

Agenda item 142:
UN Pension System

FIFTH COMMITTEE

Implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2015 on the United Nations Joint Staff Pension Fund (A/71/397)

Statement by Mr. Paul Dooley
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November 2016

Madam Chairperson,
Distinguished Delegates,

As the Deputy CEO of the United Nations Joint Staff Pension Fund and the Deputy Secretary of the Pension Board, I am honoured to present the report of the implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2015 on the United Nations Joint Staff Pension Fund.

The report provides information further to the comments already submitted to the Board of Auditors, which were included in the final report of the Board on the United Nations Joint Staff Pension Fund. The report also includes information on the status of implementation, the department responsible, the estimated completion date and the priority of each recommendation contained in the reports of the Board. In addition, the report provides an update on the status of implementation of the recommendations of the Board relating to prior periods that the Board considered not to have been fully implemented.

I am pleased to note that the Board of Auditors issued a “clean” unqualified audit opinion on the Fund’s financial statements for the year ending 31 December 2015. This is the fourth consecutive clean audit opinion obtained by the Fund for its financial statements prepared under the International Public Sector Accounting Standards or IPSAS. For the year ending 31 December 2015, the BOA made 17 recommendations to the Fund, all of which are currently under implementation.

You will note that a number of the observations and recommendations made by the Board of Auditors relate to benefit processing and the implementation of the Integrated Pension Administration System (IPAS). In this connection, we are pleased to report that the independent post-implementation assessment by a specialized consultant presented to the Pension Board in July 2016 concluded that the Fund achieved the fundamental priority of deploying a fully functioning, complete, accurate and consistent payroll (covering 72,000 beneficiaries in 190 countries); and significantly reducing operational and IT risks. The new IPAS will also improve considerably the interface and communications with the 23 Member Organizations. Furthermore,

it will increase the access to information and on-line services for participants and retirees. The Pension Board took note of the successful implementation of the IPAS project.

At the same time, since the beginning of the year, the Fund has been experiencing a “surge” in incoming new cases, largely due to the higher than normal rate of separations from the downsizing in peacekeeping operations as well as efforts from reporting entities to send more opportunely separation documentation. The Pension Board recognized the adverse impact that the delayed payment of pension benefits is having on some new retirees. Aware of the multiple causes for these delays, the Pension Board supported measures introduced by the Fund to improve caseload processing and welcomed initiatives to strengthen client services and communications, which will also address the concerns expressed by the Board of Auditors.

The ACABQ in its report has expressed support for many of the very important initiatives already undertaken and proposed to ensure timely processing of benefits. It needs to be emphasized that the Pension Board has carefully analyzed the resource requirements for these additional and crucial activities, and decided to approve additional temporary resources for the biennium 2016-2017 for the establishment of 20 temporary assistance positions to support activities related to the surge, to manage the important end-to-end review and to strengthen the Fund’s communications and public information activities. If the current trend continues, the number of new benefit cases received by the Fund this year will exceed by 42 per cent the number of cases received in 2014. This trend is expected to continue into the next years. Processing of the additional 4,000 cases received this year required setting up two additional calculation teams, supported by the Quality Assurance Team.

The measures introduced by the Fund to deal with the “surge” and strongly supported by the Pension Board include the establishment of a Task Force to process withdrawal settlements; creation of a quality assurance team; dedicated survivors’ benefit/disability benefit teams; strengthening of reporting; revamping of the Fund’s website; implementing a pilot Client Services call center; *in situ* support to missions in Africa; joint end-to-end review of the separation to benefit process in cooperation with member organizations; and introducing the possibility of making a provisional benefit option as an advance payment to new retirees in extraordinary cases where the processing time for establishing their benefit takes longer than three months after all required documents have been received by the Fund.

The Fund faces structural as well as external challenges. The Fund is working to address these challenges by strengthening its governance and operations as per the strategies, plans and actions mandated by the Pension Board and General Assembly. However, it is fundamental that together with proper guidance and the approval of goals and strategies the Pension Board and the General Assembly also provide the Fund with the required resources to adequately fulfill its mandate and implement the decisions of its governing bodies, as well as the recommendations of the Board of Auditors.

Please allow me, Madam Chairperson and distinguished Delegates, to express on behalf of the Pension Fund, our sincere appreciation to the Board of Auditors for the professionalism and constructive spirit in which it discharges its function. The Fund remains confident that its commitment to the timely and thorough implementation of the Board’s recommendations will contribute to the increased efficiency of the Pension Fund. Thank you.