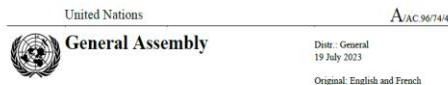


2 (a) Finance and Oversight

Key financial documents presented



Executive Committee of the
High Commissioner's Programme
Seventy-fourth session
9-13 October 2023
Item 4 (b) of the provisional agenda
Consideration of reports on the work of the Standing Committee
Programme budgets, management, financial control
and administrative oversight

Financial statements for the year 2022 as
contained in the report of the Board of Auditors
on the financial report and audited financial
statements of the voluntary funds administered by
the United Nations High Commissioner for
Refugees for the year ended 31 December 2022

Note by the High Commissioner

A/AC.96/74/4

Financial Statements for 2022 (IPSAS)

- Completed and submitted to Board of Auditors (BoA) in March 2023
- Audited by BoA during April to May 2023
- Unqualified audit opinion issued as reflected in **(A/78/5/Add.6)**
- Presented to the SC under ref **A/AC.96/74/4**



United Nations

Voluntary funds administered by the
United Nations High Commissioner
for Refugees

Financial report and audited financial statements

for the year ended 31 December 2022

and

Report of the Board of Auditors

General Assembly
Official Records
Seventy-eighth Session
Supplement No. 5F

A/78/5/Add.6



Executive Committee of the
High Commissioner's Programme
Seventy-fourth session
Geneva, 9-13 October 2023
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the United Nations High Commissioner for
Refugees for the year ended December 2022

Report by the High Commissioner

Addendum

Key issues and measures taken in response to the Report of
the Board of Auditors for 2022

A/AC.96/74/4/Add.1

Key issues and measures taken in response to the Board of Auditors recommendations (**A/AC.96/74/4/Add.1**)

- Key issues and measures taken for this year
- Follow-up on the recommendations from previous years

I. Statement of financial position - 31 Dec. 2022

- **Balance Sheet** – Shows a snapshot of UNHCR assets, liabilities and the resulting net assets at year-end
- **Assets**
 - Net contributions receivable \$2b
 - Cash \$1.6b
 - Inventory \$464m
- **Liabilities**
 - Current accounts payable \$328m
 - Employee benefits \$1.1b
- **Net Assets**
 - Difference between Assets and Liabilities \$3.9b

(Thousands of United States dollars)

	Reference	31 December 2022	31 December 2021
Assets			
Current assets			
Cash and cash equivalents	Note 3.1	1 592 447	1 183 891
Investments	Note 3.1	715 000	655 000
Contributions receivable	Note 3.2	1 257 631	1 133 262
Inventories	Note 3.3	(464 625)	300 376
Other current assets	Note 3.4	298 897	264 571
Total current assets		4 328 601	3 537 100
Non-current assets			
Contributions receivable	Note 3.2	752 760	814 170
Property, plant and equipment	Note 3.5	234 248	213 926
Intangible assets	Note 3.6	24 096	28 457
Total non-current assets		1 011 104	1 056 553
Total assets		5 339 704	4 593 653
Liabilities			
Current liabilities			
Accounts payable and accruals	Note 3.7	328 401	258 746
Employee benefits	Note 3.8	173 574	160 219
Other current liabilities	Note 3.9	10 702	17 044
Provisions	Note 3.10	5 526	5 638
Total current liabilities		518 202	441 646
Non-current liabilities			
Employee benefits	Note 3.8	947 720	1 328 789
Provisions	Note 3.10	94	94
Total non-current liabilities		947 814	1 328 883
Total liabilities		1 466 015	1 770 529
Net assets		3 873 689	2 823 124
Fund balances and reserves			
Accumulated fund balances and reserves	Note 3.11	3 854 100	3 357 443
Working Capital and Guarantee Fund	Note 3.12	100 000	100 000
Medical Insurance Plan	Note 3.13	69 581	60 673
Staff Benefits Fund	Note 3.14	(351 238)	(850 784)
Self-Financing Activities Fund	Note 3.15	201 246	155 792
Total fund balances and reserves		3 873 689	2 823 124

II. Statement of financial performance for 2022

The total of all revenues and expenses that UNHCR incurred throughout the year

Revenues – 98% voluntary contributions

Expenses:

- Implementing partners (26%)
- Salaries and employee benefits (26%)
- CBI (16%)

Surplus of \$588m for 2022 driven by a higher increase in revenue (\$818M) than in expenses (\$669M)

(Thousands of United States dollars)

	Reference	2022	2021 (reclassified)
Revenue			
Voluntary contributions	Note 5.1	5 931 369	5 187 214
United Nations regular budget	Note 5.2	84 378	43 177
Interest revenue	Note 5.3	26 060	2 476
Other revenue	Note 5.4	30 750	21 339
Total revenue		6 072 558	5 254 206
Expenses			
Implementing partnership expenses	Note 6.1	1 393 025	1 310 037
Salaries and employee benefits	Note 6.2	1 411 292	1 260 716
Cash assistance to beneficiaries	Note 6.3	888 168	573 186
Contractual services	Note 6.4	615 075	598 392
Supplies and consumables for beneficiaries	Note 6.5	449 974	429 545
Operating expense	Note 6.6	294 335	269 498
Equipment and supplies	Note 6.7	153 784	132 045
Travel expense	Note 6.8	77 937	42 112
Depreciation, amortization and impairment	Note 6.9	47 204	53 586
Other expenses	Note 6.10	30 896	23 234
Total expenses		5 361 689	4 692 352
Foreign exchange (gains)/losses	Note 6.11	122 712	97 386
Surplus for the year		588 157	464 468

III. Statement of changes in net assets

31 Dec. 2022

- Reveals movements in the fund balances and reserves broken down by main Funds of UNHCR, including:
 - Accumulated fund balances and reserves,
 - Working Capital Fund,
 - Staff Benefits Fund and
 - Medical Insurance Plan

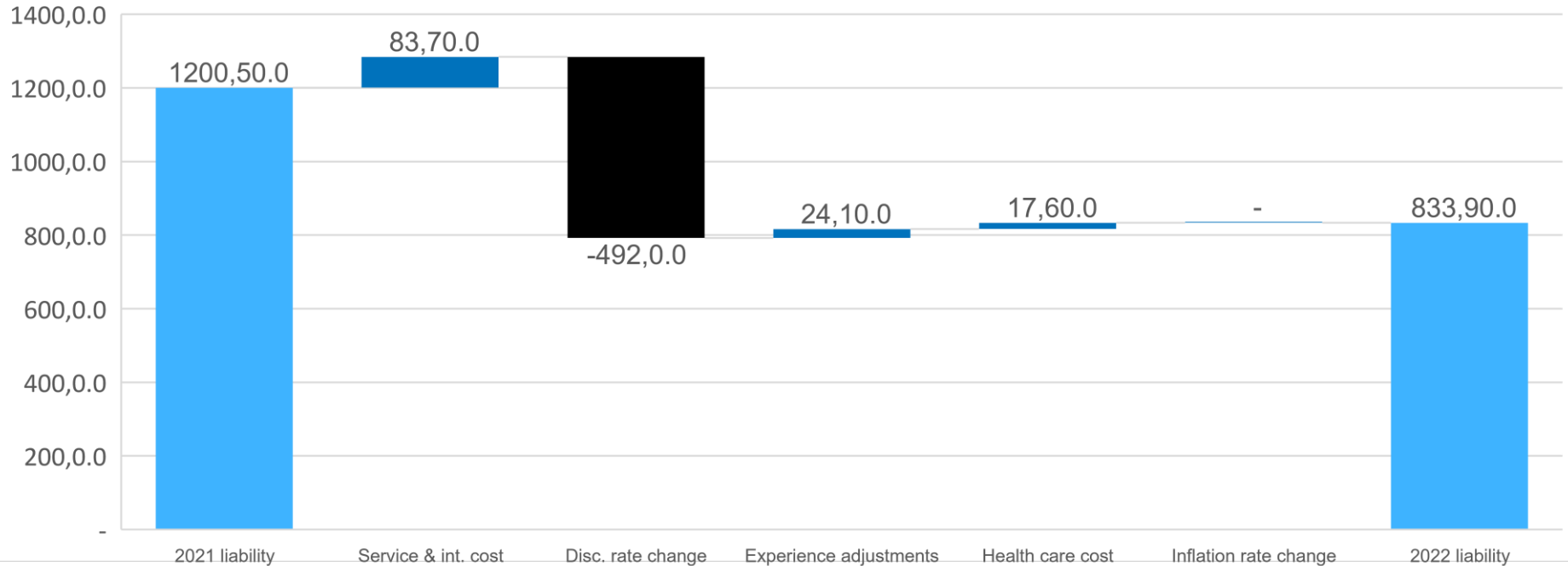
(Thousands of United States dollars)

	Reference	Accumulated fund balances and reserves	Working Capital and Guarantee Fund	Medical Insurance Plan	Staff Benefits Fund	Self- Financing Activities Fund	Total
Net assets at 1 January 2021		3 082 073	100 000	53 929	(756 153)	-	2 479 849
Movements in fund balances and reserves in 2021							
Surplus/(deficit) for the period	Notes 3.11, 3.12, 3.13, 3.14, 3.15	595 594	(101 532)	6 744	(69 199)	32 861	464 468
Gain/loss on actuarial valuations of post-employment benefits	Note 3.8	-	-	-	(121 193)	-	(121 193)
Transfers	Notes 3.8, 3.11, 3.12, 3.14	(320 224)	101 532	-	95 762	122 931	-
Total movements during 2021		275 370	-	6 744	(94 631)	155 792	343 275
Total net assets at 31 December 2021		3 357 443	100 000	60 673	(850 784)	155 792	2 823 124
Movements in fund balances and reserves in 2022							
Surplus/(deficit) for the period	Notes 3.11, 3.12, 3.13, 3.14, 3.15	731 213	(115 408)	8 908	(77 942)	41 386	588 157
Gain/(loss) on after-service health insurance actuarial valuation	Notes 3.8, 3.14	-	-	-	462 408	-	462 408
Transfers	Notes 3.8, 3.11, 3.12, 3.14	(234 556)	115 408	-	115 080	4 069	-
Total movements during 2022		496 657	-	8 908	499 546	45 454	1 050 565
Total net assets at 31 December 2022		3 854 100	100 000	69 581	(351 238)	201 246	3 873 689

2022 vs 2021 ASHI Changes (\$m)

ASHI 2021 to 2022 (\$m)

■ Increase ■ Decrease ■ Total



Net assets available to UNHCR for use differ from net assets as reflected in IPSAS based statement

Reconciliation of net assets 2022 (in millions of USD)

IPSAS based net assets 31 Dec. 2022	3,874
Less:	
Cash received in 2022 for activities of 2023 and beyond	- 840
AR tied to time conditioned pledges not yet implemented (Table 5.1.2)	- 1,297
IPSAS assets previously expensed for budget purpose	- 723
Other adjustments	- 441
Adjusted net assets 31 Dec. 2022	573

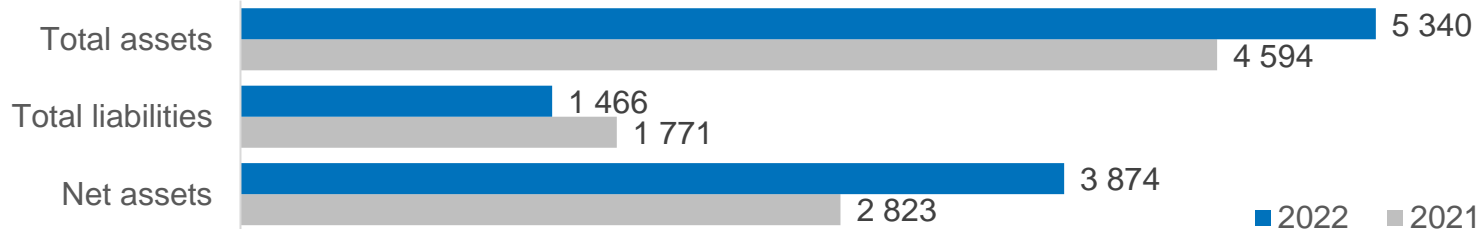
Year end balances of cash and short-term investments for operational activities/months of operational needs covered 2018-2022

Months of operational needs covered 2018 to 2022
(in months)



UNHCR finances remain sound in 2022

Assets, liabilities and net assets 2022/2021 (in millions of USD)



Key financial ratios, 31 December

	2022	2021
Current assets to current liabilities ⁽¹⁾	8.35	8.01
Total assets to total liabilities ⁽²⁾	3.64	2.59
Cash and short-term investments to current liabilities ⁽³⁾	3.07	2.68
Cash, short-term investments and AR to current liabilities ⁽⁴⁾	6.87	6.72

(1) A high ratio indicates an entity's ability to pay off its short-term liabilities; (2) A high ratio is a good indicator of solvency; (3) This ratio indicates an entity's liquidity. It serves to measure the amount of cash, cash equivalents and invested funds available in current assets to cover current liabilities; (4) This ratio excludes inventory and other current assets, which are more difficult to convert into cash. A higher ratio means a more liquid current position.

2 (a) (ii) Key issues and measures taken by UNHCR in response to the Report of the Board of Auditors



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UN BOARD OF AUDITORS

AUDIT REPORT ON THE VOLUNTARY FUNDS ADMINISTERED BY THE UNHCR Financial year 2022

UNHCR Standing Committee

13 September 2023



Audit opinion

Key findings

1. Follow-up on previous recommendations
2. Finance and budget
3. Risk management
4. Procurement



AUDIT OPINION

The Board issued an **unqualified audit opinion**

The financial statements present fairly, in all material respects, the financial position of the voluntary funds administered by UNHCR as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with IPSAS



KEY FINDINGS

1. Follow-up on previous recommendations
2. Finance and budget
3. Risk management
4. Procurement



1. Follow-up on previous recommendations

Out of 77 outstanding recommendations in 2022:

- 31 recommendations have been implemented (representing an implementation rate of 40%, compared to 54% for 2021)
- 41 recommendations are still under implementation (53 per cent)
- 5 recommendations are considered as overtaken by events (7 per cent)

The Board has made 17 new recommendations this year.



KEY FINDINGS

1. Follow-up on previous recommendations
2. Finance and budget
3. Risk management
4. Procurement



2. Finance and budget

- Financial overview:

- Total revenue amounted to \$6,072.6 million, an increase of \$818.4 million (16 per cent). Voluntary contributions represented 98 per cent of total revenue, amounting to \$5,931.4 million, an increase of \$744.2 million (14 per cent), including \$1,478.4 million for the Ukraine crisis.
- The 2022 surplus, after taking into account the effect of foreign exchange, amounted to \$588.2 million, compared with a surplus of \$464.5 million in 2021.



- Presentation of the statement of financial position

The presentation of the Staff Benefits Fund in UNHCR statement I departs from IPSAS 1 and IPSAS 39 and does not show that:

- the Staff Benefits Fund, as at 31 December 2022, is a positive reserve amounting to \$738 million (and not a “negative reserve” of \$351 million);
- the assets of the Staff Benefits Fund are not “ring-fenced” from other UNHCR assets. The decision to establish this fund does not imply that it is available to be used only to fund employee benefits. The surplus remain available to the reporting entity’s own creditors.

This exceptional departure is now stated in the financial statements 2022



- Comparison of budget and actual amounts

Upon the Board request, UNHCR has further improved the comparison of budget and actual amounts (statement V and note 7) by addressing all the requirements of IPSAS 24. In previous financial statements, this comparison was not made between actual expenses and available budget resources, as required by IPSAS 24, but between the “approved Needs-Based Assessment”, built on an estimate of needs of UNHCR as reviewed and approved by the Executive Committee of the Programme of UNHCR, and actual expenses.

Other audit findings concern notably:

- inventories and consumables,
- employee benefits liabilities,
- property, plant and equipment accounting,
- the statement of internal control process
- and access rights to the enterprise resource planning system.



KEY FINDINGS

1. Follow-up on previous recommendations
2. Finance and budget
3. Risk management
4. Procurement



3. Risk management

□ Risk management maturity

UNHCR risk management has achieved a high level of maturity. However, significant margins for improvement remain, in particular with regard to the effectiveness and consistency of risk management in the field, such as:

- The online risk register tool has been consistently upgraded and is now a valuable device for risk management, but the usefulness of managing the lowest risks is uncertain;
- The added value of regional bureaux in risk management could be improved through multi-country or regional reporting;
- The key objective of integrating risk management into the operational cycle has not yet been fully achieved; and
- Greater consistency is also needed among operations with regard to the prioritization of risks and the practice of risk escalation.

□ Appetite for risk

The development of a corporate risk appetite statement underway. However, experimenting the introduction of such a tool at the country level requires a robust methodology adapted to diverse environments.



KEY FINDINGS

1. Follow-up on previous recommendations
2. Finance and budget
3. Risk management
4. Procurement



4. Procurement

❑ Updating Rules

UNHCR procurement is monitored by a set of rules that have recently been consolidated and updated. Nevertheless, some shortcomings still need to be addressed to improve effectiveness and efficiency.

- In normal situations, the significantly increased threshold for formal solicitation, raising the risk of the principles of best value for money and of fair competition not being abided by, as well as of fraud and corruption
- in situations of emergency, the submission of contract awards for review and approval by the regional committee on contracts.

> Recommendation: Revise the 2021 procurement framework by (i) lowering the threshold for formal solicitation to ensure effective monitoring and oversight of procurement actions; and (ii) addressing key loopholes, particularly in terms of planning, training and staff qualifications



❑ Strengthening leadership and expertise on procurement

Managing procurement involves strategic leadership at the highest level, going beyond technical day-to-day considerations. UNHCR also needs to reinforce its expertise on procurement, to ensure that at each level of management – headquarters, regional and country – the needs in terms of functions related to procurement are precisely identified and the proper initial and continuing training is in place

> **Recommendation:** Enhance strategic leadership on procurement at the highest level and allocate as efficiently and effectively as possible the procurement activities to be carried out at the country operation, regional bureau and headquarters levels

❑ Enhancing planning and monitoring

UNHCR's practice of procurement planning appears to suffer from a weak monitoring of the existing tools, notably the country-level “consolidated procurement plans” and a lack of more comprehensive purchase planning, allowing for anticipation of the needs of each entity and the development of tools to monitor those entities and better align with budgetary processes.

> **Recommendation:** Define and implement a prioritized demand and supply plan for each entity, and define tools and additional mechanisms to monitor procurement throughout the year



❑ **Reallocating procurement responsibilities**

UNHCR still needs to fine-tune the definition of the level – global, regional or country – at which procurement appears to be the most relevant and efficient.

❑ **Better linkage with inventory management**

Difficulties in making the best use of its stocks and avoiding unnecessary purchases or waste. More systemic and automated checks need to be set up to ensure effective linkages between procurement and inventory management.

> **Recommendation:** Develop a more systemic approach in the way that procurement and inventory management are linked.



□ Managing risks related to procurement

UNHCR has recently clarified the oversight function of its regional bureaux. A decisive step will now be to implement this new framework, and effectively empower them as second “line of defence” in the management of risks related to procurement. They will become fully accountable for their reporting on the quality of procurement planning and management at the country office level and take all relevant measures to help mitigate the critical risks identified. Country offices also need to strengthen their “first line of defence” internal controls on risks, especially on procurement that is not covered by their committees on contracts.

> Recommendation: Strengthen the role of the second “line of defence” in key internal controls on procurement processes, including at the regional level.



□ Ensuring compliance

A number of weaknesses concerning the compliance of UNHCR procurement practices with applicable rules have been identified:

- absence of purchase order management,
- inadequate documentation to support payments,
- contract award processes departing from the principles of fairness, transparency, best value for money and interest of the organization, as well as incomplete information of the members of committees on contracts.

> **Recommendation:** Regularly undertake a review of the most frequent cases of non-compliance in procurement identified by the relevant procurement review authority, and put in place appropriate measures to tackle the root causes of those weaknesses, in order to improve the oversight of procurement processes at all levels.



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AUDIT REPORT ON THE VOLUNTARY FUNDS ADMINISTERED BY THE UNHCR Financial year 2022

UNHCR Standing Committee

13 September 2023

Measures taken to address recommendations

Key findings 2022

- Unqualified audit opinion
- Closed 47% of prior years recommendations
- 17 new recommendations issued in 2022
(compared to past years with 53 issued in 2021, 44 in 2020, 55 in 2019)

Finance and budget - *Inventories*

UNHCR Actions

- ✓ Record items under the same item identifier if they are by nature substantively the same or substitutable and the use of generic items will be minimized.
- ✓ Implement a new approach for calculating freight costs in the new Cloud ERP system - The basis for freight cost capitalization will be the invoiced freight costs.

Finance and budget - *Employee benefits liabilities*

UNHCR Actions

- ✓ Develop instructions that describe the key controls that must be applied in the calculation of employee benefit liabilities, both by UNHCR and by its actuary;

Finance and budget - *Property, plant and equipment accounting*

UNHCR Actions

- ✓ Establish a policy to depreciate vehicles held for more than one year at major storage locations where the impact of depreciation would be material.

Finance and budget - *Internal controls*

UNHCR Actions

Regarding ICQ

- ✓ Regional Bureaux will continue to be consulted in review of the internal control questionnaire and will provide input on discussions of the ICQ results and remedial action to be taken in the region.
- ✓ Explore further steps to involve Bureaux in the review and endorsement of the initial ratings made by countries in their region.

Regarding ERP Access rights

- ✓ Extend the future equivalent of the DOAP to all roles actively used by UNHCR in the new Cloud ERP
- ✓ Establish procedures to identify and prevent the conflicting roles and consider embedding such controls in the new cloud ERP.

Risk management

UNHCR Actions

Maturity of risk management

- ✓ Develop and roll out guidance to ensure more consistent and effective escalation of risks, and issue guidance on handling less critical risks.

Appetite for risk management

- ✓ Develop a consistent methodology for internally defining tolerance for operational risks that can be rolled out more broadly.

Procurement

Thresholds, roles and responsibilities

UNHCR Actions

- ✓ Conduct an in-depth review of procurement thresholds based on data analysis for all operations and a sample of procurement actions;
- ✓ Revise Policy and AI on procurement and reinforce the guidance related to procurement planning, as well as training and qualifications for the procurement staff.
- ✓ Roll-out a new supply operating model to strengthen the procurement leadership, define clarify responsibilities at country operation, regional bureaux and headquarters level
- ✓ Strengthen procurement capacity at all levels, and specifically at the regional bureau level.

Procurement

Planning, monitoring and inventory management

UNHCR Actions

- ✓ Strengthen the role of the regional bureaux supply teams in coordination of the annual Procurement Planning and consolidation at regional level
- ✓ Configured the new Cloud ERP to enable the evaluation of alternative sourcing options by a category manager or a buyer, including sourcing from existing inventory
- ✓ Implement additional checks and alerts are also included as measures to optimize the inventory on hand or in the pipeline.

Procurement

Risk management and compliance

UNHCR Actions

- ✓ UNHCR is introducing a new Supply Operating Model aimed at strengthening the procurement teams in the regional bureaux, giving them responsibility for complex local purchases;
- ✓ International purchasing will also be handled by a strengthened Global Service.
- ✓ UNHCR considers reviewing the criteria for selecting the most appropriate purchasing method.
- ✓ Review and further enhance the analysis of cases of non-compliance related to procurement activities , for example through conducting additional checks on samples.

77 recommendations from 2021 and previous years – status update

implemented (31)

✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓									

under implementation (41)

Strategic planning and results (15)	Human resources (13)
Financial and administrative management (7)	Change management (2)
Fleet & Fuel management (2)	Information systems & data management (2)

Overtaken (5)

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Conclusion

- ✓ Addressing the BoA's recommendations is a management priority and notable progress was made
- ✓ BoA's findings and recommendations allowed UNHCR to focus its resources on the most relevant risk areas
- ✓ UNHCR will continue to take action to address recommendations and reiterates its commitment to improving procedures, systems and controls in order to mitigate the identified risks

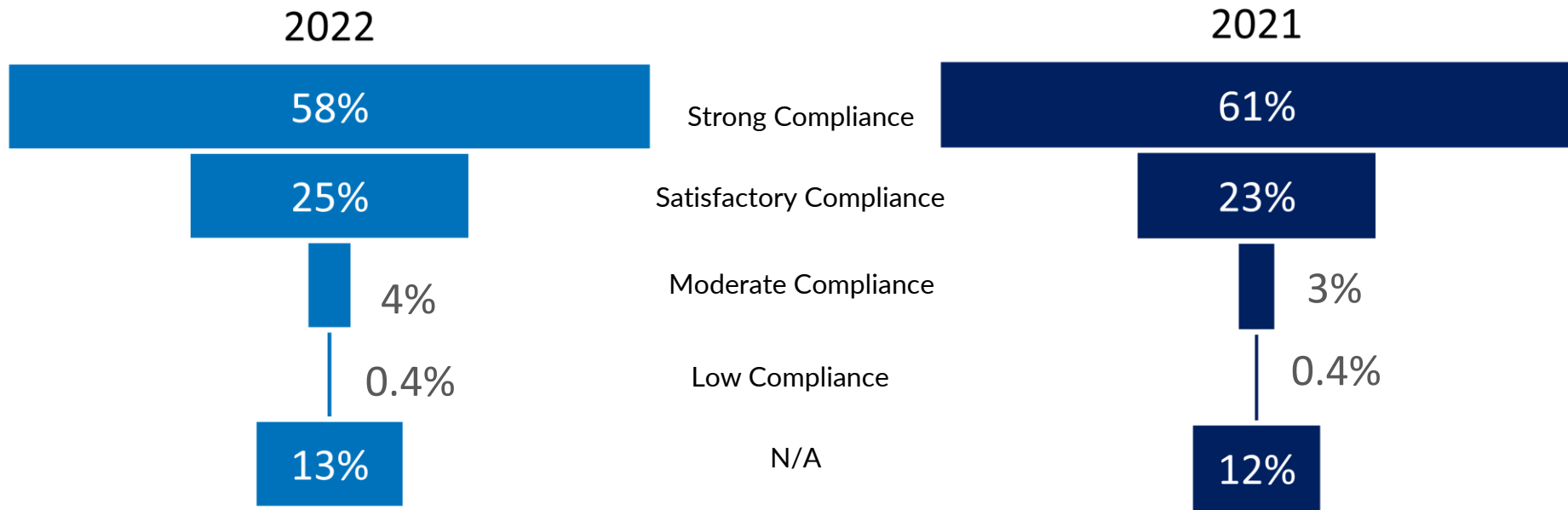
Thank you

Additional resource slides for the Financial Statements and BoA recommendations

Statement of Internal Controls

Rate of compliance overall

Self-Assessment rating:



Respondents: **115 country offices** (both years), 7 Regional Bureaux, Divisions

*The submitted questionnaires from CO include submissions from Global Service Center Copenhagen and Hungary, Liaison Office NY as well as Multi-Country and Regional Offices which might cover multiple countries which are not listed/counted in the total number of countries. Every Bureaux decided where ultimately the level of accountability was delegated to and who was the best to certify fulfilment of maintaining effective internal controls.

2022 Results internal control self-assessment questionnaires – Country Operations

Key statistics in country operations for 2022



115 operations responded



58% overall strong compliance decreased 2022 (from 61% in 2021)



57 control questions



3.61 overall scoring rating decreased in 2022 (from 3.65 in 2021)



12 newly added or substantively revised questions



7% of country operations scoring moderate / low compliance on more than 15% of the questions in the Statement of Internal Control self-assessment



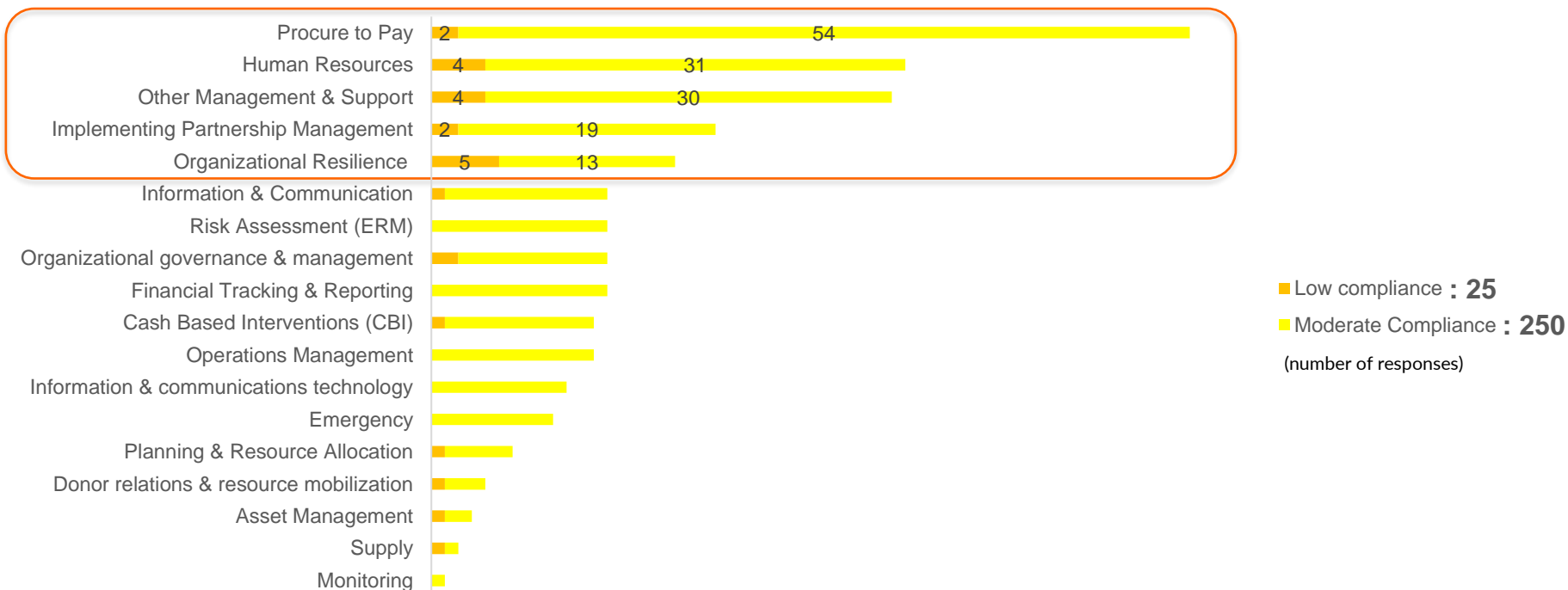
Most recurrent elements of low/ moderate compliance: procurement planning and contract management, fuel and vehicle management, partnership monitoring of transferred inventory and entrusted procurement



Improvements in process CBI and Financial Tracking & Reporting

ICQ COs: In which areas we need improvements?

Low and moderate compliance rating by process at Country Operation level:



Statement of Internal Control signed by HC for 2022

Generally effective system, no material weaknesses detected

Aspects to improve:

Improve **procurement planning**

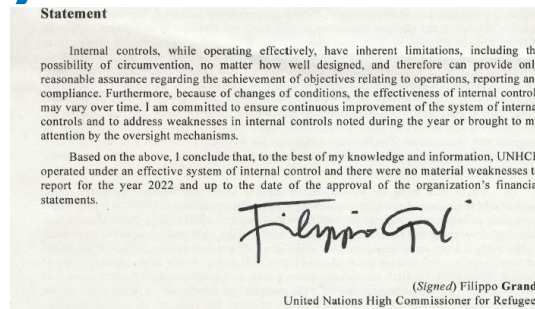
Strengthen systematic **capacity and performance monitoring of partners** entrusted with procurement or with managing UNHCR's inventory

Enhance **programme monitoring**, including through COMPASS

Improve **quality of vehicles master data** to help fleet management

Enhance monitoring and analysis of **emergency risks** and preparedness, including **business continuity**

Make better use of HR tools in respect of **workforce planning** and staffing indicators



Staff Benefits Fund disclosure

Fund balances and reserves as at 31 Dec 2022

Financial statements for the year ended 31 December 2022

United Nations High Commissioner for Refugees

I. Statement of financial position as at 31 December 2022

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Fund balances and reserves			
Accumulated fund balances and reserves	Note 3.11	3 854 100	3 357 443
Working Capital and Guarantee Fund	Note 3.12	100 000	100 000
Medical Insurance Plan	Note 3.13	69 581	60 673
Staff Benefits Fund	Note 3.14	(351 238)	(850 784)
Self-Financing Activities Fund	Note 3.15	201 246	155 792
Total fund balances and reserves		3 873 689	2 823 124

Notes to the Financial Statements 2022 – Note 2

Note 2

Accounting policies

Basis of preparation

6. The financial statements of UNHCR have been prepared on an accrual basis of accounting, in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board. Pursuant to IPSAS 1 §31, outlining the general requirements for the presentation of financial statements, and to comply with its promulgated financial rules, UNHCR departs from IPSAS by presenting the net balance of the Staff Benefit Fund within the Net Assets section of the Statement of Financial Position. The net unfunded balance presented is composed of the accumulated balance of the employee benefit liabilities reduced by the approved funding provided against those liabilities. This presentation, which provides more visibility to the unfunded balance of the Staff Benefit Fund, has been consistently applied in the financial statements since 2007. The full details required to comply with the presentation requirements of IPSAS are nevertheless reflected in the Note 3.14.

Notes to the Financial Statements 2022 – Note 3.14

3.14 Staff Benefits Fund

Table 3.14.1
Changes in Staff Benefits Fund
 (Thousands of United States dollars)

	<i>31 December 2021</i>	<i>Surplus/ (deficit)</i>	<i>Actuarial gain/(loss)</i>	<i>Transfer in/(out)</i>	<i>31 December 2022</i>
Staff Benefits Fund	(850 784)	(77 942)	462 408	115 080	(351 238)

Table 3.14.2
Analysis of Staff Benefits Fund
 (Thousands of United States dollars)

	<i>31 December 2022</i>			<i>31 December 2021</i>		
	<i>Liabilities</i>	<i>Expenses</i>	<i>Net fund balance</i>	<i>Liabilities</i>	<i>Expenses</i>	<i>Net fund balance</i>
After-service health insurance	(833 927)	584 836	(249 091)	(1 200 464)	468 300	(732 165)
Repatriation	(131 577)	29 430	(102 147)	(144 640)	26 020	(118 619)
Annual leave	(120 740)	120 740	-	(117 332)	117 332	-
Other separation benefits	(2 674)	2 674	-	(2 437)	2 437	-
Total	(1 088 918)	737 680	(351 238)	(1 464 873)	614 089	(850 784)

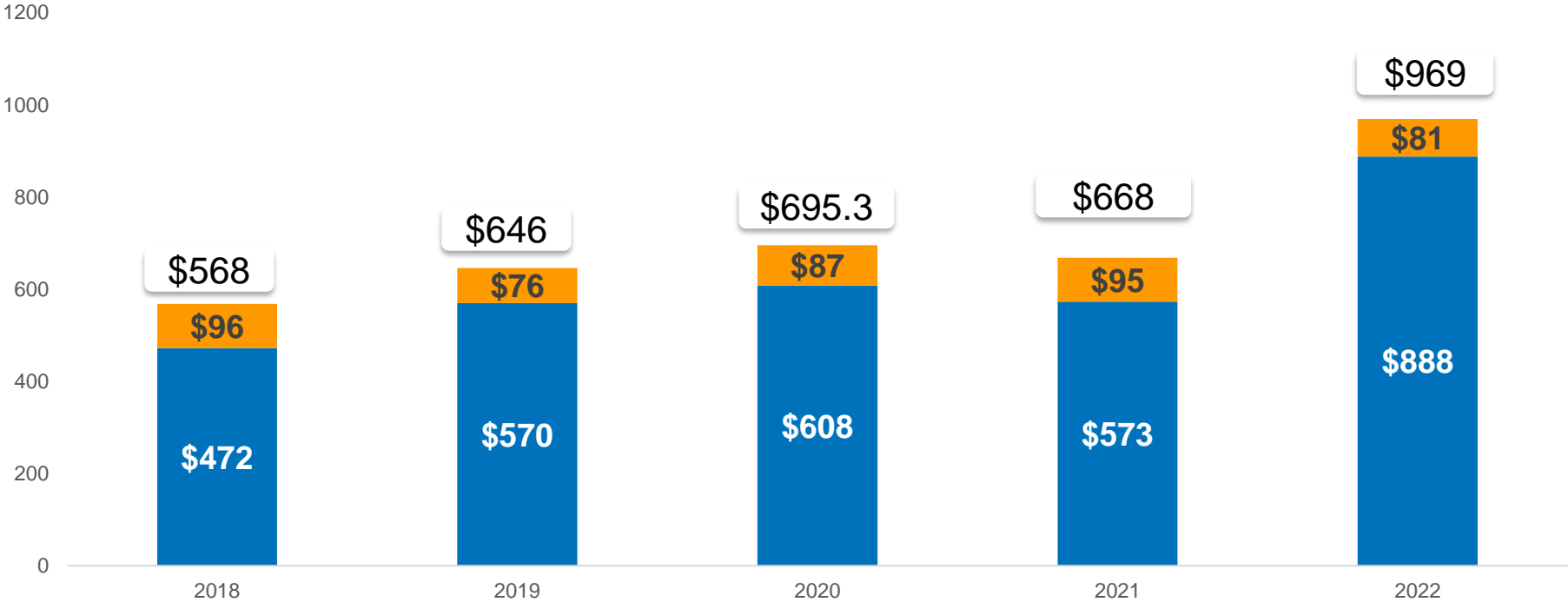
Notes to the Financial Statements 2022 – Note 3.14

143. The Staff Benefits Fund was established to record transactions relating to end-of-service and post-retirement benefits. UNHCR's financial rules require that financial liabilities associated with accrued end-of-service and post-retirement benefits shall be recorded in the Staff Benefits Fund together with the funding of such liabilities. Therefore, the deficit of funding compared to the related liabilities of \$351.2 million (2021: \$850.8 million) is presented as the net balance (deficit) of the Staff Benefits Fund on the face of the Statement of Financial Position. UNHCR management considers that this presentation represents a necessary departure from the requirements of IPSAS 1 Presentation of financial statements §95, as permitted under exceptional circumstances by IPSAS 1 Presentation of financial statements § 31. The full information required to comply with the presentation requirements of IPSAS 1§95 and IPSAS 1§32 by separately identifying the funding of \$737.7 million (2021: \$614.1 million) and the related liabilities of \$ 1,088.9 million (2021: 1,464.9 million) is disclosed in table 3.14.2. Although the net fund balance represents the deficit of the funding compared to the related liabilities, the funding is not legally protected ("ring-fenced") to cover the related liabilities.

Other statistics

CBI Trend 2018-2022

Amount in \$m



■ Direct ■ Indirect