



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** December 15, 2025

**SUBJECT:** USAID OIG Response to Joint Inspection Unit Report “Review of Donor-led Assessments of United Nations System Organizations and Other Oversight-related Requests from Donors in the Context of Funding Agreements and the United Nations Single Audit Principle”

### Abstract

In October 2025 the Joint Inspection Unit (JIU), the UN’s independent external oversight body, published a [report](#) titled “*Review of Donor-Led Assessments of United Nations System Organizations and Other Oversight-related Requests from Donors in the Context of Funding Agreements and the United Nations Single Audit Principle.*” This report provided a comprehensive examination of how external, donor-initiated oversight activities are affecting the functioning and efficacy of the UN system.

The report contains several formal and informal recommendations. The U.S. Agency for International Development (USAID) Office of Inspector General (OIG), operating as a distinct and independent law enforcement agency separate from USAID,<sup>1</sup> agrees with many of the report’s concerns about UN operations; we differ, however, on key elements, including:

1. **Donor-led investigations of UN-related misconduct.** The JIU report characterizes the increase in donor-led requests and investigations into UN activities as contrary to the UN’s autonomy and independence. We believe such member state-driven investigations are fully consistent with preserving the UN’s autonomy and are vital to strengthening transparency and reinforcing responsible member state oversight over their voluntary contributions to UN agencies.

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<sup>1</sup> Per the Inspector General Act, USAID OIG has jurisdiction over funding administered under part I of the Foreign Assistance Act by USAID or any successor agency responsible for administering foreign assistance programs. By statute, we also provide oversight over the Millennium Challenge Corporation (MCC), the U.S. African Development Foundation (USADF), and the Inter-American Foundation (IAF).

2. **Independence of UN internal oversight bodies.** The independence, and thus capacity to conduct meaningful oversight, of UN internal oversight bodies is constrained by the way they are funded and to whom they report.
3. **Scope and application of UN single audit principle.** It is critical that the single audit principle not be used as a shield against donor audit requests tied to specific grants. There are opportunities to work with the UN on developing procedures for other internal audit-type information requests that balance UN capacity with member state need for timely and accurate information tied to the latter's contributions.
4. **Scope and application of privileges and immunities.** The UN has repeatedly declined to cooperate with USAID OIG information requests because doing so would affect the UN agency's "privileges and immunities," actively hindering our ability to conduct investigations into credible allegations of misconduct. We continue to believe that the UN's assertion of privileges and immunities is often premature and utilized as a broad shield to avoid sharing pertinent information at the early stages of our investigations.

## Introduction

For over a decade, USAID OIG has been the primary federal entity conducting oversight of U.S.-funded foreign assistance implemented by UN agencies. As such, we have repeatedly emphasized that effective stewardship of these funds requires specific, nuanced oversight. In Fiscal Year (FY) 2025, we identified USAID's challenges in obtaining pertinent information from the UN tied to their funding as a top management challenge for the agency, highlighted by our persistent concerns regarding oversight, timely reporting, and access to records. And, in July 2025, we published a lessons learned evaluation of USAID's partnerships with UN agencies that detailed several of the overarching challenges to transparency and accountability within the UN system, including, notably, overreliance on the UN's internal oversight and the UN's self-reporting of potential misconduct, which we find limits transparency into Federal funding.

The Joint Inspection Unit (JIU), the UN's independent external oversight body published a report in October 2025 titled "*Review of Donor-Led Assessments of United Nations System Organizations and Other Oversight-related Requests from Donors in the Context of Funding Agreements and the United Nations Single Audit Principle*," providing a comprehensive examination of how external, donor-initiated oversight activities are affecting the functioning and efficacy of the UN system. The JIU report focuses on oversight requests and other reporting requirements—including audit, evaluation, and investigations related requests—that donors are mandating for UN organizations, outside of standard UN oversight procedures. According to the report, these types of external, donor-led oversight requests have increased in recent years: in fact, the report specifically identifies the U.S. as contributing to the "proliferation" of external oversight requests, including "demand by the United States Congress for near-

unrestricted access to United Nations records” as a result of “limited reliance on the United Nations oversight systems.”

The report illustrates a challenge that USAID OIG routinely confronts, particularly in its investigative work: the legitimate need on behalf of a donor for timely information related to their funds, and the structural limitations within the UN system that the UN claims hinder the sharing of that information. Below is a summary of JIU’s findings, as well as reflections on JIU’s findings and recommendations from the perspective of USAID OIG.

## Report Summary

### *Provisions Regarding External Oversight Requests*

The report breaks down the types of external oversight requests into seven categories: audit-type requests, evaluation requests, investigation-related requests, risk requests, program monitoring requests, financial reporting, and entity-wide reviews. A theme across all seven of the categories is a concern on behalf of the UN regarding potential donor access to confidential information and the challenge of duplicative efforts, particularly in respect to investigation-related requests.

The report noted that standard agreements typically include provisions for informing donors of “substantiated allegations.” For example, USAID standard award provisions for cost-type agreements with the UN stated that the UN must report credible allegations of fraud, corruption, and other prohibited misconduct to USAID OIG under requirements instituted in November 2019<sup>2</sup> and disclose sexual exploitation and abuse allegations to USAID OIG under requirements instituted in May 2021.<sup>3</sup> Despite these agreements, USAID OIG continues to face significant barriers when it comes to accessing information from the UN.

### *Investigation-Related Requests*

Notably, the JIU reported an increase in donors seeking to conduct investigations into UN personnel; according to the JIU, such investigations pose a “clear risk of undermining the independence and autonomy of United Nations entities’ internal investigation functions” as well as a risk to the rights of individuals suspected of misconduct and/or whistleblowers, victims, and witnesses. The report also notes that in the context of investigations-related requests, an “increasing number of donors have also been requesting information on suspected allegations even before investigations begin.”

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<sup>2</sup> See ADS 308mab M17 (e).

<sup>3</sup> See ADS 308mab M. 19-Alt.

On this point, we would underscore the importance of donor investigative bodies like USAID OIG being able to conduct our own independent investigations of UN-related misconduct. In a separate JIU report (also published this year) on the UN's policies and practices to prevent sexual exploitation and abuse, it was found that while "the overall human resources capacity for investigating allegations of sexual misconduct in [JIU] participating organizations has nearly doubled since 2017...the number of sexual misconduct allegations involving United Nations personnel has increased nearly fivefold." Notably, the UN does not possess law enforcement authority to hold wrong doers accountable criminally or civilly. The one UN mechanism for compiling information regarding entities found to have committed wrongdoing (by the UN's standards) can only be accessed by those in the UN system. That risks individuals being able to circulate to the private sector, despite a finding of wrongdoing by the UN. Relatedly, when termination of employment is a possible consequence, the UN requires that evidence be "clear and convincing." This is a higher burden of proof than what the U.S. government would require when deciding whether to refer a member of the UN's staff that has been accused of misconduct for suspension or debarment. As a result, a UN investigation may conclude that no wrongdoing occurred in cases where USAID OIG, applying a lower burden of proof, might reach a different finding. Additionally, most UN oversight bodies report to the head of their "parent" agency, have their budgets set by the agency they oversee, and do not have the independence to share information regarding that agency to external donor oversight bodies like USAID OIG. Those factors all impact the level of autonomy UN oversight bodies truly have.

Furthermore, characterizing requests from donors for detailed information about alleged illegal acts or misconduct by officials, agents of the organization, or third parties involved in implementing projects as "undermining" the UN's independence distracts from the real issue. Based on our extensive experience, the UN does not possess the capacity to conduct the scope and type of investigations necessary to prevent bad actors from abusing the international humanitarian and development sector nor hold them criminally, civilly or administratively accountable. Notably, we run into specific issues when attempting to conduct investigations of UN employees accused of misconduct. For instance, in January 2024, USAID OIG requested from the World Food Program (WFP) OIG documentation related to potential WFP staff involvement in a food diversion scheme in Ethiopia. It took 14 months for our office to obtain the requested records due primarily to delays and objections of WFP's front office. The UN being particularly evasive when allegations involve their own employees accused of wrongdoing is what undermines, rather than preserves, independence.

The mutual interest between the UN and external donor oversight bodies has always been to ensure that aid gets to its intended recipients and prevent misconduct by UN officials, agents, and third parties. Despite this, USAID OIG runs into significant problems when it comes to

obtaining information from UN organizations. Over the past five years, there have been 10 different investigative matters wherein we sought specific information from five different UN agencies. Five of these matters involved UN Office of Internal Oversight Services (OIOS) reports on matters ranging from sexual assault and abuse allegations to fraud and material support to terrorism. The shortest amount of time it took any of the four UN agencies to provide information to USAID OIG was 6 months. The longest amount of time for one of those five agencies to respond exceeds two years. In one case, the UN agency declined to cooperate altogether, citing that its internal processes preclude disclosure of information (that was pertinent to a USAID award). All of this precludes timely investigations into allegations received and reflects the need for U.S. law enforcement to have a more direct and active role in the investigations, coupled with appropriate contractual or legal authorities to obtain necessary information from the UN.

### *Legal and Regulatory Frameworks*

The report goes on to provide an examination of the most frequent legal and regulatory arguments made against external, donor-led oversight requests by JIU participating organizations. These include the UN “single audit principle” and privileges and immunities.

#### UN Single Audit Principle

The single audit principle “stipulates that the external auditors of the United Nations system organizations are ‘the sole judge as to the acceptance, in whole or in part, of the certifications and representations’ by the Administration.” Essentially, each UN agency is subjected to agreed-upon external and internal oversight, usually through an internal audit unit and a designated external auditor. The purported aim is to avoid having each member country conduct duplicative/burdensome audits of UN agencies. The JIU report notes, however, that the single audit principle “does not necessarily cover specific grants, programmes or projects funded by donors unless explicitly included in their audit scope” and that “no specific assurance regarding the funds involved can be provided to satisfy all donor needs” given limited audit scopes. According to the JIU, depending on the specific needs of donors as spelled out in any agreements, the single audit principle may be used to oppose requests for audits or audit-like information, “but only to the extent that external auditors’ work satisfies contractual requirements regarding the use of donor funds.”

USAID OIG would emphasize the importance of the single audit principle not being used as a shield against donor specific audit requests or requests for audit-like information tied to specific grants.

Relatedly, JIU finds “significant” differences between UN *internal* audit functions and donor expectations. According to the report, “internal audits are conducted on the basis of a risk-based audit plan to satisfy the needs of a given entity and its governing body. Undertaking specific audits, upon the request of donors, falls out of the scope of such risk-based plans and requires a different governance structure, infrastructure and skill set to fulfil the needs of specific groups of stakeholders.” However, “some donors, especially the United States...have been showing an interest in further increasing this type of request.” The report notes that this increase is reflective of donors' limited reliance on UN systems internal oversight functions due to a lack of mutual understanding, trust, or perceived incomplete independence. While the report calls on more to be done to fill this gap, the persistent concern is that more requests of this nature will overburden UN organizations and divert resources from other projects to address the concerns of larger donors.

As noted above, USAID OIG does have genuine concerns regarding the independence of UN internal oversight bodies. We note that our requests to UN bodies for audit-type information are always targeted and necessary to fulfill our statutory mandate. We firmly believe that having access to that type of information is fundamental to ensuring transparency into U.S. taxpayer funded contributions. We are pleased by JIU's note on filling that gap between what we believe is a reasonable donor expectation and the UN's internal audit capacity. We would also note, regarding “overburdening” the system, that timely access to complete and accurate information regarding specific audit-type requests would minimize the need for follow-up inquiries or any extended engagements.

#### Convention on the Privileges and Immunities of the United Nations

UN privileges and immunities is another legal framework that the report identifies as being frequently cited by participating UN agencies as a basis for “refusing donor participation in oversight processes or access to United Nations documents and archives.” USAID OIG disputes the assertion that the UN's “privileges and immunities” serves as a valid rationale for not sharing information about misuse or abuse of USAID funding. We believe UN agencies' invocation of “privileges and immunities” is premature in the factfinding investigative stage, as the information requested by USAID OIG special agents is not connected to a current U.S.-based prosecution. Instead, we ask for information solely to determine if further investigation is warranted. To this end, we signed a formal agreement with one UN agency clarifying that sharing information with us will not waive the agency's subsequent ability to assert privileges and immunities to U.S. prosecutorial bodies such as the Department of Justice. Even with such an agreement, obtaining information from UN agencies remains a significantly protracted undertaking. Of note, the report emphasized that the “inviolability of archives” principle of the UN Convention on Privileges and Immunities does not prohibit specific donor requests from being “voluntarily accepted” by UN agencies.

## Formal Recommendations

Although the report makes seven formal recommendations, this document includes three that warrant particular attention due to concerns we have identified. As the UN considers implementation of these recommendations, the interests of member states must be considered as a priority. Of primary concern is access to information regarding allegations of misconduct impacting donor funds. Ensuring access for U.S. investigative or audit inquiries directly tied to U.S. funding is essential to ensuring effective stewardship over taxpayer funds.

*Recommendation #5: The executive heads of United Nations system organizations should ensure that, by the end of 2027, internal policies clearly define what investigative information may be disclosed to donors or their investigators, including restrictions on sharing sensitive or protected information, such as data affecting privacy, the protection of witnesses and whistleblowers or the presumption of innocence.*

While USAID OIG is not objectively opposed to developing clearer internal definitions of what investigative information can be shared with donors/investigators, we emphasize that such policies should expand, not contract, timely access to information regarding credible allegations of misconduct directly related to donor contributions.

*Recommendation #6: The executive heads of United Nations system organizations should, by the end of 2027, ensure that new funding agreements reflect the duty of Member States to cooperate in good faith with the organization, including respecting its independence and refraining from exerting undue influence. To this end, draft agreements should be reviewed by the legal department, especially when they contain new or non-standard language or when negotiations are particularly complex.*

USAID OIG will continue to strongly advocate for provisions that enable adequate access to investigative and audit information directly tied to U.S. funds. Standard language in agreements should ensure that the U.S. government has access to UN-held information in order to investigate allegations of fraud, corruption, sexual exploitation and abuse, and diversion of aid. USAID OIG has access to this information when it is held by NGOs or contractors; there is no reason why the UN should be held to a lower standard.

*Recommendation #7: The governing bodies and legislative organs of participating organizations are encouraged to reaffirm that negotiations with donors shall be guided by the interests of the organizations, within the boundaries of the applicable legal framework and the overarching principles of effectiveness, efficiency, transparency and accountability in the use of donor-provided funds. They are further invited to call upon all donors to: (a) fully respect the autonomy and independence of international organizations and their privileges and immunities; (b) refrain from exerting undue influence through the imposition of oversight or reporting conditions that are incompatible with the*

*principles of organizational autonomy and independence or that may compromise the integrity, efficiency, objectivity and independence of internal oversight mechanisms; (c) give due consideration to the standard assurance mechanisms approved by governing bodies or legislative organs; and (d) carefully evaluate the necessity and cost implications of introducing additional and bespoke reporting and oversight requirements.*

Again, USAID OIG stresses that our legitimate oversight interest requires practical access to information, particularly where we have received credible allegations of misconduct. As a law enforcement agency equipped to handle sensitive information, we are well positioned to receive such information without compromising UN protections. We also believe, based on our experience, that there is room for reasonable discussion as to when the UN may assert its privileges and immunities to ensure that timely accountability is not impeded.

## **Conclusion**

USAID OIG has for years flagged concerns regarding transparency and accountability of U.S. foreign assistance funds programmed through the UN and limits on the UN's internal oversight processes, as well as the challenges we have faced as the United States' primary law enforcement agency seeking to conduct aggressive investigations into misconduct involving U.S.-taxpayer funds contributed to the UN. As such, we share many of the concerns identified by the JIU. However, with respect to transparency and accountability, the United States should expect and advocate for standards that go beyond those recommended by the JIU, to include:

- 1. Donor-led investigations of UN-related misconduct.** Contrary to the JIU report, USAID OIG firmly believes that increased investigative access will promote transparency and accountability. Establishing guidance allowing for the sharing of unredacted information related to credible allegations of fraud, corruption, and abuse with member states, as well as clarifying the circumstances under which a misconduct allegation involving a member state contribution to a UN agency must be reported to the member state, would work to streamline the investigative process.
- 2. Independence of UN internal oversight bodies.** Like U.S. inspectors general, UN oversight bodies must be able to work independently and without interference from their establishment agencies.
- 3. Scope and application of UN single audit principle.** The single audit principle should be interpreted narrowly in the future and member states should have the ability to conduct targeted audits of programs involving their contributions.
- 4. Scope and application of privileges and immunities.** Ensure that privileges and immunities are utilized solely to protect UN interests in a domestic court of law, rather than to avoid sharing information necessary for the United States to protect its funds by running an investigation into potential misconduct.