SECOND ITEM ON THE AGENDA

International Public Sector
Accounting Standards: Progress made
1. During its 71st Session, on 5 November 2009, the Board of the International Training Centre took note of the Centre’s implementation plan for the adoption of the International Public Sector Accounting Standards (IPSAS). The plan presented was in accordance with the timelines presented by the ILO to its Governing Body in November 2009, whereby the first financial statements and external audit fully based on IPSAS will be in 2012.

2. The ILO is making substantial progress towards implementing IPSAS. In its 2008 – 2009 financial statements, the ILO adopted IPSAS 25 – Employee Benefits, IPSAS 19-Provision, Contingent Liabilities and Contingent Assets, IPSAS 20 – Related Party Transactions and IPSAS 24 – Presentation of Budget Information. In addition, the ILO adopted a new presentation format for its financial statements that is in accordance with IPSAS. The ILO now plans to consolidate the Centre’s financial statements in 2010 instead of 2011.

3. The Centre was fully engaged in the discussion of changes to accounting policy with respect to the 2009 implementation of the abovementioned IPSAS by the ILO and the provision of relevant financial information that the ILO needed when it adopted the new financial statements. In addition, both the Centre and the ILO have been continuously working since last year in 2009 up to the present on the planned consolidation of the Centre’s financial statements with the ILO in 2010. In close consultation with the external auditors, both the ILO and the Centre are making significant progress in this area, clearly identifying and resolving potential bottlenecks, identifying consolidation adjustments to be made by the ILO, information requirements from the Centre, delineating responsibilities and agreeing to deadlines to ensure a seamless consolidation of the financial statements.

4. The Centre, in close consultation with the ILO, had completed the necessary accounting policy papers it needed for a phased-approach implementation of IPSAS, under the existing United Nations System Accounting Standards.

5. To be fully consistent with the changes in accounting policies already made by the ILO and the earlier consolidation of the Centre’s financial statements with the ILO in 2010, the Centre has slightly revised its implementation plan to adopt those IPSAS.

6. Accordingly, the following implementation timelines have been adjusted for the Centre:

**2010**
- Expense recognition on an accrual basis
- Full balance sheet accounting for land and buildings and other staff liabilities
- Disclosure of related party transactions
- Financial statements put into IPSAS format
- Revenue from non-exchange transactions
- Revenue from exchange transactions
- Consolidation of financial statements with ILO

**2011**
- Establishment of closing balances under IPSAS
- Property, Plant and Equipment
In-kind contributions received
Disclosure of lease commitments

2012
Fully IPSAS-compliant and audited financial statements.

7. The Board may wish to take note of the progress made by the Centre in the adoption of the International Public Sector Accounting Standards.

*Point for information: Paragraph 7*