

BOARD OF AUDITORS
NEW YORK
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**Opening statement to the Fifth Committee
on the Board of Auditors report on the United Nations Joint Staff Pension for
the Year Ended 31 December 2019 (UNJSPF)**

Mr. Chair, distinguished delegates,

On behalf of the Board of Auditors, it is my privilege to present its report on the United Nations Joint Staff Pension Fund (the Fund) for the financial year ended 31 December 2019.

Audit opinion

The Board issued an unqualified audit opinion, confirming that the financial statements of the Fund present fairly, in all material respects, the net assets available for its benefits as at 31 December 2019 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26.

Key findings

Firstly, in regard to the Fund Secretariat, the Board evaluated the internal control integrated framework components related to information and communication and monitoring and supervision, and analyzed how these were present in the Fund Secretariat Offices in New York and Geneva. The Board noted that there was no clear management accountability structure for the Geneva Office and difficulties in the information flow between Geneva and New York.

Secondly, in relation to the benchmark for the time taken to process a benefit, that is 75% per cent in 15 business days, the Board noted that, without a proper following process of missing or invalid documents, the practice of having constantly postponed benchmarks for additional documentation requirements may hamper the possibility for beneficiaries, and for the Pension Fund, to determine, with an acceptable certainty, the actual time for completion of a process for benefit.

Thirdly, in relation to the Office of Investment Management and the issue of Personal Securities Trades, the Board identified that the current monitoring does not allow tracking and assessing the impact of all staff members' activities in connection with their personal securities transactions that could result in conflict between personal interests (whether direct or indirect) and the interests of the Fund.

Also, the Board identified that currently, the personal securities policy and procedures are only applicable for the Office of Investment Management's employees, and not to those employees belonging to the Fund secretariat or any other employee to the Fund, that may be involved with transactions of the Office of Investment Management.

Lastly, the Board observed that the Office of Investment Management does not have a specific policy and a formal procedure on external advisors that would help to define the nature of the various contracted services, to identify possible conflicts of interest and to regulate the confidentiality of the information handled by those external advisors.

Financial Position

As at December 2019, the total assets of the Fund amounted to \$72.29 billion and the total liabilities amounted to \$0.26 billion. The net assets available for benefits amounted to \$72.03 billion, which represented an increase of \$11.26 billion (18.53 per cent) compared with the decrease of \$3.59 billion in 2018. The Fund assets consist mainly of investment, representing 98.9 per cent of the total assets, whose fair value by the Fund as at 31 December 2019 was \$71.55 billion.

The total income of the Fund in 2019 amounted to \$14.05 billion, comprising investment income of \$11.36 billion and contributions of \$2.69 billion. The total expenses of the Fund were \$2.79 billion, comprising pension benefit payments of \$2.70 billion and administrative expenses and other expenses amounting to \$0.09 billion.

Status of previous recommendations:

The Board followed up on the 45 outstanding recommendations as at 31 December 2018 and noted that 33 (73 per cent) had been fully implemented and 12 (27 per cent) were under implementation.

This concludes my introductory statement. My colleagues and I would be happy to provide any clarification or additional information that the Committee may require.

Thank you.



Peter Korn
Director of External Audit, Germany
Chairman, Audit Operations Committee