



Item 7

Report on the 2017–2021 financial period



Introduction

The externally audited accounts for the financial period
2017–2020 are provided in Addendum 9
for the 16th Conference



Key points

- 1) As a result of the COVID-19 global pandemic, the latter years of the 2017–2021 financial period were characterised by a number of financial uncertainties.
- 2) There was a reduction in operational expenditure to improve the budget “bottom line” situation. This saw:
 - a) Non-salary expenditure (excluding depreciation and uncollected funds) reduced by €222 274 (49.5 %) in 2020 compared to 2019 and by €497 883 (68.7 %) compared to 2018.
 - b) Actual non-salary expenditure (excluding depreciation and uncollected funds) was:

2017: €611 122

2018: €725 128

2019: €449 419

2020: €227 145



Key points

- c) Total non-salary expenditure reduced by €277 981 (40.7 %) in 2020 compared to 2019 and by €633 422 (61.0 %) compared to 2018.

Actual total non-salary expenditure was:

- 2017: €837 847
- 2018: €1 039 179
- 2019: €683 738
- 2020: €405 757

- 3) Significant work was carried out to prepare a sustainable and future-orientated budget for the 2022–2025 financial period, as well as an indicative budget for the 2026–2029 financial period.



Key points

- 4) The sustainable evolution of the Organisation was modelled through to 2030.
- 5) An internal review, due diligence, and integrity exercises were performed to examine financial procedures and functions.
- 6) The BIML engaged proactively with economies to facilitate their membership of the Organisation and to transition existing Corresponding Members to becoming Member States of the Organisation.



Key points

- 7) New internal procurement guidelines were developed and implemented for the Organisation in order to assist in reducing operational expenditure and to achieve optimal results for the Organisation.
- 8) BIML staff and contractor costs were reduced.
- 9) The contractual commitments associated with the operation of the OIML's premises were reduced.



Key points

- 10) The BIML has innovated by moving to increasingly use its own internal expertise instead of hiring external contractors to respond to the evolving demands regarding the CIML Meeting, Conference and technical work programs.
- 11) The BIML underwent a review of all salary costs, social charges and provisions for the previous 10 years.
- 12) A significant move was made towards implementing a digital communication strategy in order to reduce costs, increase awareness, and reduce the impact on the environment.



Key points

- 13) An early-stage high-risk Member debt identification and management procedure was developed and implemented.
- 14) Technology was optimised in order to reduce the number of face-to-face interactions and associated expenditure, and to counter the potentially negative effects of the pandemic by allowing the BIML to continue to function efficiently.
- 15) A detailed analysis of Member State payment history over the last decade was produced to use as a basis to develop a draft organisational reserve policy.



Key points

- 16) Capital expenditure requirements were reviewed and refocussed on essential capital purchases.
- 17) The 2020 budget was continued in 2021 as a result of the COVID-19 pandemic and the delay of the 16th Conference, which had as a consequence that the 2021 budget is not indexed, nor is it reflective of additional known charges and cost increases.
- 18) New and additional state taxes became due on certain aspects of the operations of the Organisation during the current financial period.



Summary of annual, forecast, and forecast financial period results

	2017	2017	2018	2018	2019	2019	2020	2020	2021 (2020 voted carried to 2021)	2021
	Voted	Actual	Voted	Actual	Voted	Actual	Voted	Actual	Voted	Forecast
Total income	2 192 000	2 219 311	2 220 500	2 208 733	2 224 000	2 215 196	2 224 500	2 241 222	2 224 500	2 249 935
Total charges	2 284 700	2 263 799	2 304 819	2 616 789	2 297 407	2 294 770	2 219 635	1 989 395	2 219 635	2 241 949
Result	-92 700	-44 488	-84 319	-408 056	-73 407	-79 574	4 865	251 827	4 865	7 986
No. of base contributory shares	144	144	146	146	146	145	146	145	146	147

Voted: **-240 696**

2017-2021 result

Forecast result: **-272 305**

Difference: **-31 609**



Conclusion

- Despite all of the difficulties, challenges and uncertainties, good planning, management and consistent efforts by the BIML to realise savings will result in a good operating outcome.



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