

Board of the Centre

89th Session, November 2025

CC 89/4

FOURTH ITEM ON THE AGENDA

Report of the meeting of the Officers of the Board

(27th May 2025)

1. A meeting of the Officers of the Board of the International Training Centre of the ILO (the Centre) was held on 27th May 2025 to enable the timely consideration and adoption of the financial statements for the year ended 31 December 2024.
2. The report of this meeting is submitted to the 89th Session of the Board (November 2025).

Financial statements and External Auditor's report for the year ended 31 December 2024

3. *The Chairperson* welcomed the Officers of the Board to the meeting. The agenda was considered and approved. He congratulated the Centre's management and staff for the positive results of the year.
4. *The Chairperson* then gave the floor to the Centre's Director for his introductory remarks.
5. *The Director* made a brief presentation of the Financial Statements of the Centre for the year ended 31 December 2024 highlighting a few aspects concerning the financial performance of the Centre.
6. He started by underlining that 2024 has been another positive year for the Centre, based on the continued digital transformation of its business processes. During the reporting period, the Centre continued to rebuild its base of face-to-face training activities, while the number of online learners expanded rapidly. As in previous years, the Centre registered a net revenue. This positive result happened thanks to the strong commitment of the ITCILO's entire staff, who has interacted intensively with ILO colleagues, continuing the work started in previous years.
7. During 2024, the Centre was able to make sound utilization of the voluntary contributions received during the year. He expressed his gratitude to the major stakeholders of the Centre, most notably the ILO and the Government of Italy, for their support.

8. The Centre has continued to restore its financial reserves and has increased its net assets in the year. In looking at the financial statements, in particular the Statement of Comparison of budget and actual amounts – statement V – the Centre managed to generate a budget surplus of € 803.000 which shows the sound financial performance of the ITCILO in 2024.
9. In that regard, he stated that he had allocated additional resources to the various Institutional Funds (the Campus Improvement Fund, the ICT Fund, the Innovation Fund and the Fellowship Fund) on top of the traditional amounts allocated each year (those allocations being directly subject to the Centre's overall performance). He noted that the Fellowship Fund continued to receive in total the biggest amount of resources among the four funds, showcasing the importance given to the support to the ILO tripartite constituents. The Director also stressed that as recommended by the External Auditors and supported by the Officers of the Board, the Terms of Reference of the four Institutional Funds have been established, with the active involvement of ACTRAV and ACTEMP, and were issued through the form of Internal Circulars at the end of 2024.
10. He concluded by stressing that towards the end of 2024, turbulence in the operational environment of the Centre has once again increased, due to external forces and that potential geopolitical and financial risks linked to the multilateral system - such as the sharp reduction of development assistance and changes in donor priorities - may affect its activities in the future.
11. He then welcomed again the new External Auditor from India and thank them for the professional way they have interacted with the staff of the Centre.
12. *The Chairperson* proceeded to the agenda item concerning the financial statements and the External Auditor's report for the 2024 financial year. He invited the Acting Treasurer of the Centre to present the financial statements.
13. *The Acting Treasurer* (Mr Adnan Chughtai, Treasurer and Financial Comptroller of the ILO) welcomed the members of the Board, and the External Auditor's representative (Ms Bhatia) from the Comptroller and Auditor General of India. He acknowledged the good work done by the Centre's Treasurer Ms Christine Boulanger for having completed the exercise in due time. (NB. Ms Boulanger was on long sick leave at the time of the meeting).
14. He provided an introduction on the financial activity and position of the Centre in 2024. As concerns the Financial Performance Summary, the total Revenue of the Centre is €45.87 million (slightly down from €46.1 million in 2023) and the total Expenditure is €43.02 million (almost unchanged from 2023) which gives a Net IPSAS Surplus of €2.85 million and a Budget Surplus of €803,000. He noted that the Centre has consistently reported surpluses over the past four years, indicating sound financial management and sustainability.
15. In respect of the Audit and Internal Control he stated that the new External Auditor issued a clean opinion, naming some areas for improvement which include procurement planning and fund governance, which are being addressed.
16. The Director's Statement of Internal Control confirms no material weaknesses. There are several internal control issues, both newly observed and carried over from previous years, all have been or will shortly be addressed by normal management activity. In fact, the Centre's internal control system is considered effective overall, with no material weaknesses identified in 2024. The Centre however acknowledges the need for continuous improvement, particularly in procurement and participant support services.

17. He concluded by confirming that the ITCILO is in a strong financial position, with prudent fiscal management, diversified revenue streams, and robust reserves. While external risks exist, the Centre is well-prepared to navigate them.
18. *The Chairperson* invited the representative of the External Auditor to introduce the External Auditor's report for 2024.
19. *The representative of the External Auditor* (Ms Ritika Bhatia) presented the the results of the external audit of the International Training Centre (the Centre) of the International Labour Organization (ILO) for the financial year ended 31 December 2024, on behalf of Mr. K. Sanjay Murthy, Comptroller and Auditor General of India. The Comptroller and Auditor General of India has been appointed as the External Auditor of the International Training Centre (the Centre) of International Labour Organization (ILO) for a term of four years from 2024 to 2027. Their mandate derives from Article 24 of Financial Regulations of the Centre which states that the External Auditor of the ILO is the External Auditor of the Centre.
20. She explained that the Auditors examined the statements for the financial period ended 31 December 2024 and observed that the financial statements are in accordance with the International Public Sector Accounting Standards (IPSAS) and presented the financial position of the Centre. Accordingly, an unqualified audit opinion was issued.
21. Of the reviewed 18 outstanding recommendations, 10 have been implemented. As of 31 December 2024, 08 recommendations were outstanding. In the present Report, 04 recommendations to further improve the functioning and working of the Centre were suggested and accepted by the Management. She briefly presented them.
22. The Centre's procurement process is guided by various circulars from Financial Services (FINSERV). It was noted that there is no centralized procurement plan or calendar, which hinders effective resource prioritization. The recommendation is that a procurement manual be put in place on priority basis and that all the units be instructed to prepare calendar of procurement and consolidate the same in the Annual Procurement Plan.
23. As the procurement process is decentralized, documents are stored independently by each unit. Important documents, referred to as informal documents by the Centre like quotations, vendor contact information were not linked with purchase orders. The Auditors noted that this compromises a systematic approach for maintaining and retrieving information on market research and vendor selection. There is currently no monitoring mechanism to review the entire lifecycle of a PO, making it challenging to carry out compliance checks. It is recommended that procurement documents for all procurements be maintained in the central repository.
24. The Auditors recommend to the Centre to ensure that formal procurement is done only through the United Nations Global Marketplace (UNGM) registered vendors as they found that 24 out of 35 sampled vendors were not registered with the UNGM, despite the Centre's requirement to engage only with registered suppliers.
25. Finally, she noted that the Centre keeps the surplus funds in current, savings bank accounts without opting for investment instruments with high possible returns. Hence, the recommendation is to periodically review the cash position and to invest surplus funds in higher returning instruments, while complying with the norms for portfolio diversification and stipulated investment ceilings.

26. In conclusion, she extended the Auditors thanks to the Director-General, the Secretariat, and the Centre staff for their support and cooperation throughout the audit.
27. *The Chairperson* then invited the Officers to comment on the financial statements and on the External Auditor's report for 2024.
28. *The Employers' Vice-Chairperson* praised the Centre's significant achievements which are reflected in the document presented. This is even more commendable considering the global outlook and the growing unpredictability of voluntary contributions to the multilateral system. Commenting on the Financial Statements, she noted an expansion in outreach as enrolments have increased of 6.8%, a significant reduction in direct expenditures for service delivery which have resulted in a budget and IPSAS surplus.
29. She thanked the Director for his leadership in addressing the issue of the Terms of Reference of the Fellowship Fund and for having involved the manager of ACTEMP Turin in the drafting process. This is a vital sign of the priority given to ILO tripartite constituents as first beneficiaries of the ITCILO support. She expected this to be reflected in the forthcoming Programme & Budget of the Centre. There is a clear improvement in the responses to the specific requests of the Officers and an important related increase in investments allocated to this Fund. The Group, however, noted the increased allocations to all Funds and was willing to receive some explanation on the criteria used for such distribution of the additional resources among the four Institutional Funds. While increases in the Campus Improvement and ICT Funds were well understood, it was unclear the rationale used to allocate funds to the Innovation Fund mainly. She pointed out that institutional investments shall be closely aligned with the strategic objective of reinforcing constituents' capabilities. Further recognizing that the ILO is fostering a culture of Innovation through the services of the ITCILO, she affirmed that this effort should be designed to improve the service delivery to tripartite constituents and remain at the heart of the Centre's mission and vision.
30. Turning to the operational aspects, the Group noted reductions in direct expenditures for activity implementation. While the approved budget for 2024-25 had projected a 50% cost ratio based on historical trends, the actual 2024 figure was closer to 41%. This reflects a significant improvement in efficiency. The resulting high contribution to fixed cost ratio suggests a strong reliance on internal staff for delivery, limited costs for participant services, and reduced dependence on external consultants.
31. Finally, she emphasized how the good performance of the Centre offers an opportunity to consider new measures to support the participation of ILO constituents in the Centre's programmes, in particular through a well-designed pricing policy that provides meaningful discounts to constituents for open courses which would be a concrete expression of the Centre's commitment to its core mandate.
32. To conclude, the Group suggested to commission a review of the contribution to fixed-cost (CFC) model and the targets associated with it. This would help determine whether such model remains well adapted to the Centre's future trajectory.
33. She expressed a final word of appreciation to Ms Boulanger, the Treasurer of the Centre, for her commitment and professionalism as well as her warmest thoughts to her during this important period in her personal life.

34. *The Workers' Vice-Chairperson* started her intervention by expressing the Group sincere thoughts and best wishes to the Treasurer of the ITCILO, who is currently on sick leave due to health issues, wishing her a full and swift recovery.
35. She further thanked the Auditors for their rigorous and insightful work with the Centre.
36. The year 2024 has been a financially positive year, due in large part to the strong commitment of the entire staff and management. The Group acknowledged several positive developments highlighted in the document, notably the 6.8% increase in enrollments for face-to-face and blended training activities compared to 2023, as well as a substantial 67% increase in online training enrollments. Furthermore, the total training outreach is also very high due to online training. She reaffirms the wish of the Group to pursue face-to-face training activities as those are a precious learning element, particularly important considering the serious Internet connectivity issues that are still frequently observed and the digital divide that continues to affect many participants, especially those from low income and developing countries.
37. She declared that the Group is concerned by the raise in non-training activities which may lead to a deviation of the Centre's mandate. The substantial increase in the net contribution, and therefore the high income poses the question of the quality of the training services, the overreliance on internal resources, and the limited investment in facilitating the involvement of tripartite constituents, particularly Workers. The Group requested a clear distinction breakdown of the number of constituents benefitting from training and non-training activities.
38. On the Fellowship Fund, the Group appreciated the issuing of the new circular and the consequent allocation of funds to the ACTRAV, ACTEMP and ILSGEN programmes, demonstrating a willingness to align the Centre's vision to the promotion of tripartism and social dialogue. The increase in allocations was noted but the criteria for fund allocation is unclear and needs explanation. It seems that the Fellowship Fund has not benefitted from a proportional increase as the other funds. The Group wishes that the expansion of the Fellowship Fund would allow additional participation of constituents, also in other programmes activities. As the international situation will have direct and indirect consequences for the ITCILO, it is important to reaffirm the commitment to facilitating constituents' participation in the spirit of inclusiveness, fairness and genuine tripartism.
39. *The Governments' Vice-Chairperson* thanked the Centre for the document and the presentation of the External Auditors results. The Government Group welcomed the financial results of the Centre, especially given the specificity of the business model. She commended the staff of the Centre for the hard work which have resulted in such a positive situation. The Group wished a prompt recovery to the Treasurer of the Centre.
40. *The representative of the Government of Italy (Mr Mura)* commended the quality of the work of the Centre and the added value of the mandate of the Centre. This was also stated in the recent address of the President of the Italian Republic when he visited the Campus in Turin. While recognizing the challenges faced by the Centre, it is satisfactory to see the positive results related in the document under consideration. Italy reiterated its strong commitment to the ITCILO and praised it for its success. Recent enhanced relationships and collaboration with the City of Turin and the Piedmont Region were also appreciated.

41. *The Chairperson* gave the floor to *the Director* to reply to the points raised by the Employers', Workers' and Governments' Vice-Chairs as well as by the Government of Italy.
42. *The Director* thanked the Officers for their overall comments of support to the Centre and its activities for 2024. He reassured that the main target of the Centre's activities remains ILO tripartite constituents. He made a few comments related to some specific remarks and explained the rationale for the additional allocations provided to the four Institutional Funds. He first recalled that as part of the prerogatives of the Director of the Centre (see Financial Rules), he had decided last year to double the allocation to the Fellowship Fund, to send a strong message of commitment to the support of core constituents. At that time, no additional allocations had been provided to the other three Institutional Funds. The additional allocations for this year though reflect the actual overall situation of the Centre. The additional allocation provided to the Campus Improvement Fund is linked to the emergency maintenance of the facilities as well as to important refurbishments required in the near future. The objective here is also to improve the quality of face-to-face training and capacity development activities on Campus. The additional allocation to the ICT Fund is linked to the digital transformation of the Centre and to the need to focus in particular on the automation of business processes and streamlining of procedures. Indeed, in a resource-scarce environment, this emphasis on increased operational efficiency will be of great importance in the coming years. As per the Innovation Fund, the additional allocation is linked to the need to invest in the future with technology, most particularly to scale Centre-wide AI powered learning services and knowledge solutions, in line with the ILO Director-General's recent Announcement (IGDS 700). In that regard, it is worth noting that the Centre is moving in the same direction as all the other UN System learning entities. Concerning the Fellowship Fund, he recalled that the Fund continues to receive in total the largest allocation of all Funds and, as this had been the case in recent years, the Director can make additional allocations to the Fund throughout the year. In that regard and pending the financial situation of the Centre, he confirmed his intention to continue to provide such support, stressing that the Fund is now under his direct responsibility and that regular discussions are held with the Managers of ACTRAV, ACTEMP and ILSGEN training programmes in order to set priorities.
43. As per the contribution to fixed-costs (CFC), he stressed that due to its specific operational model, the Centre needs to earn around 70% of its revenues to cover its costs. The CFC ratio is therefore calculated to reach the revenue figure set at the beginning of the year. This is the reason why this contribution is so essential to the functioning of the Centre. Regarding the review of the CFC model and targets mentioned by the Employers' Spokesperson, he informed the Officers that the ILO Office of Internal Audit and Oversight (IAO) plans to conduct an audit on this matter in early 2026.
44. He concluded by thanking the Officers for their continuing support, recalling that during its 60 years of existence the Centre had proved its ability to navigate in difficult circumstances.
45. *The Chairperson* opened the floor for some follow up questions.
46. *The Workers' Vice-Chairperson* raised again the issue of comparable additional allocations to the various Funds, stressing in particular the need to reach out to tripartite constituents in low-income countries.

47. *The Director* confirmed his willingness to consider ad hoc additional allocations to the Fellowship Fund, based on the needs and priorities expressed by ACTRAV, ACTEMP and ILSGEN.

The Officers of the Board:

- 1) ***adopted the financial statements, and***
- 2) ***took note of the External Auditor's report for the year ended 31 December 2024.***

Concluding remarks

48. *The Chairperson* advised the Groups that the 89th Session of the Board of the Centre would be held on the 12th and 13th November 2025, just before the 355th Session of the Governing Body of the ILO, taking place in Geneva from 17th to 28th November 2025. The Officers agreed.
49. Finally, he thanked the Officers, the secretariats of the various groups and the staff of the ILO and the Centre for their participation and declared the meeting closed.

Attendance list
Liste des présences
Lista de presencias

Mr Patrick MURA	ITALY
Ms Elena ASSUNTINI	
Ms Catherine BOBKO	FRANCE (Governments' Vice-Chairperson)
Ms Jacqueline MUGO (Kenya)	(Employers' Vice-Chairperson)
Mr Amadou SAKO (IOE)	(Employers' Secretariat)
Ms Toni MOORE (Barbados)	(Workers' Vice-Chairperson)
Mr Alex PRAÇA (ITUC)	(Workers' Secretariat)

International Labour Organization

Mr Gilbert F. HOUNGBO	DG
Mr André BOGUI	CABINET
Ms Adelle BLACKETT	CABINET
Mr Ariel CASTRO	ACTRAV

External Auditor - Comptroller and Auditor General of India

Ms Ritika BHATIA

International Training Centre of the ILO

Mr Christophe PERRIN	Director
Mr Adnan CHUGHTAI	Acting Treasurer
Ms Nathalie MIRABILE	Note-taker