

United Nations  Nations Unies

BOARD OF AUDITORS

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Opening statement to the Fifth Committee on the United Nations Board of Auditors

Report on

United Nations Joint Staff Pension Fund (UNJSPF)

for the financial year ended 31 December 2022

(A/78/5 Add.16)

November 2023

Mr. Chairman,

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 2022.

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 2022 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.

The audit included a general review of the financial systems and internal controls, a test examination of accounting records, and other supporting evidence the Board considered necessary to form an opinion on the financial statements.

In the report of the UNJSPF, 7 recommendations were issued to the Office of Investment Management, and 2 to the Pension Administration.

As key findings, for the OIM, the Board reviewed the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures and observed that the sustainable investment approach was not addressed by the Internal Investment Committee of the OIM.

In addition, the sustainable investment team designed a workplan to address the sustainable investing strategy, but without detailing the specific activities, staff responsible, goals, benchmarks, and deadlines for compliance with the broad topics established in its strategic plan for 2022–2023 and the recommendations and targets to which it committed.

The Board also reviewed a sample of investment purchases and observed that there were transactions without the investment rationale analysis on environmental, social and governance matters filled in by the Office of Investment Management. For the sample of fixed-income transactions, it was noted that the Office did not use the environmental, social

and governance dashboard, and that there was no investment recommendation made by the Office and no investment rationale analysis on ESG matters.

Finally, the Board reviewed the Office's environmental, social and governance reports for the first and second quarters of 2022 for equities issued, which showed that there were securities with reports indicating that they had the highest carbon emissions and low Morgan Stanley Capital International environmental, social and governance ratings, and that some companies presented high-impact controversies, with red or orange flags in the first quarter.

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

Thank you.

A handwritten signature in black ink, consisting of the Chinese characters '胡学文' (Hu Xuewen).

Xue Wen HU
Director of External Audit, China
Chair of the Audit Operations Committee
The Board of Auditors of United Nations