

## Board of the Centre

74th Session, Turin, 1-2 November 2012

**CC 74/3/3**

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**FOR INFORMATION**

### THIRD ITEM ON THE AGENDA

## Implementation of International Public Sector Accounting Standards: progress report

1. During its 73rd Session (November 2011), the Centre presented to the Board its progress on the implementation of International Public Sector Accounting Standards (IPSAS). A plan was also presented to the Board on the steps to be taken so that the financial statements would be fully IPSAS compliant by 2012.
  2. In close consultation with the ILO and the External Auditors, and pursuant to the United Nations System Accounting Standards (UNSAS), the Centre has adopted and applied to the 2011 financial statements the following IPSAS:
    - IPSAS-2 Cash Flow Statements
    - IPSAS-3 Accounting Policies, Changes in Accounting Estimates and Errors
    - IPSAS-4 The Effects of Changes in Foreign Exchange Rates
    - IPSAS-9 Revenue from Exchange Transactions
    - IPSAS-12 Inventories
    - IPSAS-13 Leases
    - IPSAS-14 Events after the Reporting Date
    - IPSAS-15 Financial Instruments: Disclosure and Presentation
    - IPSAS-18 Segment Reporting
    - IPSAS-19 Provisions, Contingent Liabilities and Contingent Assets
    - IPSAS-20 Related Party Disclosures
    - IPSAS-23 Revenue from Non-Exchange Transactions (partial adoption)
    - IPSAS-24 Presentation of Budgetary Information in Financial Statements
    - IPSAS-25 Employee Benefits
  3. In relation to IPSAS-23 “Revenue from Non-Exchange Transactions,” the Centre has elected to apply the three-year transitional provisions provided for in the Standard. Thus far, this Standard has been applied to revenue from voluntary contributions for all funds and revenue from training activities, but not for contributions-in-kind.
  4. The audit of the Centre’s 2011 financial statements was completed on 29 March 2012, which enabled the consolidation of the Centre’s financial statements with those of the ILO on time. All IPSAS that have been adopted are also likewise reflected in the 2010 comparative information. The early agreement reached with the ILO and the External Auditors on the IPSAS position papers and the corresponding accounting policies greatly contributed to the early completion of the audit of the 2011 financial statements.
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5. Further to the progress made in 2011 and with an objective of producing fully IPSAS compliant financial statements, the Centre will continue to work with the ILO and the External Auditors to obtain their early review and feedback on the position papers and accounting policies on the following remaining IPSAS to be implemented in 2012:

IPSAS 1 – Presentation of Financial Statements  
IPSAS 17 – Property Plant and Equipment  
IPSAS 21 - Impairment of Non-Cash Generating Assets  
IPSAS 23 – Revenue from Non-Exchange Transactions (full adoption)  
IPSAS 31 – Intangible Assets

6. To ensure sustainability of IPSAS implementation, the Centre will continue to monitor recent developments and updates on IPSAS. It will also ensure that Centre officials key to the continuous implementation of IPSAS are fully trained on the new accounting policies and new business processes.

Turin, June 2012.