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JOINT STAFF
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Quality Management Policy

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Introduction

Quality Management is a key component of the Management Charter presented to the Standing Committee of the Pension Board in July 2001

Quality Management is part of the Fund's objective to develop and encourage strong client-orientation among its staff

Quality Management is about the Fund's overall performance in terms of timely and optimized delivery of services, cost efficiency, conformity with internal processes and decisions relating to the Regulations and Rules, as well as client satisfaction



Goals and Objectives

1. Enhance quality service to the various clients/constituents of the Fund

Quality service is not new to the Fund. The Fund has consistently endeavored to improve its numerous and complex processes and procedures with a view to enhancing productivity, increasing efficiency and reducing operational risks. These efforts have resulted in a strong administrative culture served by competent staff with a prime emphasis on conformity with Regulations and Rules. This current situation provides a solid foundation on which to build Quality Management Policy. As a first step towards this new approach, recognition should be given to the diversity of the Fund's clients/constituents and to their particular needs.

From the point of view of management and staff, the clients of the Pension Fund are those who receive services within the framework of its mission statement and according to the Regulations and Rules.

Therefore, the clients/constituents are: (1) the participants who make contributions to the Fund based on their pensionable remuneration; (2) the beneficiaries who receive entitlements; (3) the Pension Board and its Standing Committee acting as the Fund's governing body; and (4) the member organizations who provide contributions to the Fund. Each of them has a stake in the Fund and, once their requirements and expectations have been recognized and defined, services can be properly customized and enhanced

2. Set clear and measurable objectives that can be evaluated in on-going performance reports

Objectives of Quality Management should be expressed in quantitative terms in order to be meaningful. Such an approach has to be considered as offering the opportunity to go beyond those objectives often expressed in general terms in organizations characterized by a lack of results-oriented goals and irregular performance reports. Quality management is based on an array of data which measure and give the possibility to assess activities, achievements and results through indicators such as time-lags and delays, gaps (for example, between quality provided and quality perceived or quality provided and quality expected by clients), errors, level of satisfaction, etc.

The identified indicators should be included in traditional performance reports; combined with other indicators and statistics, they would form part of the strategy aimed at assessing the overall performance of the entity and of the risks involved in its activities.

3. Position UNJSPF favorably in comparison with other pension funds

Providing pension payments and other benefits makes the Fund part of the pension industry; however the scope of its activities, especially its international exposure, which is much wider than many other large funds, and its clients, many of whom are members of the international diplomatic community, make the Fund truly unique. As with other funds the UNJSPF collects contributions, ensures timely and accurate payment of benefits, protects pension rights, reports to its governing bodies, etc.

All these activities are performed through processes which, for the most part can be viewed as generic in nature. Furthermore, Quality Management principles and guidelines have progressively been adopted throughout the pension industry. This situation gives the Fund the opportunity to benchmark its practices against those of the best performers for the benefit of its own constituents.

Learning from others, keeping abreast of the most recent developments in the field of pensions, and staying informed of the industry's best practices will clearly be part of the Fund enhanced Quality Management policy.

4. Prepare for future ISO 9000 certification

Quality Management must follow internationally recognized guidelines and standards. As the methodology is available, there is no need to conceive specific procedures. For the Fund, a structured approach of its quality management policy will involve adopting methods developed and documented by international bodies such as the International Organization for Standardization (ISO). Ultimately, the Fund could submit its own internal procedures to auditors specializing in Quality Management with a view to measuring, as a first step, the level of quality and eventually obtaining a certificate attesting to its own achievements.



Stratégie for Quality Management

1. *Performance*

Because the Fund is a service-oriented entity, performance is what its clients normally expect. Unlike for-profit organizations, the UNJSPF is not competing for service in the market place; this should not be interpreted as meaning that the Fund has no competitors. In fact, the Fund is in competition by comparison. Most of the processes involved in the delivery of its services have equivalents in other public national or international organizations or companies in the private sector, regardless of their particular products or services. Examples can be easily found in the way letters, e-mail and telephone calls from customers are handled and answered, in the availability and accuracy of documentation, in the timely delivery of payments, etc.

Clients are more and more inclined to compare processes, and their explicit or implicit requests are intended to obtain a quality service in line with the best standards.

The strategy should, therefore, be to prepare the Fund to effectively fulfill the following requirement: UNJSPF performs at least at the level of quality expected by its clients/constituents.

2. *Efficiency*

Because the UNJSPF is, like any other pension fund, a complex entity combining specialized professional skills and expertise in various fields, such as information technology, accounting, banking, actuarial science and finance, it utilizes a significant amount of financial resources in the normal course of its activities. Most of the budget resources are generated by contributions from the participants and the member organizations, whose legitimate concerns are to ensure that the Fund is managed efficiently and that resources are economically employed. In this area, the Fund's strategy should primarily focus on productivity enhancement, internal control mechanisms, on-going performance reporting, and regular process monitoring and reengineering. In addition, such strategy should aim at improving overall efficiency, i.e. within the Fund and between the Fund and its environment; this objective could be achieved by incorporating the planned quality performance standards in service level agreements among its units and with its outside vendors and partners in order to build a continuous quality chain.

3. Conformity with Regulations and Rules

A core responsibility of the Fund is to make sure that pension entitlements and other benefits are estimated, calculated and eventually paid out in accordance with the Regulations and Rules of the Fund. This is a clear and important fiduciary duty. All clients/constituents should have confidence in the manner in which the Fund's staff performs its duties. As a matter of fact, representations to the Board and appeals to the Standing Committee have been historically minimal. Also, only a very small number of cases have been brought before the UN Administrative Tribunal; these are examples of indicators of the quality of the decisions made by the Fund.

Conformity, as a principle, should also apply in all other areas of the Fund's activities where professional standards exist; accounting is such an area where the total quality management oriented team should work within the standard procedural framework and where the use of generally agreed upon methods ought to be an integral part of the Fund's strategy.

4. Client satisfaction

Quality Management would greatly miss its objective if it does not put enough emphasis on client satisfaction. For the Fund, quality policy should encompass more than the mere efficiency of its processes and its procedures. Because its ultimate mission is to deliver services and not just to engineer them, even in the best possible fashion, the Fund should establish how its clients/constituents can best be served. One possible way to achieve this objective is to continuously monitor whether there is a gap between the quality it offers and the quality expected by its clients/constituents. In order to address this key issue, with a view to reducing and eliminating a potential gap, the strategic approach should be to listen to the needs of clients/constituents on an on-going basis by means of surveys, questionnaires and direct contacts.

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Commitments to Quality Service

The management of the UNJSPF has determined that a true customer service or quality orientation requires an entity that should be customer- rather than purely functionally-focused. This necessitates a number of actions; including providing a framework for defining interrelationships among the staff of the Fund and its important client/constituents, i.e. the participants, the beneficiaries, the Pension Board and the member organizations. This will be achieved in the following manner:

1. Commitments to Participants and their Associations

a) *Estimates of future benefits and Annual Statements will be provided on request.* Within the next few months an estimate program will be available on-line, accessible to all participants via the UNJSPF home page on the Internet. Participants who mail their requests can expect to receive their estimate of benefits with 15 working dates of receipt of the request. Those participants visiting New York or Geneva may be provided with estimates immediately. As regards the Annual Statement, which is issued once a year normally in May/June after the completion of the Financial Statements, additional copies may be requested at any time throughout the ensuing year, provided that the participant has not received the original. Efforts will be made to simplify the Statement.

b) *Forms and procedures will be more user-friendly.* For participation, very few forms or procedures are required from the participants until retirement or separation from service, other than the forms required for Designation of Beneficiary, and for Validation and Restoration. All other documents in the files of the participants are those provided by the employing organization. The forms for Designation of Beneficiary, Validation and Restoration and the explanations for the filling out of the retirement/withdrawal forms will be simplified, and explanatory texts will be provided. To the extent possible, induction courses will include a brief explanation of the three main forms so that new staff members can understand the need for them.

c) *Provide relevant and updated information on all benefits available.* Through the revised communications policy, more updated information will be provided on the benefits available, including those related to divorced spouses, widows and widowers, children, early and deferred retirements, secondary dependents, disability benefits and withdrawal settlements. Training will be provided as and when appropriate, as will additional booklets with simplified texts; additionally, when changes to the benefit structure are approved by the General Assembly, the website will be updated accordingly.

- d) *Ensure safe record of personal information.*** The security and integrity of all documentation in participant's files pertaining to personnel issues will be secured, and procedures will be formalized to ensure complete compliance. Off-site disaster recovery sites will be available with complete duplication of all documentation relating to participants' records.
- e) *Listen to Participants' requirements and consult through questionnaires and surveys.*** Feedback from participants will be possible through exchange of views in the various training and information sessions to be offered. Additionally, surveys and questionnaires will be developed, seeking input from participants on key issues relating to quality service.
- f) *Work, with the input of employing organizations, towards ensuring that there is no more than one month's delay between the last salary and the first benefit payment.*** The UNJSPF will work towards the goal of ensuring that when all documents for separation, including payment instructions, have been received, benefits due from the Fund will be paid within 15 working days of receipt. The Fund will become more pro-active in following up on non-receipt of documentation from member organizations for cases in which it has been informed that the participant has separated.
- g) *Inform participant's representatives and associations.*** The Fund will periodically provide participant's representatives and associations with information on issues of interest as regards participation, and will provide feedback on areas in which the staff can assist such as follow up on documentation and ensuring that all required information is available prior to separation.

2. *Commitments to Beneficiaries and their Associations and Federation*

- a) *Make procedures, forms and information simple and easy to understand.*** Additional efforts will be made to provide a one-page, simple clarification of the information required on the various forms to be filled out by beneficiaries, particularly the payment instructions and change of address forms. Simple information will also be provided for those who have been recently widowed, so that they become fully familiar with what is required by the Fund to process their benefits.
- b) *Pay lump sums, monthly benefits and withdrawal settlements in a timely manner.*** Once all required documents are received from the former employing organization and the payment instructions from the beneficiary, the Fund will work towards its goal of paying all benefits within 15 working days of receipt. Extra effort will be made to follow up on the non-receipt of documentation, and it is anticipated that once the information from the organizations is received in an automated fashion, delays will be minimized. Additionally, former participants will be able, through the Internet, to trace the processing of their future benefits, which will give them first-hand information as to where delays may occur.

c) **Assure regularity of pension payments.** The Fund is committed to ensuring that all pension payments are made regularly, and to having disaster recovery policies guaranteeing that in the event of a catastrophic situation, pension payments will continue to be made.

d) **Listen to beneficiaries needs and consult through questionnaires.** The Fund will periodically ask for feedback, through questionnaires, from beneficiaries as regards the services provided, which will determine whether changes should be made in specific areas in order to more readily respond to difficulties experienced.

e) **Inform retiree associations.** Periodic meetings and consultations will be held with retiree associations and their federation in order to obtain feedback as regards the Fund's services as well as to inform them of changes/improvements to the system. Additional efforts will be made to involve representatives in discussions on issues which may affect them, so that their input may be taken into account.

f) **Respond to queries within 15 working days.** Every effort will be made to respond to correspondence within 15 working days of receipt. In the event that more time is required to resolve the issue at hand, the Fund will work towards providing an explanation and give a target date for resolution of the issue. The Fund is working to ensure that incoming correspondence will be given an automated acknowledgement of receipt. This should avoid unnecessary follow-ups requesting information as to whether correspondence has been received. This is particularly important as regards certain types of correspondence requiring extensive follow up with banks, which usually take longer than 15 days to resolve.

g) **Response to telephone enquiries.** The Fund's Offices in New York and Geneva respond immediately to telephone calls during their respective working hours. The Fund will explore utilizing voice mail for certain standard information often required by beneficiaries.



3. Commitments to the Pension Board

Of prime importance is that the Fund be accountable for its actions, that it operates with stringent security policies in place and that it functions in a professional manner. As regards the Pension Board and its Standing Committee, it will:

- a) Provide performance reports.** Periodic performance reports in the form of charts and graphs will be provided in order to assist Board members in understanding trends at a glance and furnish the facts that will guide decision-making.
- b) Provide annual report.** An annual report on the work of the Fund in the prior year will be provided to all Board members, in order to furnish general information on items such as the financial statements, statistics on a number of administrative matters and the main events of the prior year which have impacted the work of the Fund.

4. Commitments to member organizations

The Fund will provide an efficient, responsive and adaptable service to its member organizations. In so doing the Fund will:

- a) Provide quarterly performance reports to SPC secretaries.** Quarterly reports of performance in key areas will be provided the secretaries so that they may have an understanding of the work of the Fund and its emerging trends.
- b) Provide training sessions.** Training sessions will be offered to the secretaries, as required, and to appropriate administrative officers of member organizations, in order to apprise them of pertinent issues.
- c) Fast written answers to queries.** Queries will take priority and answers will be provided within 15 working days of receipt of the query, or an explanation will be given as to the delay and a target date for response will be given.
- d) Provide monthly report to the SPC secretaries on the market value of the Fund's investments.** This report will provide information on the asset allocation for the prior month in equities, bonds, real estate, cash and short-term holdings.

IV

Conclusion

This document is the first, structural move towards a total quality management commitment by the UNJSPF, involving its staff in continuous improvement and making client/constituent satisfaction its top priority. Additional documents will be drafted with an ultimate goal of ensuring that such improvement is not only confined to the servicing of clients and constituents but also to other interested parties.

