



FOR DECISION

SECOND ITEM ON THE AGENDA

International Public Sector

Accounting Standards: Progress

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1. At its 70th Session, on 20 October 2008, the Board of the International Training Centre took note of the Centre's plan to use IPSAS as the basis for its financial reporting at the same time as the International Labour Office (ILO). The decision to align the Centre's implementation plan with the ILO's was due to the IPSAS requirement that the ILO produce consolidated financial statements that include the Centre's financial information.
 2. The adoption of IPSAS is part of a United Nations system-wide effort to improve UN financial information by using credible, independent accounting standards on a full accrual basis.
 3. A UN System-wide Task Force on Accounting Standards (Task Force) was set up by the High-Level Committee on Management (HLCM) of the Chief Executive Board (CEB). The jointly funded Task Force has issued accounting policies and guidance to help harmonize the approaches taken to adopting IPSAS by the different organizations. The Task Force has produced materials for agencies to use in training and orienting staff and other stakeholders in IPSAS implementation. The ILO has been an active participant in all the Task Force's activities, and so, more recently, has the Centre.
 4. The ILO has made substantial progress towards implementing IPSAS, including its position on the various IPSAS guidance and policies formulated by the Task Force, which were shared and discussed with the Centre.
 5. It is now evident that the ILO will not have made all of the required system and procedural changes needed for it to be fully operational by the planned IPSAS implementation date of 1 January 2010. Moreover, being able to use IRIS in the field is a critical requirement for the full adoption of IPSAS. The ILO therefore intends to continue a phased approach to implementing IPSAS.
 6. The ILO now plans to consolidate the Centre's financial statements in 2011. Accordingly, the following implementation timelines have been set for the Centre:

2009	Accrual of revenue from training activities, sale of publications and accommodation
2010	Full balance sheet accounting for land and buildings, after-service health insurance and other staff liabilities
	Disclosure of related party transactions
	Financial statements put into IPSAS format
	In-kind contributions received and voluntary contributions
	Disclosure of lease commitments
2011	Establishment of closing balances under IPSAS
	Consolidation of financial statements with the ILO
2012	Fully IPSAS-compliant and audited financial statements.

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7. The Centre should be compliant with all except seven of the 26 IPSAS standards by the end of 2010, and should be able to comply with all applicable standards by the end of 2012. The first financial statements and external audit fully based on IPSAS will therefore be in 2012.
 8. **The Board may wish to take note of the revised implementation plan for the adoption of the International Public Sector Accounting Standards.**

Point for decision: Paragraph 8

Turin, 05 November 2009