



# **UNITED NATIONS JOINT STAFF PENSION FUND**

## **Enterprise-wide Risk Management Policy**

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# Enterprise-wide Risk Management Policy

## Preface

This edition of the Enterprise-wide Risk Management Policy is a living document and will be periodically updated, amended and enhanced.

## I. Introduction

The United Nations Joint Staff Pension Fund (UNJSPF or the Fund) administers a diverse and complex international public pension system structured as a defined-benefit pension scheme<sup>1</sup>. In 2014, annual pension benefits amounting to USD 2.4 billion were paid in 15 currencies and there were some 122,800 participants and more than 72,300 pensioners/beneficiaries residing and/or working in some 190 countries. Assets of approximately USD 52 billion were invested in equities, bonds, real estate and other financial instruments.

The main functions of the UNJSPF include:

- Paying retirement, disability, death and other related benefits;
- Managing investments through an Investment Management Division (IMD)<sup>2</sup>;
- Calculating, processing and maintaining entitlements;
- Establishing and maintaining records for all participants and pensioners/beneficiaries;
- Collecting, pooling and reconciling contributions; and
- Measuring, monitoring and managing the risks relative to the management of the Fund's assets and liabilities.

The main purpose of the UNJSPF's Enterprise-wide Risk Management framework and functioning risk management process is to provide the main stakeholders of the UNJSPF with a reasonable assurance that the Fund's mission and long-term objectives will be met.

UNJSPF, as any other pension administrative entity, faces a variety of risks. Among the most evident risks is the long-term aging trend of both retirees and their beneficiaries. Another evident source of risk is the behavior of financial markets, which might have long-term implications in the risk/return assumptions of the Fund's financial assets. At the same time, the trend observed in UNJSPF's actuarial valuations shows that the Fund's long-term solvency is increasingly sensitive to investment performance.

Overall, sources of risk faced by UNJSPF are of varied nature, including but not limited to solvency, investment, operational, legal and compliance, administrative, (including human resources, information and IT resources), financial, governance (including ethical behaviour and fraud), and strategic. Risks are interrelated and often reside beyond the direct control of UNJSPF

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<sup>1</sup> In general terms, defined-benefit pension funds collect, "pool", and invest funds contributed by participants and sponsors to help provide for the future pensions of participants and their beneficiaries.

<sup>2</sup> Fiduciary responsibility for the investment of the assets of the Fund rests upon the Secretary-General of the United Nations as provided in Article 19 of the UNJSPF Regulations. The Secretary-General delegated this responsibility to the Representative of the Secretary-General for the investment of the assets of the UNJSPF.

management (e.g. demographic, catastrophic, political risks). Therefore, the risk management task is complex and difficult. However, it is a fundamental task that needs to be addressed and directed by the senior management.

Notwithstanding this, UNJSPF has a well-developed governance structure, a robust management process and internal control system as well as an established risk management framework to adequately manage the aging of the Fund and other sources of risk.

Although risks may be treated independently (the so-called “silo approach”)<sup>3</sup>, risks of different categories are often intertwined. A “silo approach” to risk management may introduce inaccuracies and inconsistencies as different services/sections/offices across the organization, or their respective staff, may utilize different definitions, assumptions, metrics and valuation techniques. Such a silo approach may prevent the Fund from gaining an accurate risk perspective and actually increase the organization’s risks.

Risk management requires understanding risks from a wide variety of perspectives and disciplines and the participation of all staff, management and governing bodies. Consequently, the Fund initiated the implementation of its Enterprise-wide Risk Management Framework with the adoption of its first Enterprise-wide Risk Management (EWRM) Policy in 2006 aimed at implementing a comprehensive and integrated approach to risk management. This Enterprise-wide Risk Management Policy has subsequently been updated to include further refinements in the risk management process.

This Policy is based on the concept of Enterprise-wide Risk Management. It establishes the key elements of the EWRM framework as well as its principles and objectives. This Policy states the Fund’s risk appetite and defines the risk management roles and responsibilities for ensuring an effective and continuous process.

A sound EWRM process will allow UNJPSF management to continue effectively administering the Fund’s risk profile and addressing the growing demand for information on the risks faced by the Fund as well as the controls established to mitigate these risks. This Policy will apply to all of the Fund’s processes, covering both the Fund secretariat and IMD, since its objective is to ensure an integrated, comprehensive, holistic view and response to the possible risks faced by the Fund.

## **II. Definition**

This Policy is aligned with the definition of the integrated framework for Enterprise Risk Management as proposed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)<sup>4</sup>. COSO defines in a purposeful and broad manner the essence of Enterprise Risk Management as:

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<sup>3</sup> Silo approach, in this context, means that each department or area focuses on the risk implications exclusively from a limited perspective in as much as it affects them and that no real consideration is given to the implications for the entity as a whole.

<sup>4</sup> “Enterprise Risk Management - Integrated Framework”, Committee of Sponsoring Organizations of the Treadway Commission, September 2004. COSO is a voluntary private sector organization dedicated to improving the quality of financial reporting, through business ethics, effective internal controls and corporate governance. COSO was originally formed in 1985, and

*“A process, affected by an entity’s governing body, management and other personnel, applied in strategy setting and across the organization, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of the organization’s objectives.”*

The Enterprise-wide Risk Management framework and process described in this Policy reflects the unique nature of the Fund’s operations and development as well as its specific requirements. It also incorporates the definition of Enterprise Risk Management and some key notions of risk management best practices such as the integrated framework for Enterprise Risk Management developed by COSO, as well as basic concepts of the Principles of Corporate Governance issued by the Organization for Economic Cooperation and Development (OECD).

In case of conflict between the UNJSPF Regulations and Rules (UNJSPF Regulations and Rules), including Article 19 of the UNJSPF Regulations, and the UNJSPF Enterprise-wide Risk Management Policy, the former shall prevail.

### **III. UNJSPF Enterprise-wide Risk Management Framework**

The UNJSPF Enterprise-wide Risk Management framework provides the organizational arrangements for managing risk across the Fund. The implementation of the risk management framework contributes to strengthening the Fund’s governance and management practices and decision-making, while at the same time protecting the interests of the Fund’s stakeholders. The Fund’s EWRM framework has five interrelated elements:

- **Risk Appetite and Risk Management Objectives:** The UNJSPF risk appetite reflects the UNJSPF risk philosophy. The UNJSPF risk appetite statement and the risk tolerances for the Fund’s key risks will be embedded in risk related policies, and periodically monitored and reported by the Fund’s management.
- **Policy and Standards:** The EWRM Policy establishes a formal, mandatory, systematic and integrated approach and framework for identifying and managing risks. The policy describes the key risk management principles, objectives and processes to guide all staff in effectively managing risk and embedding risk management in decision-making and operations.
- **Risk Management Governance:** The Fund relies on the strong support and commitment of its governing bodies, including the United Nations General Assembly, the Pension Board, the Audit Committee, the Assets and Liabilities Monitoring Committee, the Investments Committee, the Committee of Actuaries and senior management, as essential for an effective risk management framework. In addition, the adoption of the risk management framework is supported by the full ownership and accountability of management and staff at each level for risk management activities.

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sponsored by the five major professional associations in the United States: the American Accounting Association; the American Institute of Certified Public Accountants; Financial Executives International; the Institute of Internal Auditors; and the National Association of Accountants (now the Institute of Management Accountants).

- **Risk Management Process:** The risk management process is outlined in this Policy and is complemented by the related (current and future) guidance documents, including but not limited to the Enterprise-wide Risk Management Methodology document. The Enterprise-wide Risk Management Methodology document defines the steps, roles and responsibilities in the management of the Fund’s risks as well as the criteria to assess risks and select appropriate risk management strategies. The EWRM Risk Universe and Risk Catalogue, included in the Methodology document, define risks relevant to the Fund.
- **Tools and Reports:** The Fund has adopted a comprehensive set of tools and reports to ensure the application of a consistent and structured method for identifying, assessing, monitoring, and communicating risks and internal controls associated with the various activities, processes and functions across the Fund. These tools and reports also contribute to foster a risk-aware culture by facilitating the distribution of risk information throughout the Fund.

#### IV. UNJSPF Mission and Objectives

*“If one does not know to which port one is sailing, no wind is favorable<sup>5</sup>.”*

The most fundamental task of an organization’s governance process is to establish clearly and objectively its mission and goals. Without them it is impossible to assess whether the organization’s performance and results have been adequate. Goals and objectives are also a precondition to risk management, since they establish the basis for determining how the risks should be interpreted and administered.

Managing risk is not just about assessing and monitoring all of the things that could go wrong. Rather, it is about understanding all of the things that need to go right for the organization to achieve its mission and objectives.

The UNJSPF Regulations define the Scope and the Purpose of the Fund as follows:

*“UNJSPF is a fund established by the General Assembly of the United Nations to provide retirement, death disability and related benefits for the staff of the United Nations and the other organizations admitted to the membership in the Fund.”*

The Strategic Framework, as approved by the Board, identifies the Fund’s mission and its main priorities and objectives for a given period, and serves as the basis for program planning, budgeting, monitoring and performance evaluation. The Framework outlines the main objectives for the Fund and the corresponding strategies to achieve them.

The UNJSPF investment philosophy and objectives are defined in the Fund’s Investment Policy Statement.

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<sup>5</sup> Quote attributed to ancient Rome’s philosopher and dramatist, Lucius Annaeus Seneca.

UNJSPF Mission:

**Under the authority of the Pension Board, the Fund is entrusted to provide retirement, death, disability and other benefits and related services to its participants, retirees and beneficiaries<sup>6</sup>. To meet its long-term commitments, the Fund must ensure an adequate level of investment return on its assets while mindful of the approved risk tolerance philosophy and the requirements posed by its liabilities. It must also ensure that all of its activities reflect the best conditions of security, accountability, social responsibility and sustainable development while operating in full compliance with the highest standards of quality, efficiency, competence, and integrity.**

## **V. UNJSPF Risk Appetite Statement**

The COSO Enterprise Risk Management - Integrated Framework explicitly states that organizations must embrace risk in pursuing their goals, and that to fully embed risk management in their operations, organizations must define the level of acceptable risk or “risk appetite”. The risk appetite statement is the cornerstone of the risk management framework and is the core instrument for better aligning the Fund’s strategy, resource allocation and risk management. COSO’s Enterprise Risk Management — Integrated Framework defines risk appetite as follows<sup>7</sup>:

*“The amount of risk, on a broad level, an entity is willing to accept in pursuit of value. It reflects the entity’s risk management philosophy, and in turn influences the entity’s culture and operating style. ... Risk appetite guides resource allocation. ... Risk appetite [assists the organization] in aligning the organization, people, and processes in [designing the] infrastructure necessary to effectively respond to and monitor risks.”*

The UNJSPF risk appetite statement, as approved by the Pension Board, is as follows:

*“The Fund recognizes the very long-term scope of its operations, its insurance-like nature which pools resources and risks to provide retirement, death, disability and other defined benefits and related services to its participants, retirees and beneficiaries as well as the importance of ensuring the continuing viability of its operations and finances. The Fund has very low appetite for the risk of losing its long-term sustainability and not being able to meet its long-term financial commitments.”*

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<sup>6</sup> The legislative mandate of the Fund is derived from General Assembly resolution 248 (III) in 1948 that approved the UNJSPF Regulations. The General Assembly Resolution also determined that the investment of the assets of the Fund will be decided upon by the Secretary-General.

<sup>7</sup> Committee of Sponsoring Organizations of the Treadway Commission (COSO), Enterprise Risk Management – Integrated Framework, p. 19.

## VI. Risk Management Objectives

The Enterprise-wide Risk Management framework and process will:

- **Focus on Objectives:** Provide assurance to stakeholders that the UNJSPF's mission, objectives and expected accomplishments will be achieved, considering a consistent identification, assessment and management of risks;
- **Effective and Efficient Allocation and Use of Resources:** Support the effective and efficient allocation and use of resources, innovation and change management through performance monitoring against objectives in order to avoid waste and prevent fraud;
- **Proactive management:** Support proactive rather than reactive management by encouraging well planned and managed risk-taking;
- **Control environment:** Embed risk management activities and enable risk management to become an integral part of all organizational processes, and determine appropriate mitigation strategies required to manage the identified risks;
- **Accountability:** Enhance accountability and performance management through clear risk management roles and responsibilities;
- **Results based management:** Promote a risk driven culture through a risk based decision-making capability, since the management of risks and the effectiveness of designed controls will be considered for planning and budgeting processes and for performance reporting;
- **Transparency:** Improve transparency as risks will be clearly communicated through periodic reporting by management;
- **Governance and oversight:** Enhance governance and oversight functions by increasing capability of senior management and governing bodies to make risk informed decisions;
- **Ethical Behavior:** Hold all staff members to the highest levels of efficiency, competence and integrity.

## VII. Principles

The UNJSPF Enterprise-wide Risk Management framework and process is guided by the following core principles:

- (i) **Integration** – The Fund's management is committed to integrate the Enterprise-wide Risk Management and internal control framework into its organizational culture, governance, accountability arrangements and operational processes.



(ii) **Consistency** – The Fund’s management is committed to adopt, as part of its decision-making process, a consistent method for the identification, assessment, monitoring, mitigation/control, and communication of risks associated with its processes and functions, as a tool to efficiently and effectively achieve its objectives.

(iii) **Allocation of Resources and Funding** – The Fund will ensure appropriate allocation of the required resources through the proper consideration of the risks that could affect the achievement of the objectives applicable to each organizational unit, and at the Fund-wide level. Risk management will be explicitly considered in the budget preparation and budget review processes.

(iv) **Ownership** – Managers and supervisors must have a sound understanding of the risks impacting their operations or areas of responsibility as well as of the strategies and mechanisms to assess, monitor and control those risks.

(v) **Accountability** – Managers and supervisors are accountable for the risk management actions in their respective areas of responsibility. The Fund’s governing bodies should provide adequate oversight and control in accordance with their respective roles and authority.

(vi) **Authority** – Managers and supervisors should have the required level of authority and flexibility to determine and execute the proper course of action to manage the risks in their respective areas of responsibility.

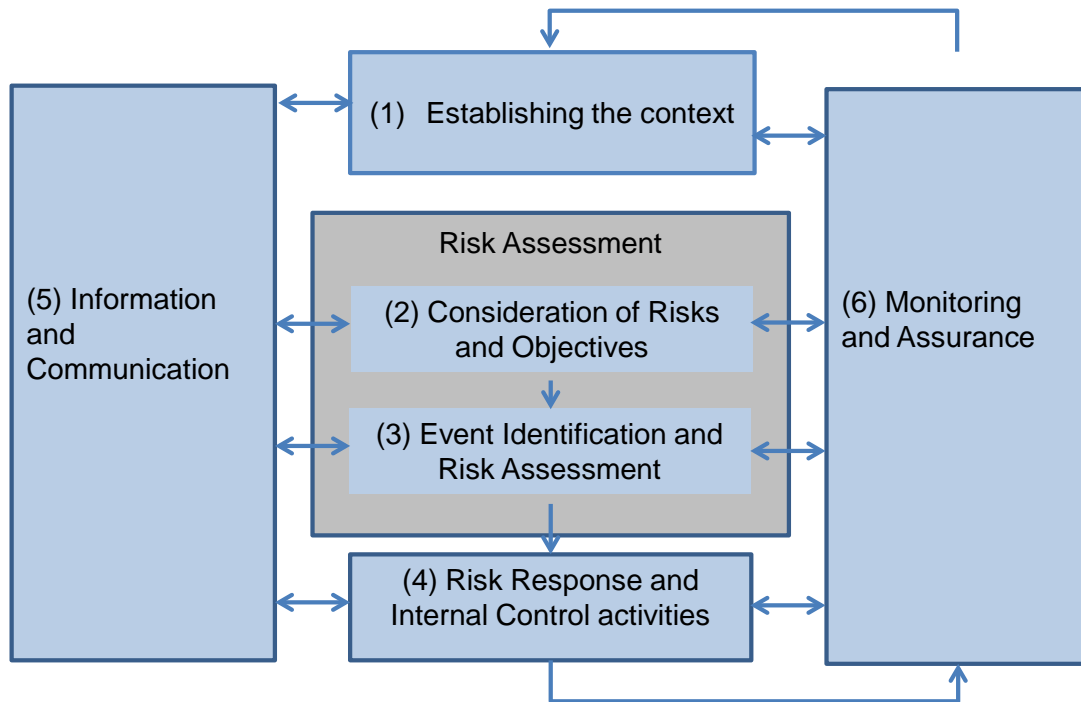
(vii) **Risk Awareness** – A results-oriented and risk-aware culture will be nurtured, progressively moving the Fund to an effective risk-aware culture, where decisions are made taking into consideration the relevant risks and their implications.

(viii) **Communication** – The Fund’s information systems will be designed and updated considering the data outputs necessary for proper assessment and monitoring of risks. The CEO and RSG will periodically inform the Pension Board through the Audit Committee on the main risks faced by the Fund and the strategies, plans and resources required to mitigate, control or transfer risk.

## **VIII. Risk Management Process**

Enterprise Risk Management is a process owned and executed by management and staff at all levels. The process is not strictly serial. Rather, it is an iterative and often multidirectional process where judgment, prudence and close communication play an important role. The main components of the risk management process are illustrated below:

**Figure 1 - Enterprise Risk Management Process**



**1. Establishing the Context**

This Policy establishes the context for the implementation of the Fund’s enterprise-wide risk management framework by defining its objectives, principles, process and governance mechanisms.

**2. Consideration of Risks and Objectives**

The risk assessment process requires the alignment and mapping of risks to the Fund’s longer-term objectives in order to better measure and prioritize the risks inherent in each objective, and the risk management strategies selected to mitigate those risks. The UNJSPF Risk Universe represents a high level description of all of the risks relevant to the Pension Fund (Annex I). The Risk Universe allows adopting a common risk language to collect and appraise risk information on multiple levels across the Fund, and to evaluate it in a consistent and integrated manner. The Risk Universe categorizes risks into five major risk areas: (1) Strategic, (2) Governance (includes communications, as well as code of conduct, ethical behaviour, fraud and conflicts of interest situations), (3) Operations (includes operational, support services, human resources and ITC), (4) Compliance, and (5) Financial (includes funding and investments, as well as financial management and reporting).

**3. Risk Identification and Assessment**

Since risk is defined as “*the effect of uncertainty on objectives*”, risk identification must be linked to the Fund’s objectives. Managers, with the facilitation of the Risk Officers, will identify internal and external events that could potentially affect the achievement of UNJSPF’s

objectives, distinguishing between risks and opportunities<sup>8</sup>. Opportunities will be channeled back to management's strategy or objective-setting processes.

Risk identification and assessment is a continuous process. The Fund will conduct a comprehensive risk assessment for every office in the Fund at regular intervals. An annual assessment of the Fund's key risks and internal controls related to financial reporting will be conducted for the preparation of the Statement of Internal Control. Additional risk assessment exercises will be conducted as necessary to assess emerging risks that could affect the achievement of the organizational objectives.

The Fund will use coherent methodologies and tools for the management of risks.

#### **4. Risk Response and Internal Control Activities**

The outcomes of the risk identification and assessment activities will be captured into Risk Registers, which are the central repository of all relevant risk information. The risks identified and assessed for the Fund will subsequently be classified into three levels, based on the evaluation of both inherent and residual risk: high level risks, moderate level risks and low level risks:

- High level risks (Tier 1): These are the most significant risks, which will require the implementation of risk treatment and response plans, and as such will be reported to the Enterprise-wide Risk Management Working Group, and to the Audit Committee and the Pension Board.
- Moderate level risks (Tier 2): Moderate risks will typically require the implementation of specific remedial or monitoring measures under the responsibility of the managers and supervisors.
- Low level risks (Tier3): Proper assurance on the stability of the low risk level shall be obtained through periodic monitoring.

The Fund will manage and monitor risks according to their severity. With regard to the identified high-level risks, comprehensive Risk Treatment and Response Plans are prepared to outline mitigation strategies. Risk management strategies shall be selected considering criteria of efficacy, feasibility and efficiency. Senior management will review periodically, as part of the meetings of the EWRM Working Group, the progress made in the implementation of risk management strategies.

#### **5. Information and Communication**

Relevant risk information shall be provided at the appropriate levels within the UNJSPF, to adequately support decision-making towards the achievement of the approved objectives. The

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<sup>8</sup> Events with a negative impact represent risks, which can prevent the Fund from achieving its goals and objectives. Events with positive impact may offset negative impacts or represent opportunities. Opportunities are defined as the possibility that an event might occur and positively affect the achievement of objectives, supporting efficiency and effectiveness.

risks to be reported on, the level of detail required, and the frequency of reporting shall vary depending on the audience.

Risk information concerning risks deemed to be of the greatest significance shall be summarized and provided to the Pension Board, the Audit Committee, and the EWRM Working Group, as appropriate, whilst detailed information shall be distributed to managers and staff responsible for the management of specific risks.

## **6. Monitoring and Assurance**

As the environment in which the Fund operates is constantly changing and risks are not static, the continuous monitoring and review of risk information is crucial to ensure its continued adequacy for effective decision-making. Managers, in close coordination with the Risk Officers, shall ensure relevant risk information remains current, or is appropriately re-evaluated in case of specific events or circumstances that could affect the risk profile of their areas of responsibility.

Assurance activities, as conducted by the Fund's management and internal and external auditors, shall as well validate and provide assurance with regard to the effectiveness of designed controls and the appropriateness of defined risk treatments. The EWRM Working Group shall monitor and report on the effectiveness of the selected risk management strategies and changes to the Fund's risk profile.

## **IX. Limitations**

Even if the Enterprise-wide Risk Management process is implemented in a sound and effective manner, unforeseen events might arise. Some of the unexpected causes might be: random occurrences, systemic failure, catastrophic events, faulty judgment, human error or collusion. These naturally establish limitations on Enterprise-wide Risk Management. However, the objective of this comprehensive risk framework is to provide the Board, the Secretary-General and senior management with a reasonable – not absolute – assurance that the Fund has implemented with due diligence the systems and processes required to react promptly and appropriately to the identified internal or external threats and risks.

## **X. EWRM Governance, Roles and Responsibilities**

UNJSPF risk governance includes mechanisms that ensure accountability and authority for the management of risk; for the implementation, maintenance and continuous improvement of the risk management framework, and to provide risk management assurance. The responsibilities this Policy entails are as described below for each level of the Fund.

**United Nations Joint Staff Pension Board** – The Pension Board, with the advice of the Audit Committee and the Assets and Liabilities Monitoring Committee, ensures that the Fund maintains an effective Enterprise-wide Risk Management framework, approves policies, strategies and resources, determines and communicates risk appetite and risk tolerance levels.

**UNJSPF Member Organizations, Staff Pension Committees and their Secretaries** - In accordance with the Terms of Reference approved by the Pension Board for the Staff Pension Committees (SPCs) and their Secretaries, the UNJSPF member organizations own their payroll processes as well as data relating to human resources and finance, including deductions for pension contributions. The member organizations shall ensure that they address issues of data integrity and timely reporting within their risk management framework and build the necessary internal controls into their human resources and payroll processes to ensure that this be the case.

**Enterprise-wide Risk Management Working Group** - The Enterprise-wide Risk Management Working Group has an active role in the promotion of the best practices in risk management in the Fund and in ensuring that risk management efforts in the Fund secretariat and IMD are coordinated. The Working Group is chaired by the Fund's Chief Executive Officer (CEO) and the Representative of the Secretary General for the investment of the assets of the Fund (RSG). The Working Group meets quarterly to monitor the effectiveness of the Enterprise-wide Risk Management framework, to review the Fund's risk profile and the results of periodic risk assessments, the implementation of the risk mitigation strategies and recommend any changes that may be required.

**The CEO and the RSG** – The CEO and the RSG liaise and communicate in order to review and propose updates to the Enterprise-wide Risk Management Policy and to implement and direct the risk management processes in their respective areas. They also liaise and communicate effectively in respect of relevant information with a view to developing a Fund-wide comprehensive risk map and risk strategies. In addition, they review and recommend risk strategies in their own respective areas.

The CEO and the RSG shall annually confirm, through issuance of the Statement of Internal Control, the Fund's approach to risk management and internal control for their respective areas.

**Risk Management Sections** – Enterprise-wide Risk Management is the inherent core responsibility of management. Risk Management functions in the Fund secretariat and IMD shall assist management in the design, implementation and continuous improvement of the UNJSPF Enterprise-wide Risk Management framework. These Sections shall implement and manage the risk management process. Risk Management Sections in the Fund secretariat and IMD shall report to the Fund's CEO and RSG, respectively, and act independently and objectively in the execution of their duties and responsibilities.

**Risk Management Officers** - The Fund secretariat and the Investment Management Division have dedicated risk management officers. These officers shall promote the implementation of the risk management framework; facilitate the identification and assessment of risks; provide subject matter expertise in the design and implementation of risk management strategies; and monitor and report to senior management on the Fund's risk profile and the effectiveness of risk management measures. Risk management officers shall also develop, maintain and facilitate the adoption of consistent risk management policies, methodologies and tools.

**UNJSPF Managers** - Managers support the Enterprise-wide Risk Management process ensuring compliance with strategies and procedures, identifying, monitoring, reporting and managing

risks within their areas of responsibility and consistent with the approved risk levels and strategies. Managers will also be responsible for the design and implementation of the risk treatment and response plans for the management of the risks under their scope of responsibility. Their responsibilities involve implementing the risk treatments for which they are responsible, and reviewing their efficiency and effectiveness. Managers shall report the progress achieved in the management of the risks under their responsibility in their periodic reports to senior management.

**UNJSPF Staff** - All staff members, in accordance to their specific role and function, must participate in the risk management process, identifying, managing and monitoring risks with regard to day-to-day operations within the areas of responsibility. All staff must participate in the risk management process by providing information and support that enables efficient, effective and controlled decision-making.

**The Board of Auditors** - The Board of Auditors, as per statutory provisions, periodically audits the Fund and submits a report to the Pension Board covering the review of the Fund's operations, accounts and investments. The Board of Auditors assists the Pension Board, the Secretary-General and UNJSPF management in identifying and assessing risks.

**Internal Auditors** - OIOS, in its capacity as UNJSPF Internal Auditors, shall independently review, evaluate and report on the use of financial resources and on the effectiveness, adequacy and application of internal controls including the periodic assessment of the implementation of an effective Enterprise-wide Risk Management framework. In addition, internal auditors shall recommend measures to strengthen internal control, to ensure: i) compliance with legislative mandates and relevant regulations, rules and contracts; ii) reliability and integrity of financial and operational information; iii) safeguarding of resources against loss, misuse and damage due to waste, abuse, mismanagement errors and fraud; and iv) efficiency and effectiveness of operations. The internal auditors review the results of the risk assessment process, and consider the results presented by management into its audit planning and programming exercise, as deemed appropriate.

United Nations Joint Staff Pension Fund Risk Universe<sup>9</sup>

STRATEGIC		GOVERNANCE		OPERATIONS		COMPLIANCE		FINANCIAL	
	<b>Planning and Resource Allocation</b>		<b>Governance</b>		<b>Operations</b>		<b>Legal</b>		<b>Funding and Investments</b>
1	Vision and Mandate	10	Pension Board and Committees	23	Internal Controls over Investments	41	Contract	47	Solvency - Asset Liability Management
2	Strategic Planning	11	Risk Management and Control Environment	24	Internal Controls over PECS and FSS	42	International Scope	48	Actuarial Valuation
3	Budgeting	12	Internal Audit Effectiveness	25	Investments Process Efficiency	43	Internal Policies and Procedures	49	Cash Management
4	Budget Allocation	13	Organizational Structure	26	Operational Efficiency	44	Privacy and Confidentiality	50	Risk Tolerance
5	HR Strategy and Planning	14	Performance Measurement		<b>Support Services</b>		<b>Intellectual Property</b>	51	Investments
6	Organizational Synchronization	15	Transparency	27	Procurement	45	Knowledge Management	52	Financial markets
7	Outsourcing	16	Leadership and Management	28	Asset and Inventory Management	46	Information and Document Management	53	Tax Exemptions
	<b>Internal and External Factors</b>		<b>Ethical Behavior</b>		<b>Human Resources</b>			54	Investment Research
8	External Political and Economic Factors	17	Ethics	29	Talent Retention			55	Risk Attribution - Impact Analysis
9	Organizational Transformation	18	Fraud and Illegal Acts	30	Recruitment			56	Investment Performance Monitoring
		19	Conflicts of Interest	31	Succession Planning and Promotion			57	Hedging
			<b>Communications</b>	32	Performance Management and Accountability			58	Advisor Performance
		20	Communications from Management	33	Training / Development				<b>Financial Management and Reporting</b>
		21	Communication with/to Clients		<b>Information Resources and IT</b>			59	Financial Management and Reporting
		22	Personnel Communications	34	IT Strategy and System Implementations			60	General Accounting
				35	IT Security and Access			61	Financial Controls
				36	Business Continuity and Disaster Recovery			62	Liability Management and Disbursements
				37	IT Integrity				
				38	IT Infrastructure & Systems				
				39	IT Change Management				
				40	IT Outsourcing				

<sup>9</sup> UNJSPF customized the United Nations Risk Universe to its specific nature and operations. UNJSPF Risk Universe will continue to be refined as needed to reflect future changes.