



THE SECRETARY-GENERAL

26 February 2025

Dear Mr. Moscovici,

I write to acknowledge receipt of your letter dated 10 December 2024 informing me of the deliberations of the Panel of External Auditors of the United Nations system (the Panel), during its sixty-fourth regular session held at UNESCO Headquarters in December 2024.

I would like to express my gratitude to the Panel for bringing to my attention those matters of concern related to the United Nations system. The United Nations attaches great importance to the work of the External Auditors and remains committed to implementing the recommendations of the oversight bodies, which contribute to our continued efforts geared at achieving a more efficient and better managed United Nations, as well as to addressing all issues raised by the External Auditors.

### **Climate Change and Sustainability issues**

The commitment to transparency and accountability of the United Nations, with respect to climate change and environmental sustainability management, is unwavering. As highlighted in the Chief Executives Board (CEB) Strategy for Sustainability Management in the United Nations System 2020-2030, the United Nations system acknowledged the need for robust environmental performance reporting across the United Nations system and recognized the importance of transparency in communicating environmental strategies and initiatives throughout the system. To further strengthen this commitment, the Strategy will undergo a review in 2025 to assess progress, address emerging challenges and adjust our ambitions, where necessary.

In particular, I welcome the ongoing discussions on the adoption of emerging sustainability reporting standards. The Finance and Budget Network (FBN) is actively engaged in discussions regarding the requirements of the International Public Sector Accounting Standards Board (IPSASB) Exposure Draft related to transparency on governance, strategy, risk management and targets pertaining to climate risks and opportunities. Recognizing the need for United Nations system-wide collaboration to ensure consistent reporting and data collection, a detailed session on sustainability reporting will be included in the upcoming meeting of the FBN in July 2025. Additionally, the FBN will engage with the High-level Committee on Management (HLCM) to address resource needs and strategic direction for sustainability reporting across the United Nations system.

Mr. Pierre Moscovici  
Chair of the United Nations Panel of External Auditors  
First President of Cour des comptes, French Republic  
Member of the United Nations Board of Auditors  
New York

The “Greening the Blue” initiative, which has reported the environmental footprint of United Nations operations since 2009, is undergoing improvements to enhance data collection and reporting processes. This will further increase coordination among United Nations organizations, transparency of environmental data and allow for better-informed strategic decision-making, thus responding to the Panel’s recommendation. Furthermore, promoting capacity building within the United Nations system is essential for embedding sustainability into our reporting and decision-making processes.

In line with these efforts, the FBN, in collaboration with the United Nations Environment Programme (UNEP) Sustainable United Nations (SUN) initiative, will continue its work on environmental sustainability, engaging with the IPSASB and relevant stakeholders. The FBN will consult with UNEP SUN to ensure that a coordinated exchange of information can take place with the Panel on the existing efforts within the United Nations system.

### **Financial and budgetary performance reporting**

The Administration recognizes the view of the Panel on developing a more integrated approach to aligning financial and programmatic performance reporting to foster better stewardship of the resources across the United Nations system. While integrated reporting may offer benefits, it is important to note that practices vary across the United Nations system reflecting decisions of the different intergovernmental bodies, as well as the different mandates, funding arrangements and operational requirements of United Nations system entities. A single methodology for integration may not be feasible for all organizations. However, the Administration agrees with the Panel that financial and programmatic performance information should be presented in a manner that is accessible and facilitates informed decision-making and has made strides in this direction. In particular, for peacekeeping missions, mandate and resource performance information are presented in an integrated manner in the budget performance reports. While financial performance and programmatic results for the regular budget are presented in separate documents, they are reviewed concurrently by the legislative bodies, allowing Member States to assess both aspects together when considering the programme planning and resource requirements for the upcoming budget period.

The Administration remains committed to improving the clarity and accessibility of our reporting, ensuring that it supports the stewardship of resources and strengthens accountability to all our stakeholders.

### *Internal Justice System and accountability mechanisms*

My Administration acknowledges the importance of robust oversight and an effective process for addressing alleged wrongdoing within the United Nations system. The credibility and reputation of the Organization depend heavily on the trust of its stakeholders, including staff, and we have taken steps to strengthen accountability mechanisms, whistle-blowing frameworks, triage and tracking systems and independent oversight, ensuring alignment with best practices.

(a) Internal justice system

The HLCM Human Resources Network engaged with the Ombudsman functions of the United Nations system in a dedicated workshop to discuss practical challenges in situations that occur regularly and would benefit from “informal first” approaches. The Administration is committed to prioritizing informal solutions as the initial approach to address workplace conflicts, in line with General Assembly resolution 77/260. The “informal first” approach promotes early conflict resolution, ensuring timely, amicable and confidential solutions.

The Office of the United Nations Ombudsman and Mediation Services (UNOMS) plays a central role in addressing employment related concerns, including those involving senior officials. As part of its mandate, UNOMS provides neutral, confidential and informal services, such as mediation and conflict coaching, to resolve workplace disputes before they escalate to the formal process. UNOMS reviews its effectiveness regularly through client satisfaction surveys.

The head of UNOMS chairs the Network of United Nations System Ombudsman and Mediators. Through this Network, the Administration collaborates with the Ombudsman and Mediation Offices of the other United Nations system organizations to harmonize and standardize conflict resolution services across entities. The Network facilitates the exchange of insights, collaboration on common issues and the promotion of best practices among its member organizations. A key achievement of the Network has been the issuance of the Standards of Practice for United Nations System Ombudsman and Mediators.

The Administration provides information to the General Assembly on the implementation of the system of administration of justice on an annual basis, as mandated by General Assembly resolution A/RES/62/228, including information on the functioning of the system and trends in the operation of the formal system of administration of justice. The General Assembly, in its resolution A/RES/79/254, also requested that comprehensive assessments and reviews of the system of administration of justice be undertaken every five years.

(b) Protection against retaliation

The Administration continues to strengthen the Organization’s culture of accountability by providing outreach, training, encouraging the reporting of wrongdoing and raising awareness of mechanisms for protection against retaliation. Information on these outreach activities is shared with entities participating in the work of the Ethics Panel of the United Nations (EPUN) and an EPUN sub-committee has been established to assist in coordination and collaborative approaches. Experiences and best practices are also discussed during the quarterly and annual meetings of the Ethics Network of Multilateral Organizations (ENMO), which includes over 50 multilateral intergovernmental institutions. In addition, an ENMO sub-group has been established to share best practices and discuss issues related to protection against retaliation.

I continue to support best practices related to protection against retaliation, including establishing a mechanism for secondary reviews of no prima facie determinations. In this regard, I made the services of the United Nations Ethics Office available through temporary agreements with various entities of the United Nations system, to ensure they can immediately meet best practices, while they develop a more permanent solution.

(c) Triage and tracking mechanisms

The Administration maintains a confidential and comprehensive Case Management Tracking System (CMTS) to record all received cases of possible misconduct. Upon receipt, all formal cases are evaluated and given the appropriate priority. CMTS maintains information on the life cycle of allegations of misconduct, allows real-time tracking of pending cases and documents the closure of cases. This system assists in the efficient and fair disposition of cases referred for accountability. Past cases of established misconduct are anonymized and disclosed in the online repository called “compendium of disciplinary measures” for transparency and deterrence purposes.

Additionally, when personnel are separated for established sexual harassment or sexual exploitation and abuse misconduct, their names are entered into ClearCheck, which is a centralized database developed and maintained by the Office for Human Resources in the Secretariat. ClearCheck is a highly secure online platform that allows for the sharing of information among United Nations system entities on subjects who have established cases related to sexual harassment or sexual exploitation and abuse with the aim of preventing re-employment within the United Nations system.

(d) Independent oversight

At the system-wide level, HLCM, and UN-RIS (United Nations Representatives of Investigative Services) work together in a partnership arrangement to promote the exchange of experience and knowledge in areas of common interest and the coherent, efficient and cost-effective oversight and management of the organizations of the United Nations system.

Furthermore, in accordance with its mandate from the General Assembly (including resolution A/RES/48/218B), the Office of Internal Oversight Services (OIOS) conducts independent, impartial and professional investigations of allegations of fraud, corruption and other misconduct in the Organization. A recent independent quality assessment found that, overall, the investigation function, as carried out by OIOS, is in conformity with generally accepted professional standards for investigations and that stakeholders expressed confidence in the independence of OIOS and appreciation for the professionalism of its staff.

OIOS also cooperated with the Board of Auditors and the Joint Inspection Unit (JIU) to enhance synergies and efficiencies in the discharge of respective mandates, and shared knowledge on good practices and innovations in oversight methodologies with the other internal oversight functions of the United Nations system. In particular, the Office participates in regular meetings of UN-RIS, and OIOS was a founding member of the Conference of International Investigators, which has promulgated a set of principles for conducting administrative fact-finding investigations. OIOS continued to engage with its various oversight committees, which provide guidance that helped to improve the results of the work of OIOS and ensure that, through its work, it contributes significantly to ensuring the protection of United Nations human and financial resources and reinforcing accountability within the Organization.

#### *Enhanced transparency of losses and special payments*

The Administration is committed to transparent reporting and to enhancing a culture of accountability. As noted in your letter, disclosures of fraud and losses are currently governed by established Financial Regulations and Rules.

Recent discussions with the Board of Auditors have highlighted the need for a more precise definition of “presumptive fraud”, which is often complex and spans multiple fiscal periods, further complicating its inclusion in public disclosures.

While safeguarding sensitive information, the Administration is committed to improving reporting practices and ensuring that critical issues are communicated effectively. These efforts will support our ongoing drive to enhance accountability, learn from past experiences and strengthen the confidence of donors and Member States in the Organization’s financial stewardship.

#### *Engagement with Chief Executives Board (CEB) networks*

The FBN and its Task Force on Accounting Standards (TFAS) values its regular engagement with the Panel of External Auditors and appreciates the opportunity to discuss the challenges and risks for the United Nations system in the area of finance and budget. As highlighted in your letter, the continued pressure on the financial resources of United Nations organizations will remain a significant challenge in 2025. The TFAS has developed United Nations system-wide IPSAS policy guidance and has proactively shared the guidance with the Panel, with the aim of achieving a common understanding and interpretation of the Standards between United Nations organizations and their external auditors. The FBN and TFAS look forward to continuing constructive engagement with the Panel on current and future United Nations system-wide IPSAS policy guidance.

The FBN appreciates the support of the Panel for the United Nations system Responsible Investment Statement (RIS), developed by the FBN Working Group on Common Treasury Services (WGCTS). At the WGCTS meeting in October 2024, members discussed the ongoing work to implement changes to investment guidelines, incorporating the RIS and establishing access to reporting and monitoring tools. The WGCTS sub-group on Responsible Investment will continue to ensure knowledge-sharing across the United Nations system, monitor RIS implementation and discuss developments from the IPSASB related to climate-related financial disclosure.

Each organization is responsible for the implementation of the RIS or relevant components that apply to it. This includes updating its investment guidelines and benchmarks, establishing appropriate internal monitoring and reporting mechanisms and ensuring that its practices are aligned with the principles outlined in the RIS. As part of the ongoing efforts, the Co-Chairs of the FBN would be pleased to provide the Panel with a briefing on the progress of RIS implementation at a future opportunity.

### **Digital issues**

The Digital and Technology Network (DTN) has been actively fostering alignment across the United Nations system by establishing a baseline, promoting collaboration and information-sharing and developing common approaches to governance, cybersecurity and systems migration. These efforts aim to support greater effectiveness and efficiency of the United Nations system in the digital age. DTN agrees with the Panel's emphasis on critical priorities, including the migration of legacy systems, the need for clear segregation of duties, strict compliance with business change management protocols and addressing gaps in business continuity and disaster recovery planning. These areas remain a focus for the ongoing work of DTN and the upcoming session offers a valuable opportunity to further enhance the collective information security, technical capabilities and overall impact of participating organizations.

Organizations are also exploring inter-agency scaling opportunities on technology infrastructure, systems and capabilities through shared service arrangements under the United Nations 2.0 Action Plan, aligned with Action 45(a) of the Pact for the Future, as outlined in General Assembly resolution A/RES/79/1. This will advance digital transformation, data analytics and strategic foresight across the United Nations system to better deliver its mandates and support Member States.

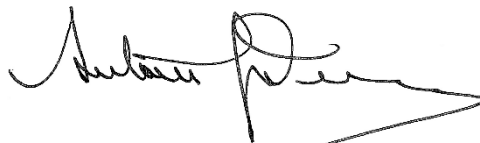
DTN has worked to improve controls and systems within shared services by promoting a culture of cybersecurity, risk management, clear governance, mutual recognition and cost efficiency through common solutions. DTN emphasizes the value of a pragmatic, incremental approach to assurance, with a focus on self-assessments and mutual recognition of security assessments and adherence to a minimum cybersecurity baseline to ensure an acceptable level of security in shared service arrangements across the United Nations system. Key outcomes of the recent meeting of the DTN Cybersecurity Community of Practice included support for the latest cybersecurity baseline, incorporating a new cybersecurity Capability Maturity Model and alignment with the HLCM data and cyber risk management framework. A white paper on managing the cybersecurity of shared services in the United Nations was issued.

As the United Nations system increasingly relies on shared services, it presents opportunities for greater efficiencies and greater clarity regarding management responsibility for internal controls and accountability. Risks associated with shared services are captured in the Secretariat-wide Risk Register and corporate risk owners are assigned responsibility for implementing mitigating measures. The Service Level Agreements define roles, responsibilities and performance expectations in shared service arrangements to ensure operational clarity, accountability and robust performance tracking. Additionally, within the Enterprise Risk Management system, service centres assess and address risks, conduct routine operational reviews to strengthen internal controls and engage regularly with client entities to continuously improve processes.

Digital technologies, including artificial intelligence (AI), offer both opportunities and risks. The United Nations system, through the CEB High-level Committee on Programmes (HLCP), continues to enhance coordination and collaboration in AI, with a view to advancing transparency, fairness, accountability and sustainability across the AI life cycle. Additionally, efforts are under way to leverage AI in support of the achievement of the Sustainable Development Goals. DTN has focused on improving data governance and strategies for addressing data fragmentation. By providing a platform for United Nations organizations to share experiences, address challenges and collaborate on system migration, particularly for Enterprise Resource Planning and Customer Relationship Management systems, DTN highlights the importance of cloud adoption, standardization and cost-effectiveness. At its recent session, DTN discussed how to define and strengthen digital strategy and data governance, recognizing that these elements are inseparable and critical for effective data management. Success is defined as the alignment of technical capabilities with business processes, ensuring that AI adoption follows established frameworks for security, architecture and maintenance.

Please accept my thanks and appreciation for the ongoing constructive engagement. My Administration looks forward to continuing the fruitful and cooperative relationship with the Panel.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'António Guterres', with a long horizontal line extending from the end of the signature.

António Guterres