



FOR DECISION

SECOND ITEM ON THE AGENDA

**DIRECTOR'S REPORT ON THE ACTIVITIES OF THE
INTERNATIONAL TRAINING CENTRE
IN 2008-2009 AND PERSPECTIVES FOR 2010**

**Financial Statements and External Auditor's Report
for the financial year 1 January to 31 December 2008**

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INTERNATIONAL TRAINING CENTRE OF THE ILO
STATEMENT OF ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCES
AS AT 31 DECEMBER 2008

EXPRESSED IN THOUSANDS OF EURO

	NOTES		NOTES		NOTES		NOTES	
	2008	2007	2008	2007	2008	2007	2008	2007
ASSETS								
CASH AND TERM DEPOSITS	3 6,636	5,048	3 1,844	1,868	3 3,395	2,930		
ACCOUNTS RECEIVABLE	4 11,122	9,453						
LESS PROVISION FOR DOUBTFUL ACCOUNTS	4 (1,078)	(292)						
INTERFUND BALANCES		13	56				15	
OTHER ASSETS	5 511	357	1	11	3	3		
FIXED ASSETS	6 962	878						
TOTAL ASSETS	18,153	15,457	1,901	1,879	3,398	2,933	15	-
LIABILITIES								
PAYMENTS OR CONTRIBUTIONS RECEIVED IN ADVANCE	7 4,211	3,785			15 3,361	2,896		
UNLIQUIDATED OBLIGATIONS	8 1,681	1,376					15	
ACCOUNTS PAYABLE								
INTERFUND BALANCES		56				15 13		
OTHER	9 5,821	2,618				22 24		
OTHER LIABILITIES		230						
TOTAL LIABILITIES	11,999	8,448	-	-	3,398	2,933	15	-
RESERVES AND FUND BALANCES								
OPERATING RESERVES, BEGINNING OF YEAR	7,009	7,087	-	-	-	-	-	-
WORKING CAPITAL FUND, BEGINNING OF YEAR			1,879	2,052				
SAVINGS ON OR CANCELLATIONS OF PRIOR PERIOD'S OBLIGATIONS	214	192			6			
TRANSFER TO INVESTMENT FUND	(184)	(427)						
TRANSLATION DIFFERENCE FROM USD TO EURO		(252)		(202)				
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(885)	409	22	29	(6)			
TOTAL RESERVES AND FUND BALANCES	6,154	7,009	1,901	1,879	-	-	-	-
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	18,153	15,457	1,901	1,879	3,398	2,933	15	-

The accompanying notes are an integral part of the financial statements

**INTERNATIONAL TRAINING CENTRE OF THE ILO
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
FOR THE PERIOD ENDING 31 DECEMBER 2008
EXPRESSED IN THOUSANDS OF EURO**

	GENERAL FUND		WORKING CAPITAL FUND		CAMPUS IMPROVEMENT FUND		INVESTMENT FUND	
	2008	2007	2008	2007	2008	2007	2008	2007
INCOME								
VOLUNTARY CONTRIBUTIONS	11	11,564	10,899					
OTHER INCOME					(12)	11		
REVENUE PRODUCING ACTIVITIES	12	19,743	18,896					
FUNDS RECEIVED UNDER INTER-ORGANIZATIONAL ARRANGEMENTS	12	6,814	7,772					
TRANSFER TO INVESTMENT FUND				22	29	111	97	
INTEREST INCOME		185	256					
MISCELLANEOUS	13	1,352	1,111					
TOTAL INCOME		39,658	38,934	22	29	99	108	
EXPENDITURE								
FIXED EXPENSES		21,240	19,998					
VARIABLE EXPENSES		17,915	18,250			105	108	10
CURRENCY EXCHANGE ADJUSTMENTS		442	213					
TOTAL EXPENDITURE		39,597	38,461	-	-	105	108	184
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		61	473	22	29	(6)	-	(184)
PROVISION FOR DOUBTFUL ACCOUNTS		(946)	(64)					
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		(885)	409	22	29	(6)	-	(184)
RESERVES AND FUND BALANCES								
SAVINGS ON OR CANCELLATIONS OF PRIOR PERIOD'S OBLIGATIONS		214	192			6		
TRANSFER TO INVESTMENT FUND	10	(184)	(427)					10
TRANSLATION DIFFERENCE FROM USD TO EURO	2.2		(252)	(202)				
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD		7,009	7,087	1,879	2,052			
RESERVES AND FUND BALANCES END OF PERIOD		6,154	7,009	1,901	1,879	-	-	-

The accompanying notes are an integral part of the financial statements

**INTERNATIONAL TRAINING CENTRE OF THE ILO
STATEMENT OF CASH FLOW FOR THE PERIOD ENDING
31 DECEMBER 2008**

EXPRESSED IN THOUSANDS OF EURO

	GENERAL FUND		WORKING CAPITAL FUND		CAMPUS IMPROVEMENT FUND		INVESTMENT FUND	
	2008	2007	2008	2007	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES								
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(885)	409	22	29	(6)		(184)	(427)
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(883)	(1,765)						
(INCREASE) DECREASE IN OTHER ASSETS	(154)	78	10	(5)		(3)		
INCREASE (DECREASE) IN CONTRIBUTIONS OR PAYMENTS RECEIVED IN ADVANCE	426	243			465	322		
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	3,203	(1,410)			(2)	19		
INCREASE (DECREASE) IN UNLIQUIDATED OBLIGATIONS	305	(306)					15	
INCREASE (DECREASE) IN OTHER LIABILITIES	(439)	394						
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,573	(2,357)	32	24	457	338	(169)	(427)
CASH FLOWS FROM INVESTING ACTIVITIES								
(INCREASE) DECREASE IN FIXED ASSETS	(84)	(119)						
NET CASH FLOWS FROM INVESTING ACTIVITIES	(84)	(119)	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES								
SAVINGS ON OR CANCELLATIONS OF PRIOR PERIOD'S OBLIGATIONS	214	192						
(INCREASE) DECREASE IN INTERFUND BALANCES RECEIVABLE	13	(8)	(56)		6	973	(15)	
INCREASE (DECREASE) IN INTERFUND BALANCES PAYABLE	56	(972)		(6)	2	13		
TRANSFER TO INVESTMENT FUND	(184)	(427)					184	427
NET CASH FLOWS FROM FINANCING ACTIVITIES	99	(1,215)	(56)	(6)	8	986	169	427
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	1,588	(3,691)	(24)	18	465	1,324		
TRANSLATION DIFFERENCE FROM USD TO EURO		(252)		(202)		4		
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	5,048	8,991	1,868	2,052	2,930	1,602		
CASH AND TERM DEPOSITS, END OF PERIOD	6,636	5,048	1,844	1,868	3,395	2,930	-	-

The accompanying notes are an integral part of the financial statements.

**INTERNATIONAL TRAINING CENTRE OF THE ILO
GENERAL FUND - STATEMENT OF APPROPRIATIONS
for the period ending 31 December 2008**

(Expressed in thousands of euro)

Chapter	Item	Title	2008 BUDGET	2008 ACTUAL	BUDGET VARIANCE
		INCOME			
I		Voluntary contributions			
	10	International Labour Organization	2,338	2,440	102
	11	Government of Italy	7,850	7,850	-
	12	Government of France	150	120	(30)
	13	City of Turin	500	754	254
	14	Piedmont Region	400	400	-
		Total contributions <i>Note 16a</i>	11,238	11,564	326
II		Earned income			
	20	Income from training activities <i>Note 16b</i>	26,825	26,557	(268)
	20a	Other income	1,332	1,537	205
		Total earned income	28,157	28,094	(63)
	21	Use of 2006/2007 surplus	296	265	(31)
		TOTAL BUDGET INCOME	39,691	39,923	232
		EXPENDITURE			
III		Fixed expenses			
	22	Staff	14,923	14,161	(762)
	23	External collaborators	515	324	(191)
	24	Buildings	2,273	2,381	108
	25	Transport and communications	680	597	(83)
	26	Specialized services	939	672	(267)
	27	Services provided by ILO Offices	193	197	4
	28	Official meetings	133	128	(5)
	29	Missions and representation	412	326	(86)
	30	Library and training resources	42	29	(13)
	31	Depreciation	632	441	(191)
	32	Other fixed costs	1,670	1,984	314
		Total fixed expenses <i>Note 16c</i>	22,412	21,240	(1,172)
IV		Variable expenses			
	33	Temporary assistance	8,540	8,094	(446)
	34	Missions	764	854	90
	35	Participants subsistence	2,974	3,246	272
	36	Participants travel	1,725	2,189	464
	37	External tuition fees	305	6	(299)
	38	Books, training aids, supplies	118	153	35
	39	Other variable costs	2,927	3,090	163
	39a	Other costs related to other income	222	283	61
		Total variable expenses <i>Note 16d</i>	17,575	17,915	340
		TOTAL OPERATING EXPENSES	39,987	39,155	(832)
		BUDGET SURPLUS (DEFICIT)	(296)	768	1,064
		Other items			
	40	Provision for doubtful accounts		(946)	(946)
	41	Currency exchange adjustments		(442)	(442)
	42	Savings on or cancellations of prior period's obligations		214	214
		TOTAL OTHER ITEMS		(1,174)	(1,174)
		NET BUDGET DEFICIT ^{/1}	(296)	(406)	(110)

^{/1} As referred to in Financial Regulations 7(4).

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL TRAINING CENTRE OF THE ILO

NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

1. STATEMENT OF OBJECTIVES AND ACTIVITIES

The objective of the International Training Centre of the International Labour Organization (the “Centre”) is, in keeping with the principles set forth in the Preamble of the Constitution of the International Labour Organization (ILO) and in the Declaration of Philadelphia, to provide training activities at the service of economic and social development in accordance with, and through the promotion of international labour standards. Its training activities, elaborated within the framework of the technical co-operation of the ILO, the United Nations system and other international organizations, are mainly addressed to people in senior positions in their Member States.

The Centre’s operations are funded by two distinct types of resources.

- Voluntary contributions by governments, intergovernmental organisations, international non-governmental organisations and other sources.
- Earned income.

There are four funds maintained at the Centre. The General Fund is the main operating fund of the Centre for training activities and it includes funds held in trust on behalf of the Italian Government. The Working Capital Fund was established in accordance with the Financial Regulations of the Centre to finance temporarily expenditure pending receipt of firmly pledged voluntary contributions and other income to be received under signed agreements. Its target level has been established at € 1,852,200. The Campus Improvement Fund was established by the Director of the Centre to receive funds specifically for the refurbishments of the campus and in particular the creation of a conference centre. The Investment Fund was created following the approval of the Board in November 2006 for the upgrade and development of curricula and training materials and other projects to improve the overall capacity of the Centre.

2. STATED ACCOUNTING POLICIES

2.1. General accounting policies

The general accounting policies and reporting practices applied by the Centre reflect the requirements of the Financial Regulations of the Centre as adopted by the Board of the Centre. Other than for fixed assets as described in note 2.3 i), they conform to the United Nations System Accounting Standards (UNSAS).

The Financial Statements comprise of a Statement of assets, liabilities, and reserves and fund balances, a Statement of income and expenditure and changes in reserves and fund balances, a Statement of cash flow and a Statement of appropriations.

2.2. Change in reporting currency to the euro

Effective 1 January 2008, the Centre changed its reporting currency to the euro. As approved by the Board of the Centre in November 2006, the change in reporting currency is to better reflect the Centre's activities as most of expenditure and income are in euro. Prior to 1 January 2008, the Centre reported its financial statements in United States dollar. The 2007 comparative figures and corresponding notes have been restated to euro for comparison to the 2008 financial results.

The 2007 income and expenditure items as well as cash flows items were translated into the euro using a calculated average rate of €0.733 to the US\$1.00, which is based on the average of the United Nations Operational Rates of Exchange (UNORE) in effect in 2007, except for the voluntary contributions that were originally made in euro where the actual euro amount was used. The 2007 assets and liabilities expressed in currencies other than euro were translated using the UNORE at 31 December 2007 of €0.686, except for fixed assets. Additions and disposals of fixed assets in currencies other than euro and Italian Lira have been converted to euro at the UNORE at the date of acquisition. For euro purchases, the original value was taken, and for Italian Lira purchases, the internationally agreed exchange rate to the euro was used.

The resulting translation difference from this change in reporting currency for each fund has been reported as a separate component of Reserves and Fund balances titled Translation Difference from USD to euro.

2.3. Significant accounting policies

The following significant accounting policies have a material effect on the results reported in the Financial Statements.

- a) The financial period of the Centre is a calendar year.
- b) The Centre's Financial Statements are prepared according to the historical cost accounting convention and have not been adjusted to reflect the effects of changing price levels for goods and services.
- c) Income from voluntary contributions are recorded on an accrual basis and income for all activities for which the main element, such as training or consulting, has been completed by the end of the financial year is recognized in total that year. For activities that span more than one financial year, the income element is recorded in the respective years in proportion to the delivery of the activities in each of those years.
- d) All expenditure, including expenditure for follow-up actions that may be performed in a future period, for activities completed by the end of the financial period is expensed or accrued in that period. Expenditure incurred in the financial period that relate to activities that will take place in a future period are recognized into expenditure in the year the activity takes place.

The expenses which have occurred at year-end but that have not been invoiced are recorded as an unliquidated obligation.

For activities that span more than one financial period, the expenses are recorded in the period in which they occurred.

- e) Income and expenditure are recorded and reported on a gross basis.
- f) The Centre does not record contributions in kind in the accounts. The land and buildings of the Centre are provided by the City of Turin at a nominal rent. All expenses related to the improvements of the buildings of the Centre are funded specifically for these purposes by donors and are recorded as expenditure and not as capital assets.
- g) Cash and deposits include term deposits maturing within a year from acquisition date.
- h) Stock of consumable supplies consists of publications held for sale and training materials and other consumable supplies held either for sale or for internal use. Stock is recorded in the Financial Statements at the lower of costs and net realisable value. The original cost is reduced by a provision for obsolescence.
- i) Fixed assets acquired since July 1980, except for leasehold improvements related to the buildings of the Centre, have been recorded in the accounts at cost. Fixed assets have been depreciated on a straight-line basis at rates of 20% or 10% per annum, depending on their estimated useful life. As a general rule, vehicles, office equipment and computer systems are given a 5-year life, while other equipment and furniture are given a 10-year life. The capitalization of these fixed assets is a departure from the United Nations System Accounting Standards. However, this practice reflects more accurately the cost of the utilization of these assets.
- j) The Statement of assets, liabilities and reserves and fund balances prepared at the end of the financial period does not contain provisions for termination payments made to officials upon their departure from the Centre because such payments are made by the ILO Terminal Benefits Fund, to which the Centre makes monthly contributions. Furthermore, in accordance with UN accounting practices, the Centre neither accrues for outstanding leave not taken by the end of the financial year nor the actuarial valuation of the liability for after-service medical benefits. The Centre discloses the potential liability of these costs in notes 18 and 19 of the financial statements.

2.4. Exchange rate translation policy

- a) The unit of account used in these financial statements is the euro. All transactions in other currencies are translated into euro at the United Nations Operational Rate of Exchange (UNORE) effective at the time of the transactions and monetary balances at the end of the year are expressed in euro at the UNORE effective at 31 December.
- b) Losses as a result of currency fluctuations are offset against gains during the same financial period. At the close of the financial period, if the net result is a gain, it is presented as Other Income (Currency Exchange Adjustments) and

if the net result is a loss, it is presented as expenditure (Currency Exchange Adjustments).

3. CASH AND TERM DEPOSITS

General Fund

Cash and Term Deposits at 31 December comprise:

(Expressed in thousands of euro)

	2008	2007
Bank current accounts	2,178	4,616
Term deposits	7,014	2,800
Sub-Total	9,192	7,416
Less: Amounts held on behalf of the Italian Government	(2,556)	(2,368)
TOTAL CASH AND TERM DEPOSITS	6,636	5,048

The term deposits made with the Centre's banks as at 31 December 2008 mature in January and February 2009.

Working Capital Fund

Cash and Term Deposits at 31 December comprise:

(Expressed in thousands of euro)

	2008	2007
Bank current account	13	16
Term deposit	1,831	1,852
TOTAL CASH AND TERM DEPOSITS	1,844	1,868

The term deposit made with the Centre's bank matures in March 2009.

Campus Improvement Fund

Cash and Term Deposits at 31 December comprise:

(Expressed in thousands of euro)

	2008	2007
Bank current account	295	280
Term deposits	3,100	2,650
TOTAL CASH AND TERM DEPOSITS	3,395	2,930

The term deposits mature in March, June and December 2009.

4. ACCOUNTS RECEIVABLE

General Fund

Accounts Receivable at 31 December comprises:

(Expressed in thousands of euro)

	2008	2007
Accounts receivable and accrued income	11,085	8,393
Less: provision for doubtful accounts	(1,078)	(292)
Accounts receivable net	10,007	8,101
Other receivables	37	1,060
TOTAL ACCOUNTS RECEIVABLE NET	10,044	9,161

Seventy percent of accounts receivable are 0-90 days old (2007 =70%); 11% (2007 = 18%) are 91 – 360 days old and the remaining 19% (2007 = 12%) are over 360 days old.

The Centre has provided for doubtful accounts receivable totalling € 1,078,000 (2007 = € 292,000) at year end. The Centre provides for 50% of the value of all unpaid accounts receivable over one year old and 100% of the value of all unpaid debts over 2 years old except for amounts that have been recognised by the debtor and for which firm promises to pay have been received. During the year, the Centre wrote off € 159,000 (2007 = € 76,000) of accounts receivable which represented mostly accounts receivable over 3 years old and which were provided for in previous years.

Other receivables in 2007 include the net balance due to the Centre by the ILO of € 1,043,000. These represent the Centre's receivable for training services provided to the ILO, both on and off campus.

5. OTHER ASSETS

Other Assets at 31 December comprise:

(Expressed in thousands of euro)

	2008	2007
Stock of consumable supplies	352	305
Less provision for obsolescence	-	(40)
Sub Total	352	265
Prepaid expenses and sundry advances	159	92
TOTAL OTHER ASSETS	511	357

6. FIXED ASSETS

(Expressed in thousands of euro)

	Vehicles and Office Equipment	Computer Systems	Other Equipment and Furniture	TOTAL
Cost at 01/01/2008	1,088	1,942	662	3,692
2008 additions	145	350	31	526
2008 disposals	(6)	-	-	(6)
Cost at 31/12/2008	1,227	2,292	693	4,212
Depreciation at 01/01/2008	775	1,416	624	2,815
2008 depreciation	148	284	9	441
2008 disposals	(6)	-	-	(6)
Depreciation at 31/12/2008	917	1,700	633	3,250
Net book value at 31/12/2008	310	592	60	962

Net book value at 31/12/2007	313	527	38	878
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7. CONTRIBUTIONS OR PAYMENTS RECEIVED IN ADVANCE

The amount of € 4,211,000 (2007 = € 3,785,000) mainly comprises contributions concerning future training activities. The largest contributions in advance were received from the Italian Ministry of Foreign Affairs for Project Palestine and from the Ministry of Labour and Social Policy of Bulgaria.

8. UNLIQUIDATED OBLIGATIONS

The amount of € 1,681,000 (2007 = € 1,376,000) includes expenses mainly associated with training courses and advisory services, plus various accruals for fixed costs.

9. OTHER ACCOUNTS PAYABLE

The amount of € 5,821,000 (2007 = € 2,618,000) in respect of Accounts Payable-Other represents amounts due to suppliers for goods received and services rendered, and includes € 1,855,000 as a net balance due to the ILO representing staff costs and disbursements for ITC training activities it has effected on behalf of the ITC both in ILO external offices or headquarters; the ILO account balances was a net receivable in 2007.

10. TRANSFER TO INVESTMENT FUND

In accordance with the approval by the Board of the Centre of an investment programme in the amount of US\$ 2,310,000 for 2007 - 2011 at its 68th session in Turin on 2-3 November 2006, € 184,000 (2007= € 427,000) was transferred to the Investment Fund for the upgrade and development of course curricula and training materials.

11. INCOME FROM VOLUNTARY CONTRIBUTIONS

General Fund

Income from voluntary contributions for the period ending 31 December is detailed below:

(Expressed in thousands of euro)

	2008	2007
INTERNATIONAL LABOUR ORGANIZATION	2,440	2,227
GOVERNMENT OF ITALY	7,850	7,850
GOVERNMENT OF FRANCE	120	120
CITY OF TURIN	754	302
PIEDMONT REGION	400	400
TOTAL	11,564	10,899

- a) The ILO contribution of € 2,440,000 (US\$ 3,160,000) represents one half of the approved 2008/2009 biennial contribution of US\$ 6,320,000. In 2007 it was € 2,227,000 (US\$ 3,043,000).
- b) The Italian Government contribution to the Centre in 2008 was € 7,850,000 (2007 = € 7,850,000). This amount was paid in two instalments during 2008.
- c) The French Government contributed and paid € 120,000 (2007 = € 120,000).
- d) In 2008, the City of Turin contributed € 500,000 (2007 = € 302,000) to cover costs of major maintenance in accordance with the agreement signed between the City and the ILO. In addition to this amount paid on February 2009, there was the € 198,000 carried forward from 2007 and € 56,000 from 2006, for a total of € 754,000 that was recognized in 2008 for major maintenance and upkeep of the campus that took place in 2008.
- e) The Piedmont Region contributed € 400,000 (2007 = € 400,000). This amount was paid in March 2009.

12. INCOME FROM REVENUE PRODUCING TRAINING ACTIVITIES, FUNDS RECEIVED UNDER INTER-ORGANIZATION ARRANGEMENTS AND ALLOCATIONS FROM OTHER FUNDS

General Fund

(Expressed in thousands of euro)

REVENUE PRODUCING TRAINING ACTIVITIES	2008	2007
GOVERNMENT OF ITALY (voluntary contribution)	7,477	5,495
GOVERNMENT OF ITALY AND OTHER ITALIAN ORGANIZATIONS (including the Ministry of Foreign Affairs and the Ministry of Labour)	2,108	2,269
EUROPEAN UNION (including the European Commission, the European Training Foundation and the European Social Fund)	2,693	2,182
BILATERAL DONORS / DIRECT TRUST FUNDS	5,567	6,120
OTHER MULTILATERAL AGENCIES	1,898	2,830
TOTAL REVENUE-PRODUCING ACTIVITIES	19,743	18,896
FUNDS RECEIVED UNDER INTER-ORGANISATIONAL ARRANGEMENTS		
INTERNATIONAL LABOUR ORGANIZATION – REGULAR BUDGET	2,080	4,140
INTERNATIONAL LABOUR ORGANIZATION - OTHER	2,560	1,965
WORLD BANK	449	600
OTHER UN AGENCIES	1,725	1,067
TOTAL INTER-ORGANIZATIONAL ARRANGEMENTS	6,814	7,772
TOTAL INCOME FROM TRAINING ACTIVITIES	26,557	26,668

Contributions include an amount of € 600,000 (2007 = € 350,000) from the Compagnia di SanPaolo, which is an arm's-length organization from the Centre's bankers, the Intesa SanPaolo Bank, for specific training activities.

13. MISCELLANEOUS INCOME

Miscellaneous income comprises:

(Expressed in thousands of euro)

	2008	2007
Non-training activities and services	1,271	1,028
Sundry receipts	81	83
TOTAL MISCELLANEOUS INCOME	1,352	1,111

Non-training activities and services income includes rentals, and receipts from other UN organizations on campus, language courses and paying guests.

14. NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE

The net shortfall of income over expenditure of € 885,000 (2007 = € 409,000 excess), was compensated by savings on or cancellations of prior period obligations of € 214,000 (2007 = € 192,000).

In accordance with Article 7 paragraph 4 of the Financial Regulations of the Centre, the Director decided to set aside for future years the amount of US\$ 800,000 (€ 592,000) out of the 2006 surplus, to finance two P4 positions, together with the related operational expenses, for the years 2008 and 2009 to develop and promote activities in the field of a) employment skills and development and b) migration, forced labour and human trafficking. At the 69th session held in Geneva on 29 and 30 October 2007, the Board of the Centre approved this use of the 2006 surplus. In 2008, € 14,000 was spent for this purpose, leaving an unspent balance of € 578,000.

Furthermore, the officers of the Board met in Geneva on 7 March 2008 and approved additional budgetary expenditure of US\$ 1,086,000 (€ 745,000) out of the 2007 surplus to improve training capabilities in the amount of US\$ 437,000 (€ 300,000) and for improvement works on the campus in the amount of US\$ 649,000 (€ 445,000). In 2008, a total of € 82,000 was spent on improving training capabilities and € 169,000 on campus improvement works, leaving unspent balances of € 218,000 and € 276,000 respectively.

15. CAMPUS IMPROVEMENT FUND

In December 2002, the Government of Italy made an extraordinary initial contribution to the Centre for the urgent needs to adapt the buildings in order to meet security standards. During the following years, additional funds were donated in order to adapt the buildings to current security standards and to cover exceptional expenses incurred to upgrade the hotel facilities and other structures of the Centre. Currently, the funds are used to refurbish its main conference building (pavilion L) in order to improve its capacity and address security and safety concerns.

The contributions received and utilized by the Centre are detailed below:

Date of receipt of funds	Origin of funds	Amounts in euro
01 December 2002	Government of Italy	516,500
27 January 2004	Compagnia di San Paolo	25,000
16 September 2004	Piedmont Region	1,000,000
04 November 2004	SanPaolo IMI S.p.A.	83,600
07 December 2004	Government of Italy	569,500
06 September 2005	Piedmont Region	1,000,000
01 October 2006	Piedmont Region	1,000,000
13 February 2007	Compagnia di San Paolo	150,000
27 July 2007	Compagnia di San Paolo	150,000
12 February 2008	Compagnia di San Paolo	225,000
11 July 2008	Compagnia di San Paolo	225,000
Total contributions received		4,944,600
Less: Total expenses incurred		1,875,700
Add: Interest earned		292,200
Payments or contributions received in advance		3,361,100

At the end of 2008, a bid tender for renovation works on pavilion L was launched and a contract of € 2,947,000 was signed.

16. STATEMENT OF APPROPRIATIONS

General Fund

a) **Voluntary Contributions**

The Italian Government contribution to the Centre in 2008 was, as planned in the budget, € 7,850,000 (2007 = € 7,850,000). This amount was paid in two instalments during 2008.

The ILO contribution of € 2,440,000 (US\$ 3,160,000) represents one half of the approved 2008/2009 biennial contribution of US\$ 6,320,000. In 2007 it was € 2,227,000 (US\$ 3,043,000).

The French Government contributed and paid € 120,000 (2007 = € 120,000), which is € 30,000 less than planned in the budget.

For 2008 the City of Turin contributed € 500,000 in February 2009. Added to this amount is € 198,000 carried forward from 2007 and € 56,000 from 2006, resulting in a total of € 754,000 used for major maintenance and upkeep of the campus.

The Piedmont Region contributed, in line with the budget, € 400,000 (2007 = € 400,000). This amount was paid in March 2009.

b) **Earned Income**

(Expressed in thousands of euro)

TOTAL INCOME FROM TRAINING ACTIVITIES	Budget 2008	Actual 2008	Budget Variance
Group training, advisory services and publications	26,825	26,557	268

c) **Fixed Expenses**

Fixed expenses, which include € 265,000 in expenditure funded by the 2006/2007 surplus, are € 1,172,000 lower than budget (2007 = € 206,000 lower).

d) **Variable Expenses**

The Centre's variable costs are solely related to the implementation of specific activities. The programme evolves during the budget year in accordance with funding available. The level of these costs itself thus evolves in relation to the programme of activities, just as it is subject to variations resulting from the diversity of the cost factors associated with implementation of the Centre's activities, including exchange rate variations.

17. FUTURE COMMITMENTS

At 31 December 2008, the Centre had a total of € 1.8 million (2007 = € 1.9 million) in future commitments for contracts related to hardware and software maintenance, printing services and outsourced services such as cleaning of campus premises and hotel rooms, hotel reception, post office, security, catering and transport.

18. ACCRUED LEAVE AND END OF SERVICE BENEFITS

The Centre, in accordance with UN accounting practices, does not accrue either for leave not taken by the end of the financial year or for amounts due to staff on termination. At 31 December 2008, the liability for outstanding leave is estimated at € 1,723,000 (2007 = € 1,640,000) and the liability for end of service benefits is estimated at € 7,939,000 (2007 = € 8,516,000).

19. AFTER SERVICE MEDICAL BENEFITS

On retirement, staff members are entitled, under certain conditions, to continue to benefit from the Staff Health Insurance Fund (SHIF) on paying a yearly contribution of 3.30% plus, starting in January 2008, an additional 0.99 % for the spouse if applicable, of the full retirement benefits received.

The SHIF is not fully funded by contributions and an actuarial valuation made as at 31 December 2007 estimated the liability of the Centre for after-service medical benefits at € 22,997,000 (US\$ 33,523,000) for which, in accordance with UN accounting practices, no provision has been included in the accounts.

20. UNITED NATIONS JOINT STAFF PENSION FUND (UNJSPF)

The International Training Centre of the ILO is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the Centre to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly together with any share of any actuarial deficiency payment under Article 26 of the regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

21. CONTRIBUTIONS IN KIND

The ILO provided a total of 4 man months (2007 = 6 man months) of staff time free of charge.

The French Government provided a total of 10.5 man months of staff time free of charge (2007 = 18 man months).

The land and buildings of the Centre are provided by the City of Turin at a nominal rent. The valuation of the land and buildings has not been determined.

APPROVAL OF THE FINANCIAL STATEMENTS

The Statements of assets, liabilities, and reserves and fund balances (Statement I), of income and expenditure and changes in reserves and fund balances (Statement II), of cash flow (Statement III), of appropriations (Statement IV) and notes to the Financial Statements (Notes 1-21) are approved.

So far as the Director is aware, there is no relevant audit information of which the Centre's external auditors are unaware, and he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the external auditors are aware of that information.

(signed)

François Eyraud
Executive Director
Turin Centre

(signed)

Remedios Dungca
Treasurer and Chief,
Financial Services



INDEPENDENT AUDITOR'S REPORT

To the Board of the International Training Centre of the International Labour Organization

Report on the Financial Statements

I have audited the accompanying financial statements of the International Training Centre of the International Labour Organization, which comprise the statement of assets, liabilities, and reserves and fund balances as at 31 December 2008, and the statement of income and expenditure and changes in reserves and fund balances, the statement of cash flow and the statement of appropriations for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the International Training Centre of the International Labour Organization as of 31 December 2007 were audited by the National Audit Office of the United Kingdom whose report dated 13 October 2008 expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies set out in Note 2 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the International Training Centre of the International Labour Organization as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with the stated accounting policies set out in Note 2 to the financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Financial Regulations of the International Training Centre of the International Labour Organization, I report that, in my opinion, the accounting policies set out in Note 2 to financial statements have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the International Training Centre of the International Labour Organization that have come to my notice or which I have tested as part of my audit have, in all significant respects, been in accordance with the Financial Regulations and legislative authority of the International Training Centre of the International Labour Organization.

In accordance with Article 28 of the Financial Regulations of the International Training Centre of the International Labour Organization, I have also issued a detailed report on my audit of the International Training Centre of the International Labour Organization's financial statements to the Board.



Sheila Fraser, FCA
Auditor General of Canada

28 August 2009
Ottawa, Canada

**REPORT OF THE EXTERNAL AUDITOR TO THE BOARD
ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE
INTERNATIONAL TRAINING CENTRE
OF THE INTERNATIONAL LABOUR ORGANIZATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

INTRODUCTION

On 26 March 2007, at its 298th session, the governing body of the International Labour Organization (ILO) appointed the Office of the Auditor General of Canada as the external auditor for a period of four years.

Under the Financial Regulations of the International Training Centre of the ILO (the Centre), the external auditor of the ILO is the external auditor of the Centre. In accordance with Article 28 of the Financial Regulations, a detailed report shall be issued on the audit, in addition to the Independent Auditor's Report.

The audit of the 2008 financial statements of the Centre represents our first audit as external auditor. The following report contains the results of our audit. It includes observations and recommendations arising from our audit of the 2008 financial statements.

We will be pleased to elaborate on any of these points during the Board meeting in November 2009.

ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance during our audit by the Director of the Centre, his officers and members of their staff. We also wish to express our appreciation to the Board and Governing body of the ILO for the support and interest shown in the work of my office.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada
External Auditor

Ottawa, Canada
2 October 2009

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MAIN POINTS

1. We expressed an unqualified audit opinion on the Centre's financial statements. We concluded that they present fairly, in all material respects, the Centre's financial position, financial performance and cash flows in accordance with the stated accounting policies set out in Note 2 to the financial statements. We concluded that these accounting policies were applied on a basis consistent with that of the preceding year. We also concluded that the transactions of the Centre that have come to our notice or which we have tested as part of the audit, have, in all significant respects, been in accordance with the Financial Regulations and legislative authority of the Centre.
2. As part of our first financial audit of the Centre, we documented the Centre's financial reporting framework and its overall control environment. In addition, we examined the change in reporting currency from the USD to the euro and the conversion of the financial reporting system to Oracle version 11.i. We also identified opportunities to strengthen the financial controls of the Centre. Our observations on financial controls were included in a management letter that was issued to the management of the Centre.
3. The United Nations Task Force on Accounting Standards has recommended that the International Public Sector Accounting Standards (IPSAS) be adopted as the accounting framework for all organizations within the United Nations system, effective no later than reporting periods beginning on or after 1 January 2010. The move from UNSAS to IPSAS will result in a fundamental shift in reporting. The Centre is planning to be IPSAS compliant in 2012. An immediate detailed transition plan is required to guide the Centre in the implementation of the new standards.

ABOUT THE OFFICE OF THE AUDITOR GENERAL

4. The Office of the Auditor General of Canada (OAG) is an independent audit office, a world leader in legislative and environmental auditing. We promote good financial and environmental management and sustainable development.
5. The OAG is widely involved in the activities of the Canadian, as well as the international, audit and accountancy profession. In Canada, the OAG is involved in many professional organizations, notably the Canadian Institute of Chartered Accountants which sets accounting and assurance standards. Internationally, the OAG is involved in the International Public Sector Accounting Standards Board and it has more than 50 years of experience collaborating with international partners in developing professional standards, capacity-building, knowledge-sharing and conducting audits of international institutions.

SCOPE AND OBJECTIVES OF THE AUDIT

6. The scope of the audit was determined in compliance with Chapter VIII of the Centre's Financial Regulations and in accordance with the additional terms of reference governing the external audit, which are presented in Appendix II to those Regulations.
7. An audit is an independent examination of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the Centre's compliance with significant authority instruments and considers whether, during the course of our examination, we have become aware of any other matters that, in our opinion, should be brought to the attention of the Board.

The objectives of the audit were to provide an independent opinion on whether:

- the financial statements have been fairly presented, in all material respects, in accordance with the stated accounting policies set out in Note 2 to the financial statements;
 - these accounting policies have been applied on a basis consistent with that of the preceding year; and
 - the transactions coming to our notice or which we have tested as part of the audit were, in all significant respects, in accordance with the Financial Regulations and legislative authority.
8. The audit is not designed to, and normally does not, identify all matters that may be relevant to those charged with governance. Accordingly, this report only includes those governance matters that came to our attention in the course of the audit.
 9. No restrictions were placed on the scope of our audit, and we obtained all the information and explanations we considered necessary.
 10. As we have audited the financial statements in English, we have prepared this report and the Independent Auditor's Report in English. Although translation in French of our Independent Auditor's Report and Report to the Board have been provided to the Centre, we did not review the French and Spanish versions of the financial statements. We also did not review the Spanish versions of the Independent Auditor's Report and Report to the Board.

AUDIT APPROACH AND AUDITOR'S RESPONSIBILITIES

11. We conducted our audit in accordance with the International Standards on Auditing. These standards require that we plan and perform an audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by Management as well as evaluating the overall presentation of the financial statements.
12. When planning the audit, we acquire a sound understanding of the Centre and its environment, the business risks it faces, how the Centre manages those risks, and its overall control environment. This understanding is based primarily on interviews with senior management and our audit knowledge with the Centre and its environment, including its internal control. We obtain such understanding in order to plan our audit and also to determine the nature, timing and extent of audit procedures to be performed.
13. The auditor's responsibility is to express an opinion on the financial statements based on an audit thereof. An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement including those caused by fraud or error.
14. Owing to the inherent limitation of an audit, there is an unavoidable risk that some misstatements in the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

AUDIT RESULTS

15. We confirm that the Office of the Auditor General of Canada remained independent of the Centre throughout the audit.
16. We issued an unqualified audit opinion on the Centre's 2008 financial statements. We concluded that they present fairly, in all material respects, the Centre's financial position, financial performance and cash flows in accordance with the stated accounting policies set out in Note 2 to the financial statements and that the accounting policies were applied on a basis consistent with that of the preceding year. We also concluded that the transactions of the Centre that have come to our notice during our audit or which have been tested as part of the audit of the financial statements have, in all significant respects, been in accordance with the Financial Regulations and legislative authority of the Centre.
17. Our Independent Auditor's Report was modified to indicate that the 2007 financial statements were audited by the National Audit Office of the United Kingdom whose report expressed an unqualified opinion on those financial statements.

18. In the normal course of an audit, adjustments arise that in our judgment could, either individually or in aggregate, affect the Centre's financial reporting process.

In this year's audit the following adjustments were made to the financial statements that, in our judgment, might not have been detected except as a result of the audit procedures we performed:

Description	Impact on the Statement of Income and Expenditure and Changes in Reserves and Fund Balances	Impact on the Statement of Assets, Liabilities, and Reserves and Fund Balances
1. To adjust the year-end balance of the ILO current account by the amount of the revaluation to the euro as at 31 December 2008.	Understatement of Expenditure (exchange loss) by €302K	Understatement of Accounts Payable by €302K
2. To remove an exchange gain recorded erroneously.	Understatement of Expenditure (exchange loss) by €265K	Understatement of Accounts Payable by €265K
Total of corrected misstatements	Understatement of net shortfall of income over expenditure by €567K	Understatement of liabilities by €567K

19. We are charged with reporting any disagreements with management over auditing, accounting, or disclose matters that could, individually or in aggregate, significantly affect the financial statements or our independent auditor's report. We are also obliged to report whether we resolved any disagreements satisfactorily. There are no such matters to report.
20. We are required to report on fraud and illegal acts involving senior management, as well as fraud and illegal acts (whether by senior management or other employees) that cause a more-than-trivial misstatement of the financial statements. We emphasize that it is management's responsibility to establish a control environment and maintain policies and procedures to help ensure the orderly and efficient conduct of the Centre's business. In determining which internal controls it will implement to prevent and detect fraud, management should consider the risk that the financial statements may be materially misstated as a result of fraud. Consistent with International Standard on Auditing, during the audit we considered the possibility that fraud or error, if sufficiently material, might affect our opinion on the financial statements. Our audit procedures did not identify any matters related to fraud and/or error that should be brought to the attention of the Board.
21. Preparing the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations. The most significant estimates include the unliquidated obligations, the provision for doubtful accounts and the estimated useful lives of fixed assets. When considering the reasonableness of these estimates, we reviewed the supporting working papers and documentation, performed recalculations, and performed other such tests and procedures as we considered necessary in the circumstances. We accept management's judgments and find them consistent with the corroborating evidence.

AUDIT COMPLETION

22. As agreed with the Centre's finance management, for the 2008 audit, we performed our year-end field audit work in July 2009. We expected that the work on the Oracle conversion, the change in reporting currency from the USD to euro, the year-end reconciliations and the analyses of the financial statements would have been completed and reviewed in advance of our arrival in July 2009. These procedures are important for management to ensure that reliable information is presented in the financial statements. We found that the Centre could have completed this work on a more timely basis. The current year's process resulted in the completion of the audit and finalization of the financial statements in September 2009.
23. For the 2009 audit, as agreed with the Management of the Centre, our year-end audit work will be performed in March 2010. This earlier timing will contribute to reducing the delay in providing our reports to the Board. However, it will be imperative for the Centre to advance the preparation of the accounts and financial statements as these documents have historically been audited during the summer. We expect that all reconciliations, as well as a comprehensive internal review of the financial statements and explanation of variances from year to year, be completed in advance of the year-end audit. We will work with the Treasurer to identify areas that could contribute further to reducing the delays, such as preparing pro forma financial statements and notes before year-end.

CHANGE IN REPORTING CURRENCY

24. Effective 1 January 2008, the Centre changed its reporting currency from the United States dollar to the euro. The decision approved by the Board in 2006 was made to better reflect the Centre's activities as many of the expenditure, such as salaries and buildings costs, and income, are incurred/earned in euro.
25. As part of this change in reporting currency, the 2007 financial statements figures had to be restated for comparison to the 2008 results. Accordingly, the Centre translated the 2007 income and expenditure items from US Dollars into euro using the average of the monthly United Nations Operational Rates of Exchange in effect in 2007, with the exception of voluntary contributions that were originally made in euro where the actual euro amount was used. The 2007 assets and liabilities expressed in currencies other than the euro were translated using the United Nations Operational Rates of Exchange at 31 December 2007, except for fixed assets.
26. The resulting translation difference for each of the Centre's funds is presented as a separate component of the Reserves and Fund Balances titled "Translation Difference from USD to euro". The two resulting translation differences were a reduction of the Reserves and Fund Balances of 252K euro for the General Fund and 202K euro for the Working Capital Fund.
27. We examined the methodology followed and the calculations made by the Centre and we are satisfied with them. We are also satisfied that the presentation and information provided in the financial statements are appropriate.

ORACLE UPGRADE

28. In January 2008, the Centre upgraded its financial software application (Oracle Financials) from version 11.0.3 to version 11i. The migration was treated as a system conversion since the upgrade was significant. The new system was operational on 15 January 2008. We have been informed that since not all the historical data was migrated, the old system will be maintained for the next 5 years on a read basis only.
29. During our audit, we compared the 1 January 2008 opening balances in the new system with the 31 December 2007 ending balances audited by the previous External Auditor. We concluded that the balances transferred into the new Oracle version were accurate and complete. In addition, the 2008 financial statements were prepared from the new financial software.

MANAGEMENT LETTER

30. We only report our most significant observations and recommendations regarding weaknesses in internal controls in our Report to the Board. While we have no significant weaknesses to report for 2008, we have identified during our audit opportunities to improve the financial controls. These opportunities have been discussed with the Treasurer and they have been included in a management letter which summarizes our observations, makes recommendations to realize these opportunities and include management's written responses to the matters raised. The letter was addressed to management and covers observations such as the need for timely monthly closing of accounting records, timely monthly reconciliations between accounts receivable and accounts payable sub ledgers and the General ledger, and timely bank reconciliations.

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

31. The accounting standards presently used by the Centre to prepare its financial statements are based on the United Nations System Accounting Standards (UNSAS). At the meeting of the United Nations System of High Level Committee on Management (HLCM) on 21 November 2005, the Task Force on Accounting Standards recommended the United Nations System organizations adopt International Public Sector Accounting Standards (IPSAS) as its accounting framework with all organizations adopting IPSAS effective no later than reporting periods beginning on or after 1 January 2010. In June 2006, The United Nations General Assembly has approved the adoption of IPSAS as the new accounting standards for the UN System.
32. We strongly support the United Nations System's move to adopt IPSAS. The adoption of IPSAS will improve the quality, comparability and credibility of United Nations System financial reporting, resulting in improvements with respect to accountability, transparency and governance.
33. We have been informed by Management that the Centre will not be implementing IPSAS fully in 2010. The Centre is planning to align its IPSAS implementation plan with the ILO and the ILO has revised its plans to be IPSAS compliant in 2012.

34. The move from UNSAS to IPSAS will require a fundamental shift in accounting frameworks, from one that is primarily budget-based to one that is accrual-based. The Task Force on Accounting Standards describes the key accounting implications of IPSAS adoption on UN System of accounting, as follows:

- full recognition of liabilities for employee benefits such as after service health insurance, annual leave and repatriation grants;
- recognition and depreciation of all capital assets such as buildings, vehicles, furniture and equipment;
- recognition of expenses on the basis of goods and services received (the delivery principle); and
- consolidation of activities not currently included in organizations' financial statements.

35. This fundamental shift in frameworks will not only impact accounting, but will also impact budgeting, funding and organizational management. IPSAS adoption is a major change that will require changes to the Financial Regulations and Rules and a significant investment in project management, staff training, development of relevant guidance, resolution of accounting issues and appropriate information system deployment.

36. Management is responsible for the Centre's transition to IPSAS. As the Centre's auditor, we will monitor the Centre's transition process and proactively advise management and the Board of our observations or concerns throughout the transition. In monitoring the Centre's transition we are conscious of our need to maintain our required independence and objectivity.

37. In preparation for this transition to IPSAS, Management should develop an action plan with the following components:

- a detailed implementation plan, including a timetable, a list of the different milestones and a list of standards to be examined.
- a project manager and a project team.
- a diagnostic, which is a high-level assessment of the main differences between the Centre's accounting policies and IPSAS. The diagnostic is a critical step in planning for the transition.
- detailed analyses between current standards and IPSAS.

The decisions with regards to IPSAS will not only impact the Centre. They may also have an impact on the International Labour Organization (ILO) who will have to consolidate the Centre's financial results into its financial statements. It is therefore essential for the Centre to hold discussions with the ILO on the accounting policy decisions and on the resulting reporting implications. Management of the Centre has informed us that discussions and consultations with the ILO are taking place.

We will continue to monitor and report on the Centre's progress in the implementation of IPSAS.