

Agenda item 133

Financial reports and audited financial statements, and reports of the Board of Auditors

FIFTH COMMITTEE

Report of the Secretary of United Nations Joint Staff Pension Board on the implementation of the recommendations of the Board of Auditors contained in its report on the United Nations Joint Staff Pension Fund for the year ended 31 December 2016 (A/72/364)

**Statement by
Mr. Paul Dooley
Deputy Secretary of the United Nations Joint Staff Pension Board**

5 December 2017

Mr. Chairman,
Distinguished Delegates,

I have the honour to introduce the report of the Secretary of the United Nations Joint Staff Pension Board on the implementation of the recommendations of the Board of Auditors contained in its report on the United Nations Joint Staff Pension Fund for the year ended 31 December 2016 (A/72/364). This statement is introduced on behalf of the Fund secretariat and the Investment Management Division of the United Nations Joint Staff Pension Fund (UNJSPF).

The (A/72/364) report provides further information to the comments already submitted to the Board of Auditors by the Fund's management. It also includes information on the status of implementation, the department responsible, estimated completion date and priority for each recommendation; as well as an update on the status of implementation of the recommendations relating to prior periods that the Board of Auditors considered not fully implemented at the time it issued its reports. This statement will provide an update on subsequent actions taken by the Fund to address the Board of Auditors' recommendations.

The Fund accepted all recommendations made by the Board of Auditors for the financial period 2016 and has made every effort to ensure their implementation within the specified timetables as requested by the General Assembly.

With regard to the 21 recommendations relating to the previous three financial periods, all recommendations were under implementation, as of 31 December 2016.

In the report of the Board of Auditors for the annual financial period 2016 (A/72/5/Add.16), the Board of Auditors noted that outstanding recommendations relate to issues that require major structural changes and the participation of external organizations.

With regard to prioritization, the Board of Auditors categorizes the most important recommendations as “main” recommendations. All accepted recommendations of the Board of Auditors, including those categorized as “main” recommendations, will be implemented in a timely manner.

The target dates defined by the Fund secretariat recognize the need to obtain the approval for the required resources and implement complex and multi-year projects that will impact various stakeholders. The budget proposal for the Fund secretariat requested resources to strengthen its core benefit processing and client services functions with the creation of a client services manager position, flexible resources to address peaks in workload and the procurement of a client relationship management system. The requested resources would therefore allow to further sustain the progress achieved in terms of benefit processing times and the management of client queries. Benefit processing times have improved steadily since the beginning of 2016 and the Fund secretariat has implemented new client servicing mechanisms.

The Investment Management Division has made material progress in addressing open audit recommendations. The Fund exceeded its targeted long-term real rate of return of 3.5 per cent on a 1, 2, 3, 4, 5, 15, 20, 25, and 50 year basis as of 30 September 2017. All of IMD’s senior-level vacancies have been filled, and a succession plan has been implemented. A currency study and a review of the cash requirements of various currencies will be completed by the end of 2017. Risk management has been enhanced. The fixed income strategy has been reviewed, and this has resulted in improved performance for that asset class relative to benchmark. A Target Operating Model study has been completed, resulting in a new ICT roadmap, and implementation is underway.

Please allow me, Mr. Chairman and distinguished Delegates, to express on behalf of the Fund, our sincere appreciation to the Board of Auditors for the professionalism and constructive spirit in which it discharges its oversight functions. The Fund remains committed to the timely implementation of the Board’s recommendations.

Finally, I would like take this opportunity to express my appreciation to my colleagues from the Fund secretariat and the Investment Management Division, who will be with us during the informal consultations to respond to the questions the distinguished Delegates of the Committee might have.

Thank you, Mr. Chairman.