

# Governing Body

344th *bis* Session, Geneva, 27 May 2022

Programme, Financial and Administrative Section

PFA

Programme, Financial and Administrative Segment

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First item on the agenda

## Programme and Budget for 2020–21: Financial report and audited consolidated financial statements for the year ended 31 December 2021

1. In accordance with article 28(1) of the Financial Regulations, the financial statements for the year ended 31 December 2021, together with the External Auditor's report thereon, have been made available to the members of the Governing Body.<sup>1</sup>
2. According to usual practice, and based on the Governing Body's authorization at its 343rd Session (November 2021),<sup>2</sup> the Chairperson approved a proposed transfer within Part I of the 2020–21 operational budget from item B "Policy outcomes" to item D "Other budgetary provisions" prior to the closing of biennial accounts. The transfer was to cover the higher-than-anticipated level of expenditure in the amount of US\$1,092,744 in respect of the Office's mandatory contribution for the insurance of retired officials, invalidity pensioners, surviving spouses, and orphans under the Staff Health Insurance Fund. This unforeseen increase in expenditure was caused by inflation and exchange rate factors that could not be absorbed within this specific appropriation line, but could be covered from savings under other items within Part I of the approved budget. The transfer approved by the Chairperson was therefore of a presentational nature and did not affect the overall expenditure results for the financial

<sup>1</sup> Financial report and audited consolidated financial statements for the year ended 31 December 2021 and the Report of the External Auditor (ILC.110/FIN).

<sup>2</sup> GB.343/PV, para. 586 and GB.343/PFA/3.

period, as confirmed by the External Auditor. It is submitted for endorsement by the Governing Body at the present session.

3. Articles 28(2) and 38(2) of the Financial Regulations provide that the Governing Body shall examine these documents and forward them to the International Labour Conference for consideration at its 110th Session in May-June 2022, with such comments as it deems advisable.
4. The financial statements consolidate the operations of the International Training Centre of the ILO ("the Centre"), a controlled entity for financial reporting purposes. The Officers of the Board of the Centre will meet in May 2022 to consider the Centre's Financial Statements and an oral report will be provided to the Governing Body on any decision resulting from this meeting.

## ► Draft decision

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5. **The Governing Body:**
  - (a) **endorsed the transfer of US\$1,092,744 between items within Part I of the 2020–21 operational budget, as approved by its Chairperson based on delegated authority under article 16 of the Financial Regulations; and**
  - (b) **took note of the External Auditor's report and forwarded the consolidated financial statements for the year ended 31 December 2021 and the External Auditor's report thereon to the Conference for consideration and adoption at its 110th Session.**