



INTERNAL AUDIT DIVISION

REPORT 2024/038

Audit of benefit processing in the Pension Administration of the United Nations Joint Staff Pension Fund

**Some aspects of benefit processing, including
review of benchmark methodology, receipt of
core documents and benefit realization of
projects need to be strengthened**

30 July 2024

Assignment No. AS2023-800-01

Audit of benefit processing 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 benefit processing 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 the governance, risk management and control processes in ensuring effective administration of benefit processing in UNJSPF. The audit covered the period from January 2021 to December 2023 and included a review of: (a) strategic planning and risk management; (b) systems and procedures for benefit processing; and (c) performance monitoring and reporting.

The audit indicated the need for the Pension Administration to strengthen some aspects of benefit processing, including review of benchmark methodology, receipt of core documents and benefit realization of projects.

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

- Strengthen risk management by reviewing the contributing factors and internal control considerations pertaining to key risks concerning the timely processing of pension benefits by actively involving the risk owners;
- Explore possibilities to expand the functionalities of the Member Self-Service estimation tool to achieve operational efficiencies and enhance client experience;
- Coordinate with the member organizations to encourage separating participants to exercise the active deferment option in cases where payment instructions are missing;
- Adopt a targeted approach, prioritizing cases entity-wise and region-wise to gather the required documents to initiate the benefits process;
- Enhance the efficiency of benefit processing by further expanding the issue step categories for effective monitoring and establishing timelines for resuming cases for processing after receipt of the required information; and
- Take steps to extend the existing benefit realization framework to all projects relating to benefit processing for effective monitoring.

The Pension Administration accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

I. BACKGROUND	1-2
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. AUDIT RESULTS	3-11
A. Strategic planning and risk management	3-4
B. Systems and procedures for benefit processing	4-10
C. Performance monitoring and reporting	10-11
IV. ACKNOWLEDGEMENT	11
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

Audit of benefit processing 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 benefit processing in the Pension Administration of the United Nations Joint Staff Pension Fund (UNJSPF).

2. UNJSPF was established in 1949 by a resolution of the General Assembly to provide retirement, death, disability and related benefits for staff upon cessation of their service with the United Nations and 24 other international organizations admitted to the membership of the Fund. It serves 149,848 active participants and 86,013 beneficiaries of the United Nations and 24 member organizations. In 2023, UNJSPF made periodic benefit payments of about \$3.5 billion in 18 different currencies.

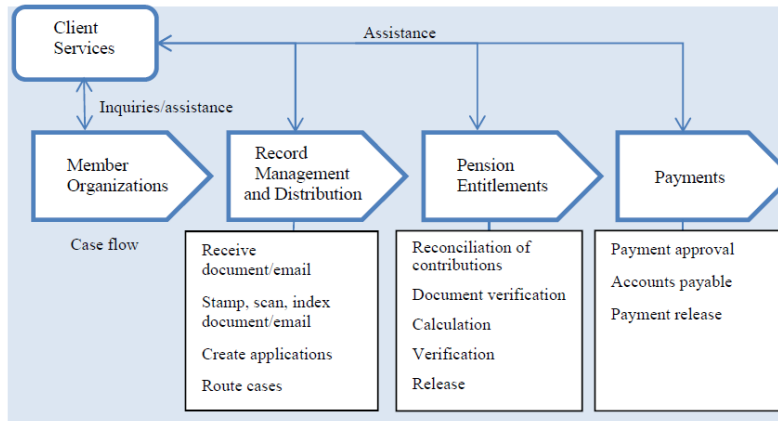
3. The Fund operates under its Regulations and Rules, including Financial Rules as approved by the General Assembly. The administration of benefits is regulated by Article 27 (entitlement to benefits), Article 28 (retirement benefit), Article 29 (early retirement benefit), Article 30 (deferred retirement benefit), Article 31 (withdrawal settlement), Article 32 (deferment of payment or choice of benefit), Article 33 (disability benefit), Article 34 and Article 35 (survivor benefit), Article 36 (child’s benefit), Article 37 (secondary dependent’s benefit), Article 38 (residual benefit), Article 39 (limitation of benefit during leave without pay), and Article 40 (effect of re-entry into participation) of the Fund’s Regulations. Table 1 shows the different types of pension benefits awarded from January 2021 to December 2023.

Table 1: Types of benefits awarded from January 2021 to December 2023

Benefit type	2021	2022	2023
Retirement benefits (Article 28)	1,388	1,600	1,969
Early retirement benefits (Article 29)	739	663	713
Deferred retirement benefits (Article 30)	576	721	528
Withdrawal settlements (Article 31)	5,954	5,256	5,800
Disability benefits (Article 33)	118	88	143
Survivor benefits (Article 34 and 35)	231	144	144
Child’s benefits (Article 36)	1,830	1,389	1,489
Secondary dependency benefits (Article 37)	4	0	3
Transfer under agreement (Article 13)	30	35	29
Total benefits awarded	10,870	9,896	10,818

4. Article 7 (b) of the Regulations and Section J.1 and J.2 (a) of the Administrative Rules of the Fund provide the framework for processing benefits in the Pension Administration. To pay the benefits, the Pension Administration requires documentation to be provided by the member organization and the staff member. Upon the retirement of a staff member, the human resources (HR) office of the member organization needs to share the Separation Personnel Action (SEPPA) form providing details about the separation date and dependents of the staff member. In accordance with Section J.1 of the Fund’s Administrative Rules, the payroll office of the staff member’s member organization shares the separation notification (Form PF4) providing details about pensionable remuneration rates, current year contributions and other details about contributory service. Further, as required under Section J.2 (a) of the Administrative Rules, the staff member must provide clear instructions with respect to their choice of pension and banking instructions for the payment of benefits (also called ‘payment instructions’). After receipt of the documents required as per Section J.1 and J.2 (a), a benefit application is created in the system to process the benefits. Figure 1 below shows the flow of pension benefit processing.

Figure 1: Pension benefit process in the Pension Administration



5. The Pension Administration’s Client Services, Operations Services and Financial Services are involved in end-to-end processing of pension benefits. Client Services is responsible to respond to queries of participants and beneficiaries, in-person or through email. From Operations Services, the Records Management and Quality Control Unit (RMQCU), the Pension Entitlements Section (PES) and the Operations, Coordination and Liaison Unit (OCLU) are involved. RMQCU scans and uploads documents (both incoming and outgoing) into the Integrated Pension Administration System (IPAS) for necessary action, and OCLU coordinates with the member organization to obtain the required documents, besides other outreach activities. PES determines the eligibility for benefits after reviewing the case. PES sometimes takes the assistance of the Fund’s Legal Office in determining the eligibility in complicated cases. Once the eligibility is determined, the Payment Section of Financial Services approves the final payment for disbursement by the Cashier Unit.

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 in ensuring effective administration of benefit processing in UNJSPF.

8. This audit was included in the 2023 OIOS risk-based work plan for UNJSPF due to the risk that potential weaknesses in processing of pension benefits may have an adverse impact on the Fund’s beneficiaries as well as its reputation.

9. OIOS conducted this audit from January to May 2024. The audit covered the period from January 2021 to December 2023. Based on an activity-level risk assessment, the audit covered risk areas in benefit processing which included: (a) strategic planning and risk management; (b) systems and procedures for benefit processing; and (c) performance monitoring and reporting.

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

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

III. AUDIT RESULTS

A. Strategic planning and risk management

Strategic planning relating to benefit processing was adequate

12. The Pension Administration's strategic objectives include: (a) contribution management; (b) entitlement processing; (c) benefits management; and (d) providing client services to all participants, retirees and other beneficiaries. To achieve its strategic objectives, the Pension Administration had developed a 'Client-focused, Action-oriented, Relations-builder, Efficacy-driven Strategy' (CARE) in 2020 with three key pillars: (a) simplify client experience; (b) modernize pension services; and (c) develop a strong global partnership network. In addition to the four key performance indicators (KPI) for its four strategic objectives, the Pension Administration identified additional KPIs to align with the three pillars of the 'CARE Strategy 2024 and beyond'. Out of the 24 newly established KPIs, 12 were related to end-to-end benefit processing.

13. From January 2021 to December 2023, the Pension Administration undertook strategic initiatives aimed at improving benefit processing, such as: (i) new payment channels to make benefit payments through United Nations Treasury; (ii) a new member organizations portal as a one-stop shop for all partners; and (iii) implementation of seven robotic process automations. OIOS considers that the Pension Administration's strategic planning relating to benefit processing was adequate.

Need to address certain risk management issues related to benefit processing

14. According to the Fund's Enterprise-wide Risk Management Policy, one of the objectives of risk management is to provide assurance to stakeholders that the Fund's mission, objectives and expected accomplishments will be achieved, based on consistent identification, assessment and management of risks. OIOS' review of the risk register relating to benefit processing indicated the following:

(a) The Risk Team noted that the increasing trend in time taken for benefit processing is a key risk. However, the Risk Team did not consider the differences in work methods of the New York and Geneva offices of the Fund as one of the contributing factors to this risk. For instance, staff in the Geneva office were using Excel spreadsheets alongside IPAS for benefit calculations, whereas staff in the New York office had transitioned away from using Excel spreadsheets two years earlier. The Pension Administration stated that spreadsheets were only used for complex cases to validate the calculations for accuracy, and that staff have been reminded to stop using spreadsheets. The Pension Administration needs to ensure that all staff adhere to the same protocols for benefit processing.

(b) The Risk Team identified quality control of incoming documents as one of the internal control considerations for the risk of inaccurate documentation. However, unlike the Geneva office, this control was not implemented in the New York office because RMQCU did not perform quality control functions. The Pension Administration stated that the Geneva office performed quality control functions because it received separation documents as one package, whereas the New York office did not. The Pension Administration also stated that RMQCU has been imparting training to staff to make quality control fully functional by the end of 2024.

<p>(1) The Pension Administration should strengthen risk management by reviewing the contributing factors and internal control considerations pertaining to key risks concerning the timely processing of pension benefits by actively involving the risk owners.</p>
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The Pension Administration accepted recommendation 1 and stated that it will review and validate contributing factors and internal control considerations for risks related to benefit processing by maintaining periodic risk management meetings with risk owners.

Policies and procedures were reviewed regularly

15. Policies and procedures provide a roadmap for day-to-day operations. Regular review of policies and procedures is required to ensure that they are consistent with current business operations and practices.

16. The Pension Board established a Plan Review Group in 2022 to review the amendments proposed by the Pension Administration for discussion at the Board's session in July every year. The Legal Office of the Pension Administration reviewed the Regulations and Rules on a regular basis involving managers from various functions and proposed 52 amendments for simplification and clarification of Regulations and Rules to the Plan Review Group in January 2024. The Pension Administration had proposed changes in Articles 29, 32 and 38 of the Fund's Regulations and Rules relating to the benefit processing to address gaps and inconsistencies. Based on a review of the changes proposed to the Plan Review Group, OIOS concluded that the Pension Administration had taken adequate action to periodically review the Regulations and Rules relating to benefit processing.

B. Systems and procedures for benefit processing

Need to enhance the functionalities of the estimation tool for a better client experience

17. One key objective of pillar 1 of the CARE Strategy is to modernize and simplify client interactions by empowering them with self-service and interface tools. The Pension Administration developed an estimation tool through the Member Self Service (MSS) system to enable participants to estimate their pension entitlements. OIOS' review of the estimation tool indicated the following:

(a) In accordance with Article 30, a deferred retirement benefit shall be payable to a participant whose contributory service was more than five years and whose age on separation is less than the normal retirement age. The deferred benefit shall be payable from the normal retirement age, or from the early retirement age if the participant so chooses. The estimation tool provided the deferred benefit estimates only from the normal retirement age, but not from the early retirement age.

(b) The estimation tool did not consider the past contributory service of participants falling under Article 13 (transfer-in agreement cases) and Article 40 (re-entry into the Fund). It provided estimates only for the participant's most recent contributory service.

(c) The MSS system generated estimates from the contribution data uploaded in IPAS. However, the degree of reliability of the estimate depended upon the member organization/reporting entity to which a participant belongs. Contribution data of 51,160 participants (34 per cent of total participants) was uploaded in IPAS monthly, whereas the contribution data of the remaining 98,688 participants (66 per cent) was uploaded annually in March of the following year. Therefore, the estimates generated by the latter group of participants did not consider their most recent contributions, thereby limiting the usefulness of the estimate generated by the MSS tool.

18. The Pension Administration stated that it had initiated the data interfaces and monthly contributions project, which will allow monthly uploading of contributions by all member organizations/reporting entities. However, this project was yet to be fully implemented. The MSS estimation tool had the functionality of allowing the participants to change the contributory service period (both past and future)

as well as their pensionable remuneration. The Pension Administration deactivated this functionality to avoid speculative and false pensionary estimates being generated.

19. During the period January 2021 to December 2023, the Client Services Unit received 6,664 service requests from participants requesting the Fund to provide pension entitlement estimates. On average, it took 7.5 days to process such requests. The Pension Administration aims to modernize its pension services and has initiated some robotic process automation projects. In the interest of saving time and resources, the functionalities in the MSS system need to be expanded for a better client experience.

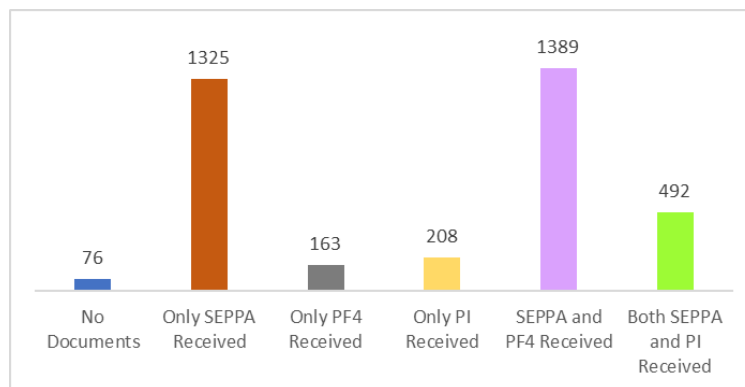
(2) The Pension Administration should explore possibilities to expand the functionalities of the Member Self-Service estimation tool to achieve operational efficiencies and enhance client experience.

The Pension Administration accepted recommendation 2 and stated that it will introduce system enhancements to the MSS estimate tool for estimates relating to Article 30, Article 40 and the reverse periodic benefit with lump sum estimates. Due to dependencies and technical and resource constraints, MSS enhancements will be implemented only at a later stage, as part of an updated version of MSS in the new Customer Relationship Management system, or after the IPAS upgrade.

Need to address the delays in receiving the required documents to improve processing times

20. The Pension Administration requires three core documents from member organizations and participants to pay pension benefits, namely: (i) SEPPA; (ii) separation notification (PF4); and (iii) payment instruction. Other supporting documents are required in the case of periodic benefits to verify the personal status/demographic information, banking information, and signature of the staff member. As of 31 December 2023, there were 3,653 open workflows in IPAS relating to non-receipt of one or more core documents, as shown in Figure 2.

Figure 2: Open workflows relating to the non-receipt of one or more core documents



21. OIOS’ analysis of the reasons for non-receipt of documents showed that out of 3,653 open workflows, SEPPA was not received in 447 cases, separation notification (PF4) was not received in 2,101 cases, and payment instruction was not received in 2,950 cases.

22. SEPPA issued by the HR office of the member organization is required because it notifies the Fund of the separation date and the names and dates of birth of the participant’s dependents. It triggers the separation process for the member organization as well as the Fund. Non-receipt of SEPPA is generally not by itself a cause for delay in processing benefits.

23. Delays in submitting Form PF4 to the Fund were caused by withholding documents concerning recovery of overpayments from staff members, pending legal or disciplinary matters, and imminent re-employment. The Fund had taken measures to improve the receipt of PF4 from member organizations, such as: (a) monthly missing document report sent to each member organization; (b) global and individual meetings with member organizations; (c) specialized training sessions on the separation process and mandatory documents; and (d) paperless submission of documents via dedicated email addresses. The Pension Administration stated that the turnaround time in receipt of separation documents had noticeably improved during the last three years.

24. Most of the open workflows (2,950 cases) related to missing payment instructions. OIOS’ analysis showed that only 6 per cent of the cases pertained to death cases where the payment instruction was awaited from surviving family members. In all the remaining cases, payment instruction was awaited from the separating participant (see Table 2 below).

Table 2: Missing payment instructions

Category	Up to 3 years old	More than 3 years	Total	Percentage
Death Cases	79	91	170	6
Other (Presumably deferment)	2,225	555	2,780	94
Total	2,304	646	2,950	100

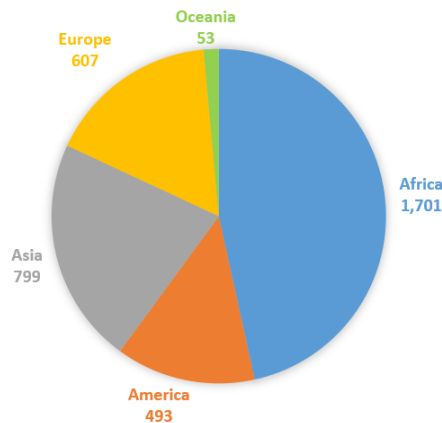
25. Article 32 of the Fund’s Regulations and Rules allows separating staff members to defer payment or choose a benefit for up to 36 months after separation. The separating staff member can request deferment of payment or choice of benefit by completing page one of the payment instruction form (active deferment option). If a staff member fails to make a choice or submit a payment instruction within this period, they are automatically deemed to have chosen a deferred retirement benefit. However, there were instances where separating staff members exercised deferment or choice without completing the required page one of the payment instruction form. Consequently, the Pension Administration had to wait for 36 months to determine the participant's choice, thereby causing delay in processing. This resulted in a significant number of cases (2,225) where payment instructions were missing.

(3) The Pension Administration should coordinate with the member organizations to encourage separating participants to exercise the active deferment option in cases where payment instructions are missing.

The Pension Administration accepted recommendation 3 and stated that it has been engaging with member organizations to remind separating participants. The Fund will conduct additional briefings and issue guidelines to the member organizations.

26. Further analysis of missing core documents for 3,653 open workflows showed that 47 per cent of the cases were from the Africa region, followed by 22 per cent from Asia, 17 per cent from Europe, 13 per cent from the America, and 1 per cent from Oceania as shown in Figure 3 below.

Figure 3: Region-wise status of open workflows for core documents



27. The percentage of missing core documents was notably higher for the United Nations family organizations at 69 per cent, accounting for 2,521 cases, compared to 31 per cent for other member organizations, totaling 1,132 cases. Within the Africa region specifically, the percentage of missing documents for the United Nations family organizations rose to 73 per cent, which is attributed to the various peacekeeping missions in remote regions. Since the Pension Administration provides Staff Pension Committee (SPC)-related services to the United Nations, it needs to implement focused outreach activities to improve document submission.

28. The Pension Administration stated that it has created the ‘Separation Target Operating Model’, adopting a participative approach with member organizations, to reduce the cycle time for required documents and minimize the waiting time for payment of the first benefit to separated staff. A workshop on the ‘Separation Target Operating Model’ was organized in mid-April with SPC Secretaries in Geneva, and another one was planned with the United Nations family organizations.

29. While OIOS recognizes the various initiatives taken by the Pension Administration, it needs to strengthen coordination with member organizations and implement region-specific strategies to improve document submission and management, thereby enhancing the overall efficiency of benefits processing.

(4) The Pension Administration should adopt a targeted approach, prioritizing cases entity-wise and region-wise to gather the required documents to initiate the benefits process.

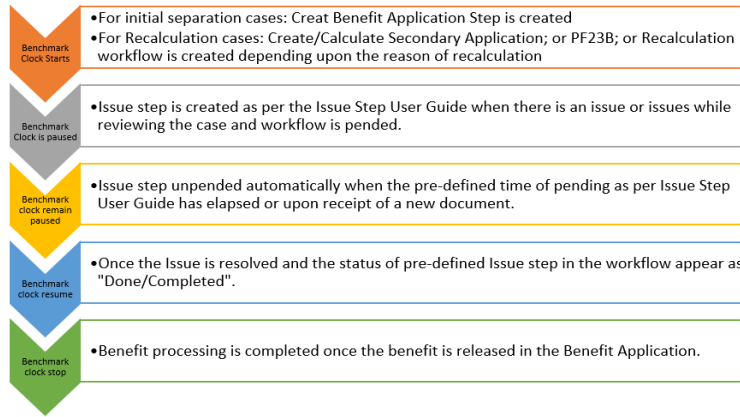
The Pension Administration accepted recommendation 4 and stated that it conducted joint Operations Support and Client Services missions to Nairobi and Entebbe and held bi-weekly meetings in Entebbe to make sure documents submitted are ready for processing. The Fund’s Liaison Office in Nairobi will continue to support member organizations with aspects relating to the separation process. Further actions for other entities or to address specific situations will continue.

Need to review the benchmark methodology for benefit processing

30. The Pension Administration’s overall KPI was to process 75 per cent of the cases within 15 business days. This was broken down into separate benchmark methodologies for two categories: initial separation cases and recalculation cases. Once the payment instruction and separation notification are received, the processing of benefits is initiated in IPAS, and the clock for the 15-day benchmark begins.

31. Figure 4 shows the process for calculating processing times for both initial separation and recalculation cases. Except for the benchmark clock start date, the rest of the steps remain the same for both types of cases.

Figure 4: Process for calculation of processing times for benchmarked cases



32. According to the benchmark methodology, an issue step is to be used in IPAS when a case cannot be immediately finalized and requires follow-up for missing documentation or information. The concerned benefit processing staff should create an issue step in IPAS by selecting an option from the dropdown menu, namely: (i) Issue-Pended; (ii) Issue with Participant; (iii) Issue with Organization; (iv) Issue with Beneficiary; (v) Issue with UNJSPF sections; or (vi) Issue Two-track. According to the Issue Step User Guide, the Issue-Pended category should only be used when other specific categories could not be used. OIOS’ review showed that between 2021 and 2023, in 51 per cent of initial separation cases and 58 per cent of recalculation cases, the Fund used the Issue-Pended category as shown in Table 3.

Table 3: Issue step categories for initial separation and recalculation cases from 2021 to 2023

Issue step category	Initial separation cases ¹		Recalculation cases ²	
	Number	Per cent	Number	Per cent
Issue-Pended	6,861	51	1,142	58
Issue with Participant	3,694	27	-	-
Issue with Organization	1,768	13	-	-
Issue with Beneficiary	773	6	728	37
Issue with UNJSPF sections	403	3	72	4
Issue Two-track	-	-	15	1
Total	13,499	100	1,957	100

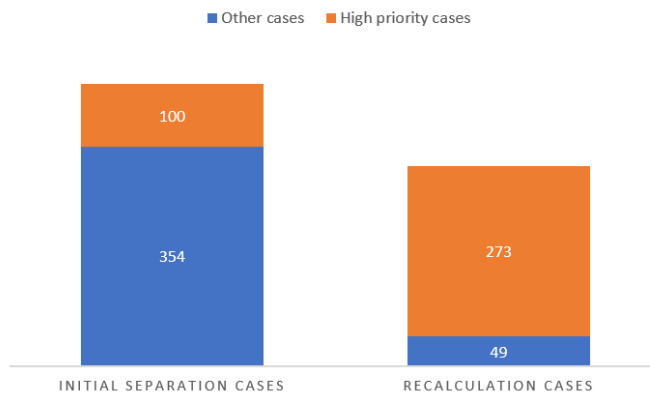
33. With the use of a generic “Issue-Pended” step, the process managers were unable to quickly identify the specific issues and resolve them in a timely manner. The Pension Administration stated that the concerned staff were reminded not to use the generic issue step category while pending a case. The Pension Administration needs to refine the dropdown menu options to ensure that they are representative and cover the most common scenarios accurately, by adding subcategories or additional options if necessary. This would reduce the use of the generic "Issue-Pended" category and help improve the efficiency of case resolution by means of more accurate issue categorization.

¹ 13,499 cases were from 2021 to 2023 after the implementation of initial separation benchmark methodology.

² 1,957 cases were from 2022-2023 after the implementation of recalculation benchmark methodology.

34. Once the requested documentation is received, the case is resumed, and 15 business days are assigned to the process. However, the time taken to resume the case after receipt of the required documentation was not counted against the 15-day period, and these cases remained in the unresolved category. The benchmark methodology did not specify the timeline for resuming the cases after receipt of the required documentation. As of 31 December 2023, 454 out of 12,625 pending initial separation cases and 322 out of 3,968 pending recalculation cases were not resumed for processing after the required documentation was received. Among those processable cases, 22 per cent of initial separation cases and 85 per cent of recalculation cases were high-priority cases as shown in Figure 5.

Figure 5: Processable cases as of 31 December 2023 with all the documents received



35. High-priority cases were categorized as such due to the death of a participant or a retiree. OIOS' review of 20 sample cases with high priority indicated that 17 cases were outstanding from 3 to 58 months. Cases were not resumed after receiving the required information due to absence of established timelines. The Pension Administration needs to review the benchmark methodology to expand the issue step categories and establish timelines for resuming cases after receiving the required information.

(5) The Pension Administration should enhance the efficiency of benefit processing by: (i) further expanding the issue step categories for effective monitoring; and (ii) establishing timelines for resuming cases for processing after receipt of the required information.

The Pension Administration accepted recommendation 5 and stated that it will expand the issue steps categories for effective monitoring and establish timelines to resume processing after receipt of the required information.

Action was taken to suspend the benefits and recover overpayments for Article 40 cases

36. Article 40 of the UNJSPF Regulations and Rules stipulates that when a former participant entitled to retirement, early retirement or deferred retirement benefit becomes a participant again, entitlement to such benefit or to a benefit derived therefrom shall be suspended and no benefit shall be payable until the participant dies or is again separated.

37. As of 31 December 2023, there were 110 cases where former participants had rejoined the Fund as a participant. OIOS' review showed that in 11 out of 15 sample cases, the benefit payment was suspended from the very next month of the former participant becoming the participant again. Only in four cases, there was overpayment of benefits from three to five months due to the delay in reporting the information to the Fund. The Pension Administration had taken appropriate action to recover these overpayments.

Action was taken to explore alternative benefit payment channels

38. Timely processing of benefit payments is one of the four strategic objectives of the Pension Administration. The Fund disbursed benefit payments to over 80,000 retirees and beneficiaries across 190 countries. Until 2022, the Pension Administration had 17 payroll currencies to disburse the periodic benefits. In 2023, the Pension Administration added the Russian Rouble to its payroll currencies. Also, it made alternative arrangements to minimize the burden of bank charges on the beneficiaries arising from international wire transfers. The Pension Administration decided with the United Nations Treasury to make check payments in Chile and Peru. The Pension Administration also made alternate arrangements with the United Nations Treasury and the United Nations High Commissioner for Refugees to ensure uninterrupted payment to beneficiaries due to political crisis and sanctions in Afghanistan, Mali, Sudan and Niger.

C. Performance monitoring and reporting

Need for monitoring benefit realization of projects involved in end-to-end processing of benefits

39. To support the implementation of the CARE strategy and to achieve its objectives, the Pension Administration identified 45 projects focusing on streamlining and strengthening systems and processes. Out of 45 projects, 36 were related to the end-to-end benefit processing.

40. Benefit realization from projects was not systematically monitored. Project managers were responsible for the implementation phase, after which they were handed over to process owners without systematic follow-up to assure benefit realization. During the audit, the Pension Administration developed a framework to monitor the benefit realization of projects and it is expected to launch a Business Intelligence (Dashboard) to report on the benefits realization. However, the Pension Administration applied this framework only to 17 out of 36 projects pertaining to benefit processing. There was no clear plan to roll out the benefit realization framework to the remaining 19 projects. The Pension Administration stated that these 19 projects were managed independently or under different programmes whereas the 17 projects were managed under one programme by one functional unit. Given that all projects are expected to contribute towards the strategic objectives of the CARE Strategy, the Pension Administration needs to extend the benefit realization framework to all projects related to benefit processing.

(6) The Pension Administration should take steps to extend the existing benefit realization framework to all projects relating to benefit processing for effective monitoring.

The Pension Administration accepted recommendation 6 and stated that it will extend benefit realization analysis to all projects relating to benefit processing.

Performance reporting of benefit processing was adequate

41. In accordance with the Secretary-General's bulletin ST/SGB/2018/3, the Pension Administration reported on its KPIs in various performance reports for its four strategic objectives, namely: contribution management; entitlement processing; benefits management; and client services. In addition to the number of entitlements processed, the Pension Administration also reported on the percentage of cases processed against the benchmark of 15 business days.

42. The Pension Administration was reporting on the performance for benchmarked initial separation cases only in various performance reports until 2022. However, after adopting the benchmark methodology for recalculation cases in 2022, recalculation cases were also included in performance reporting. The

Pension Administration met its benchmark of releasing 75 per cent of cases every month within 15 business days as shown in Table 4.

Table 4: Percentage of cases processed within the 15-day benchmark from 2021 to 2023

Year	Category	Total cases processed	Benchmarked cases	Number of cases within the 15-day benchmark		Number of cases exceeding the 15-day benchmark	
				Number	Percentage	Number	Percentage
2021	Initial separation cases	9,272	7,556	6,787	90	769	10
2022	Initial separation cases	9,097	7,417	6,881	93	536	7
2023	Initial separation cases	9,245	7,858	7,858	93	516	7
2023	Recalculation cases	3,206	917	780	85	137	15

43. Only cases requiring immediate payment are considered “benchmark cases” to measure performance against the benchmark of 15 business days. The 15 business days’ benchmark period did not account for the time taken to receive the additional information required, and the time taken to resume the case after receiving additional information, as explained earlier in the report.

IV. ACKNOWLEDGEMENT

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

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of benefit processing in the Pension Administration of the United Nations Joint Staff Pension Fund

Rec. no.	Recommendation	Critical³/ Important⁴	C/ O⁵	Actions needed to close recommendation	Implementation date⁶
1.	The Pension Administration should strengthen risk management by reviewing the contributing factors and internal control considerations pertaining to key risks concerning the timely processing of pension benefits by actively involving the risk owners.	Important	O	Receipt of evidence of action taken to strengthen risk management relating to the processing of pension benefits.	31 August 2025
2.	The Pension Administration should explore possibilities to expand the functionalities of the Member Self-Service estimation tool to achieve operational efficiencies and enhance client experience.	Important	O	Receipt of evidence that system enhancements to the MSS estimation tool have been implemented.	31 December 2025
3.	The Pension Administration should coordinate with the member organizations to encourage separating participants to exercise the active deferment option in cases where payment instructions are missing.	Important	O	Receipt of evidence of actions taken to coordinate with member organizations to encourage separating participants to exercise the active deferment option in cases where payment instructions are missing.	31 December 2024
4.	The Pension Administration should adopt a targeted approach, prioritizing cases entity-wise and region-wise to gather the required documents to initiate the benefits process.	Important	O	Receipt of evidence of action taken to improve the gathering of required documents from the entities and regions that are most affected by pension processing delays caused by missing documents.	31 December 2024
5.	The Pension Administration should enhance the efficiency of benefit processing by: (i) further expanding the issue step categories for effective monitoring; and (ii) establishing timelines for	Important	O	Receipt of evidence that issue steps categories have been extended and the timelines to resume the processing of cases after the receipt of required information have been established.	31 August 2025

³ 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.

⁴ 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.

⁵ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁶ Date provided by the Pension Administration in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of benefit processing in the Pension Administration of the United Nations Joint Staff Pension Fund

	resuming cases for processing after receipt of the required information.				
6.	The Pension Administration should take steps to extend the existing benefit realization framework to all projects relating to benefit processing for effective monitoring.	Important	O	Receipt of evidence that the benefit realization framework has been extended to all the projects relating to pension processing.	31 December 2024

APPENDIX I

Management Response

MEMORANDUM

Ref: UNJSPF/CEPA/26072024

26 July 2024

To / A: Mr. Gurpur Kumar, Deputy
Director Internal Audit
Division, OIOSFrom / De : Rosemarie McClean, Chief Executive
of Pension Administration, United
Nations Joint Staff Pension FundSubject / Objet: **UNJSPF response to draft report audit of benefit processing in the Pension Administration of the United Nations Joint Staff Pension Fund**

1. Reference is made to your memorandum dated 12 July 2024, in which you submitted for the Fund's review and comments, the draft audit report of the above-mentioned audit.
2. As requested, the Pension Administration's comments to the audit recommendations are included in **Annex I**.
3. The Pension Administration would like to thank OIOS auditors for the review conducted and the constructive exchanges with management.

cc.: Mr. D. Penklis, Deputy Chief Executive
Ms. M. O'Donnell, Chief of Operations
Mr. D. Dell'Accio, Chief Information Officer
Mr. A. Blythe, Chief Client Services Service
Ms. K. Manosalvas, Senior Risk Officer, Audit Focal Point

ANNEX I
Response to Draft Report OIOS Audit of benefit processing 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 strengthen risk management by reviewing the contributing factors and internal control considerations pertaining to key risks concerning the timely processing of pension benefits by actively involving the risk owners.	Important	Yes	Chief Risk Management / Chief of Operations	August 2025	The Pension Administration will review and validate contributing factors and internal control considerations for risks related to benefit processing by maintaining periodic in risk management meetings with risk owners.
2.	The Pension Administration should explore possibilities to expand the functionalities of the Member Self-Service estimation tool to achieve operational efficiencies and enhance client experience.	Important	Yes	Chief Client Services Service	December 2025	The Pension Administration will introduce system enhancements to the Member Self-Service estimate tool, for estimates relating to Article 30, Article 40 and the reverse periodic benefit with lump sum estimates. Due to dependencies and technical and resource constraints, Member Self-Service (MSS) enhancements will be adopted in the enhanced MSS in the new Customer Relationship Management (CRM) system, or after the IPAS upgrade.
3.	The Pension Administration should coordinate with the member	Important	Yes	Operations Support	December 2024	The Pension Administration has been engaging with member organizations

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
	organizations to encourage separating participants to exercise the active deferment option in cases where payment instructions are missing.					to remind separating participants. The Fund will conduct additional briefings and issue guidelines to the member organizations.
4.	The Pension Administration should adopt a targeted approach, prioritizing cases entity-wise and region-wise to gather the required documents to initiate the benefits process.	Important	Yes	Chief Operations Support Section	December 2024	The Pension Administration conducted joint Operations Support and Client Services missions to Nairobi and Entebbe and held bi-weekly meetings with Entebbe to make sure documents submitted are ready for processing. The Fund's Liaison Office in Nairobi will continue to support member organizations with aspects relating to the separation process. Further actions for other entities or to address specific situations will continue.
5.	The Pension Administration should enhance the efficiency of benefit processing by: (i) further expanding the issue step categories for effective monitoring; and (ii) establishing timelines for resuming cases for processing after receipt of the required information.	Important	Yes	Chiefs Pension Entitlements Section	August 2025	The Pension Administration will expand the issue steps categories for effective monitoring and establish timelines to resume processing after receipt of the required information. Note: The Pension Administration respectfully requests to note in the final audit report that the Pension Administration reviewed the cases mentioned in paragraph 35, and identified the cases were still not ready for processing due to missing or incomplete information.

Rec. no.	Recommendation	Critical¹/ Important²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
6.	The Pension Administration should take steps to extend the existing benefit realization framework to all projects relating to benefit processing for effective monitoring.	Important		Chief Business Transformation Unit	December 2024	The Pension Administration will extend benefit realization analysis to all projects relating to benefit processing.