

# United Nations Nations Unies

BOARD OF AUDITORS  
NEW YORK  
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## **Opening Statement to the Fifth Committee on the Report of the Board of Auditors' Second Annual Progress Report on United Nations Joint Staff Pension Fund for the year ended 31 December 2017**

**(A/73/5/Add.16)**

Madam Chairperson,

Distinguished Delegates,

On behalf of the Chairman, Mr. Rajiv Mehrishi, Comptroller and Auditor General of India and the other Board Members Mr. Kay Scheller, President of the German Federal Court of Auditors, Mr. Mussa Juma Assad, United Republic of Tanzania, I have the honour to introduce the main findings from the Board of Auditors report on the United Nations Joint Staff Pension Fund (UNJSPF) for the financial year ended 31 December 2017.

### **Audit Opinion**

The Board has issued an unqualified audit opinion on the financial statements for the period under review.

### **Overall conclusion**

The Fund should take proactive steps in collaboration with member organizations to expedite the receipt of the documents required for processing pension benefits. There is also a need to address deficiencies in the Integrated Pension Administration System (IPAS) and streamline the process for obtaining the certificate of entitlement and improving the client grievance management system. The Board also noted the need to strengthen risk management, management of foreign currency exposure and planning for acquisition of critical software such as Trade Order Management software.

### **Key findings**

#### ***Benefits payment management***

During the year 2017, UNJSPF processed 9,588 cases leaving an outstanding balance of 5,537 cases, which is an increase of about 53 per cent outstanding cases over the previous year. The number of cases that the Fund processed within the prescribed time limit of 15 business days increased significantly over the previous year to 62 per cent but was still short of the internal target of 75 per cent.

### *Certificates of entitlement*

Non-receipt of the certificates of entitlement (CE) by UNJSPF leads to suspension of benefits of the beneficiaries. The Board noted that out of the 1,619 cases of suspended benefits, CE forms in respect of 937 cases had been pending for considerable periods, from 2006 to 2016.

### *Planning and acquisition of Trade Order Management System (TOMS)*

UNJSPF adopted Bloomberg Asset and Investment Manager (AIM) as the trade order management system (TOMS) in 2015 through a non-competitive process. The contract for Bloomberg AIM was a stop-gap arrangement for a three-year period (29 July 2015 to 28 July 2018). The Board observed that no Request for Proposal (RFP) had yet been initiated for awarding the contract for a new TOMS. Meanwhile, the contract for Bloomberg AIM was proposed for an extension by two years, further extendable by two more years, i.e. the contract could be in force till 28 July 2022. The Fund informed that IMD would be working on the new order management system in 2020.

### *Recommendations*

Of the 41 outstanding recommendations up to the period ended 31 December 2016, 20 recommendations (49 per cent) have been implemented, 19 recommendations (46 per cent) are under implementation and two recommendations (5 per cent) has not been implemented.

This concludes my introductory statement. I, along with my colleagues, would be happy to provide any clarifications or additional information that the Committee may require.

Thank you.



**Parama Sen**  
**Director of External Audit, India**  
**Chairperson, Audit Operations Committee**