

Action by the Assets and Liabilities Monitoring Committee of the Pension Board

FAFICS (the Federation of Associations of Former International Civil Servants) is represented on all of the Committees established by the UN Joint Staff Pension Board. FAFICS representatives on these committees include members from the AFICS associations worldwide, including AFICS/NY.

Over the past several months FAFICS representatives have been attending meetings of the Assets and Liabilities Monitoring Committee (ALM) where it has contributed actively to the discussions and recommendations made by this important Committee. We are posting the two letters on the FAFICS website , along with previous letters on the topic in chronological order for clarity. In these letters you will see that the ALM Committee has been expressing grave concern and calling on the Secretary-General since 11 February 2016 to ensure that the high-level vacancies in the Investments Management Division of the Pension Fund, which falls under the Secretary-General's Representative for the Investments of the Fund, are filled without further delay. The Committee also expressed alarm over weakened risk controls, in particular transactions being carried out without the appropriate back-up signatures, a clear violation of the Investment Policy Statement (IPS).

The ALM Committee Acting Chair first wrote to the Secretary-General on [11 February 2016](#) on the matter of the high-level vacancies and received a reply on [17 February](#) from the Under-Secretary-General for Management on behalf of the Secretary-General. The Committee met on 2 March 2016 to review that reply and considered that it did not take sufficient heed of the seriousness of leaving high-level posts unfilled. The Chair therefore sent a further letter on [7 March 2016](#) to the Secretary-General stating that the ALM Committee remained concerned that no concrete actions had been taken to address the significant risks identified to the \$50 USD billion investment portfolio and our pensions, calling upon him to prioritize and implement promptly concrete actions to minimize risks to our pensions. On [29 March 2016](#), the Under-Secretary-General for Management replied that he had met with the RSG on 17 March 2016 to obtain her assurances that the high-level vacancies would be filled and that the IPS would be updated. Regarding concerns about the clearance procedures for alternative

investments, he said that "the RSG explained me that she assured the Audit Committee during its session on 16-18 March 2016 that the transaction was in compliance with the respective procedures. The RSG will communicate with you on the matter to provide further details."

This is where matters stand at present. We understand that interviews are currently taking place for the D-2 post of Director of Investments. The exchange of correspondence is posted below in chronological order.

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