

The logo of the International Labour Organization (ILO) is positioned on the left side of the slide. It features a stylized globe with a laurel wreath encircling it. The globe is composed of several concentric, curved bands in shades of blue and grey, creating a sense of depth and movement. The laurel wreath is also rendered in blue and grey, with individual leaves clearly defined.

International Labour Organization

Sustaining IPSAS compliance, changes and challenges in 2017

Task Force on Accounting Standards
October 2017, Rome



Changes and challenges in 2017

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- **New External Auditors**

Republic of the Philippines Commission on Audit

- Transition
 - Handover process
 - Planning visit, interim and final audits
- Different audit approach
 - Balance sheet audit during interim visit
 - Audit observation memorandum (AOM)
 - 23 AOM, 72 recommendations
 - Management letter
- Unmodified audit opinion

- **End of transitional period for PP&E**





Changes in accounting policies

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- **Short-term deposits classification:**

- Cash equivalents versus Investments

ILO's classification since IPSAS adoption in 2011:

Cash equivalents are short-term, highly liquid investments with **maturity less than 90 days as at the reporting date.**

ILO's classification from 2017:

Cash equivalents are short-term, highly liquid investments with **maturity less than 90 days from the date of acquisition.**





Changes in accounting policies

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- **Short-term deposits classification:**

Example:

A short-term deposit is made on 1st Jun-17 for 7 months. Maturity date: 31 January-18

ILO treatment prior to 2017:

Such deposit would have been treated as Cash equivalent as maturity is less than 3 months as at the reporting date

ILO treatment in ILO's 2017 Financial Statements:

Deposit will be classified as Investment as the maturity is more than 3 months from date of acquisition.





IPSAS application - updates

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- Financial reporting on internally developed software (IPSAS 31)
 - The capitalization of software development projects is limited to those projects that have:
 - formal governance body approval,
 - budgeted costs (external collaborators, sub-contractors and acquired software and hardware) exceeding US \$200,000.
 - Staff costs are included only if the person is dedicated 100% to the project





IPSAS application - updates

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- IPSAS 34 – IPSAS 38
 - No impact
- IPSAS 39, Employee Benefits
 - Accumulated leave liability : under discussion
 - Consider the whole liability as current





Suggested topics for discussion

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- Consistent approach among all the UN agencies
 - UNJSPF disclosure

