendation 9 and stated that the Division of Administration will review and update existing surveys and work to improve client engagement and response rates by simplifying survey design, improving timing and targeting, and using reminders. Additional feedback tools such as feedback forms, single-question surveys, and meetings with clients and staff are being considered. Parts (b) and (c) of the recommendation will be addressed in conjunction with the TORs of the Client Board.

IV. ACKNOWLEDGEMENT

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

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ² / Important ³	C/O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNOG should finalize all pending service level agreements for regular administrative services and Adobe licenses where applicable, with priority being given to finalizing agreements with high volume of licenses to mitigate potential financial risks.	Important	O	Receipt of evidence that all SLAs for regular administrative services and priority high-volume Adobe licenses have been finalized.	31 March 2026
2	UNOG should establish terms of reference for the Client Board and key Service-level forums drawing on past experience to clearly define their purpose, roles and responsibilities, composition, working arrangements and reporting requirements.	Important	O	Receipt of terms of reference for the Client Board and key Service-level forums.	31 March 2026
3	UNOG should: (a) reassess and eliminate or reduce expenditures on initiatives financed from its cost recovery fund balance, particularly for services with limited or declining revenues; and (b) ensure that future fund utilization strategies prioritize areas that are directly related to service delivery, such as investments in performance reporting tools.	Important	O	Receipt of evidence of actions taken to: (a) reduce expenditures for initiatives financed from the cost recovery fund reserves; and (b) prioritize areas that are directly related to service delivery such as investments in performance reporting tools.	1 January 2026
4	UNOG should improve the arrangements for sharing the methodology and justification for price changes to enhance transparency and client understanding of the methodology and the rationale for price changes.	Important	O	Receipt of evidence of action taken to share the methodology and justification for price changes to clients.	31 March 2026
5	UNOG should enhance the transparency and governance of special adjustment factors by: (a) establishing clear and documented criteria; and (b)	Important	O	Receipt of evidence that UNOG has established and formally communicated the criteria and	31 January 2026

² Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

³ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by UNOG in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	formalizing these factors in an acceptable format, such as annexes to service level agreements, to ensure consistency, accountability, and institutional continuity.			methodology for determining special adjustment factors.	
6	UNOG should assess the potential demand for Adobe licenses across United Nations entities and develop a targeted outreach strategy to onboard additional clients to help increase the license uptake and reduce unit costs.	Important	O	Receipt of evidence that UNOG has assessed the demand for Adobe licences and developed a targeted outreach strategy to onboard additional Adobe clients.	31 March 2027
7	UNOG should request all client entities to identify frequently used and strategically necessary telephone lines to reduce the total number of assigned lines and the associated service costs.	Important	O	Receipt of evidence that client entities have been requested to review their required telephone lines and actions have been taken to reduce the number of assigned lines and the associated service costs.	31 March 2026
8	UNOG should: (a) identify key performance indicators for reporting on a regular basis; and (b) update Annex 3 of service level agreements to clearly specify the key indicators that will be measured and reported, and those that are for only information purposes.	Important	O	Receipt of evidence that: (a) key performance indicators that will be measured and reported have been identified; and (b) Annex 3 of the SLAs have been updated to clearly specify the indicators that will be measured and reported to clients and those that are for information purposes.	31 January 2026
9	UNOG should strengthen its client feedback mechanisms by: (a) streamlining the number of surveys and improving their design, dissemination and response rates; (b) considering additional feedback mechanisms such as meetings with clients and staff as appropriate; and (c) establishing action plans to address the issues raised.	Important	O	Receipt of evidence of action taken to: (a) streamline and improve the design, dissemination and response rates for surveys; (b) establish additional feedback mechanisms; and (c) develop action plans to address issues raised in the various feedback mechanisms.	31 March 2026

APPENDIX I

Management Response

Management Response

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOG should finalize all pending service level agreements for regular administrative services and Adobe licenses where applicable, with priority being given to finalizing agreements with high volume of licenses to mitigate potential financial risks.	Important	Yes	Chief Programme Planning and Budget Section and Chief Information and Communication Technologies Service	31 March 2026	The pending SLAs for administrative services have already been shared with the clients. For the Adobe licenses, UNOG will review the standardized SLA template to identify any required changes to speed up negotiations and reduce legal review time. SLAs with high volume of licenses for non-Secretariat entities will also be completed, with cooperation of those entities by 31 March 2026.
2	UNOG should establish terms of reference for the Client Board and key service level forums drawing on past experience to clearly define the purpose, roles and responsibilities, composition, working arrangements and reporting requirements.	Important	Yes	Senior Coordination Officer (Office of the Director of Administration) and Chief of Human Resources Management Service	31 March 2026	The Terms of Reference (TOR) for the Client Board, the Human Resources Coordination Group and the Committee on Health and Safety and Staff Wellbeing will be finalized in the first quarter of 2026, in consultations with the clients.
3	UNOG should: (a) reassess and eliminate or reduce expenditures on initiatives financed from its cost recovery fund balance, particularly for services with	Important	Yes	Chief Programme Planning and Budget Section	1 January 2026	The 2026 10RCR Cost Plan which includes expenditure reductions, is being formulated and will be

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	limited or declining revenues; and (b) ensure that future fund utilization strategies prioritize areas that are directly related to service delivery, such as investments in performance reporting tools.					finalized for implementation by 1 January 2026.
4	UNOG should improve the arrangements for sharing the methodology and justification for price changes to enhance transparency and client understanding of the methodology and the rationale for price changes.	Important	Yes	Chief Programme Planning and Budget Section	31 March 2026	The methodology and justification for price changes will be shared with clients in focus group meetings starting in the first quarter of 2026.
5	UNOG should enhance the transparency and governance of special adjustment factors by: (a) establishing clear and documented criteria; and (b) formalizing these factors in an acceptable format, such as annexes to service level agreements, to ensure consistency, accountability, and institutional continuity.	Important	Yes	Chief Programme Planning and Budget Section	31 January 2026	The rationale for applying special adjustment factors to individual clients, and the methodology used to determine those factors, will be communicated in writing to impacted clients as part of the annual communication on price lists.
6	UNOG should assess the potential demand for Adobe licenses across United Nations entities and develop a targeted outreach strategy to onboard additional clients to help increase the license uptake and reduce unit costs.	Important	Yes	Chief Information and Communication Technologies Service	31 March 2027	As the current Adobe contract will expire on 28 February 2027, UNOG will formalize a strategy by 31 December 2025 that includes the following points: (i) identifying United Nations entities that may not yet have licenses via the enterprise term license agreement contract; (ii) preparing a SharePoint resource centre for Adobe; and (iii) promoting Adobe licensing opportunities by informing new and existing UNOG

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						clients of the possibility to join Adobe contract. Further, for the upcoming cycle, UNOG will assess the potential demand by launching a survey of existing and potential clients which have shown interest regarding future licensing needs by the first quarter of 2027.
7	UNOG should request all client entities to identify frequently used and strategically necessary telephone lines to reduce the total number of assigned lines and the associated service costs.	Important	Yes	Chief Information and Communication Technologies Service	31 March 2026	UNOG will request all client entities using its fixed telephony service to review their required telephone lines.
8	UNOG should: (a) identify key performance indicators for reporting on a regular basis; and (b) update Annex 3 of service level agreements to clearly specify the key indicators that will be measured and reported, and those that are for only information purposes.	Important	Yes	Chief Programme Planning and Budget Section	31 January 2026	KPIs that will be measured and reported annually will be identified. These indicators will be shared with the UNOG Client Board annually to enhance transparency and accountability. Annex 3 of the SLA will be updated to include the identified KPIs, with a clear distinction between those used for performance monitoring and those provided for information purposes only.
9	UNOG should strengthen its client feedback mechanisms by: (a) streamlining the number of surveys and improving their design, dissemination and response rates; (b) considering additional feedback mechanisms such as meetings with clients	Important	Yes	Senior Coordination Officer (Office of the Director of Administration)	31 March 2026	Division of Administration will review and update existing surveys and work to improve client engagement and response rates by simplifying survey design, improving timing and targeting, and using

Management Response

Audit of the arrangements for provision of administrative services by the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	and staff as appropriate; and (c) establishing action plans to address the issues raised.					reminders. Regarding part (b), additional feedback tools such as feedback forms, single-question surveys, and meetings with clients and staff are being considered. Part (b) and (c) of the recommendation will be addressed in conjunction with the TORs of the Client Board.