

**Statement of the Chairman  
Advisory Committee on Administrative and Budgetary Questions (ACABQ)**

**10 November 2015**

**Administrative expenses of the United Nations Joint Staff Pension Fund**

*ACABQ report: A/70/7/Add.6  
Report of the Pension Board: A/70/325  
Report of the Secretary-General: A/C.5/70/2*

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report (A/70/7/Add.6) on the Administrative expenses of the United Nations Joint Staff Pension Fund, which contains the revised budget for 2014-2015 and the budget estimates for 2016-2017.

Under administrative costs, the Advisory Committee recommends the approval of thirteen out of the twenty new posts proposed by the Pension Board for 2016-2017 and two out of the three upward post reclassifications proposed by the Board. While the Committee acknowledges that the Fund's client service demands have grown, it nevertheless is of the view that they do not justify the number of additional posts proposed.

Under investment costs, the Advisory Committee recommends against the approval of the proposed new post of Trade Execution Officer in the Investment Management Division on the basis that it would be premature to propose additional posts in the Division when a number of new posts approved for 2014-2015 are yet to be filled or their impact determined. As for the other post proposals, the Advisory Committee recommends the approval of the three reassignments, as well as two out of the three reclassifications proposed by the Board for 2016-2017.

The Advisory Committee shares the concern expressed by the Pension Board regarding the high number of vacant posts, especially at the senior management level and urges the Pension Fund to fill these posts expeditiously.

The Secretary-General proposes an additional appropriation of \$493,600 under the regular budget for 2016-2017 arising from the recommendations of the Pension Board regarding the United Nations share of the Fund's administrative costs. Without sufficient supporting information, the Advisory Committee is not in a position to recommend approval of this proposal and trusts that this information will be provided to the General Assembly at the time of its consideration of the Pension Board's report.

Mr. Chairman,

The Advisory Committee notes that the Fund's investment performance in 2014 and so far in 2015 has been below its long-term policy benchmark. In this regard, the Committee concurs with the related recommendations of the Board of Auditors and trusts that all efforts will be made to apply the Fund's strengthened staffing and information technology capacity to the improvement of the Fund's investment performance. On a related matter, the Committee also encourages the Fund to continue exploring opportunities for geographical diversification while keeping in mind the key criteria of safety, profitability, liquidity and convertibility, and also to consider establishing a comprehensive anti-fraud policy to address the risk of investment management fraud.

As for the Integrated Pension Administration System (IPAS), the Advisory Committee notes that, despite earlier delays and their related cost implications, the system has now been implemented. The Committee trusts that all issues pertaining to its performance will be fully addressed. In addition, the Advisory Committee is of the view that the Fund should take advantage of the system's enhanced capabilities to identify further efficiencies and savings in the Fund's client service operations.

Finally, with regard to the procedure for the submission of the report of the Board of Auditors on the financial statements of the Fund to the General Assembly, the Advisory Committee sees merit in the Board of Auditors' view that it should be presented directly and separately to the General Assembly through the Advisory Committee. The Committee also notes, however, that the Pension Board has not taken a position on the matter.

Thank you, Mr. Chairman.