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**Financial reports and audited financial statements,
and reports of the Board of Auditors: United
Nations Joint Staff Pension Fund**

Implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2017 on the United Nations Joint Staff Pension Fund

**Report of the Secretary of the United Nations Joint Staff Pension
Board and the Representative of the Secretary-General for the
investment of the assets of the Fund**

Summary

The present report is submitted in accordance with General Assembly resolution [48/216 B](#), in which the Assembly requested the executive heads of the United Nations entities to report to the Assembly, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, on measures taken or to be taken to implement those recommendations.

The report provides information further to the comments already submitted to the Board of Auditors, which were included in the Board's final report on the United Nations Joint Staff Pension Fund.

Therefore, in an effort to reduce redundancy and streamline documentation, the present report provides additional comments of the Fund only where required, as well as 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 Board's recommendations relating to prior periods that the Board considered not to have been fully implemented.

* [A/73/150](#).



Introduction

1. The present report is submitted in accordance with the provisions of paragraph 7 of General Assembly resolution [48/216 B](#), in which the Assembly requested the executive heads of the United Nations entities, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, to provide the Assembly with their responses and to indicate the measures that would be taken to implement those recommendations, with appropriate timetables.

2. In preparing the present report, account was taken of the provisions of General Assembly resolution [70/238 A](#), in which the Assembly, in paragraph 14, stressed that the report of the Board of Auditors on the United Nations Joint Staff Pension Fund should be submitted separately to the General Assembly, as is the case with other United Nations entities, and decided that a copy should continue to be annexed to the report of the United Nations Joint Staff Pension Board. In paragraph 5 of its resolution [71/261 A](#), the Assembly decided to consider further the report of the Board of Auditors on the United Nations Joint Staff Pension Fund under the agenda item relating to the report of the United Nations Joint Staff Pension Fund.

A. Implementation of the recommendations contained in the report of the Board of Auditors on the United Nations Joint Staff Pension Fund for the year ended 31 December 2017¹

3. The status of implementation of the main recommendations as at August 2018 is summarized in table 1.

Table 1
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Office of Investment Management	5	–	5	5	–
Fund secretariat	7	–	7	7	–
Total	12	–	12	12	–
Percentage	100	–	100		

4. The status of implementation of all recommendations as at August 2018 is summarized in table 2.

Table 2
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Office of Investment Management	9	–	9	9	–
Fund secretariat	8	–	8	8	–
Total	17	–	17	17	–
Percentage	100	–	100		

¹ [A/73/5/Add.16](#).

5. **In paragraph 29, the Board recommended that the Fund process the cases pending for a long time on a priority basis and in a time-bound manner.**

Department responsible: Pension Fund secretariat
Status: In progress
Priority: High
Target date: Third quarter of 2019

6. The Fund will introduce additional system enhancements to facilitate the identification of cases that are ready for processing and enhance its business intelligence system to accurately report case status, as well as the time taken to process each type of benefit.

7. **In paragraph 36, the Board recommended that the Fund undertake a data cleansing exercise to identify and close all of the workflows that remained open owing to issues in the Integrated Pension Administration System.**

Department responsible: Pension Fund secretariat
Status: In progress
Priority: High
Target date: Third quarter of 2019

8. Workflow issues have been identified and related system fixes in the Integrated Pension Administration System are being implemented or already implemented. These fixes will allow the automatic closing of workflows completed or closing cases that require no further action.

9. **In paragraph 38, the Board recommended that the Fund have a system audit done of the Integrated Pension Administration System to identify the deficiencies and issues in the system so that they could be corrected.**

Department responsible: Pension Fund secretariat
Status: In progress
Priority: High
Target date: Second quarter of 2020

10. The Fund had already commissioned and completed a “health-check” review of the database module of the Integrated Pension Administration System, which was conducted by the manufacturer of the database itself. As recommended by the Board of Auditors, the Fund will commission a comprehensive system audit of the Integrated Pension Administration System to also evaluate the new functionalities offered by the upgraded version of the application.

11. **In paragraph 46, the Board recommended that the Fund engage with member organizations and resolve the issues in transmission to the Fund of the documents required for the processing of pension benefits.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Third quarter of 2019

12. The Fund is actively working to monitor and implement mechanisms to ensure the timely submission of core separation documents from the member organizations. The Fund has designated focal points with member organizations. The Fund shares information with these focal points and reports on upcoming separations. The employer self-service portal will be enhanced to include additional information on the status of all core separation documents.

13. In paragraph 47, the Board recommended that the Fund develop a system for receiving the required documents through a secure electronic interface.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Second quarter of 2020

14. The Fund is currently collaborating with the United Nations Secretariat to implement an enhancement project to create a data interface between Umoja and the Integrated Pension Administration System to further automate the exchange of information and documentation about retiring staff. The new interface will provide several improvements, in terms of timely updates on the status of the separation documents, and increase accuracy of data and ease of access for retirees to a centralized repository of information regarding the status of their separation process. In a subsequent phase, the Fund will seek to expand this initiative to other member organizations and explore mechanisms for the electronic submission of separation documents. The Fund will also study possible changes to the Fund's regulations to accept electronic signatures.

15. In paragraph 55, the Board reiterated its recommendation that the Fund document the client grievance redressal mechanism (see [A/72/5/Add.16](#), para. 112) and further recommended that the Fund establish a centralized client management system which provides a distinct tracking number that can be used by the client to track the status of the query or complaint until the final resolution of the issue.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

16. The Fund initiated a project for the implementation of a customer relationship management system. The Fund envisions a two-phase approach: an initial phase based on the adoption of an ad hoc system (i.e., iNEED), already implemented by the United Nations Secretariat. This system will provide the standard functionalities for collecting, processing, tracking and reporting on queries submitted by the Fund's

clients. A second phase will be based on the integration of the details collected and processed through the ad hoc system with the Integrated Pension Administration System system. This solution will further consolidate data related to all types of queries with the respective cases in the Integrated Pension Administration System system.

17. In paragraph 61, the Board recommended that the Fund review the process of obtaining the certificate of entitlement and the suspended cases that had been on hold for an extended period.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Third quarter of 2020

18. The Fund secretariat will continue to review its certificate of entitlement process. Expected enhancements include the implementation of an automated signature verification. The Fund will review and take appropriate action on benefits suspended due to non-receipt of the certificate of entitlement. The Fund's regulations establish that rights to periodic benefits expire after five years for suspended cases. The Fund makes efforts to contact beneficiaries during the suspension period and gradually identifies suspended benefits that could be forfeited. Suspended benefits can be reinstated if the beneficiary contacts the Fund; otherwise, these will be forfeited at a later date.

19. In paragraph 62, the Board recommended that the Pension Fund develop an automatic signature verification system to facilitate the certificate of entitlement process.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Third quarter of 2020

20. The Fund will continue the implementation of the project to automate the process of signature verification during the annual certificate of entitlement exercise. A contract is expected to be awarded in early 2019. The signature verification system is expected to be implemented during 2019, to be used for the certificate of entitlement exercise in 2020.

21. In paragraph 67, the Board recommended that the Fund evolve guidelines for country, sector and currency-level sub-allocation of the risk budget for equities.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

22. The Office of Investment Management is currently working with the objective of establishing risk limits for equities. The Office has implemented a risk budget for the portfolio at the asset class level. It has also implemented risk limits for fixed income by duration and currency.

23. In paragraph 70, the Board recommended that the Fund expedite the implementation of the recommendations of the independent review of the Fund's investment main practices, investment management and risk management.

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: First quarter of 2019

24. The independent review report mentions that the majority of the leading practices are already incorporated into Office of Investment Management practices. The Office has made good progress on the implementation of the most important recommendations made in the independent review report and will finalize the completion of all recommendations in the first quarter of 2019.

25. In paragraph 75, the Board recommended that, in view of the foreign currency exposure, the Fund take expeditious action on the recommendations of the currency study to reduce the effect of foreign exchange volatility on its return on investments.

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Third quarter of 2019

26. The Office of Investment Management will continue to review its internal investment process and will implement the currency study recommendations, to better manage currency exposure.

27. In paragraph 76, the Board recommended that the Fund expedite the asset-liability management study for alignment of its currency exposure with liabilities.

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Third quarter of 2019

28. The asset-liability management study is scheduled to be completed before the Pension Board meeting in July 2019. The request for proposals process to hire the consultant that will assist the Fund to develop the asset-liability management study has already started.

29. **In paragraph 77, the Board recommended that the Fund evolve suitable strategies and an action plan to manage the foreign currency risks on the basis of the results of the asset-liability management study.**

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

30. After completion of the asset-liability management study and the review of the results, the Office of Investment Management will develop and implement fit-for-purpose strategies and an action plan to manage the foreign currency risks.

31. **In paragraph 78, the Board recommended that the Fund prepare guidelines for currency exposure under each asset class relative to the benchmark.**

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

32. The Office of Investment Management is working towards establishing specific guidelines for currency exposure for each asset class vis-à-vis the benchmark.

33. **In paragraph 86, the Board recommended that the Fund properly plan and execute the acquisition of critical software.**

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

34. The Office of Investment Management is reviewing its internal process for planning and executing the acquisition of critical software.

35. **In paragraph 92, the Board recommended that the Fund conduct a fraud risk assessment in respect of the Office of Investment Management to identify the vulnerable areas and develop a suitable mitigation strategy.**

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Second quarter of 2019

36. The Office of Investment Management will conduct an internal fraud risk assessment with the support of the Office of Internal Oversight Services. The fraud risk assessment will include identification of inherent fraud risk, assessment of

likelihood and significance of inherent fraud risk and response to likely and significant inherent and residual fraud risks. In addition to this initiative, a specialized information and communications technology (ICT) security consultant has been hired to analyse and recommend solutions for any potential ICT security weaknesses and will strengthen its training on fraud awareness. In addition, the annual ethics training will include a special module on fraud awareness.

37. In paragraph 97, the Board recommended that the Fund internally run the reconciliation prototype tool at regular intervals until the contract with Morgan Stanley Capital International was finalized, and thereafter put in place a new internal reconciliation process to have a check on the outsourced function.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

38. The internal prototype tool was developed as an interim measure to provide Morgan Stanley Capital International with a definition of the requirements of the Office of Investment Management for building a more robust, production-ready process that could be performed with regularity. The next step for the Office is to contract with Morgan Stanley Capital International to take feeds directly from the service provider and to create a permanent reconciliation of the data between the service provider and Morgan Stanley Capital International. Expectation is that this feed will be in place before the second quarter of 2019 — with the respective reconciliations being performed as part of that process. The Office will need to put a new internal reconciliation process in place as part of that solution to ensure that management has the appropriate internal controls over this outsourced function. The longer-term goal of the ICT target operating model will be to provide the Office with stronger reconciliations across the business through automated tools. These tools will allow the Office to perform data reconciliations across platforms and will provide management with the ability to ensure that data is being accurately represented across the systems being used to support our business activities.

B. Implementation of the recommendations contained in the reports of the Board of Auditors on the United Nations Joint Staff Pension Fund for prior financial periods

39. In the annex to its report for the year ended 31 December 2017 ([A/73/5/Add.16](#), chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods.

40. The overall situation as at August 2018 regarding the 20 recommendations assessed by the Board as not fully implemented is summarized in table 3. In addition, the Board's report for 2016² contained in paragraph 106 one audit recommendation addressed to Pension Fund member organizations.

² [A/72/5/Add.16](#), chap. II.

Table 3

Status of implementation of extant recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Office of Investment Management	8	–	8	8	–
Pension Fund secretariat	12	–	12	12	–
Total	20	–	20	20	–
Percentage	100	–	100		

Report of the Board of Auditors for the year ended 31 December 2013³

41. In paragraph 47, the Fund secretariat agreed with the Board's reiterated recommendation to: (a) continue to improve controls and efficiency of the participant reconciliation exception process to ensure the discrepancies are identified and reconciled with member organizations in a timely manner; and (b) prepare monthly and year-end contribution reconciliations to ensure the accuracy of the contributions and receivables recorded in pension system and financial statements.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

42. The Fund is advancing in the monthly financial interfaces project. The pilot for the monthly reconciliation of contributions submitted by member organizations started in July 2018 and is planned to go live in January 2019. More organizations will be on board for monthly reporting and processing of contributions in 2019. Year-end contribution reconciliation is completed every year prior to the closing of the financial statements. The financial interfaces project for the monthly reconciliation will further improve the process.

43. In paragraph 51, the Fund secretariat agreed with the Board's recommendation to: (a) utilize and promote the online self-service as an additional tool in the certificate of entitlement process along with the smooth implementation of the integrated pension administration system; and (b) consider establishing a practical plan to develop an automatic signature verification system or thumbprint/live image verification system to facilitate the certificate of entitlement process.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Third quarter of 2020

³ A/69/9 (annex X).

44. Member self-service was expanded to provide client access to proof documents and allow non-two-track clients, who account for about 75 per cent of beneficiaries, to download, print and sign the certificate of entitlement. Additionally, member self-service allows retirees and beneficiaries to update their own addresses in member self-service and track all payments made to them by the Fund, including deductions made for after-service health insurance monthly payments if applicable. The Fund will continue the implementation of the project to automate the process of signature verification during the annual certificate of entitlement exercise. A contract is expected to be awarded in early 2019. The signature verification system is expected to be implemented during 2019, to be used for the certificate of entitlement exercise in 2020.

Report of the Board of Auditors for the year ended 31 December 2014⁴

45. In paragraph 53, the Board recommended that the Fund ensure adherence to the stipulated benchmark for processing of benefits through improvements in efficiencies and use of information technology enabled services, since service to its members is the primary function of the Fund.

Department responsible: Pension Fund secretariat
Status: In progress
Priority: High
Target date: Third quarter of 2019

46. The Fund shows progress in achieving the benefit processing benchmark of 75 per cent benefits processed within 15 business days of receipt of required separation documents. The Fund maintains a stable low inventory of outstanding initial separation cases, with approximately 80 per cent separations processed within the same calendar month. The Fund has also strengthened the exchange of information and cooperation with member organizations to expedite the submission of separation documents to the Fund. There are designated focal points, and information and reports are regularly exchanged with member organizations.

47. In paragraph 65, the Board recommended that the Fund: (a) formulate a holistic policy for the strategic planning, governance and management of various information technology projects required or under implementation; and (b) take proactive measures to expedite the procurement of the replacement for the existing trade order management system and restrict additional expenditure on interim measures.

Department responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2019

48. The Office of Investment Management updated its ICT strategy document in 2017. The purpose of the ICT strategy document is to outline a summary of the projects and road map that the Office will undertake to modernize its infrastructure and prepare for the anticipated growth over the next 5 to 10 years. The Office has also

⁴ A/70/325 (annex VI).

engaged the services of Cutter Associates — an external asset management technology consulting firm specializing in helping asset managers to develop long-term technology road maps based on industry best practices.

Report of the Board of Auditors for the year ended 31 December 2015⁵

49. In paragraph 37, the Board recommended that the Fund devise a mechanism to assess the value addition to performance owing to active management of the portfolio on a regular basis so as to assess its impact and implement course correction as deemed necessary.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

50. The Office of Investment Management engaged with a vendor in 2017 to establish an independent review of the Fund's investment management and risk practices. The study contains a detailed checklist of the Fund's practices against industry standards. The study concluded that the majority of leading practices are already incorporated into Fund practices. Action to address the gaps identified by Deloitte is under way.

51. In paragraph 75, the Board recommended that the Fund (a) address the foreign exchange exposure issue and employ suitable procedures and tools to mitigate foreign exchange losses; and (b) develop an internal mechanism to monitor, evaluate and manage losses or gains due to foreign exchange in addition to regular monitoring of fair value of the assets.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

52. BNP Paribas was appointed to undertake the currency management study in 2017, and the final report was delivered in February 2018. The draft study was discussed with the Investments Committee in November 2017. The management of the Office of Investment Management accepted the main conclusions of the study and is in the process of implementing strategies to better manage currency exposure.

53. In paragraph 94, the Board recommended that the Fund enter into a service-level agreement defining the respective roles and responsibilities and service-level benchmarks and that it develop a mechanism to secure compliance with the agreement.

⁵ A/71/5/Add.16, chap. II.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

54. The Office of Investment Management has developed a service-level agreement with Bloomberg, defining the respective roles and responsibilities, service-level benchmarks and developing a mechanism to secure its compliance. The Office expects to have a service-level agreement in place before the first quarter of 2019.

55. In paragraph 105, the Board recommended that the Fund: (a) acknowledge all queries and complaints received from all sources; (b) segregate queries and complaints so as to address them appropriately; (c) devise a system of categorization and prioritization of complaints and their resolution; (d) inform the client periodically about the progress achieved in resolution of the complaint; (e) devise a system for monitoring and reporting the status of grievances to the appropriate levels in the Fund to ensure an effective client delivery mechanism; and (f) review the complaints data to help to identify the weaknesses of the system and to improve and streamline the existing processes.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

56. All queries are acknowledged, processed and tracked. Walk-ins are immediately served, all telephone calls are answered during business hours and all emails receive an automatic and topic-relevant response. A contact form was introduced into the Fund's website which allows queries to be categorized by topic and routed to the appropriate office. Dedicated email inboxes and an urgent attention page on the website enable the Fund to take prompt action for high-priority cases, including the death of a retiree/beneficiary and non-receipt of monthly benefit payment. Simultaneously, the Fund initiated a project for the implementation of a customer relationship management system. The Fund envisions a two-phase approach: an initial phase based on the adoption of an ad hoc system (i.e., iNEED), already implemented by the United Nations Secretariat. This system will provide the standard functionalities for collecting, processing, tracking and reporting on queries submitted by the Fund's clients. A second phase will be based on the integration of the details collected and processed through the ad hoc system with the Integrated Pension Administration System. This solution will further consolidate data related to all types of queries with the respective cases in the Integrated Pension Administration System.

57. In paragraph 110, the Board recommended that the Fund prescribe a time frame for servicing the case load. An internal reporting framework for each type of benefit based on its priority should be established.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Third quarter of 2019

58. The Fund's strategic framework and budget documents specify the indicator of achievement and target for benefit processing. The Fund is studying the specific requirements and processing statistics by initial separation type that will enable different benchmarks to be assigned to each benefit type. In the interim, the current benchmark of 75 per cent benefits (initial separations) processed within 15 business days of receipt of all required separation documents is applied to all benefit types.

59. In paragraph 115, the Board recommended that the Fund simplify the process of obtaining the certificate of entitlement, including exploring the option of engaging the corresponding banks in the process.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

60. The Fund explored the possibility of engaging corresponding banks in the certificate of entitlement process; however, this was not feasible given the use of multiple correspondent banks to distribute payments to 190 countries and a diverse set of local regulations that impede banks involvement in the process. The certificate of entitlement process has been revised to ensure that all activities from the date of the mailing to the follow-up actions are completed within a calendar year. All non-two-track clients, about 75 per cent of the beneficiaries, can access and print their individual certificate of entitlement from member self-service, and this greatly improves access to the annual certificate of entitlement form.

Report of the Board of Auditors for the year ended 31 December 2016⁶

61. In paragraph 41, the Board recommended that the Fund prepare a detailed risk budget for all categories of the assets.

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Second quarter of 2019

62. The Office of Investment Management adopted more detailed risk limits in early 2017 for the internally managed fixed income portfolio, including currency and duration limits. The Office is in the process of developing active limits for the Global Equity portfolio, and these active limits are expected to be implemented by the second quarter of 2019. The Office is taking action regarding the recommendation to prepare detailed risk limits for equities. Risk limits for fixed income are already implemented.

⁶ A/72/5/Add.16, chap. II.

This may not be feasible for categories such as real assets and alternative investments. The Office will review and consider the recommendation as it relates to these asset classes, pending the outcome of further research and analysis.

63. In paragraph 67, the Board recommended that the Fund incorporate provisions for the duration of the contract in the policy and formalize the evaluation method before awarding or renewing the contract of the fund managers.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2018

64. The Office of Investment Management updated its policy for external managers in April 2018, incorporating provisions regarding duration of the contract with external fund managers. Further to that, the Office also included in the policy additional details on the evaluation method. The Office will review the policy on a yearly basis, making sure that it is reflecting best practices.

65. In paragraph 75, the Board recommended that the Fund update the business continuity plan and disaster recovery plan in the Office of Investment Management by including all the critical applications, determine recovery time objectives for all critical applications and carry out a business impact analysis study in view of the criticality of its operations.

Department responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: First quarter of 2019

66. The Office of Investment Management entered into a contract in April 2018 for the provision of ICT security, risk management and business continuity management study for the Office.

67. In paragraph 79, the Board recommended that the Fund prepare a comprehensive security policy for the Office of Investment Management that should be circulated widely among the management and the staff, and establish a mechanism to ensure its compliance.

Department responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

68. The Office of Investment Management will prepare a comprehensive security policy, and the outcome of the ICT security study is expected to assist the staff of the Office in addressing the recommendation.

69. **In paragraph 92, the Board recommended that the Fund (a) explore the possibility of further automating various steps in benefits processing; (b) build input controls to ensure standardized information in the Integrated Pension Administration System; (c) enhance the functionalities of the member self-service and employer self-service modules; and (d) resolve data issues from the migration to the Integrated Pension Administration System.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

70. The Fund will follow a two-pronged approach to further automate benefit processing, which involves the introduction of regular system enhancements and the upgrade of the system, which is expected to provide further opportunities for automation. The Fund has implemented new features for member self-service and employer self-service, such as a feature to allow beneficiaries to change address, a proof documents feature and reports available to member organizations with information on different types of cases. The Fund will continue to aggressively address data issues. In this effort, any root causes that are discovered will be documented and addressed accordingly.

71. **In paragraph 101, the Board recommended that the Fund (a) set a definite timeline to process all outstanding cases in which all documents have been received; and (b) prescribe a time frame for processing each type of entitlement or benefit.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: High

Target date: Third quarter of 2019

72. The Pension Fund strategic framework and budget documents specify the indicator of achievement and target for benefit processing. The Fund continues to show progress against the benefit processing benchmark of 75 per cent benefits (initial separations) processed within 15 business days of receipt of all required separation documents. The Fund substantially improved its performance in benefit processing during 2017. The Fund is studying the specific requirements and processing statistics that will enable different benchmarks to be assigned to each benefit type. In the interim, the current benchmark of 75 per cent benefits (initial separations) processed within 15 business days of receipt of all required separation documents is applied to all benefit types.

73. **In paragraph 112, the Board recommended that the Fund document a client grievance redressal mechanism and include procedures for indexing, segregating, prioritizing and monitoring the queries.**

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

74. The Fund initiated a project for the implementation of a customer relationship management system. The Fund envisions a two-phase approach. An initial phase based on the adoption of an ad hoc system (i.e., iNEED), already implemented by the United Nations Secretariat. This system will provide the standard functionalities for collecting, processing, tracking and reporting on queries submitted by the Fund's clients. A second phase will be based on the integration of the details collected and processed through the ad hoc system with the Integrated Pension Administration System. This solution will further consolidate data related to all types of queries with the respective cases in the Integrated Pension Administration System.

75. In paragraph 118, the Board recommended that the Fund review: (a) the process of obtaining the certificate of entitlements; and (b) the suspended cases which are on hold for a longer period.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Third quarter of 2019

76. All non-two-track clients, about 75 per cent of the Fund's beneficiaries, can access and print their individual certificates of entitlement from member self-service, greatly improving access to the annual certificate of entitlement form. The Fund is procuring an automated signature verification tool to further automate the certificate of entitlement process. Benefits are suspended after several attempts to reach the beneficiary. Suspended cases frequently require interaction with clients often in remote areas, which have poor mail services. The Fund gradually reviews suspended benefits that could be forfeited. The Fund's regulations establish that rights to periodic benefits expire after five years for suspended cases.

77. In paragraph 124, the Board recommended that the Fund establish a system for receiving the schedules of contributions on monthly basis along with a list of participants from the member organizations to eliminate the generation of participant reconciliation exceptions.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

78. The first pilot for monthly reconciliation was initiated in July 2018 and is expected to go live in January 2019. More organizations will be on board for monthly reporting and processing of contributions in 2019. The Fund will also put into production a business intelligence tool that will enable monitoring of the monthly

reconciliation process. In the interim, contributions continue to be reconciled in the annual year-end process for the preparation of the Fund's financial statements.

79. In paragraph 128, the Board recommended that the Fund carry out the reconciliation of the contribution by the member organizations at regular intervals.

Department responsible: Pension Fund secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

80. The year-end reconciliation is conducted in a timely manner every year, prior to the closing of the financial statements, to ensure the accuracy of the contributions and receivables recorded in the financial statements. The first pilot for monthly reconciliation started in July 2018 and is planned to go live in January 2019. More organizations will be on board for monthly reporting and processing of contributions in 2019. The Fund will also put into production a business intelligence tool that will enable monitoring of the monthly reconciliation process. In the interim, contributions continue to be reconciled in the annual year-end process for the preparation of the Fund's financial statements.
