

**Report of the Office of Internal Oversight Services on a comprehensive
audit of the governance structure and related processes of the United
Nations Joint Staff Pension Board
(A/73/341)**

**Introductory Statement to the Fifth Committee by the
Assistant-Secretary-General for Internal Oversight Services
David Kanja
9 November 2018**

Mr.Chairman, distinguished delegates of the Fifth Committee,

I have the honour to introduce to you the report of the Office of Internal Oversight Services (OIOS) on a comprehensive audit of the governance structure and related processes of the United Nations Joint Staff Pension Board, contained in document A/73/341.

OIOS conducted this audit at the request of the General Assembly in its resolution 72/262.

The audit showed that the United Nations Joint Staff Pension Board needed to strengthen its governance in critical areas such as: (i) fair and equitable representation of member organizations on the Board; (ii) entrusting the Board's Standing Committee to provide more effective oversight of the operations of the United Nations Joint Staff Pension Fund; (iii) separation of functions of the Board's Secretary and the Fund's Chief Executive Officer to ensure the Board's independence from the Fund's management; (iv) effective performance management to promote a culture of accountability; and (v) setting the appropriate tone with regard to integrity and ethical values.

The Board also needs to take additional steps including: (i) facilitating transparent and democratic representation of beneficiaries; (ii) retiring its Assets and Liabilities Monitoring Committee which duplicated the work of the Investments Committee and the Committee of Actuaries; (iii) ensuring that the Fund's Secretariat utilizes resources in accordance with legislative decisions; and (iv) proper succession planning for the positions of Chief Executive Officer and Deputy Chief Executive Officer to allow adequate time for their competitive selection.

The Board accepted seven recommendations but did not accept six others, including two critical recommendations concerning: (i) fair and equitable representation of member organizations on the Board; and (ii) separation of functions of its Secretary and the Fund's Chief Executive Officer to ensure the Board's independence from the Fund's management. OIOS maintains that these two recommendations relate to critical issues concerning the Board's governance structure and need to be addressed. The Board's response indicated that four out of the six unaccepted recommendations (including two critical recommendations) were acceptable to the United Nations Staff Pension Committee participants' representatives on the Board but not to the other constituent groups.

Mr.Chairman, distinguished delegates,

OIOS is of the view that the present report provides an opportunity to review the existing structure and practices of the Board and bring about appropriate changes to strengthen its governance and effectiveness.

Mr. Chairman and distinguished delegates, thank you for your consideration of the report and I welcome your comments and questions.