

United Nations  Nations Unies

**BOARD OF AUDITORS**

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**Opening statement to the Fifth Committee  
on the United Nations Board of Auditors Report on  
the United Nations Joint Staff Pension Fund (UNJSPF)  
for the financial year ended 31 December 2020  
(A/76/5 Add.16)**

**23 November 2021**

Mr. Chairman,

Distinguished delegates,

On behalf of the Board of Auditors, it is my privilege to present its report on the United Nations Joint Staff Pension Fund (the Fund) for the financial year ended 31 December 2020.

**Audit Opinion**

The Board issued an unqualified audit opinion, confirming that the financial statements of the Fund present fairly, in all material respects, the net assets available for its benefits as at 31 December 2020 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26.

**Key findings**

The Board did not identify significant errors, omissions or misstatements from the review of the financial records of the Fund for the year ended 31 December 2020. However, the Board identified scope for improvements in the areas of the census data, cash management, reputational risk, external managers and external advisers.

The Board reviewed the census data used for the consulting actuary to determine the actuarial valuation and observed several data quality issues. Also, the Board observed that the validation process of the reasonableness of the headcounts was time-consuming and required the merging of multiple data sets. In addition, the process was not aimed at detecting every inconsistency in the data. Moreover, the Board noticed that the census data for the valuation of the after-service health insurance of the Fund was extracted from Umoja and subject to review. Nevertheless, it was not possible to identify which reviews were carried out by the Fund or which thresholds had been established for any deviation that may have been found.

During the review of the reputational risk policy and framework of the Fund, the Board noticed that it doesn't establish in detail how a staff member of the Office of Investment Management should proceed when a reputational risk event arose and which mechanisms and criteria should be weighed when taking action on a reputational risk issue before such a risk materializes. Moreover, there was no clear procedure for how the Office measures the

reputational risk of the vendors, external managers, advisers and other third parties on an ongoing basis.

In area of external managers, the Board noted that there was no standardization regarding the requirements established for reporting to the Office of Investment Management. Furthermore, the Office did not provide evidence that it carried out the monthly performance reviews to external managers during 2020, as required by the external manager policy.

### **Financial Position**

As at December 2020, the total assets of the Fund amounted to \$81.79 billion (2019: \$72.29 billion) and the total liabilities amounted to \$0.27 billion (2019: \$0.26 billion). The net assets available for benefits amounted to \$81.51 billion (2019: \$72.03 billion), which represented an increase of \$9.48 billion (13.15 per cent) compared with the increase of \$11.26 billion in 2019. The Fund's assets consist mainly of investments, representing 98.90 per cent (\$80.89 billion) of the total assets.

The total income of the Fund in 2020 amounted to \$12.37 billion (2019: \$14.05 billion), comprising investment income of \$9.52 billion (2019: \$11.36 billion), contributions of \$2.85 billion (2019: \$2.69 billion) and income from services provided to the United Nations of \$0.007 billion. The total expenses of the Fund were \$2.89 billion (2019: \$2.79 billion), comprising benefit payments of \$2.79 billion (2019: \$2.70 billion) and administrative expenses and other expenses amounting to \$0.10 billion (2019: \$0.09 billion).

### **Status of previous recommendations**

The Board verified the status of implementation of previous years' recommendations up to the period ended 31 December 2019. Of the 44 outstanding recommendations, the Fund implemented 30 (68.2 per cent), 13 (29.5 per cent) are under implementation and 1 (2.3 per cent) have been overtaken by events.

This concludes my introductory statement. I would be happy to provide any clarification or additional information that the Committee may require.

Thank you.

**Valentina Monasterio Gálvez**  
**Director of External Audit, Chile**  
**Chairwoman of the Audit Operations Committee**