

Agenda item 134

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 and the Representative of the Secretary-General for the investment of the assets of the Fund 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 2017 (A/73/342)

Statement by

**Mr. Paul Dooley, Acting Secretary of the United Nations Joint Staff Pension Board
on behalf of both the Fund secretariat and the Office of Investment Management**

9 November 2018

Madam Chair,
Distinguished Delegates,

I have the honour to introduce the report 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 2017 (A/73/342). This statement is introduced on behalf of the Fund secretariat (FS) and the Office of Investment Management (OIM).

The report (A/73/342) provides information further 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 the priority of 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 report.

Both the Fund secretariat and OIM accepted all recommendations made by the Board of Auditors for the financial period 2017 and have made every effort to ensure their implementation within the specified timetables as requested by the General Assembly.

With regard to the 20 recommendations relating to the previous financial periods (8 for OIM, and 12 for FS), all recommendations are under implementation or already

implemented, as of November 2018. In addition, the Board's report for 2016 contained one audit recommendation addressed to Pension Fund member organizations.

In the report of the Board of Auditors for the annual financial period 2017 (A/73/5/Add.16), the Board of Auditors noted the improvement in the progress of implementation of recommendations.

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. Both FS and OIM have prioritized the implementation of the main recommendations of the Board.

The Fund secretariat has made considerable progress by meeting the benchmark of processing 75 per cent of cases within 15 business days from the receipt of the required documents, and implemented new client servicing mechanisms with improved response times. The Fund secretariat has also taken a proactive approach to enhancing the process for the submission and follow-up of separation documents from member organizations. The target dates defined for the remaining recommendations 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.

OIM welcomes the recommendations of the BoA contained in its report for the year ended 31 December 2017. The RSG and senior management of OIM is pleased to report that the Office of Investment Management closed 12 recommendations of prior years during 2018. OIM is confident that the 8 remaining recommendations of prior years will be closed during 2019. The BoA made 9 new recommendations during 2018, which have been accepted by OIM. OIM notes that some items are recurring recommendations from prior periods, and is strongly committed to implement the new recommendations during 2019 in accordance with established target dates.

OIM has already started the internal fraud risk assessment in October 2018 with the support of OIOS. In addition to this initiative, a specialized Information and communications technology (ICT) security consultant has been hired to analyze and recommend solutions for potential ICT security gaps, which will be finalized in 2019. OIM has expedited various initiatives to address currency exposure.

Please allow me, Madam Chairman and distinguished Delegates, to express on behalf of the Fund secretariat and OIM, our sincere appreciation to the Board of Auditors for the professionalism and constructive spirit in which it discharges its oversight functions. We appreciate the value of the BoA's important work and we look forward to continuing to

work with them. The Fund secretariat and OIM remain committed to the timely implementation of the BoA's recommendations.

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

Thank you, Madam Chair.