

United Nations Secretariat*

Statement on internal control for 2023 operations

Scope of responsibility

1. As Secretary-General of the United Nations, I am accountable for the administration of the Organization and the implementation of its mandates, programmes and other activities and for maintaining a system of internal control designed to provide reasonable, but not absolute, assurance of the achievement of objectives in the forms of reliable financial and non-financial reporting, effective and efficient operations and compliance with regulations, rules and policies, including with regard to preventing and detecting fraudulent acts. As part of my reform agenda, I have delegated authority to heads of entities to manage human, financial and physical resources under the Staff Regulations and Rules and the Financial Regulations and Rules of the United Nations. Furthermore, every individual in the Organization has, to varying degrees of responsibility, duties to perform regarding internal controls under those regulations and rules.

Responsibility for internal controls

2. Internal controls are designed to reduce and manage, rather than eliminate, the risk of failure to achieve the Organization's objectives. Internal control is a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. Internal control is a key role of management and an integral part of the overall process of managing operations. As such, United Nations Secretariat management at all levels has the responsibility to:

- Establish an environment and culture that promotes effective internal control
- Identify and assess risks that may affect the achievement of objectives, including the risk of fraud and corruption
- Specify and implement policies, plans, operating standards, procedures, systems and other control activities to manage the risks associated with any risk exposure identified
- Ensure an effective flow of information and communication so that all United Nations personnel have the information they need to fulfil their responsibilities
- Monitor the effectiveness of the internal control system

3. The United Nations Secretariat's internal control system operates continuously at all levels of the Organization through control processes established to ensure that objectives are accomplished.

* In this context, the Secretariat includes peacekeeping missions and non-peacekeeping entities, including the United Nations Environment Programme, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime and the International Residual Mechanism for Criminal Tribunals.

United Nations Secretariat operating environment.

4. In delivering on its primary purpose, the United Nations Secretariat operates in 474 duty stations across the globe in sometimes challenging and unpredictable environments, including in terms of the security of its personnel and is therefore exposed to situations with a high level of inherent risk. The United Nations security management system enables the United Nations operations and programmes to perform a wide range of mandates, including in high-risk settings. In order to mitigate its risks in an efficient way, the Organization completed in 2023 a comprehensive risk assessment and revised its Secretariat-wide risk register. The revised register reflects the evolving risk profile of the Organization and highlights the critical risks to implementing mandated activities by the Secretariat. In 2023, four new critical risks were raised: (1) humanitarian assistance; (2) misinformation and crisis communication; (3) political climate; and (4) sexual exploitation and abuse. Considering the Secretariat-wide risk register, managers are required to maintain entity-level risk registers, strengthening their ability to effectively deliver on mandates, which are subject to regular review by senior managers and internal and external auditors.

Internal control system and risk management

5. The United Nations Secretariat's **internal control system** is composed of regulations, rules, administrative issuances, policies, processes and procedures with which staff members are obliged to comply. The internal control system of the United Nations is consistent with criteria established in the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, also referred to as the COSO Internal Control – Integrated Framework (2013).

6. The Organization's enterprise risk management and internal control policy ([A/66/692](#), annex), which was approved by the Management Committee in May 2011, defines a consistent methodology for assessing, treating, monitoring and communicating risks. The framework is designed to address both the strategic risks associated with the execution of the mandates and objectives as defined in the Charter of the United Nations and as specified by the principal organs of the United Nations, as well as the risks inherent in the daily operations that support the achievement of those mandates.

7. Since 2014, the Organization maintains a Secretariat-wide risk register as the instrument which summarizes the most significant strategic risks for the entire Organization, and the related governance structure to support the implementation process. The latest version of the register was endorsed by the Management Committee in November 2023, following a detailed risk assessment process. The resulting Secretariat-wide risk register includes risk definitions, a full analysis of key risk drivers, a description of the controls already established by management and an outline of potential risk response strategies. As part of the risk assessment, each risk was scored in terms of likelihood and impact (risk exposure). Following an evaluation of the effectiveness of the controls in place to mitigate the given risk, the level of residual risk was determined as the starting point for defining the appropriate risk treatment response. The Secretariat-wide risk treatment response plans are periodically updated and reviewed by the enterprise risk management task force, which, in turn, provide updates to the Management Committee. The Secretariat-wide risk register continues to inform future statements on internal control.

8. In 2016, the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat ([ST/IC/2016/25](#)) was introduced to provide guidance and information to staff members and other Secretariat personnel on how the Secretariat acts to prevent, detect, deter, respond to and report on fraud and corruption. The Secretariat takes a zero-tolerance approach towards fraud and corruption.

9. Fraud and corruption risks have been fully evaluated as part of the recent Secretariat-wide risk assessment. To further strengthen its anti-fraud and anti-corruption efforts, the Secretariat published the Handbook on Fraud and Corruption Awareness for staff following extensive consultations with relevant Secretariat entities. The Handbook was issued on International Anti-Corruption Day on 9 December 2022. A fraud and corruption awareness strategy, instrumental in preventing, detecting and responding to fraud in the Secretariat and in promoting a robust anti-fraud and anti-corruption culture, was also formally defined and endorsed by the Management Committee in March 2023.

Review of the effectiveness of internal controls

10. The review of the effectiveness of the Secretariat's system of internal control is based on the following:

(a) The **internal control self-assessment questionnaire and assurance statement**, as completed and submitted by heads of entities. The questionnaire was used by each entity to review key controls and rate compliance. Heads of entities supported their responses with evidence and actions taken or planned. The results of the self-assessment exercise were reviewed carefully, control measures were adapted as required, and action plans were developed to address areas for improvement, where applicable;

(b) An analysis of various **key performance indicators** on internal controls as issued by offices such as the Department of Operational Support and the Department of Management Strategy, Policy and Compliance. Within the latter, the Business Transformation and Accountability Division has been continuously improving the second line of defence by ensuring the frequent use of the **management dashboards** and conducting regular monitoring of performance against the key performance indicators of the delegation of authority framework. The management dashboards provide real-time business data from Umoja (the enterprise resource planning system) and other enterprise systems, together with trend analyses and other analytical reports to senior management, the Management Committee and the United Nations oversight bodies;

(c) Recommendations issued by the **Office of Internal Oversight Services, the Joint Inspection Unit and the Board of Auditors**. These recommendations provide objective information on compliance and control effectiveness.

Status of internal control issues in 2023

11. The responses provided by heads of entities to the 2023 self-assessment questionnaire represent an integral part of evaluating the effectiveness and compliance of each entity with the United Nations Secretariat internal control framework, as adapted to the COSO Internal Control – Integrated Framework (2013).¹ On the basis of the questionnaire and key performance indicators, as well as

¹ A significant deficiency exists in the system of internal control when management determines that a component and one or more relevant principles are not present or functioning or that components are not operating together.

recommendations of internal and external oversight bodies, heads of entities provided assurance on the efficacy of the internal controls in the areas under their responsibility.

12. Through the mechanisms described above, the assessment of internal controls demonstrated improvements on the eight issues reported in the 2022 statement on internal control. Despite those improvements, the eight areas were carried over in the context of the 2023 exercise as the desired maturity level had not yet been reached.

(a) *Implementation of property management processes.* The property management performance review for 2023, which covers Secretariat entities, brought to light some improvements in certain areas, while other areas remained stable compared to 2022. Notable improvements were achieved in the timeline of property disposal from commercial sales and in conducting mandatory physical verification for all types of property, including capitalized, non-capitalized and inventory items. Progress was also noted in managing property held in stock for over six months and property which exceeded its life expectancy. Efforts to strengthen data integrity and accuracy—a persistent concern and identified weakness within property management—are underway. These initiatives focus on improving the tracking of life expectancy and ensuring timely updates in Umoja which support supply chain and property management activities. The ongoing enhancement and vigilant monitoring of internal controls in property management continue to be a priority. Both the property management framework and the supply chain performance management framework are crucial for the effective governance and control of the Organization’s assets as they provide essential support for the consistent application and interpretation of financial regulations and rules;

(b) *Adherence to the policy of advance purchase of tickets.* During 2023, the volume of travel increased and the compliance with the 16-day advance purchase policy improved by 10 per cent compared to 2022. The use of the accountability indicator monitoring dashboard and the travel statistics dashboard helped offices to identify and address the causes of non-compliance and improve the compliance rate. In addition, the Business Transformation and Accountability Division launched a pilot project working with entities to identify opportunities to improve performance;

(c) *Implementation of human resources processes relating to talent acquisition and management.* A climate of financial austerity and downsizing dominated the second half of 2023, with the suspension of hiring activities and priority consideration of downsized staff, affecting recruitment timelines as well as efforts to broaden the diversity of staff and achieve geographical representation and gender goals. Notwithstanding, efforts to implement the decisions made by the General Assembly in its resolution [77/278](#) continue, through the advancement of the staff selection 2.0 programme, the revision of the geographical representation strategy and the key performance indicators in the senior managers’ compact amongst other initiatives. Finally, and in order to improve reporting on exceptions to administrative instructions on human resources, the Business and Transformation and Accountability Division updated guidance which clarifies the scope of those exceptions and continued to explore options to strengthen in-depth monitoring as an integral part of the delegation of authority framework;

(d) *Implementation of 10 principles on personal data protection and privacy, adopted by the High-Level Committee on Management in 2018.* The Organization is endeavouring to strengthen data protection and privacy and ensure the responsible flow, use and sharing of personal data by Secretariat entities in support of mandates. Following collaborative efforts made throughout 2023, the General Assembly, in its resolution [78/252](#) of 22 December 2023, approved the establishment of the Office of Data Protection and Privacy as an independent unit within the Secretariat. The Office

will provide central and effective oversight, coordination and guidance on the implementation of the Secretariat data protection and privacy programme, including the policy that was promulgated on 13 March 2024 ([ST/SGB/2024/1](#)), which aims to establish an overarching framework on data protection and privacy for the Secretariat, as well as related administrative issuances. In addition, the Office will work hand-in-hand with the Office of Information and Communications Technology to design and approve relevant Organization-wide technical safeguards, as well as provide advice on their adoption, as outlined in the policy;

(e) *Monitoring and evaluation of programme and project implementation.* The Organization continued to strengthen its ability to deliver results more effectively and efficiently. Secretariat entities widely used the strategic management application (SMA) to monitor progress towards approved deliverables and results, thus providing managers with the ability to more effectively monitor the implementation of their respective programmes. The use of the integrated planning, management and reporting (IPMR) solution, which provides managers with holistic and timely information about projects, continued to increase for voluntary contributions projects. IPMR data models were implemented to allow customized reports to be created through Umoja Analytics in order to improve data-driven decision-making. Additionally, the integrated project manager's dashboard which provides enhanced visibility of linkages between substantive results and financial data was rolled out. Finally, an integral part of strengthening programme delivery is fostering a culture of internal evaluation across Secretariat entities. In 2023, progress on strengthening evaluation across the Secretariat continued: entities received support from the Office of Internal Oversight Services on evaluation methodologies and quality assurance, as well as from the Business Transformation and Accountability Division on evaluation management. Key activities implemented included the (a) review and revision of the administrative instruction on evaluation in the United Nations Secretariat ([ST/AI/2021/3](#)); (b) holding one-on-one consultations with 17 entities on their support needs; and (c) updating the Evaluation Management Committee on progress made, including an annual update from the Committee Chair to the United Nations Secretariat's Management Committee on progress made in the implementation of the administrative instruction. In 2024, it is anticipated that the revised administrative instruction will be promulgated; support for its implementation provided by the Office of Internal Oversight Services and the Business Transformation and Accountability Division will be enhanced, through revised guidance and tools, including enhancing community of practice.

(f) *Management of workplace conduct and discipline.* The Secretariat continues to make progress on conduct and disciplinary issues, including through an increase in the use of the misconduct risk management tools of the Department of Management Strategy, Policy and Compliance, and the implementation of the fraud and corruption awareness strategy which includes a set of specific time-bound actions to complement and operationalize specific elements of the *Fraud and Corruption Awareness: A Handbook for Staff*. In addition, organizational values are reinforced through the United Nations Values and Behaviours Framework for staff, which provides a description of what the Organization is, what it wants to be and why each aspect of its culture matters. Efforts continue to ensure that all cases of misconduct, including prohibited conduct, are properly documented in the Case Management Tracking System. Through the Administrative Law Division's Connect platform, best practices and exchanges on experiences and lessons learned helped ensure consistency in the assessment of internal controls and in the reporting of cases of fraud or presumptive fraud. In addition, efforts to strengthen reporting mechanisms for all cases of misconduct continue, and senior leaders are encouraged to ensure that investigations under their authority are completed in a timely manner;

(g) *Cybersecurity*. The potential consequences of a weak cybersecurity posture go beyond the disruption of information and communications technology infrastructure and systems and cannot be measured solely by the volume of data and the number of user accounts that are compromised as a result of cyberattacks. Rather, the potential consequences of weak cybersecurity can directly have an impact on the ability of the United Nations to deliver on its mandates and on the Organization's credibility, and can potentially have an impact on the safety and security of United Nations personnel and assets, and beneficiaries. To improve effectiveness in preventing and responding to cyberattacks, a multifaceted approach is required, involving all levels from the legislative and governing bodies and oversight mechanisms to administrative and substantive offices and the workforce of the United Nations. Building on the previous action plan endorsed by the General Assembly and subsequent lessons learned, the Office of Information and Communications Technology developed a comprehensive proposal for cybersecurity initiatives to address the significant risks that continue to exist. The proposal to address cybersecurity risks that the United Nations faces was submitted as part of my proposed capital investment plan (A/77/519), the consideration of which had been noted but not approved by the General Assembly. While opportunities to adequately address related resource gaps through the existing budgetary mechanisms are being sought, the Office of Information and Communications Technology continues to implement improvements where possible, with a focus on addressing the most urgent needs;

(h) *Implementation of recommendations of the Office of Internal Oversight Services*. The long-term implementation rate of recommendations made by the Office of Internal Oversight Services remains high overall. However, recommendations should not just be implemented but should also be implemented in a timely manner to make sure that control weaknesses are addressed and opportunities to improve performance seized. The Office is working with entities to address recommendations that are overdue and, in particular, to appropriately close those that are long overdue because they no longer adequately reflect the organizational environment. The goal is to ensure that open recommendations are assessed in view of the current conditions and addressed as necessary.

13. No new areas were identified in the context of the 2023 exercise.

Statement

14. All internal controls have inherent limitations – including the possibility of circumvention – and therefore can provide only reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. Furthermore, because conditions are dynamic, the effectiveness of internal controls may vary over time.

15. Based on the above, I consider, to the best of my knowledge and information, that the United Nations Secretariat operated under an effective system of internal control during 2023, consistent with the foregoing and with the COSO Internal Control – Integrated Framework (2013).

16. The United Nations Secretariat is committed to addressing the internal control and risk management issues identified above as part of the continuous improvement of its internal controls.

(Signed) António **Guterres**
Secretary-General
New York, 2 October 2024
