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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 2020 on the United Nations Joint Staff Pension Fund

Report of the Chief Executive of Pension Administration 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 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/76/150](#).



I. 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 paragraphs 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 General 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 2020¹

3. The status of implementation of the main recommendations as at August 2020 in the report of the Board of Auditors received in July 2021 is summarized in table 1.

Table 1
Status of implementation of main recommendations

<i>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	11	–	11	11	–
Pension Administration	6	–	6	6	–
Total	17	–	17	17	–
Percentage	100	–	100		

4. The status of implementation of all recommendations as at August 2021 is summarized in table 2.

¹ [A/76/5/Add.16](#).

Table 2
Status of implementation of all recommendations

<i>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	16	–	16	16	–
Pension Administration	12	–	12	12	–
Total	28	–	28	28	–
Percentage	100	–	100		

5. In paragraph 25, the Board recommended that the Pension Administration, in conjunction with the Office of Investment Management, establish a procedure to estimate the level of liquid funds necessary for the payment of the expenses of the Fund, including the amounts required for purposes of business continuity and disaster recovery, with the purpose of determining the funds that must be made available to be managed and invested by the Office.

Responsible: Pension Administration

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

6. The Fund issued a procedure for the determination of the level of liquid funds to be held in the Pension Administration bank accounts for the payment of the expenses of the Fund, including the amounts required for business continuity and disaster recovery. The procedure documents long-standing practices executed by the Pension Administration and the Office of Investment Management.

7. In paragraph 42, the Board recommended that the Pension Administration design, develop and implement a control mechanism that establishes periodic reviews of the data quality, in conjunction with the member organizations and beneficiaries of the Fund, if necessary, with the purpose of maintaining the data and preventing potential inconsistencies in the information recorded in the Integrated Pension Administration System and ensuring the reliability of the information provided to users.

Responsible: Pension Administration

Status: In progress

Priority: High

Target date: Fourth quarter of 2022

8. The Pension Administration will address this audit recommendation in the context of the implementation of the data governance framework, which includes a continued focus on data quality. The newly created Data Analysis Unit is integrating and leading various data quality initiatives.

9. In paragraph 43, the Board recommended that the Pension Administration perform an analysis to define the circumstances in which the inconsistencies in the key data used for the actuarial valuation become material and to define

tolerance thresholds in order to make the criteria used transparent for future reviews.

Responsible: Pension Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2022

10. The Pension Administration will address this audit recommendation as part of the development and implementation of the data governance framework, which includes a continued focus on data quality.

11. In paragraph 44, the Board recommended that the Pension Administration carry out a review of the status of the participants and beneficiaries considering the eventual effects of the coronavirus disease (COVID-19) pandemic situation, in advance of the actuarial valuation as at 31 December 2021.

Responsible: Pension Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2022

12. The impact of the COVID-19 pandemic will be considered in future experience analysis and actuarial valuations. As identified in country population studies, it might not be possible to determine the true impact of the COVID-19 pandemic on the Fund and its participants and beneficiaries, given the interdependencies of various demographic, economic and operational factors. Appropriate actuarial techniques will continue to be applied, taking account the experience identified from the Fund's data and other relevant information and models.

13. In paragraph 58, the Board recommended that the Pension Administration develop or implement a tool aligned with the best standards and practices of the industry on data analytics issues that simplifies the reconciliation process for census data and allows for optimization of the whole process, guaranteeing the reliability of the validation process for both the Data Analysis and Legal Services Section and the Financial Services.

Responsible: Pension Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2022

14. The Pension Administration will implement a business intelligence census portal, which will contain the participant status at the time of the fiscal year cut-off date. The business intelligence census portal will streamline the reconciliation process of census data, while allowing appropriate review and sign-off by the responsible units.

15. In paragraph 71, the Board recommended that the Pension Administration develop and implement an official procedure that specifies the review by the Fund and the United Nations of the after-service health insurance census data

and includes the validations and/or controls, the tolerable thresholds for any deviation, the responsible officials and the deadlines associated with the review, as well as details of the communications that will be carried out between the Fund and the United Nations.

Responsible: Pension Administration

Status: In progress

Priority: High

Target date: Second quarter of 2022

16. The Pension Administration will develop a procedure to define the process for the reviews performed by the Fund of the United Nations-provided after-service health insurance census data, the responsible officers and the reporting requirements. The reviews performed by the Fund will cover the extent of the total participant counts and the validity of the Pension Administration's staff status. The review of after-service health insurance data falls under the purview of the United Nations insurance section.

17. In paragraph 72, the Board recommended that the Pension Administration issue an official report with the results of the review and of the adjustments made to the after-service health insurance census data each year, in order to support the reasonableness review performed in the context of the preparation of the financial statements.

Responsible: Pension Administration

Status: In progress

Priority: High

Target date: Second quarter of 2022

18. The Pension Administration will develop a procedure to define the process for the reviews performed by the Fund of the United Nations-provided after-service health insurance census data, the responsible officers, and the reporting requirements. The reviews performed by the Fund will cover the extent of the total participant counts and the validity of the Pension Administration's staff status.

19. In paragraph 94, the Board recommended that the Pension Administration implement an effective control mechanism to ensure that the user accounts are reviewed in a timely manner in order to adequately prevent potential instances of unauthorized access, misuse, or disclosure of the Fund's ICT assets.

Responsible: Pension Administration

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

20. User accounts are correctly disabled in full compliance with the provisions and controls defined in the Pension Administration's access control and account management procedure. User accounts are disabled when staff leave the organization and/or change roles. The change of roles automatically requires a change in access

rights. Unused accounts are automatically disabled after 90 days. The Fund will implement additional access controls as part of its continuous improvement process.

21. In paragraph 95, the Board recommended that the Pension Administration change the high-level and read-only profiles and roles taking into account differentiated permissions and privileges depending on the need for information of users according to their position within the organization.

Responsible: Pension Administration
Status: In progress
Priority: Medium
Target date: Second quarter of 2022

22. The Fund will request the software vendor to change the name of high-level and read-only profiles and roles, taking into account the required information in accordance with the position and responsibilities of relevant staff.

23. In paragraph 108, the Board recommended that the Pension Administration implement a solution for the Integrated Pension Administration System aligned with the best industry standards and practices in this matter that allows for the generation of reports on all information recorded in the System through customized parameters at any time of the year considering the different stakeholders that use it.

Responsible: Pension Administration
Status: In progress
Priority: Medium
Target date: Second quarter of 2022

24. The Pension Administration has already implemented the audit recommendation with the adoption and implementation of Microsoft Power BI – as a reporting tool. This reporting tool will continue to be used to generate reports with customized parameters at any time of the year. The BI tool implemented by the Fund was selected since the Integrated Pension Administration System is an integrated set of applications, which includes the V3 platform as the pension administration transactional system, and works closely with the Oracle E-Business Suite, Kohax and related tools.

25. In paragraph 109, the Board recommended that Pension Administration develop an information technology solution in order to obtain the Fund's data on the participants and beneficiaries at a cut-off date at any time of the year.

Responsible: Pension Administration
Status: In progress
Priority: Medium
Target date: Second quarter of 2022

26. The Pension Administration has implemented the audit recommendation with the adoption and implementation of Microsoft Power BI – which is part of the Integrated Pension Administration System- as a reporting tool. Microsoft Power BI

will continue to be used to generate reports with customized parameters at any time of the year. The Fund further notes that it is not feasible to generate reports from within the V3 platform since the Fund manages data owned and provided by its member organizations in different forms that needs to be validated, analysed and consolidated outside the V3 platform.

27. In paragraph 110, the Board recommended that, once the Integrated Pension Administration System audit is finished, the Pension Administration evaluate and implement any potential changes and/or improvements to the System in terms of reportability that are required.

Responsible: Pension Administration

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2022

28. The independent audit of the Integrated Pension Administration System started in May 2021. The Fund will evaluate and implement relevant changes or improvements related to reports that might be recommended as a result of the audit.

29. In paragraph 120, the Board recommended that the Office of Investment Management include annotations in the system explaining the reasons for the rejection of pre-clearance requests, such as the 60-day mandatory holding period or the maximum of 10 trades per month.

Responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Third quarter of 2021

30. The Office of Investment Management has already implemented this recommendation by including the required annotation in the supervisor notes section for each pre-clearance request that is denied in the compliance system. Evidence of the implementation was provided to the Board of Auditors.

31. In paragraph 121, the Board recommended that the Office of Investment Management enable the broker account module to include the direct broker feeds for the verification of staff member's brokerage accounts to comply adequately with the best practices of the industry and contribute to mitigating the risks related to potential conflicts of interest with the activities of the Fund.

Responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2022

32. The Office of Investment Management will implement this recommendation and estimates a target completion date of the fourth quarter of 2022.

33. In paragraph 122, the Board recommended that the Office of Investment Management enable the gift and entertainment module to include the compliance rules to effectively address the gifts, hospitality and outside activities policy to avoid any potential conflicts of interest with the activities of the Fund.

Responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2021

34. The Office of Investment Management has already implemented the recommendation by enabling the gifts entertainment and outside activities modules in the compliance system. These modules were enabled in February 2021 and evidence of implementation was provided to the Board of Auditors.

35. In paragraph 132, the Board recommended that the Office of Investment Management strengthen the efforts carried out in the area of reputational risk and establish an effective mechanism to ensure that the reputational risk policy and framework integrate all activities that may cause reputational risk issues within the scope of the Office.

Responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2021

36. The Office of Investment Management revised the reputational risk policy to establish an effective mechanism to address these issues. The revised Reputational Risk Policy was approved by the Representative of the Secretary-General on 13 August 2021.

37. In paragraph 133, the Board recommended that the Office of Investment Management establish a procedure that defines the criteria that should be weighed when a reputational risk event arises so that the Office's staff members can take the necessary measures before the reputational risk materializes.

Responsible: Office of Investment Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2021

38. The Office of Investment Management revised the reputational risk policy to define the criteria that should be weighed when a reputational risk event arises. This revised policy was approved by the Representative of the Secretary-General on 13 August 2021.

39. In paragraph 134, the Board recommended that the Office of Investment Management keep a permanent and updated record of the reputational risks assessed during the year, with the respective action taken in that regard for all

activities within the scope of the Office (including vendors, external managers, advisers and other third parties).

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

40. The Office of Investment Management revised the reputational risk policy to address these issues. The Office will maintain a permanent and updated record of the reputational risks assessed during the year, with the respective action taken in that regard for all activities within the scope of the Office (including vendors, external managers, advisers and other third parties).

41. In paragraph 135, the Board recommended that the Office of Investment Management strengthen its commitments with regard to the international standards on reputational risk and define a mechanism and procedure that allows for the reputational risk perspective to be incorporated into the investment decision-making process, in accordance with the international standards.

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Third quarter of 2021

42. The Office of Investment Management has already implemented this recommendation. Several solutions have been deployed as part of the continuing commitment to international standards on reputational risk. The “RepRisk” service tool was introduced in 2018 to systematically identify and assess material environmental, social and governance risks. In addition to the implementation of the “RepRisk” tool, the Office implemented the Morgan Stanley Capital International environmental, social and governance risk manager, which is an online environmental, social and governance research and analytics platform which assists to determine how well companies adhere to international norms and principles, and to assess company strategies, disclosure and performance with respect to these norms and principles. The revised reputational risk policy, which was approved on 13 August 2021, will enhance and align the policy with current practices.

43. In paragraph 146, the Board recommended that the Office of Investment Management establish a roster of candidates from a manager search to ensure that contracts are not extended for the sole reason of not having candidates available.

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

44. The Office of Investment Management had already an established roster after each extensive manager search. This was evidenced in recommendation memos, as well as stated in the external manager policy. A roster of managers will enable the Office to be nimble in making changes to the portfolio, without conducting a full-scale manager search, however, due to the dynamic nature of investments, the roster may no longer be appropriate when the data is no longer current. It is imperative to revisit due diligence on the rostered managers to determine fit and appropriateness, therefore a roster neither means automatic selection of new managers nor permanent membership. That said, the Office has elaborated the objective and usage of a roster in the latest iteration of the policy which is still under review.

45. In paragraph 147, the Board recommended that the Office of Investment Management define the reports that will be requested in the contracts for external managers for small capitalization investments and align monitoring activities with the external manager policy, thus allowing the Office to conduct more effective and timely reviews.

<i>Responsible:</i>	Office of Investment Management
<i>Status:</i>	In progress
<i>Priority:</i>	High
<i>Target date:</i>	Third quarter of 2021

46. The Office of Investment Management provided evidence to the Board of Auditors of the clarified and expanded schedule B “reporting requirements” in the investment management agreements, which was expressed in bullet points, to make the requirements explicit by itemizing the list of required reports, due dates and recipients. This has been standardized and applied across new and existing managers. Any changes can be easily communicated to managers via email as needed, without having to amend the contract. The scope of the quarterly attestations will be expanded to include all reporting requirements stipulated in the investment management agreements. Previously quarterly attestations from external managers covered investment parameters. The scope is being broadened to include all contractual obligations not only related to investment parameters.

47. In paragraph 148, the Board recommended that the Office of Investment Management strengthen and evaluate its current control mechanisms to ensure comprehensive and effective monitoring of the management of external managers on an ongoing basis, which allows for the mitigation of potential investment, operational and reputational risks.

<i>Responsible:</i>	Office of Investment Management
<i>Status:</i>	In progress
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2021

48. From investment perspectives, risk is mitigated through the terms stated in the investment guidelines – schedule A of the investment management agreement. These guidelines dictate the kinds of investments that a manager can or cannot invest in. This document was carefully drafted by the investments team in collaboration with risk and compliance. Any changes to risk limits are reviewed and approved by the Risk Committee and mutually agreed between the Office of Investment Management

and the managers. This is also a living document that can be updated as necessary. Effective monitoring is done through the custodian and master record keepers compliance system as well as managers' quarterly self-certification. For public equity external fund managers, the risk monitoring mechanisms are being evaluated in-order to further strengthen the ongoing monitoring.

49. In paragraph 149, the Board recommended that the Office of Investment Management provide details in the policy on the due diligence process that is performed on external managers, including which aspects will be addressed, when and how often it should be performed, which reports and results are generated from the review and who is responsible, among others.

<i>Responsible:</i>	Office of Investment Management
<i>Status:</i>	In progress
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2021

50. The latest iteration of the external manager policy has addressed all of the recommendations from the Board of Auditor and aligned the language to existing practices. The revised policy is expected to be approved by management by the end of the year. The external managers team has been conducting in-depth quarterly reviews with each manager and extensive due diligence on new managers. Additionally, the updated schedule/annex B on reporting requirements have already been rolled out to new and existing managers.

51. In paragraph 158, the Board recommended that the Office of Investment Management define which reports will be requested from non-discretionary advisers in their contracts for the same type of service so that those reports are aligned with the monitoring activities established in the external non-discretionary adviser policy, allowing the Office to conduct a more effective and timely review.

<i>Responsible:</i>	Office of Investment Management
<i>Status:</i>	In progress
<i>Priority:</i>	Medium
<i>Target date:</i>	Third quarter of 2022

52. The Office of Investment Management developed a new vendor management framework and the Charter was reviewed and approved by the ICT Steering Committee in June 2021. The implementation of this framework will be rolled out with our external vendors and internal owners to ensure a collaborative working relationship and ultimately maximizing the value of vendor engagement. The Office will ensure that the non-discretionary external investment advisors will be included in the rollout and that the evaluation form (annex to the external non-discretionary adviser policy) will be filled out diligently during the regular vendor review.

53. In paragraph 159, the Board recommended that the Office of Investment Management strengthen and evaluate its current control mechanisms to ensure comprehensive and effective monitoring of the management of external advisers on an ongoing basis allowing the Office to identify, evaluate and mitigate potential investment, operational and reputational risks.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Third quarter of 2022

54. The Office of Investment Management is currently rolling out the newly defined vendor management framework. The framework will cover performance, relationships, and risks of vendors by rationalizing vendors and continuously managing vendor contracts, performance, relationships, and risk through the defined templates, dashboards, and scorecards. The relevant investment teams at the Office, with the support of the Vendor Management Office team will ensure that key risk indicators are clearly defined and monitored for the non-discretionary external investment advisors. In addition to the above, the revised reputational risk policy which was approved on 13 August 2021 by the Representative of the Secretary-General, will address any aspects relating to reputational risks.

55. In paragraph 160, the Board recommended that the Office of Investment Management establish a procedure that defines the steps of the due diligence process that is performed on non-discretionary advisers after onboarding including which aspects will be addressed in that process, when and how often it should be done, which reports and results are generated from the review, and who is responsible, among others.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Third quarter of 2022

56. The Office of Investment Management investment teams, with the support of the Vendor Management Office team, will further review its vendor Management framework and templates, along with the external non-discretionary adviser policy, to include additional details regarding the due diligence process specific to non-discretionary external investment advisers.

57. In paragraph 168, the Board recommended that the Office of Investment Management establish a clear procedure that regulates the Fund's custodian due diligence process and consider how the legal and technical aspects are addressed, what are the stages of the due diligence process, who is responsible for each stage, milestones and dates, evaluation results, a record of the measures adopted in the face of identified risks and the responses to them, among other things.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: First quarter of 2022

58. The Office of Investment Management will implement a clear procedure that regulates the Fund's custodian due diligence process.

59. In paragraph 180, the Board recommended that the Office of Investment Management strengthen the current mechanism and design controls to ensure that all staff complete the mandatory training within six months of the issuance of Secretary-General's bulletin [ST/SGB/2018/4](#) or, in the case of new staff members, within six months of joining the Fund, especially the mandatory courses on "Ethics and integrity at the United Nations" and "Preventing fraud and corruption at the United Nations", which are fundamental to preventing fraud and enhancing the Fund's internal controls.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Third quarter of 2021

60. The Office of Investment Management implemented this recommendation and all staff is up to date with the United Nations mandatory training.

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

61. In the annex to its report for the year ended 31 December 2020 ([A/76/5/Add.16](#), chapter II), the Board provided a summary of the status of implementation of recommendations from previous financial periods.

62. The overall situation as at August 2021 regarding the 13 recommendations assessed as not fully implemented by the Board is summarized in table 3.

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>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	10	—	10	10	—
Pension Administration	3	—	3	3	—
Total	13	—	13	13	—
Percentage	100	—	100		

Report of the Board of Auditors for the year ended 31 December 2017²

63. 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 can be corrected.

² [A/73/5/Add.16](#), chapter II.

Responsible: Pension Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

64. The selection of an independent consulting firm to conduct a comprehensive independent third-party audit of Integrated Pension Administration System was completed in early 2021. The system audit of Integrated Pension Administration System started in May 2021. The audit will support in assessing potential current limitations and shortcomings and areas for improvement and enable the Fund to determine the best course of action for the future of its business processes and technology.

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

Responsible: Pension Administration
Status: In progress
Priority: High
Target date: First quarter of 2022

66. The procurement process for the automated signature verification system was completed. The Fund initiated the implementation of the system. The scope of the project has been expanded to include paperless submissions of documents through the Fund's member self-service. Additional work will continue for the creation of a signature database. The system will be used for the certificate of entitlement cycle in 2022.

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

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

68. A request for proposal was finalized and the contract is being negotiated with the vendor. It is expected that the contract will be finalized by the fourth quarter of 2021.

Report of the Board of Auditors for the year ended 31 December 2018³

69. In paragraph 148, the Board recommended that the Office develop and implement an independent system to carry out, in real time, the registration and monitoring of investments in real assets and alternative investments as soon as the Front Office receives the notification by the Fund's investment managers.

³ A/74/5/Add.16, chapter II.

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

70. The Office of Investment Management acknowledges, and had already identified, that the automation of the entire alternative investments process is important. In anticipation of the potential growth of alternative investments portfolio and limited scalability of existing manual controls/resources, the Office recognizes a need to have a sophisticated system to manage the alternative investments portfolio. The services, including the software platform, will effectively support the Office with a more automated process. The target date of December 2021 reflects the fact that it is a lengthy process as it has many steps and involves other areas, as well as the technical implementation phase. The Office is in the process of seeking services related to processing and fund administration of alternative investments (real assets and private equity) and their related information management. The services, including the software platform, will effectively support the Office with a more automated process.

71. In paragraph 149, the Board recommended the information on each transaction carried out by the Office, such as amounts, instructions and administration fees, be recorded in the independent system.

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

72. The Office of Investment Management is in the process of seeking services related to processing and fund administration of alternative investments (real assets and private equity) and their related information management. The services, including the software platform, will effectively support the Office with a more automated process.

73. In paragraph 150, the Board recommended that the process be traceable through the system, so as to provide complete and accurate information for decision-making, in a timely manner, and that the information be compared with the information maintained in the independent master record keeper's official book of records.

Responsible: Office of Investment Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2021

74. This recommendation is under implementation. The Office Investment Management is currently reviewing the best course of action in order to implement the recommendation, taking into account the information that will be available in the system that is being procured through a request for proposal process.

Report of the Board of Auditors for the year ended 31 December 2019⁴

75. In paragraph 35, the Board recommended that the Fund establish a procedure to make uniform the criteria, evaluation process and granting of resources from the emergency fund, which would allow more transparency and consistency in the decisions taken by the Fund's management.

Responsible: Pension Administration
Status: In progress
Priority: Medium
Target date: Third quarter of 2021

76. The Fund has updated the emergency fund procedures to align the evaluation criteria for assistance applied in its offices in New York and Geneva. An update to note A to the Fund's Regulations was presented to the Pension Board in July 2021.

77. In paragraph 121, the Board recommended that the Office of Investment Management incorporate the policy on the operations and risk management of external managers into the investment policy, considering that 15 per cent of the portfolio is externally managed.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2021

78. This recommendation is under implementation. Updates have been drafted. The investment policy statement final review is pending and will include results from the asset allocation and benchmark study, after receiving comments from the Pension Board in July 2021.

79. In paragraph 144, the Board recommended that the Office of Investment Management define a formal mechanism for monitoring and ensuring that all staff members of the Office, in particular new employees, complete the United Nations mandatory learning programmes within six months of joining the Organization or assuming a role for which additional learning is mandatory.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Third quarter of 2021

80. This recommendation has been implemented. In response to the recommendation, the administration team developed a procedure to monitor that all staff members of the Office of Investment Management complete the mandatory learning programme within six months after joining the organization. As a result, all Office staff is up to date with the mandatory learning requirements.

⁴ A/75/5/Add.16, chapter II.

81. **In paragraph 153, the Board recommended that the Office of Investment Management develop and implement a mechanism or methodology that allows for the tracking of all investment commitments to be disclosed in the financial statement at any time of the year.**

Responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

82. This recommendation is under implementation. The Office of Investment Management is in the process of implementing a software platform that would allow for the proper tracking of all aspects of investment commitments for private markets.

83. **In paragraph 154, the Board recommended that the Office of Investment Management establish a formal procedure among the legal team, Senior Investment Officers and operations team to obtain timely information about the deals that have been closed during the year for preparing the note on investment commitments included in the notes to the financial statements.**

Responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

84. This recommendation is under implementation. The Office of Investment Management is currently in the process of establishing a formal procedure that will be presented by the fourth quarter of 2021.

85. **In paragraph 160, the Board recommended that the Office of Investment Management develop a digital repository/file containing all the information for each fund needed to support the acquisition process, from the evaluation stage to the point at which the transaction has been deemed satisfactory from a business and legal perspective and has satisfied any conditions imposed by the Private Markets Committee.**

Responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

86. This recommendation is under implementation. The Office of Investment Management is currently reviewing the best alternatives in order to develop a digital repository containing all the information for each fund needed to support the acquisition process, from the evaluation stage to the point at which the transaction has been deemed satisfactory from a business and legal perspective and has satisfied any conditions imposed by the Private Markets Committee.

87. **In paragraph 161, the Board recommended that the Office of Investment Management develop, document and implement a detailed procedure that**

establishes the stages for closing an agreement concerning real assets and alternative investments.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2021

88. This recommendation is under implementation. The investment procedure will be updated to include a detailed procedure that establishes the process to close agreements.

89. In paragraph 154, the Board recommended that the Office of Investment Management establish a formal procedure among the legal team, Senior Investment Officers and operations team to obtain timely information about the deals that have been closed during the year for preparing the note on investment commitments included in the notes to the financial statements.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2021

90. This recommendation is under implementation. The Office of Investment Management is currently in the process of establishing a formal procedure that will be presented by the fourth quarter of 2021.

91. In paragraph 160, the Board recommended that the Office of Investment Management develop a digital repository/file containing all the information for each fund needed to support the acquisition process, from the evaluation stage to the point at which the transaction has been deemed satisfactory from a business and legal perspective and has satisfied any conditions imposed by the Private Markets Committee.

Responsible: Office of Investment Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2021

92. This recommendation is under implementation. The Office is currently reviewing the best alternatives in order to develop a digital repository containing all the information for each fund needed to support the acquisition process, from the evaluation stage to the point at which the transaction has been deemed satisfactory from a business and legal perspective and has satisfied any conditions imposed by the Private Markets Committee.

93. In paragraph 161, the Board recommended that the Office of Investment Management develop, document and implement a detailed procedure that establishes the stages for closing an agreement concerning real assets and alternative investments.

Responsible: Office of Investment Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

94. This recommendation is under implementation. The investment procedure will be updated to include a detailed procedure that establishes the process to close agreements.
