



INTERNAL AUDIT DIVISION

REPORT 2020/058

Audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund

**Pension Administration needs to develop a
human resources strategy and strengthen the
existing arrangements for human resources
services**

**21 December 2020
Assignment No. AS2020-800-02**

Audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund (UNJSPF). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over human resources management in the Pension Administration. The audit covered the period from January 2018 to June 2020. Based on an activity-level risk assessment, the audit covered risks areas in human resources management which included: (a) strategic planning; (b) human resources operations; and (c) performance management and development.

The audit indicated that the Pension Administration needs to develop a human resources strategy and strengthen the existing arrangements for human resources services.

OIOS made seven recommendations. To address issues identified in the audit, the Pension Administration needed to:

- Develop and implement a human resources strategy to ensure that its strategic objectives and goals are adequately supported by the required human resources;
- Strengthen human resources management by: (i) conducting a gap analysis of the existing arrangements; and (ii) reviewing, updating and integrating the memoranda of understanding, human resources flexibilities and the service level agreement to develop a well-defined structure for the provision of human resources services;
- Strengthen controls over the use of overtime by factoring the utilization trends of previous years, analyzing past data, and correlating overtime requirements with human resources planning to ensure that the overtime requirements are properly justified;
- Strengthen controls over the grant of special post allowance by monitoring their duration and ensuring that the provisions of ST/AI/1999/17 are fully complied with;
- Develop an inventory of available skillsets, identify existing gaps, and develop a comprehensive training plan to address them;
- Ensure that all its staff complete the mandatory training courses without further delay; and
- Provide appropriate guidance to all its staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives and priorities; and (ii) training and development goals are specified in the annual work plans of staff based on identification of specific needs.

The Pension Administration accepted the recommendations and has initiated action to implement them.

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Audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund (UNJSPF).
2. UNJSPF was established in 1949 by the General Assembly to provide retirement, death, disability and related benefits for the staff of the United Nations and other organizations admitted to the membership of UNJSPF. It is administered by the United Nations Joint Staff Pension Board.
3. At the time of the audit, the Pension Administration's human resources function was serviced by one Professional staff member (P-3) and two General Service staff. The United Nations' talent management system 'Inspira' provided the technological infrastructure to support the Fund's staffing, performance management and training. Additionally, the United Nations' enterprise resource planning system 'Umoja' provided the technological infrastructure to maintain personnel and organizational data and process administrative actions.
4. The Pension Administration had 190 authorized posts (73 Professional and 117 General Service) during the period 2018-2019. The number of posts has grown from 172 in 2014 to 194 in 2020 (13 per cent growth). Between January 2018 and June 2020, the Pension Administration issued a total of 111 job openings (JOs) – 52 regular JOs to fill 63 posts and 59 temporary job openings (TJOs) to temporarily fill 74 posts. In the same period, the Pension Administration processed 37 promotion actions of whom 16 candidates were selected from a roster of prequalified candidates. During January 2018 to June 2020, the Pension Administration processed 70 separation actions in Umoja for 53 staff members.
5. The total staff costs for the 2018-2019 biennium were \$48 million or 48.6 per cent of the Pension Administration's total expenditure.
6. Comments provided by the Pension Administration are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over human resources management in the Pension Administration of UNJSPF.
8. This audit was included in the 2020 OIOS risk-based work plan due to the risk that potential weaknesses in the management of human resources could adversely affect the operations of the Pension Administration.
9. OIOS conducted this audit from July to October 2020. The audit covered the period from January 2018 to June 2020. Based on an activity-level risk assessment, the audit covered risks areas in human resources management which included: (a) strategic planning; (b) human resources operations; and (c) performance management and development. The audit did not cover technical aspects of Umoja and Inspira, and policy matters under the direct purview of the Office of Human Resources of the United Nations Secretariat.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Strategic planning

Need for a well-defined human resources strategy

12. The International Civil Service Commission's (ICSC) framework¹ on human resources management states that the organizational design should be aligned with the mission and strategies of the organization with a clear vision and priorities to fulfil the aims of the organization. Strategic human resources planning contributes to achieving organizational success by ensuring that the organization has the human resources capabilities required to meet current and emerging needs.

13. In 2010, when reviewing the Fund's medium-term human resources strategic plan presented to it, the Pension Board recommended that the plan be integrated into the Fund's strategic planning process. However, this was not done. In its 2018-19 strategic framework, the Pension Administration expressed its intention to develop and implement a human resources strategy aligned to its business objectives. The Pension Administration stated that it had presented a new strategic management plan to the Pension Board, which was focussed on modernizing processes. This plan consists of three critical pillars, namely: (i) simplify client experience; (ii) modernize pension services; and (iii) develop a strong global partnership network. However, human resources elements were not considered in the business strategy.

14. Since human resources constitute a key component of the organization, it is essential that the Pension Administration develops a well-defined human resources strategy to support the achievement of its strategic objectives and goals.

(1) The Pension Administration should develop and implement a human resources strategy to ensure that its strategic objectives and goals are adequately supported by the required human resources.

The Pension Administration accepted recommendation 1 and stated that it will develop a human resources strategy that supports the achievement of strategic objectives. Recommendation 1 remains open pending receipt of evidence that a human resources strategy supporting the achievement of strategic objectives has been developed and implemented.

Need for a gap analysis of existing human resources arrangements

15. Best practices require that the human resources function should be: (i) consistent with the organization's vision, mission and values; and (ii) adequate to develop and administer workforce programmes to meet organizational goals.

16. Five separate documents governed the human resources service arrangements in the Pension Administration. These were: (i) three memoranda of understanding (MOUs) dated 2000, 2009 and 2020;

¹ ICSC human resources framework portal at <https://commonsystem.org/hrframework/strategic.htm>

(ii) a ‘human resources flexibility memo’ of May 2016, issued by the Office of Human Resources of the United Nations Secretariat, granting 10 flexibilities to the Fund; and (iii) a pilot service level agreement (SLA) signed in March 2020 with the Department of Operational Support (DOS) of the United Nations Secretariat.

17. The MOU of 2000 stipulated the applicability of United Nations human resources procedures to the Fund. Later, in June 2009, the Chief Executive Officer (CEO) of the erstwhile Fund Secretariat and the Representative of the Secretary-General (RSG) for the investment of the assets of UNJSPF signed an MOU to avoid the duplication of support services. Following the MOU, an Executive Office was established to provide administrative and programme support to the Pension Administration and the Office of Investment Management (OIM). The Executive Office provided support in the areas of human resources, budget administration and facilities management. The role of the Executive Office was significantly reduced in June 2015 as its functions were moved to other parts of the Pension Administration. At the same time, the P-5 Executive Officer and a P-4 Administrative Officer were relocated outside of UNJSPF.

18. In addition to the three MOUs indicated above, in July 2020, the Pension Administration signed an MOU with the United Nations Office at Geneva and moved human resources services such as contract administration, entitlements, benefits and time administration for its Geneva-based staff to New York.

19. OIOS noted the following with regard to the existing arrangements for human resources services:

(i) After the dismantling of the Executive Office in 2015, no gap analysis was undertaken of the human resources services that were hitherto being provided by the Executive Office to both parts of the Fund (i.e., the Pension Administration and OIM). Between June 2015 and January 2020, the Fund’s human resources services were primarily managed through P-3 level temporary human resources officers (except for a 11-month period between February 2018 and January 2019 when the human resources activities were supervised by a P-5 senior human resources officer on temporary assignment). In its resolution 74/263, the General Assembly requested UNJSPF and the Secretary-General to find appropriate solutions in 2020 to resolve the situation of the unavailable P-4 and P-5 posts in the Executive Office. The Pension Administration stated that the situation concerning the P-4 post had been resolved and efforts were ongoing to find a resolution for the P-5 Executive Officer post.

(ii) In March 2020, OIM established its own human resources function and one of the two P-3 human resources officers servicing the Pension Administration moved to OIM to perform human resources activities solely for OIM. This move further constrained the human resources capacity in the Pension Administration and created duplication in human resources services between the Pension Administration and OIM. This arrangement was against the letter and spirit of the 2009 MOU between the CEO and the RSG which had aimed to avoid the duplication of support services.

(iii) Since 2016, there were no apparent efforts to update the June 2000 MOU or review the continued need for human resources flexibilities. The Pension Administration stated that it intends to internally review the human resources flexibilities, MOU on human resources, as well as the activities and structure of human resources over the next few months.

(iv) The pilot SLA with DOS and the MOU with the United Nations Office at Geneva were signed without a documented analysis/assessment of their impact on the Pension Administration’s human resources function, its staff, and its operations.

(v) The pilot SLA with DOS signed in March 2020 for a period of three months expired in May 2020 but this arrangement continued without renewal. The Pension Administration did not conduct a performance assessment as required in the pilot SLA. In the absence of a performance assessment, it was

difficult to determine the benefits derived from the SLA. The Pension Administration stated that in July 2020 it had extended the pilot SLA up to May 2021, and it would conduct a performance analysis of the SLA in preparation for the 2022 budget.

20. Delays in identifying and addressing the gaps in the existing human resources arrangements could have an adverse impact on the human resources activities in the Pension Administration and also affect the achievement of its business objectives.

(2) The Pension Administration should strengthen human resources management by: (i) conducting a gap analysis of the existing arrangements; and (ii) reviewing, updating and integrating the memoranda of understanding, human resources flexibilities and the service level agreement to develop a well-defined structure for the provision of human resources services.

The Pension Administration accepted recommendation 2 and stated that to address the recommendation, it will: (i) complete the gap analysis of the human resources arrangements currently underway; and (ii) update as required the existing MOU and human resources flexibility measures and supporting agreements with service providers. Recommendation 2 remains open pending receipt of evidence that: (i) a gap analysis of the human resources arrangements has been completed; and (ii) the existing MOU, human resources flexibility measures and supporting agreements with service providers have been updated.

B. Human resources operations

Issues relating to general temporary assistance need to be addressed as part of the human resources strategy

21. The General Assembly has emphasized that the general temporary assistance (GTA) funding should be used in exceptional and/or peak workload circumstances, for the replacement of staff on maternity or sick leave, or for time-limited projects. It should not be requested for functions of a continuing nature or for long periods. Additionally, in its resolution 73/274, the Assembly requested the Pension Board to strengthen monitoring to ensure that the Fund's secretariat utilizes resources in accordance with the Assembly's decisions.

22. The total expenditure on GTA was \$4.3 million in 2019 and \$1.5 million in 2020 (from January to May 2020). There were 47 approved GTA positions in 2019 and 49 in 2020. The Pension Administration proposed to increase the number of GTA positions to 54 in 2021 at a cost of \$6 million. The Pension Administration has proposed nine new GTA positions for 2021, conversion of three existing GTA positions to established positions, and abolishment of one position. It was also proposing to convert one P-5 GTA position created in 2019 to an established position.

23. OIOS' review of the management of GTA indicated that the Pension Administration did not adequately monitor the GTA positions. During January 2018 to June 2020, out of 74 GTA positions, 16 remained vacant for more than 365 days, and 7 were abolished. Nineteen GTA positions expired in the same period, of which seven remained unused for more than 365 days. In some instances, GTA positions were created for positions that were not specifically approved by the General Assembly. GTA posts were regularly proposed for continuation, indicating the continuous and long-term nature of the work performed by these posts. For example, 41 GTA posts were proposed for continuation from 2020 to 2021, while 38 of these posts continued from 2018-2019 onwards. The Pension Administration needs to address the issues relating to GTA as part of its human resources strategy (recommendation 1 above).

Rehiring of retirees could be minimized with better workforce planning

24. The 'human resources flexibility memo' issued by the Office of Human Resources allowed the rehiring of retirees on temporary appointments, one month after their separation, for a maximum period of nine months at a time.

25. Between January 2018 and June 2020, the Pension Administration appointed six retirees on 16 different occasions without publishing a TJO. The duration of appointments ranged from 3 to 22 months. Five retirees were more than 66 years old (66 to 74 years) and were employed multiple times after their retirement.

26. The Pension Administration stated that the use of retirees for extended periods of time was to meet peak loads, solve complex cases, and provide training to other staff. However, this practice indicated the need for better workforce planning by reducing reliance on extended use of retirees and seeking to develop the required skills and competencies in the current staff members. The Pension Administration needs to factor these issues into its human resources strategy (recommendation 1 above).

Need to strengthen controls and rationalize the use of overtime

27. Administration of overtime in the Pension Administration is governed by its internal guidelines based on Staff Regulation 1.3 (b) and Staff Rule 3.11 (a) and (b). Managers are expected to arrange the work of their organizational units such that overtime work is an exceptional occurrence. The purpose of overtime is not to perform routine work.

28. The overtime budget was disproportionate, and it was not based on analysis of actual overtime requirements. For example, the overtime budget was initially set at \$1.9 million for the 2018-2019 biennium and subsequently reduced to \$885,000 (actual expenditure for the biennium was \$837,000).

29. In 2020, the Pension Administration switched to an annual budget cycle. However, the overtime budget for the year 2020 was not reduced accordingly; instead, it was increased to \$912,000 which was 3 per cent higher than the requirement for the 2018-2019 biennium. The overtime budget had already been increased for 2018-2019 to provide contingency funding for any surge and other unexpected spikes in workload, including issues arising from the implementation of the Integrated Pension Administration System (IPAS). These issues had already settled. Therefore, the further increase in the overtime budget requirements for 2020 was not entirely justified.

30. The Pension Administration incurred overtime expenditure of \$1.2 million from January 2018 to May 2020 with 10 staff members across three services accounting for \$634,000 (52 per cent) of the total expenditure. OIOS' analysis of the activities performed during 2018 by the top two recipients of overtime did not adequately demonstrate that the overtime was granted for exceptional occurrences and not for routine activities. The Pension Administration stated that overtime was due to unexpected challenges (relocation of staff equipment on weekends due to sprinkler installation, availability of only one support staff in the Geneva Office, and the COVID-19 pandemic), business process needs, exigencies and complexity of the work. The Pension Administration needs to factor in the utilization trends of the previous years, analyze past overtime expense data, and correlate overtime requirements to resource planning (posts, GTA and consultants) to justify the need for overtime. A disproportionate overtime budget could lead to unnecessary expenditures.

31. According to the overtime guidelines, staff were not authorized to take overtime for work performed outside the office. However, the Pension Administration staff continued using overtime during the COVID-19 pandemic while working from home (2,068 hours of overtime from March to June 2020).

The Pension Administration stated that it would consult with DOS to clarify the overtime policy during the COVID-19 pandemic.

(3) The Pension Administration should strengthen controls over the use of overtime by factoring the utilization trends of previous years, analyzing past data, and correlating overtime requirements with human resources planning to ensure that the overtime requirements are properly justified.

The Pension Administration accepted recommendation 3 and stated that it will consider overtime operational requirements and expenditure in previous years as input for the formulation of overtime and post requirements in the budget proposal. Recommendation 3 remains open pending receipt of evidence that the controls over the use of overtime have been strengthened by factoring the utilization of previous years, analyzing past data, and correlating overtime requirements with human resources planning to ensure that overtime requirements are properly justified.

Need to strengthen controls over the use of special post allowance

32. According to section 7.2 and 7.3 of the ST/AI/1999/17, special post allowance (SPA) is granted to staff members temporarily placed against a higher-level post which is temporarily vacant for an initial period of up to one year. The SPA may be extended by the department or office to cover a total period of up to two years, including the initial period. SPA is authorized in exceptional cases when a staff member is called upon to assume the full duties and responsibilities of a post, which is clearly recognizable at a level higher than his or her own, for a temporary period exceeding three months.

33. During the period January 2018 to June 2020, 28 staff members in the Pension Administration received SPAs with duration ranging from three months to six years. Even though the validity of the SPA panel had lapsed in 2013, the same panel continued to review SPA cases.

34. OIOS' analysis of 14 SPA cases on a sample basis showed that 6 out of 14 SPAs were for more than 24 months' duration. In 6 out of 14 cases, GTA positions were used for granting SPAs to the staff. In one case, the SPA which was initially granted in 2013 continued for 73 months, even though the IPAS project to which it was tied had been completed in August 2016. Routine and long-term use of SPAs did not fully meet the provisions of ST/AI/1999/17 which allows the authorization of SPA in exceptional cases.

(4) The Pension Administration should strengthen controls over the grant of special post allowance by monitoring their duration and ensuring that the provisions of ST/AI/1999/17 are fully complied with.

The Pension Administration accepted recommendation 4 and stated that it will update the membership of the SPA panel, which will advise on decisions on requests for SPA in compliance with the relevant administrative instruction. Recommendation 4 remains open pending receipt of evidence that controls over the grant of SPA have been strengthened by monitoring their duration and ensuring full compliance with the provisions of ST/AI/1999/17.

Controls over the use of consultants need to be strengthened

35. ST/AI/2013/4 on consultants and individual contractors provides for the recruitment of consultants and individual contractors for: (a) assignments that are of temporary nature, and outputs are measurable and task-oriented; and (b) services that require specialized knowledge and/or expertise not available from the existing staff.

36. The Pension Administration spent \$142,500 in 2019 on consultancies and budgeted \$172,200 for 2020. During the period January 2018 to June 2020, 10 consultants were hired for 19 consultancies of varying lengths (one month to 24 months). The total amount provisioned for these assignments was \$303,353. OIOS reviewed six consultancies involving an expenditure of \$232,853 and noted the following:

(a) In one case, the terms of reference of the consultancy were not specific; they did not indicate any time-bound delivery of specific deliverables. The functions performed by the consultant resembled those of regular staff. Extensions were granted on the basis of the supervisor's recommendation without evidence of any substantive deliverables.

(b) In one other case, evidence of the final deliverable (a draft report) as required by the terms of reference was not available. There was also an instance where the consultancy was extended to perform some additional work without revising the original terms of reference. Payments were made based on monthly emails confirming attendance and outputs for the month.

37. Since the Pension Administration agreed to strengthen its management and oversight of the work entrusted to consultants, OIOS did not make a recommendation on this issue.

C. Performance management and development

Need for a skillset inventory and a comprehensive training plan

38. Knowledge management and training had been identified as a priority area for the Pension Administration in its strategic frameworks. The strategic framework for the 2018-2019 biennium indicated that the Pension Administration aims at becoming a learning organization with a service orientation. It undertook to start the process from skills identification and inventory and develop planning and prioritization processes, considering the most pressing business needs. At the time of the audit, the Pension Administration was yet to develop an inventory of available skillsets for its workforce which is necessary for determining gaps in the skills required and appropriate remediation.

39. Out of the \$427,200 allocated for training in the budget for the 2018-2019 biennium, the Pension Administration had utilized only 65 per cent. Similarly, only seven per cent of the approved training budget for 2020 was utilized as of the audit date. The low utilization of the approved training budget indicated the need for a well-considered training plan based on a needs assessment.

(5) The Pension Administration should develop an inventory of available skillsets, identify existing gaps, and develop a comprehensive training plan to address them.

The Pension Administration accepted recommendation 5 and stated that it will identify the skills required to meet its mandate and strategic objectives and, on that basis, develop a training and development plan to address related skills gap among staff. Recommendation 5 remains open pending receipt of a comprehensive training and development plan.

Need to ensure full compliance with the requirement to complete mandatory training courses

40. As of 31 August 2020, 42 staff (including 18 Professional and 24 General Service) had not completed all of the mandatory training courses as required by the Secretary-General's bulletin ST/SGB/2018/4. Table 1 shows the percentage of completion for each course by staff category.

Table 1: Percentage of completion of mandatory training by staff category

Name of the mandatory training	Professional and above	General Service
United Nations Human Rights Responsibilities	81%	87%
Ethics and Integrity at the United Nations	83%	89%
I Know Gender: An Introduction to Gender Equality for United Nations staff	83%	90%
Information Security Awareness	85%	91%
Prevention of Sexual Exploitation and Abuse by United Nations Personnel	86%	91%
Preventing Fraud and Corruption at the United Nations	87%	91%
Prevention of Sexual Harassment and Abuse by United Nations Personnel - Working Harmoniously	90%	91%
BSAFE	91%	93%
HIV/AIDS in the Workplace Orientation Programme	94%	94%

(6) The Pension Administration should ensure that all its staff complete the mandatory training courses without further delay.

The Pension Administration accepted recommendation 6 and stated that it will issue reminders to staff and monitor compliance. Full compliance might not be practically achievable, particularly for temporary staff. OIOS notes that the guidance on mandatory training applies to all staff members, without exception. All the courses are available online and can be completed within a reasonable period of time. Temporary staff are expected to demonstrate the same standards of conduct as regular staff. Recommendation 6 remains open pending receipt of evidence that all staff of the Pension Administration have completed the mandatory training courses.

Need to strengthen performance management and development

41. Performance management and accountability is a critical component of good governance, since it aims at improving the delivery of programmes by optimizing performance. Performance management and development is governed by the provisions of ST/AI/2010/5.

42. Overall, the Pension Administration had achieved a high completion rate of the annual performance appraisals of its staff (96 per cent for 2018-2019 and 95.5 per cent for the 2019-2020). In the few cases where annual performance appraisals had not been completed, the Pension Administration provided explanations of the underlying reasons.

43. OIOS' review of 30 performance documents on sample basis indicated that there was lack of consistency in the identification of performance goals in the annual work plans of staff. Performance goals of individual staff were not aligned with the Pension Administration's overall objectives and strategic frameworks. This condition could be remediated by issuance of general guidance to all staff on how they should formulate their annual work plans, which form the basis for assessing performance. The guidance should also assist staff in identifying fair, objective criteria for performance assessment in consultation with their supervisors. Additionally, the OIOS review indicated that development goals (training plans and the type of training) were not specifically documented and linked to staff development needs.

(7) The Pension Administration should provide appropriate guidance to all its staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives and priorities; and (ii) training and development goals are specified in the annual work plans of staff based on identification of specific needs.

The Pension Administration accepted recommendation 7 and stated that it will issue guidelines for the development of staff work plans to ensure: (i) alignment with the strategic objectives for relevant

functions; and (ii) the identification of staff training and development goals. Recommendation 7 remains open pending receipt of guidelines for the development of staff work plans.

IV. ACKNOWLEDGEMENT

44. OIOS wishes to express its appreciation to the Management and staff of the Pension Administration of UNJSPF for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The Pension Administration should develop and implement a human resources strategy to ensure that its strategic objectives and goals are adequately supported by the required human resources.	Important	O	Receipt of evidence that a human resources strategy supporting the achievement of strategic objectives has been developed and implemented.	31 December 2021
2	The Pension Administration should strengthen human resources management by: (i) conducting a gap analysis of the existing arrangements; and (ii) reviewing, updating and integrating the memoranda of understanding, human resources flexibilities and the service level agreement to develop a well-defined structure for the provision of human resources services.	Important	O	Receipt of evidence that a gap analysis of the human resources arrangements has been completed; and the existing MOU, human resources flexibility measures and supporting agreements with service providers have been updated.	31 December 2021
3	The Pension Administration should strengthen controls over the use of overtime by factoring the utilization trends of previous years, analyzing past data, and correlating overtime requirements with human resources planning to ensure that the overtime requirements are properly justified.	Important	O	Receipt of evidence that the controls over the use of overtime have been strengthened by factoring the utilization of previous years, analyzing past data, and correlating overtime requirements with human resources planning to ensure that the overtime requirements are properly justified.	31 December 2021
4	The Pension Administration should strengthen controls over the grant of special post allowance by monitoring their duration and ensuring that the provisions of ST/AI/1999/17 are fully complied with.	Important	O	Receipt of evidence that controls over the grant of SPA have been strengthened by monitoring their duration and ensuring full compliance with the provisions of ST/AI/1999/17.	31 December 2021
5	The Pension Administration should develop an inventory of available skillsets, identify existing gaps, and develop a comprehensive training plan to address them.	Important	O	Receipt of a comprehensive training and development plan.	31 December 2021

² Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

³ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by the Pension Administration in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of human resources management in the Pension Administration of the United Nations Joint Staff Pension Fund

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
6	The Pension Administration should ensure that all its staff complete the mandatory training courses without further delay.	Important	O	Receipt of evidence that all staff of the Pension Administration have completed the mandatory training courses.	31 December 2021
7	The Pension Administration should provide appropriate guidance to all its staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives and priorities; and (ii) training and development goals are specified in the annual work plans of staff based on identification of specific needs.	Important	O	Receipt of guidelines for the development of staff work plans.	31 December 2021

APPENDIX I

Management Response

UNITED NATIONS JOINT STAFF PENSION FUND
CAISSE COMMUNE DES PENSIONS DU PERSONNEL DES NATIONS UNIES


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MEMORANDUM

Ref: New York, 18 December 2020

To / A: Ms. Eleanor Burns
Director Internal Audit
Division
Office of Internal Oversight
Services

From / De : Ms. Rosemarie McClean 
Chief Executive of Pension
Administration
United Nations Joint Staff Pension
Fund

Subject / **UNJSPF response to draft report of audit of human resources management**
Objet: **in the Pension Administration of the United Nations Joint Staff Pension**
Fund

1. This is in response to your memorandum dated 4 December 2020, in which you submitted for the Fund's review and comments, the draft report of the above-mentioned audit.
2. As requested, **Annex I** contains the Pension Administration's comments to the audit recommendations. Other comments and clarifications to the report are presented in **Annex II**.
3. The Fund wishes to thank OIOS auditors for completing the audit and making recommendations for the Fund's human resources management process.

cc.: Mr. D. Penklis, Deputy Chief Executive
Mr. K. Soll, Chief Financial Officer
Ms. K. Manosalvas, Risk Officer, Audit Focal Point

Annex I
Comments to recommendations of the audit of human resources management in the Pension Administration

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Pension Administration should develop and implement a human resources strategy to ensure that its strategic objectives and goals are adequately supported by the required human resources.	Important	Yes	Deputy Chief Executive of Pension Administration	December 2021	The Pension Administration will develop a human resources strategy that supports the achievement of strategic objectives.
2	The Pension Administration should strengthen human resources management by: (i) conducting a gap analysis of the existing arrangements; and (ii) reviewing, updating and integrating the memoranda of understanding, human resources flexibilities and the service level agreement to develop a well-defined structure for the provision of human resources services.	Important	Yes	Deputy Chief Executive of Pension Administration	December 2021	To address the recommendation, the Pension Administration will: i) complete the gap analysis of the human resources arrangements currently underway; and ii) update as required the existing memoranda of understanding, human resources flexibility measures and supporting agreements with service providers.
3	The Pension Administration should strengthen controls over the use of overtime by factoring the utilization trends of previous years, analyzing past data, and correlating overtime requirements with human resources planning to ensure that the overtime requirements are properly justified.	Important	Yes	Chief Financial Officer, Budget Officer	December 2021	The Pension Administration will consider overtime operational requirements and expenditure in previous years as input for the formulation of overtime and post requirements in the budget proposal.
4	The Pension Administration should strengthen controls over the grant of special post allowance by monitoring their duration and ensuring that the provisions of ST/AI/1999/17 are fully complied with.	Important	Yes	Human Resources Team	December 2021	The Pension Administration will update the membership of the special post allowance (SPA) panel, which will advise on decisions on requests for SPA in compliance with the relevant administrative instruction.

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Rec. no.	Recommendation	Critical¹/ Important²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The Pension Administration should develop an inventory of available skillsets, identify existing gaps, and develop a comprehensive training plan to address them.	Important	Yes	Human Resources Team	December 2021	The Pension Administration will: i) identify the skills required to meet the Fund's mandates and strategic objectives; and on this basis, ii) develop a training and development plan to address related skills gaps among staff.
6	The Pension Administration should ensure that all its staff complete the mandatory training courses without further delay.	Important	Yes	Human Resources Team	December 2021	The Pension Administration will issue reminders to staff of the requirement to complete mandatory training courses and monitor compliance. The Pension Administration notes that full compliance might not be practically achievable, particularly for temporary staff.
7	The Pension Administration should provide appropriate guidance to all its staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives and priorities; and (ii) training and development goals are specified in the annual work plans of staff based on identification of specific needs.	Important	Yes	Human Resources Team	December 2021	The Pension Administration will issue guidelines for the development of staff work plans to ensure: i) alignment with strategic objectives for relevant functions; and ii) the identification of staff training and development goals.

Annex II
Comments and clarifications to the Draft Report of the audit of human resources management in the Pension Administration

Paragraph 3: The Fund notes as an important fact missing in this paragraph that at the time of the audit, the human resources team had merged with DOS/HQCSS.

Paragraph 13: As reported to the Pension Board at its 67th session in July 2020, Pillar 2 ‘Modernize Pension Services’ of the Pension Administration Strategy will address human resources elements in, as the Fund will focus, among other aspects, on promoting a change management culture, building staff engagement and the upscaling of staff skills.

Paragraph 19: Please consider the following factual clarifications:

(ii) The move of one of the two P-3 HR officers did not constrain the HR capacity in the Pension Administration but split the HR work between the Pension Administration and OIM. The HR Officer moved to OIM to perform human resources work relating to OIM.

(v) Regarding the first phrase stating that the service level agreement with DOS expired in May 2020 and continued without renewal, OIOS is kindly asked to note that the Chief Executive of Pension Administration and the Under-Secretary-General for Operational Support confirmed the extension of the agreement until May 2021.

(v) The Fund notes that there are no payments made to the United Nations related to the pilot service level agreement with the Department of Operational Support.

Paragraph 22: For 2021, the Pension Administration proposed the abolishment of one position instead of four positions, as it is noted in this paragraph.

Paragraph 23: It needs to be clarified that the Fund regularly reports the use of GTA funding in the context of the budget proposal. This is in addition to the monthly monitoring of expenditures – including GTA - for management purposes.

Paragraph 30: The overtime amounts shown in this paragraph are ‘gross’ amounts rather than the ‘actual’ overtime expenditure. For an accurate presentation, OIOS is kindly requested to include the word ‘gross expenditure’ in the final report. The actual overtime expenditure is \$837.7 thousand for the biennium 2018-2019 and \$152 thousand for 2020, for a total of \$989.7 thousand.

Paragraphs 33 and 34: Regarding special post allowances (SPAs) that lasted over two years, the Fund notes that it fully complied with the provisions of ST/AI/1999/17. Accordingly, SPAs that lasted over two years, continued after each case was reviewed by the SPA panel, in accordance with the relevant administrative instruction.

Paragraph 36: The Fund kindly requests OIOS to revise the statement in letter (a) that the functions of consultants resembled the functions of regular staff members and that there was no evidence of substantive deliverables. The Terms of Reference for the consultancy specified the objectives and deliverables which differed from the work performed by regular staff. In relation to (b) in accordance with section 5.32 of ST/2013/4, the consultancy was extended based on satisfactory performance during the initial three months contract.