Board of the Centre

90th Session, November 2026 **CC 90/3**

THIRD ITEM ON THE AGENDA

Report of the meeting of the Officers of the Board

(26th May 2026)

1. A meeting of the Officers of the Board of the International Training Centre of the ILO (the Centre) was held in May 2026 to enable the timely consideration and adoption of the financial statements for the year ended 31 December 2025.

2. The report of this meeting is submitted to the 90th Session of the Board (November 2026).

Financial statements and External Auditor's report for the year ended 31 December 2025

3. *The Chairperson* welcomed the Officers of the Board to the meeting. The agenda was considered and approved. He thanked the Centre's management and staff for the positive results in 2025. He then gave the floor to the Centre's Director for his introductory remarks.

4. *The Director* presented the Financial Statements of the Centre for the year ended 31 December 2025 highlighting key aspects of the Centre's financial performance.

5. He underlined that 2025, marking the final year of the biennium, reflected a sound financial performance. The Centre closed the biennium with an overall surplus of €1.38 million for the two years, including €578,000 generated in 2025. This result was achieved through strong collaboration across the Centre and prudent financial management.

6. He emphasized that this positive budgetary outcome for 2025 could look modest when compared to previous exercises. He further indicated that such outcome reflects a careful balance between maintaining reserves, optimizing the use of resources and supporting the Centre's long-term sustainability, while responding to concerns expressed by Board members regarding the non-profit nature of the Centre and providing support to ILO core constituency.

7. In that regard, he highlighted in particular the additional allocations made to the Fellowship Fund aimed at supporting the participation of ILO tripartite constituents, in line with the Centre's mandate.

8. The Director noted that despite global uncertainties and the evolving operational environment, the Centre maintained strong liquidity and institutional stability.

9. He concluded by expressing his sincere appreciation to the staff of the Centre, the Government of Italy, the ILO and the External Auditor for their continued support and cooperation.

10. *The Chairperson* proceeded to the agenda item concerning the financial statements and the External Auditor's report for the 2025 financial year. He invited the Treasurer of the Centre to present the financial statements.

11. *The Treasurer* (Mr Ephrem Z. Robele) presented the financial statements for 2025. He noted that the Centre achieved a budget surplus of €578,000, with a cumulative surplus of approximately €1.38 million for the 2024–25 biennium.

12. He confirmed that operational performance demonstrated strong growth over the period. Activities increased by 12% compared with 2024, while direct training enrolments rose by approximately 28%, reflecting heightened engagement. Overall outreach expanded substantially, reaching nearly 212,000 participants, supported by the continued and significant growth of online and blended learning formats.

13. Financially, he stated that net contributions from training and non-training activities amounted to approximately €17 million, supplemented by an additional €2.6 million generated from multimedia services and other sources. Voluntary contributions from key partners, including the Government of Italy and the ILO, totalled €14.1 million, underscoring continued external support.

14. Regarding the financial position, he indicated that total assets stood at €63.2 million, against liabilities of €26.2 million, resulting in net assets of €37.0 million. He noted that the Centre maintained a strong liquidity position and adequate reserves.

15. Regarding IPSAS-based results, he highlighted that although operational performance remained sound, the Centre recorded unrealized foreign exchange losses, which affected the IPSAS outcome but do not reflect underlying operational weakness.

16. *The Chairperson* invited the representative of the External Auditor to introduce the External Auditor's report for 2025.

17. *The representative of the External Auditor* (Ms Ritika Bhatia) presented 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 2025, on behalf of Mr. K. Sanjay Murthy, Comptroller and Auditor General of India.

18. She confirmed that the financial statements comply with IPSAS, and therefore a unqualified audit opinion was issued. She noted that, among the recommendations previously reviewed, several had already been implemented, while others remained outstanding.

19. She further indicated that new recommendations had been formulated in a number of key areas, including the management of trust funds and separate financial accounts, the monitoring and documentation of staff training, and the procedures governing course cancellation and rescheduling. She also highlighted the need for improvements in travel documentation and compliance, as well as stronger linkages between contractual and financial systems, and enhanced cash and investments management in compliance with the Centre's investment policies.

20. She affirmed that all recommendations had been accepted by the Management.

21. 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.

22. *The Chairperson* then invited the Officers to comment on the financial statements and on the External Auditor's report for 2025.

23. *The Workers' Vice-Chairperson* welcomed the quality of the financial report and the External Auditor's work, and commended the Centre's strong operational performance in 2025, including increased outreach and delivery. She stressed that growth should be assessed against the Centre's core mandate, particularly its contribution to tripartism and equitable access for constituents, especially workers' organizations.

24. While acknowledging the expansion of online learning, she emphasized that face to face training remains essential, notably for participants from low-income countries facing digital and structural barriers. She requested more detailed and disaggregated reporting by constituency, region, modality and income category to better assess access and impact.

25. The Group expressed concern that pricing policies may limit access for some constituents and called for a review of the pricing framework to ensure equitable access.

26. Regarding institutional investments, she requested clarification on allocation criteria and encouraged greater transparency in that regard. On the Fellowship Fund, she welcomed the increase but called for detailed reporting, targeted measures for underrepresented groups and the development of a multi-year plan aligned with the Centre's mandate.

27. She stressed the importance of implementing audit recommendations, requesting a clear tracking mechanism with timelines and responsibilities. She also called for scenario planning in light of financial pressures within the ILO, to ensure that the programme for workers remains adequately protected.

28. In conclusion, she reaffirmed the Group's support, while emphasizing the need to maintain focus on equity, transparency and the Centre's tripartite mandate.

29. *The Employers' Vice-Chairperson* praised expressed appreciation for the quality of the financial statements and External Auditor's report, noting that they demonstrate the Centre's significant achievements despite a challenging global environment.

30. She highlighted the continued expansion in outreach, including significant growth in enrolments, and welcomed the positive budgetary result, while noting the IPSAS based deficit linked to exchange rate fluctuations. She requested further clarification on measures to mitigate currency risks and on the outlook for the coming years.

31. The Group acknowledged the gradual reduction in budget surpluses as consistent with the Centre's non-profit nature and supported the strategic use of resources through increased allocations to institutional funds, particularly the Fellowship Fund, which remains essential to supporting ILO constituents.

32. She welcomed efforts to strengthen support to constituents, including ACT/EMP and other programmes, and noted the significant level of services provided to the ILO. She also requested an update on the EU pillar assessment process as a means to diversify funding sources and enhance financial sustainability.

33. Regarding expenditure, she raised questions on the increase in campus related costs and possible future developments concerning tenants on the Campus. She concluded by reaffirming the Employers' Group's strong support for the Centre and its role in capacity building for constituents.

34. *The Governments' Vice-Chairperson* commended the Centre's strong financial position, in particular its high level of liquidity and reserves, as well as the continued growth in outreach and activities. She noted, however, several areas of concern, including increased expenditure, particularly in staff and travel costs, and called for continued efforts to ensure efficiency and cost control. In this regard, she supported the External Auditor's recommendations on travel management and documentation.

35. She also highlighted the Centre's exposure to currency risks, recommending further measures such as diversification of currencies and strengthened financial management practices.

36. The Government Group encouraged continued diversification of revenue sources to ensure resilience and sustainability of the Centre's business model.

37. She welcomed the External Auditor's report and inquired about progress on the procurement manual, emphasizing its importance for efficiency and governance. She concluded by expressing support for approving the financial statements.

38. *The representative of the Government of Italy (Mr Mura)* reaffirmed the strong cooperation between Italy and the Centre and commended the sustained quality and level of activities. He acknowledged that the financial context in 2025 had been challenging, noting that this makes the results achieved even more commendable.

39. He expressed support for the observations and recommendations of the External Auditor and encouraged addressing the identified areas requiring attention. He concluded by confirming Italy's readiness to approve the financial statements and reiterated the Government's continued commitment and support to the Centre.

40. *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.

41. *The Director* thanked the Officers of the Board for their comments, questions, and, in some cases, words of appreciation, noting that these had been duly acknowledged. He stated that he would focus on a number of broad issues before inviting the Treasurer to address more detailed financial matters.

42. Turning to the Centre's performance, he highlighted that the financial situation at the ILO and across the UN System had already had an impact during the latter part of 2025, particularly from September onwards. He noted that this trend had continued into the first months of 2026, with a decrease in earned revenue from the ILO, reflecting the impact on the Centre of the Organization's cost-containment measures and associated reductions in RBTC allocations, staff development resources, and the consolidation of training activities.

43. Despite these constraints, he stated that the Centre had been able to offset much of the reduction of ILO-related income by strengthening partnerships and diversifying activities. He emphasized that this approach was fully aligned with the Centre's business model, which relies on broad-based partnerships while maintaining a strong focus on the ILO mandate.

44. He explained that, in response to the evolving situation, a cautious and prudent approach had been adopted. He indicated that expenditures had already been tightened, including staff-related costs, travel expenses, and the management of staff turnover through what he described as "staff slippage," ensuring that operational capacity was maintained without disruption. He affirmed that these measures were being carefully managed to avoid any negative impact on the Centre's activities.

45. He stressed that the Centre operates under a fundamentally different model from the ILO, both operationally and financially. The ILO is primarily funded through assessed contributions and delivers normative and technical cooperation activities. Extra-budgetary funding supplements this core funding from member States. The Centre follows a mixed demand-driven financial and operational model based on diversified income streams. The ILO and the Government of Italy provide unearmarked contributions representing roughly 30% of total resources, while the remaining 70% are generated through the Centre's own activities. He highlighted that this model requires continuous balancing between mandate delivery and financial sustainability, while also offering flexibility and responsiveness.

46. He underlined that additional cost-containment measures would be introduced shortly, including stricter control over travel and a careful review of vacancies to ensure alignment with evolving priorities, particularly in relation to digital transformation. He noted that particular attention was being paid to staffing, given its direct impact on the Centre's operational capacity and revenue generation. He affirmed that the situation would continue to be closely monitored, especially developments within the ILO and the multilateral system, and that the Board would be kept informed should conditions change.

47. On institutional investments, he indicated that targeted investments were being made in key areas, including the institutional funds (Fellowship Fund; ICT Fund; Campus Improvement Fund; and Innovation Fund) which he described as central to the delivery of the Centre's activities. He noted that these funds were linked to the Centre's performance and operated within a biennial framework, while expressing openness to further discussions on longer-term planning within existing constraints.

48. Addressing the Turin campus, he highlighted its importance as an operational asset, while recognizing that its maintenance is a significant structural cost driver. He noted that the Centre remains the sole manager of the campus despite the presence of other UN entities, which provides strategic advantages, including priority access to the training facilities for ILO tripartite constituents as well as enhanced visibility for the Organization.

49. He stated that efforts had been made to rebalance cost-sharing arrangements with other resident UN entities, resulting in increased cost recovery. He also highlighted the ongoing renovation programme, supported by the Government of Italy, which is expected to generate annual savings of approximately €250,000 to €300,000 by 2028 through energy efficiency and reduced maintenance costs. He noted that additional efforts were being made to attract new tenants, in close consultation and with the support of the Italian national and local authorities, while preserving the campus' identity as a unique UN Learning Hub in the world.

50. He further noted that increases in certain expenditures were linked to improved operational performance as well as resumed maintenance activities (following a temporary freeze during the Covid pandemic) and higher participant travel costs associated with the speedy recovery of face-to-face training. He welcomed the strong return to in-person training on campus which has been an important priority for both ILO core constituents as well as the Italian authorities.

51. He also highlighted efforts to strengthen the participation of core tripartite constituents across the various programmes' activities, noting tangible improvements in engagement of workers, employers, and government representatives. He cited the recently-held International Labour Standards Academy as a concrete example of this encouraging trend. Turning to the Treasurer, he invited further detail on financial matters.

52. *The Treasurer* noted that the reported deficit in 2025 included an unrealized exchange loss of €2.9 million, explaining that exchange-rate movements are inherently volatile. He stated that, over a longer period, gains and losses largely offset each other., He explained that over the past several years, the cumulative exchange-rate impact remained positive, resulting in a net gain of approximately €650,000.

53. He emphasized that measures were already underway to better manage currency exposure, including optimizing cash holdings across currencies, reviewing investment policies, and diversifying banking arrangements. He affirmed that these steps would strengthen financial resilience going forward.

54. He also addressed the EU pillar assessment process, noting that the Centre already has many of the required systems in place. He stated that preparatory work and institutional assessments were ongoing, covering governance, financial management, procurement, internal controls, and risk management, with the aim of positioning the Centre to access additional funding opportunities.

55. He reported that the procurement manual was substantively complete, with final adjustments focused on aligning responsibilities and workflows with the Centre's organizational structure. He indicated that once finalized, the manual would be implemented alongside staff training.

56. Finally, he noted that increased travel costs were largely attributable to participant travel rather than internal missions. He stated that efforts were underway to strengthen travel policies, consolidate existing guidelines, and introduce a new travel management tool, all aimed at improving efficiency and cost control.

57. *The representative of the External Auditor* added that she was grateful to the Officers of the Board for their appreciation of the external audit report. She noted that the implementation of recommendations remains a key concern, emphasizing that it is ultimately through their effective implementation that the recommendations achieve their intended impact. She stated that the follow-up on recommendations is closely monitored and affirmed that the observations and views expressed by the Officers in this regard would be duly taken into account.

58. *The Chairperson* opened the floor for some follow up questions and/or remarks.

59. *The Workers' Vice-Chairperson* expressed appreciation for the responses provided and noted that, in their assessment of the reports, they remained mindful of the Centre's mixed, demand-driven and partnership-based financing model, supported by contributions from the ILO and the Government of Italy. She highlighted that this structural reality does require a careful balance between financial sustainability and the fulfilment of the Centre's mandate.

60. She emphasized that the Workers' Group interventions were made with a clear awareness of the Board's responsibility to ensure that this financing model serves all constituents equitably, safeguards the Workers' Activities Programme of the Turin Centre, and preserves tripartism as a central principle in institutional decision-making. She further expressed potential concerns regarding the structural pressures associated with the Centre's increasing reliance on demand-driven revenue and external partnerships. While acknowledging that the Centre is indeed not private entity, she indicated that such reliance could create dynamics resembling a market-driven drift.

61. In this context, she stressed that it was both reasonable and necessary for the Workers' Group to remain vigilant to ensure that these dynamics do not undermine equitable access, tripartism, and the centrality of ACTRAV Turin. She concluded by noting that, while no further questions were raised, these observations reflected important considerations from the Workers' perspective.

62. *The Employers' Vice-Chairperson* expressed appreciation for the detailed responses and clarifications provided, noting that they adequately addressed the issues raised. She commended the strong financial stewardship of the Centre and the high quality of the reports presented.

63. She also highlighted the important role played by the Centre in building the capacity of constituents, noting that while their needs may differ, they are all equally important. In particular, she underlined the challenges currently faced by businesses and employers, stressing that strengthening their capacity is both essential and urgent in the present context.

64. She concluded by affirming the Employers' Group's support for the approval of the financial report and the audited financial statements for the year ending 31 December 2025.

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 2025.***

Concluding remarks

65. *The Chairperson* informed the Officers that the 90th Session of the Board of the Centre will be held on 5–6 November 2026 in Turin, prior to the 358th Session of the ILO Governing Body in Geneva taking place from 9th to 19th November 2026.

66. Finally, he thanked all participants and declared the meeting closed.

Attendance list
Liste des présences
Lista de presencias

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

International Labour Organization

Mr Gilbert F. HOUNGBO	DG
Ms Beate ANDREES	CABINET
Ms Raquel GONZALEZ	CABINET

External Auditor - Comptroller and Auditor General of India
Ms Ritika BHATIA

International Training Centre of the ILO

Mr Christophe PERRIN	Director
Mr Ephrem Z. ROBELE	Treasurer
Ms Nathalie MIRABILE	Precis-Writer