



INTERNAL AUDIT DIVISION

REPORT 2021/038

Audit of human resources management in the Office of Investment Management of the United Nations Joint Staff Pension Fund

**Control failures in exercising the delegation
of authority granted by the Secretary-General
in human resources management need to be
addressed as a priority**

24 August 2021

Assignment No. AS2021-801-01

Audit of human resources management in the Office of Investment Management 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 Office of Investment Management (OIM) 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 over human resources management in OIM. The audit covered the period from January 2018 to April 2021 and included a review of risk areas in human resources management relating to: (a) strategic planning; (b) human resources operations; and (c) performance management and development.

The audit indicated that OIM needs to address, as a priority, the control failures in exercising the delegation of authority granted by the Secretary-General in matters relating to human resources management.

OIOS made four recommendations. To address the issues identified in the audit, OIM needed to:

- Strengthen the controls over the grant of special post allowance (SPA) by reconstituting the SPA panel and establishing review mechanisms to ensure that all the provisions of ST/AI/1999/17 are complied with;
- End the practice of using the flexibilities in the Office of Human Resources Management's memorandum of 17 May 2015, which has been superseded by the delegation of authority granted by the Secretary-General from 1 January 2019, and inform its staff accordingly; and establish an effective mechanism to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and promptly reported to the Department of Management Strategy, Policy and Compliance as required;
- Provide appropriate guidance to staff to ensure that staff performance goals and plans are aligned to the Fund's strategic objectives, and relevant success criteria are defined accordingly; and
- Develop a comprehensive training plan based on a needs assessment and ensure that its staff include individual training and development goals in their annual performance documents.

OIM accepted the recommendations and has undertaken to implement them.

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Audit of human resources management in the Office of Investment Management of the United Nations Joint Staff Pension Fund

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted audit of human resources management in the Office of Investment Management (OIM) 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 international intergovernmental organizations admitted to the membership of UNJSPF. The investments of the Fund are managed by OIM with an asset portfolio of \$82.8 billion as of 31 March 2021. Under the authority of the Secretary-General, the Representative of the Secretary-General for the investment of the assets of the Fund (RSG) has a fiduciary responsibility to manage the investments in the best interests of participants and beneficiaries. The Chief Executive of Pension Administration administers the pension benefits under the authority of the United Nations Joint Staff Pension Board (hereafter referred to as the Pension Board).
3. At the time of the audit, the human resources function of OIM was serviced by one Professional staff member (P-4) and two General Service staff (one G-7 and one G-6). Additionally, a P-5 Senior Programme Officer, who was responsible for general administration, budget and procurement, devoted 20 per cent of the time to workforce planning and oversight of the human resources team.
4. 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 personal and organizational data and process administrative actions.
5. At the time of the audit, OIM had 125 authorized positions (91 Professional and 34 General Service) including general temporary assistance (GTA) positions, of which 14 were vacant. The total staff costs for the 2018-2019 biennium were \$29.6 million or 43 per cent of OIM's total expenditure.
6. Comments provided by OIM are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control processes over human resources management in OIM.
8. This audit was included in the 2021 risk-based work plan of OIOS due to the risk that potential weaknesses in the management of human resources could adversely affect the operations of OIM.
9. OIOS conducted this audit from January to May 2021. The audit covered the period from January 2018 to April 2021. Based on an activity-level risk assessment, the audit covered risk areas in human resources management which included: (a) strategic planning; (b) human resources operations; and (c) performance management and development.
10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing. The audit did not cover technical aspects of Umoja and Inspira and policy matters under the purview of the Office of Human Resources of the United Nations Secretariat.

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

III. AUDIT RESULTS

A. Strategic planning

The workforce planning exercise initiated in 2020 was yet to be completed

12. Strategic human resources planning contributes to achieving organizational success by ensuring that the organization has the human resources capabilities required to meet its current and emerging needs.

13. OIM engaged a consulting firm in 2019 to conduct a top-down benchmarking analysis of its staffing levels against a peer benchmark of global institutional investors. In a 2020 audit of governance mechanisms and related processes in OIM (A/75/215), OIOS had recommended (Recommendation 5), inter alia, that OIM conduct a bottom-up workforce planning exercise to determine the capacity gaps and develop an action plan to fill them in order to implement the investment strategy in a cost-effective manner. Since then, OIM had initiated the following actions:

(a) In October 2020, OIM held several internal meetings to discuss its 1-3-5-year plans to formulate substantive objectives for each unit. Team leaders identified specific staffing needs and expertise related to their specific areas in late 2020.

(b) In early 2021, OIM engaged a contractor to conduct an asset allocation analysis which aimed to review existing investment benchmarks, asset classes and asset allocations and recommend long-term strategies. At the same time, OIM initiated a study (CEM Benchmarking), benchmarking its human resources against its peers. The benchmarking study was completed in April 2021. However, since this study was conducted in parallel to the asset allocation analysis, its conclusions did not consider the implications of possible changes to OIM's human resources requirements arising from changes to its investment strategy as a result of the 2021 asset allocation analysis.

(c) In January 2021, by its resolution 75/246, the General Assembly authorized the Secretary-General to conduct margin trading on a trial basis for two years but requested more detailed proposals on the use of derivative instruments, engagement in margin trading, and participation in securities lending, as well as compliance measures. To address the Assembly's request, OIM formed three working groups in February 2021 to evaluate the advantages and disadvantages of securities lending, bond futures for fixed income, and currency hedging. The conclusions/recommendations of these working groups could impact the short- and long-term human resources requirements of OIM, including the expertise required to implement them. At the time of the audit, the working groups were yet to conclude their studies, pending the results of the asset allocation analysis.

14. OIM needs to conclude the various ongoing studies to be able to holistically determine its human resources requirements for implementing the investment strategy effectively. In response to Recommendation 5 of the OIOS audit (A/75/215), OIM had stated that an internal bottom-up workforce exercise will be performed to determine the capacity gaps and develop a strategy that will match the needs of OIM in the coming years. Since OIM is still in the process of implementing Recommendation 5 of the OIOS report A/75/215, OIOS does not make any additional recommendation in the present report.

B. Human resources operations

Need to minimize the cancellation of job openings and document the reasons for their cancellation

15. According to the Manual on the Staff Selection System, job openings (JO) may be cancelled by the respective heads of entity where there are sound reasons which are clearly and fully justified. The senior recruiter should ensure that the rationale and supporting documents considered by the head of entity are attached in Inspira, and all applicants are informed when the JO has been cancelled.

16. In 2019 and 2020, OIM advertised 108 JOs and cancelled 23 of them. Two JOs were cancelled because the posts were not approved by the General Assembly. The remaining 21 JOs were cancelled for various reasons at different stages of recruitment. OIOS' review of the cancelled JOs indicated that 13 of them were re-advertised either with an updated job description or with a different evaluation criteria. In four cases, JOs were cancelled at advanced stages of recruitment (i.e., after written tests had been administered). In these cases, cancellation could have been avoided if adequate attention was given to developing clear job details and evaluation criteria.

17. The status of five cancelled JOs remained open in Inspira for more than one year after cancellation, and candidates were not informed that the JOs had been cancelled. During the audit, OIM updated the status of these JOs and informed the candidates about their cancellation. In all these cases, justification of cancellation was not documented in Inspira. *OIM stated that it will keep cancellation of JOs to a minimum and document the justification for job cancellations in Inspira. OIM had updated the records in Inspira and submitted a summarized spreadsheet for more clarity to show the reasons for cancellations. OIM also shared a checklist to ensure that cancellations of JOs are documented.* In view of the actions taken by OIM, OIOS did not make a recommendation on this issue.

Essential documents were missing in Inspira

18. OIOS' review of a sample of 22 regular JOs showed that in three cases, job classification approval documents were not uploaded in Inspira. In 16 out of 18 temporary appointments reviewed, supporting documents relating to evaluation of candidates were not uploaded to Inspira. The absence of such documents could compromise the integrity of the recruitment process and raise questions about transparency and fairness in recruitment. *OIM stated that it has since uploaded all supporting documents and will continue to do so. OIM also established a checklist to ensure that the procedures are being followed.* In view of the actions taken by OIM, OIOS did not make a recommendation on this issue.

Need to ensure compliance with procedures for the grant of special post allowance

19. According to ST/AI/1999/17, special post allowance (SPA) is granted when a staff member is called upon to assume the full duties and responsibilities of a post at a level higher than his or her own for a temporary period exceeding three months. SPA can be granted to: (a) posts temporarily vacant with a lien initially for one year extendable up to a maximum of two years; and (b) established vacant posts approved for a period longer than one year, for an initial period of three months extendable after every three months, subject to justification.

20. During the period January 2018 to December 2020, 23 staff members in OIM received SPAs. Even though the validity of the SPA panel lapsed in 2013, the same panel continued to review these SPA cases.

21. OIOS' analysis of 18 SPA cases on a sample basis showed that: (i) two SPAs were for more than 24 months; (ii) two SPAs were extended beyond three months without justification; (iii) five SPAs were

granted without review by the SPA panel; and (iv) six SPAs were granted without review by the full quorum of the SPA panel. In one case, the eligibility requirement of one year of continuous service was not fulfilled by the staff member who was granted SPA, resulting in recovery of the SPA incorrectly granted. In another case, OIM exceptionally granted SPA without issuing a temporary JO.

22. Considering the multiple cases of non-compliance with ST/AI/1999/17, OIM needs to ensure adequate oversight on the granting of SPAs to prevent recurrence of non-compliance.

(i) OIM should strengthen the controls over the grant of special post allowance (SPA) by: (i) reconstituting the SPA panel; and (ii) establishing review mechanisms to ensure that all the provisions of ST/AI/1999/17 are complied with.

OIM accepted recommendation 1 and stated that the Fund has reconstituted the SPA panel and will include the following steps in its working methods: (i) provide training to Panel members on the Administrative Instruction ST/AI/1999/17; (ii) prepare checklist for Panel members; (iii) provide information to Panel on how the vacancy occurred and the status of the vacancy, i.e., whether the post is temporarily vacant or vacant; and (iv) obtain justification for the selection of a recommended staff member, including evidence that HR has informed staff of the temporary vacancy and has reviewed all eligible candidates who have expressed interest in assuming higher-level functions. Recommendation 1 remains open pending receipt of evidence that the SPA panel has been reconstituted, and the prescribed measures been established in its working methods to ensure that the provisions of ST/AI/1999/17 are complied with.

Human resources flexibilities granted to the Pension Fund Secretariat are not applicable to OIM

23. By memorandum dated 17 May 2015, the Assistant Secretary-General of the Office of Human Resources Management (OHRM) had granted several “human resources flexibilities” to the Chief Executive Officer (CEO) of UNJSPF. These flexibilities were blanket exemptions granted to staff of the erstwhile UNJSPF Secretariat¹ from the applicability of certain Staff Rules and administrative instructions promulgated by the Secretary-General. They included: (i) waiver of the requirement of lateral moves and minimum post occupancy for posts in the UNJSPF Secretariat; (ii) waiver of the restrictions on appointment of staff from the General Services category to posts at P-2 and P-3 levels in the UNJSPF Secretariat; (iii) flexibility in rehiring former staff members of the UNJSPF Secretariat on temporary appointments one month after their separation date; (iv) waiver of restrictions on eligibility of temporary UNJSPF Secretariat staff from applying for JOs for the positions they encumber in the Fund, without any period on ineligibility; and (v) waiver of the requirement to pass the Administrative Services Assessment Test for G-4 temporary appointments in the UNJSPF Secretariat.

24. The above-mentioned memorandum of 17 May 2015 was addressed to the CEO of UNJSPF, who functioned under the authority of the Pension Board. The flexibilities granted were premised on the rationale that “the United Nations’ administrative procedures and directives are not automatically applicable to the Fund [Secretariat] staff, since the requirements of the [Pension] Board take precedent”. The memorandum was not copied to the RSG, presumably because the RSG functioned under the authority of the Secretary-General, not the Pension Board.

25. In practice, however, some of the flexibilities granted by OHRM for staff of the UNJSPF Secretariat/Pension Administration were also applied to staff of OIM. OIOS is of the view that this practice was contrary to the letter and spirit of the 17 May 2015 memorandum which was intended to grant the

¹ Since 1 January 2020, the CEO post was renamed as Chief Executive of Pension Administration, and the UNJSPF Secretariat was reconstituted as Pension Administration.

flexibilities to the CEO so that they may be applied when recruiting staff for the UNJSPF Secretariat/Pension Administration. During discussion with OIOS, the Business Transformation and Accountability Division (BTAD) of the Department of Management Strategy, Policy and Compliance (DMSPC) confirmed that the flexibilities memo of 17 May 2015 was not applicable to OIM. In any case, the Secretary-General's delegation of authority to the RSG with effect from 1 January 2019 superseded any previous flexibilities, real or perceived, that may have been in force at the time.

OIM needs to comply with the delegation of authority granted by the Secretary-General

26. From 1 January 2019, with the implementation of the management reforms and accountability framework in the United Nations Secretariat, the Secretary-General delegated to the RSG the authority to manage human resources under the Staff Regulations and Rules to allow for effective mandate delivery. This delegation of authority also included the authority to grant exceptions to administrative instructions in the area of human resources with certain conditions². The RSG was required to promptly and fully comply with all reporting requirements set by DMSPC. The RSG sub-delegated to the Human Resources Officer of OIM the authority to manage human resources under the Staff Regulations and Rules.

27. During the period January 2019 to December 2020, OIM reported to DMSPC 26 instances where it had made exceptions to administrative instructions relating to human resources in the areas of: (i) extension of temporary appointment beyond 364 days; (ii) SPA; (iii) reduced break-in-service for temporary appointments; (iv) salary advance; and (v) temporary appointment of General Service staff to the professional category. However, OIM granted the following additional exceptions even though these items were not delegated by the Secretary-General to the RSG:

(a) Waiver of the lateral move requirement for P-5 positions

28. In most of the JOs for P-5 positions that were issued after 1 January 2019, OIM waived the lateral move requirement in contravention of Section 6.3 of ST/AI/2010/3. OIM also did not include the lateral move requirement as a screening question in any of these JOs. In all except one case, OIM did not report the grant of the exception to DMSPC. OIM stated that the lateral move requirement was waived based on the OHRM memorandum dated 17 May 2015 granting human resource flexibilities which, as previously explained, was superseded by the Secretary-General's delegation of authority to the RSG with effect from 1 January 2019.

29. OIOS' consultations with DOS confirmed that the head of entity does not have the authority to make an exception to the requirement of lateral moves as stipulated in ST/AI/2010/3 because such an exception would be prejudicial to the interests of other staff members who meet the lateral move requirement for the advertised P-5 position. In addition, staff members who did not apply for the JO because they were aware that they did not meet the lateral move requirement would also be affected. DOS stated that it was unaware of any such exception being granted in the past.

30. The exceptions granted by OIM with regard to waiver of the lateral move requirement for the P-5 JOs were a violation of the terms and conditions of the Secretary-General's delegation of authority as well as the provisions of ST/AI/2010/3. Further, all except one of these unauthorized exceptions were not reported to DMSPC.

² The authority delegated to the heads of entity to grant exceptions to administrative instructions in the area of human resources was subject to the condition that the granting of such an exception: (i) is not inconsistent with Staff Regulations and Rules or any other decision of the General Assembly; (ii) is agreed to by the staff member directly affected; and (iii) is not prejudicial to the interests of any other staff member or group of staff members.

(b) Recruitment of temporary staff in fixed-term posts

31. Out of 18 temporary appointments during the audit period, eight temporary staff members in OIM were later recruited as fixed-term staff within six months after the expiry of their temporary appointments. Out of eight cases, two staff members were appointed to the same position. In the remaining six cases, OIM changed the position number, although the position title and job responsibilities were the same. According to the ST/AI/2010/4/Rev.1, a staff member who holds a temporary appointment in the Professional and above categories for less than one year may not apply or be re-appointed within six months of the end of his or her current temporary appointment, for the same position if that result in a fixed-term appointment. There was no provision in the Secretary-General's delegation of authority to allow the RSG to exercise these exceptions. Further, there was no evidence that these unauthorized exceptions were reported to DMSPC.

32. These instances indicate serious deficiencies in the manner in which the delegation of authority on human resources matters was being exercised in OIM, exacerbated by the failure to report them to DMSPC. OIM needs to establish appropriate internal controls to ensure that such violations do not occur again.

(2) OIM should: (a) end the practice of using the flexibilities in OHRM's memorandum of 17 May 2015, which has been superseded by the delegation of authority granted by the Secretary-General from 1 January 2019, and inform its staff accordingly; and (b) establish an effective mechanism to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and promptly reported to DMSPC as required.

OIM accepted recommendation 2 and stated that it has updated its human resources guidelines and shared with hiring managers. Recommendation 2 remains open pending receipt of: (i) evidence that all OIM staff have been notified that OIM has ended the practice of using the erstwhile flexibilities granted in OHRM's memorandum of 17 May 2015; and (ii) evidence of the mechanism established to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and are promptly reported to DMSPC as required.

C. Performance management and development

Need to align the goals in work plans of staff to OIM's strategic goals

33. OIOS reviewed the performance documents of 20 regular staff and 22 temporary staff for the completed performance cycles of three years starting from 2017-18 to 2019-20. The review indicated that the performance goals of individual staff members were not aligned with the objectives of OIM. Lack of uniformity was observed in the success criteria to achieve the performance goals. In 2019-20, senior management made an effort to standardize the performance evaluation process for investment staff by identifying goals and assigning weights to the identified goals relating to investment and non-investment job responsibilities. However, OIM did not finalize and communicate the results of that exercise to staff.

(3) OIM should provide appropriate guidance to staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives; and (ii) relevant success criteria are defined accordingly.

OIM accepted recommendation 3 and stated that the RSG shared his goals in his compact with all staff so that staff can align their goals with those of the RSG. Recommendation 3 remains open

pending receipt of evidence that staff performance goals and plans have been aligned with the Fund's strategic objectives, and relevant success criteria have been defined accordingly.

Need to develop a comprehensive training plan

34. The United Nations policy on learning and development aims to assist and encourage staff to develop and enhance their skills, knowledge and competencies by providing appropriate training opportunities to address their professional development needs.

35. In the 2018-2019 biennium and in 2020, as against the training budget of \$0.72 million and \$0.26 million, respectively, OIM utilized \$0.32 million (44 per cent) and \$0.07 million (27 per cent), respectively. OIOS' review also showed that only 29, 37 and 21 per cent of OIM staff attended one or more training or seminars in 2018, 2019 and 2020, respectively. OIM was yet to develop a comprehensive training plan based on an assessment of the training needs of its staff.

36. Further, OIOS' review of the performance documents of 20 OIM staff showed that development goals were not appropriately defined. In 13 cases (or 65 per cent of the sample reviewed), information on the proposed training and development plan was not documented.

37. The low utilization of the training budget and low participation in training programmes by staff indicated the need for: (i) a well-considered training plan based on needs assessment; and (ii) ensuring that staff define their development goals in the annual performance documents.

(4) OIM should develop a comprehensive training plan based on a needs assessment and ensure that its staff include individual training and development goals in their annual performance documents.

OIM accepted recommendation 4 and stated that it is working on a training plan to address the needs of its staff. Recommendation 4 remains open pending receipt of: (i) a comprehensive training plan for all OIM staff based on a needs assessment; and (ii) evidence that staff have included individual training and development goals in their performance documents.

Completion rates for mandatory training courses were generally satisfactory

38. The Secretary-General's bulletin ST/SGB/2018/4 requires staff to complete mandatory self-paced learning programmes within six months of the issuance of the bulletin or within six months of their joining the Organization. The percentage of completion for each mandatory training course by staff category in OIM as of 31 March 2021 is shown in Table 1.

Table 1: Percentage of completion for each mandatory training course by staff category

Mandatory training courses	Professional and above	General Service
United Nations Human Rights Responsibilities	90%	97%
Ethics and Integrity at the United Nations	99%	100%
I Know Gender: An introduction to Gender Equality for United Nations staff	96%	100%
Information Security Awareness	93%	100%
Prevention of Sexual Exploitation and Abuse by United Nations personnel	91%	97%
Preventing Fraud and Corruption at the United Nations	99%	100%
Prevention of Sexual Harassment and Abuse by United Nations personnel	96%	100%
BSAFE	97%	100%
HIV/AIDS in the Workplace Orientation Programme	91%	100%

39. While a high completion rate has been achieved overall, OIM could remind the remaining staff to complete all the mandatory courses without further delay.

Action was being taken to improve geographical representation

40. Article 101 of the United Nations Charter provides that while securing the highest standards of efficiency, competence and integrity, due regard should be paid to recruiting staff on as wide a geographical basis as possible. As of 31 December 2020, 66 OIM staff in the Professional and above categories represented 25 different nationalities. However, 62 per cent of staff were from Western Europe and North America. OIM stated that efforts were being made to improve geographical and regional distribution of staff. For example, JOs issued by OIM include a special mention – “For this position, applicants from the following Member States, which are unrepresented or underrepresented in the UN Secretariat, are strongly encouraged to apply” – with names of those Member States. OIM also developed a dashboard that provides at-a-glance data and metrics about the current status of geographical and regional representation of staff.

OIM had achieved the goal of gender parity

41. The General Assembly has repeatedly stressed the need for achieving gender parity of 50/50 for the Professional and above categories. Table 2 below shows the distribution of staff in OIM by gender, for the years 2018, 2019 and 2020.

Table 2: Distribution of staff in OIM (by gender)

Category	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Director	3	2	5	3	2	5	3	2	5
Professional	30	22	52	35	27	62	39	32	71
General service	10	20	30	13	19	32	11	20	31
Total	43	44	87	51	48	99	53	54	107

42. As shown above, OIM achieved overall parity in the representation of women. The percentage of women staff in the Professional and above categories was 41, 43 and 44 per cent for the three years from 2018 to 2020. OIM stated that it has taken the initiative to improve gender balance in the Professional category and is also seeking to ensure gender balance in the various internal committees.

IV. ACKNOWLEDGEMENT

43. OIOS wishes to express its appreciation to the management and staff of OIM 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 Office of Investment Management of the United Nations Joint Staff Pension Fund

Rec. no.	Recommendation	Critical ³ / Important ⁴	C/ O ⁵	Actions needed to close recommendation	Implementation date ⁶
1	OIM should strengthen the controls over the grant of special post allowance (SPA) by: (i) reconstituting the SPA panel; and (ii) establishing review mechanisms to ensure that all the provisions of ST/AI/1999/17 are complied with.	Important	O	Receipt of evidence that the SPA panel has been reconstituted, and the prescribed measures been established in its working methods to ensure that the provisions of ST/AI/1999/17 are complied with.	31 January 2022
2	OIM should: (a) end the practice of using the flexibilities in OHRM's memorandum of 17 May 2015, which has been superseded by the delegation of authority granted by the Secretary-General from 1 January 2019, and inform its staff accordingly; and (b) establish an effective mechanism to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and promptly reported to DMSPC as required.	Important	O	Receipt of: receipt of: (i) evidence that all OIM staff have been notified that OIM has ended the practice of using the erstwhile flexibilities granted in OHRM's memorandum of 17 May 2015; and (ii) evidence of the mechanism established to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and are promptly reported to DMSPC as required.	31 January 2022
3	OIM should provide appropriate guidance to staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives; and (ii) relevant success criteria are defined accordingly.	Important	O	Receipt of evidence that staff performance goals and plans are aligned with the Fund's strategic objectives, and relevant success criteria have been defined accordingly.	31 March 2022
4	OIM should develop a comprehensive training plan based on a needs assessment and ensure that its staff include individual training and development goals in their annual performance documents.	Important	O	Receipt of: (i) a comprehensive training plan for all OIM staff based on a needs assessment; and (ii) evidence that staff have included individual training and development goals in their performance documents.	31 January 2022

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 OIM in response to recommendations.

APPENDIX I

Management Response



To: Mr. Gurpur Kumar
Deputy Director Internal Audit Division OIOS

DATE: August 4, 2021

THROUGH: Mr. Pedro Guazo
Representative of the Secretary-General
for the investment of UNJSPF assets

Reference: OIOS-2021-01161


Pedro Guazo (Aug 4, 2021 20:16 GMT)

FROM: Mr. Bill Wilkinson
Deputy Director, Chief Operating Officer

William J Wilkinson
William J Wilkinson (Aug 4, 2021 15:43 EDT)

SUBJECT: Draft results for the audit of human resources management in the Office of Investment Management of the United Nations Joint Staff Pension Fund (Assignment No. AS2021/801/01)

1. OIOS conducted an audit of OIM's strategic planning, human resource and operations and performance management and development. Regarding human resources and operations, OIOS said one of the findings indicates that OIM needs to address as a priority the control failures in exercising the delegation of authority granted by the Secretary-General in matters relating to human resource management.
2. The Office of Investment Management (OIM) appreciates the feedback from OIOS. OIM would like to note that the guidance from Human Resources office in its email dated February 9, 2016 created some confusion causing OIM to apply the rules incorrectly. OIM was advised that its staff was exempt from the requirement for two lateral movements for staff to be eligible for positions at the P-5 level.
3. Based on the guidance received from OIOS, OIM will refrain from using the HR flexibilities listed in OHRM's memorandum of 17 May 2015. OIM will abide by ST/AI 2010/3 6.3, requiring two lateral moves for appointments at the P-5 level. OIM will implement checklists for recruitment to ensure better adherence. OIM informed all hiring managers in OIM and circulated the revised HR guidelines which reflect the changes and OIM will have discussions with staff responsible for recruitment to make them aware of the audit findings.
4. In addition, OIM will also improve the reporting by following closely the existing mechanism to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and promptly reported to DMSPC as required

c.c.: Ms. Isabela Perle Munch, Chief Risk and Compliance Officer
Ms. Sandhya Peerthum, Senior Programme Officer
Ms. Florence Fernando, Administration Officer
Ms. Maria Tsimboukis, Compliance Officer

Management Response

Audit of human resources management in the Office of Investment Management of the United Nations Joint Staff Pension Fund

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	OIM should strengthen the controls over the grant of special post allowance (SPA) by: (i) reconstituting the SPA panel; and (ii) establishing review mechanisms to ensure that all the provisions of ST/AI/1999/17 are complied with.	Important	Yes	BSSU	Jan 2022	The Fund has reconstituted the SPA panel and will include the following steps in its working methods: <ul style="list-style-type: none"> • provide training to Panel members on the Administrative Instruction ST/AI/1999/17. • prepare checklist for Panel members • provide information to Panel on how the vacancy occurred and the status of the vacancy, i.e., whether the post is temporarily vacant or vacant • obtain justification for the selection of a recommended staff member, including evidence that HR has informed staff of the temporary vacancy and has reviewed all eligible candidates who have expressed interest in assuming higher-level functions
2	OIM should: (a) end the practice of using the flexibilities in OHRM's memorandum of 17 May 2015, which has been superseded by the delegation of authority granted by the Secretary-General from 1 January 2019, and inform its staff accordingly; (b) investigate the reasons for	Important	Yes	RSG	Jan 2022	OIM has updated its HR guidelines and shared with hiring managers. Please refer to the memo from RSG to OIOS that addresses the observation and corrective actions taken. Please note that OIM considers this item completed.

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.

Management Response

Audit of human resources management in the Office of Investment Management of the United Nations Joint Staff Pension Fund

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	its failure to comply with the conditions, including reporting requirements, stipulated in the delegation of authority granted by the Secretary-General; and (c) establish an effective mechanism to ensure that exceptions, where justified, are granted strictly in accordance with the delegation of authority and promptly reported to DMSPC as required.					
3	OIM should provide appropriate guidance to staff to ensure that: (i) staff performance goals and plans are aligned to the Fund's strategic objectives; and (ii) relevant success criteria are defined accordingly.	Important	Yes	RSG	March 2022	RSG shared his goals in his compact with all staff. Please refer to the email and the attachments. So that staff can align their goals with those of the RSG, Please note that OIM considers this item completed.
4	OIM should develop a comprehensive training plan based on a needs assessment and ensure that its staff include individual training and development goals in their annual performance documents.	Important	Yes	Chief Operating Officer	January 2022	OIM is working on a training plan to address the needs of its staff and will share with OIOS.