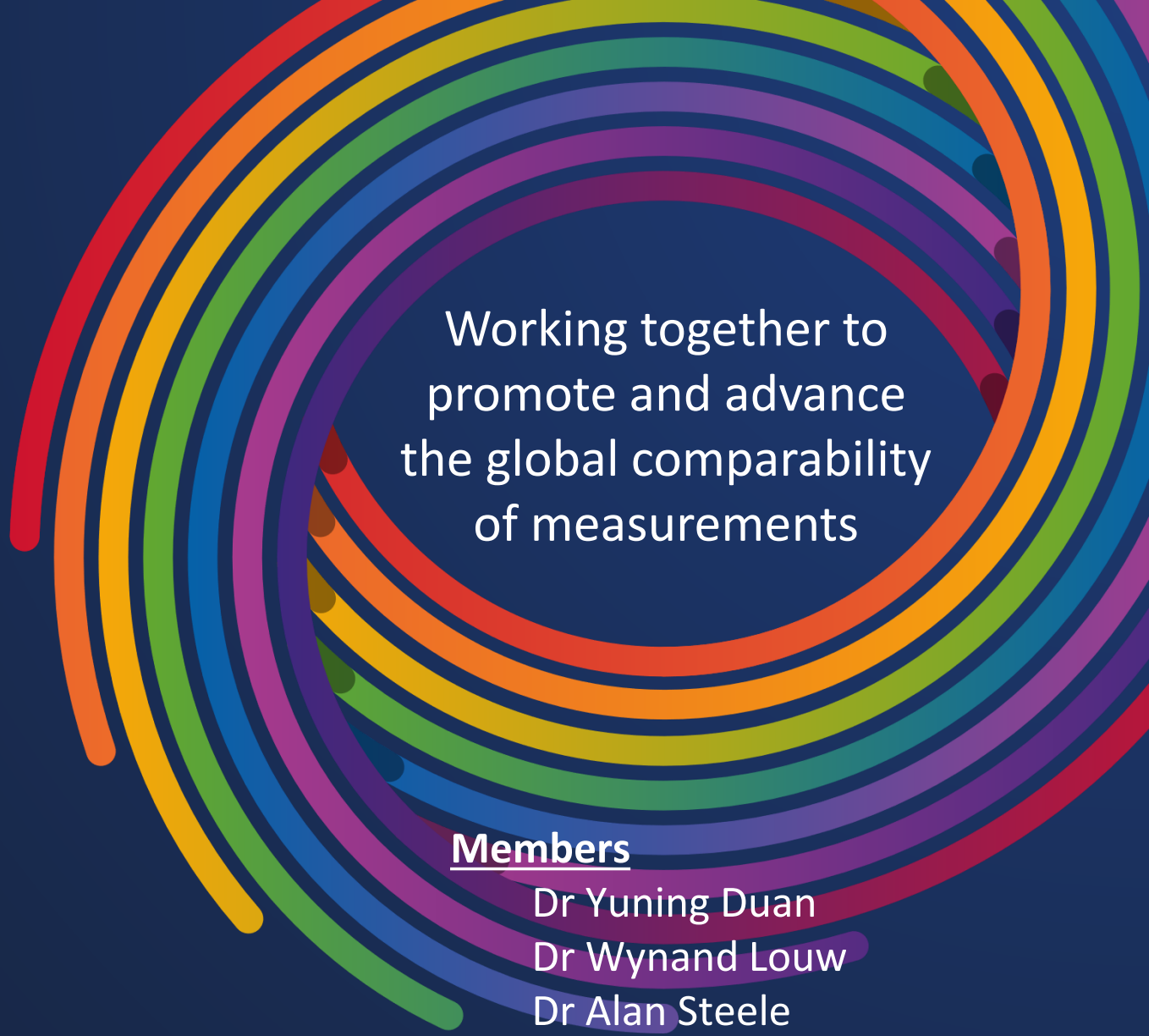




Finance report and proposal for BIPM Dotation

Philippe Richard, Chair, CIPM
Finance Sub-Committee

November 2022

A decorative graphic on the right side of the slide, consisting of multiple overlapping, concentric circles in a rainbow color palette (red, orange, yellow, green, blue, purple, red). The circles are slightly offset from each other, creating a sense of depth and movement.

Working together to
promote and advance
the global comparability
of measurements

Members

Dr Yuning Duan

Dr Wynand Louw

Dr Alan Steele

Dr Takashi Usuda

Dr Martin J.T. Milton

Dr Philippe Richard (Chair)

Financial management in the current dotation period

- **Good management by Director and his team**
- **2020 and 2021 accounts submitted and audited on schedule with no qualifications**
 - Comment about the impact of the global pandemic
 - Note about the long-term liability for the Pension fund



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Rapport de l'auditeur indépendant sur les états financiers 2021

Exercice clos le 31 décembre 2021

Opinion

A notre avis, les états financiers donnent une image fidèle de la situation financière du BIPM au 31 décembre 2021, de la performance financière, de l'état des variations de l'actif net, des flux de trésorerie et de l'exécution du budget pour l'exercice clos à cette date, conformément au référentiel IPSAS.

Paris La Défense, le 31 mai 2022

KPMG Audit
Département de KPMG S.A.

Baudouin Griton
Associé

The historic accumulation of arrears now addressed

- A practice was in place up to (and including) 2012 that resulted in states not being excluded after 6 years of arrears. They
 - remained in an open-ended period of suspension,
 - did not benefit from any advantages or prerogatives,
 - were considered to be accumulating arrears which was in contradiction to Article 6.
- This practice stopped in 2013.

If a State remains three years without paying its contribution, the said contribution is distributed among the other States pro-rata to their own contributions. The supplementary sums thus paid by these States to make up the dotation of the Bureau are considered as advances made to the State in arrears and are reimbursed to them in the event that it repays its arrears of contributions.

Article 6 of the Regulations Annexed to the Metre Convention

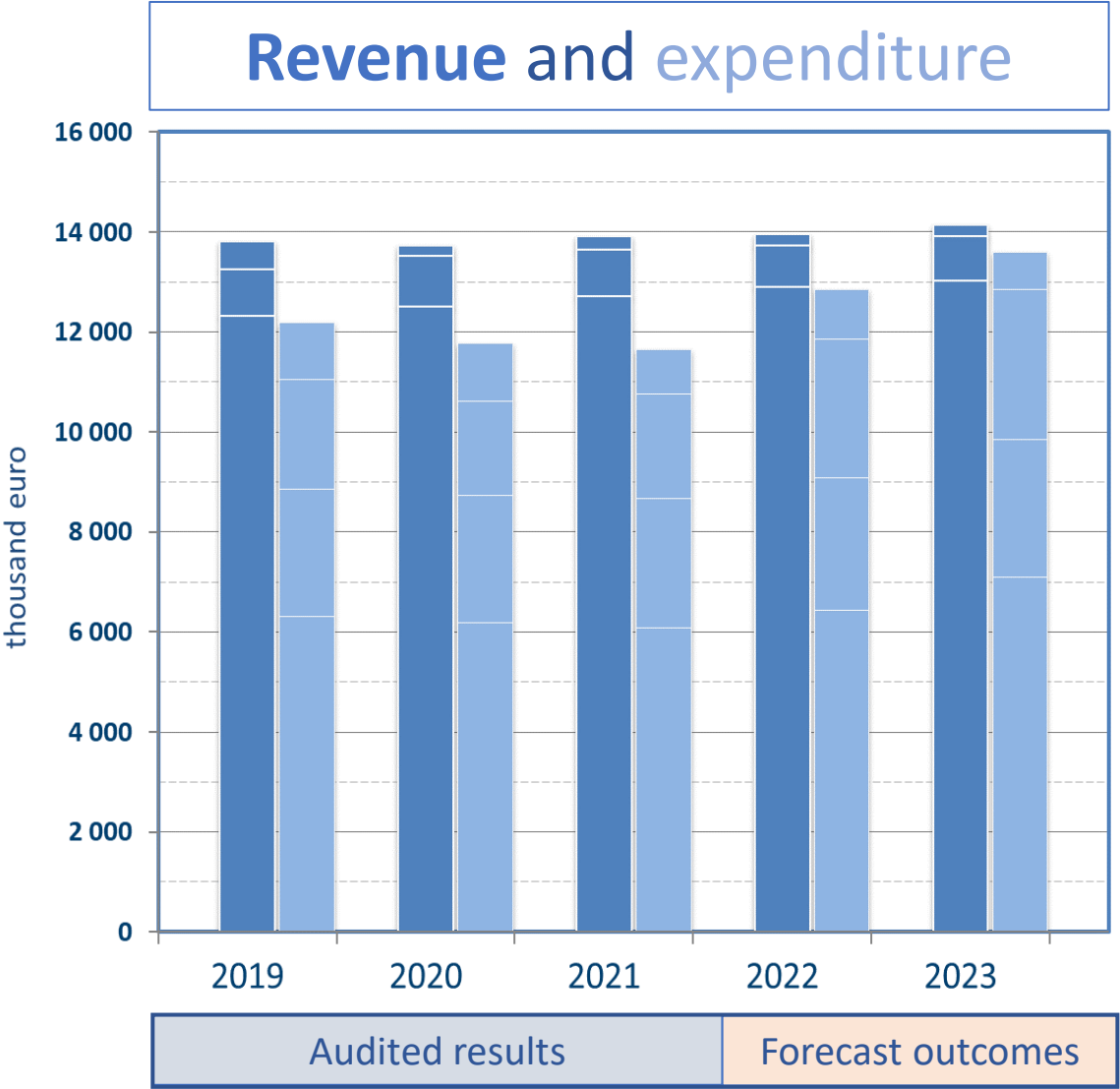
The historic accumulation of arrears now all addressed

The CIPM considers that the total amount paid by each Member State throughout this period was correct.

In summary

- Practice since 2012 has followed the text of the Metre Convention correctly.
- No debt has been written off.
- BIPM has not received any amount larger than it should have done.
- The total amounts paid by all (non-defaulting) Member States have always been correct.
- This approach has been validated by the external auditor (KPMG).
- The CIPM has published a decision (111-08) that has completed this process.

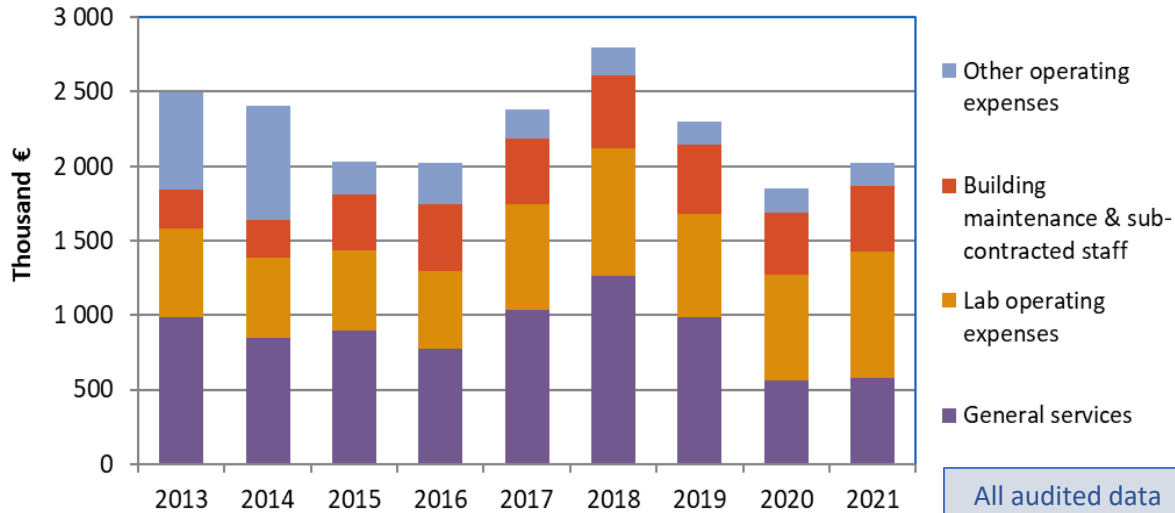
Financial management in the current dotation period



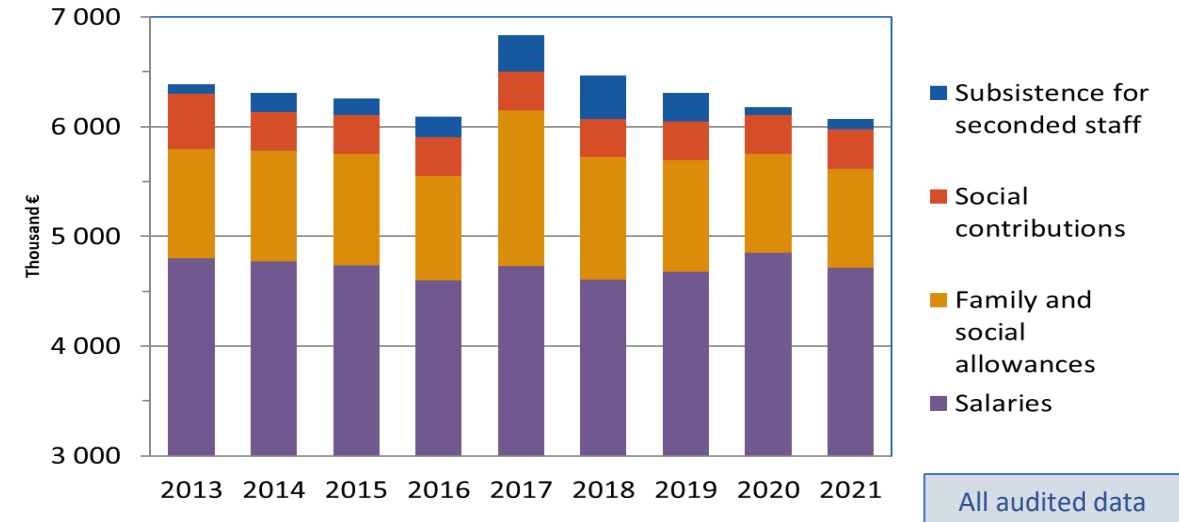
- Performance to date (and forecasts) better than agreed budget.
- The agreed work programme has been delivered within the budget.
- Strategic and planned approach to buildings and capital expenditure; including IT (software and hardware infrastructure)

Financial management in the current dotation period

Operating expenses (excluding staff costs)



Staff costs



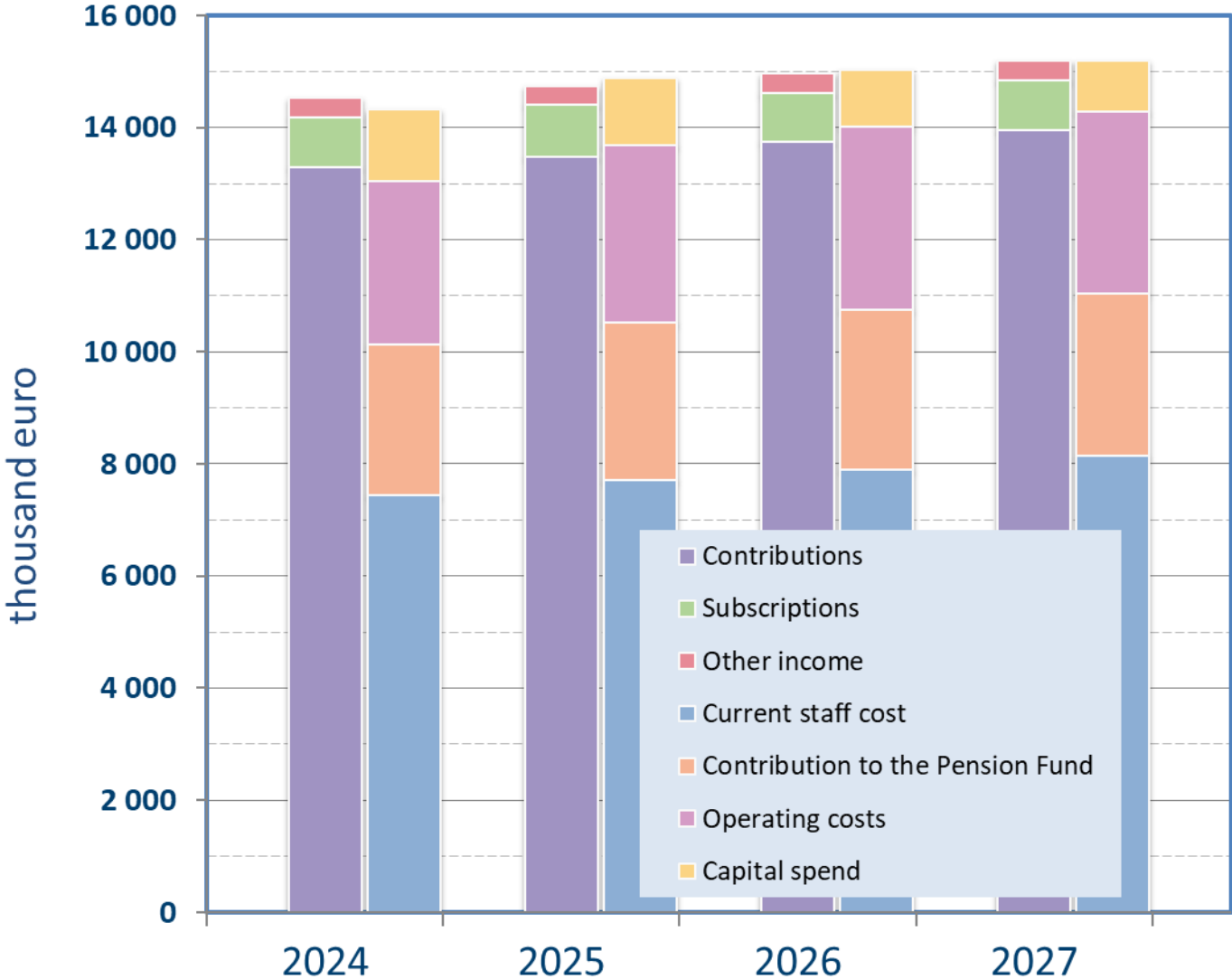
Reduced spend due to the global pandemic

	2020	2021
Meetings	170k€	128k€
Travel	167k€	182k€
Transport	31k€	13k€
Secondees	329k€	328k€
TOTAL SAVED	697k€	821k€

Salary costs have been stable in real terms (and below 2012 level).

Proposed budget for 2024 to 2027

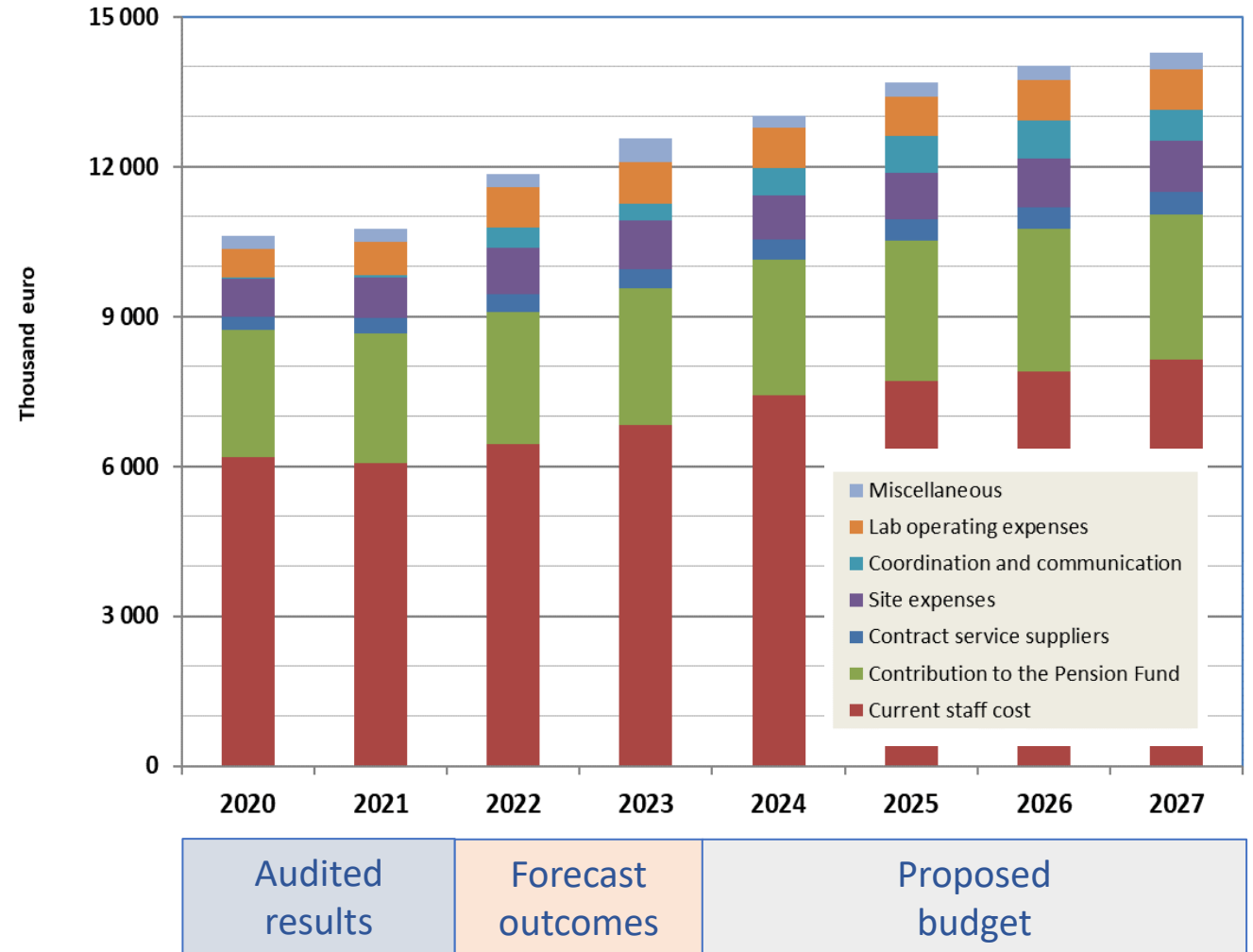
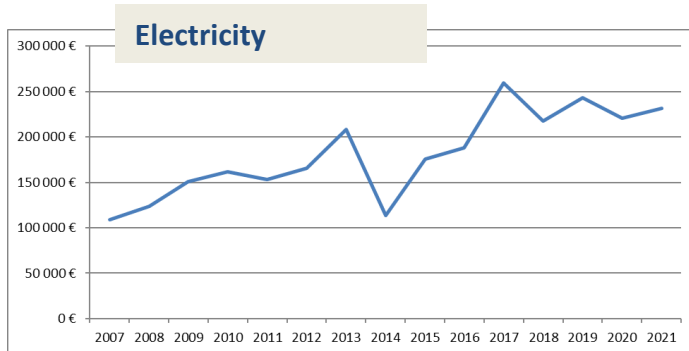
- The proposal for detailed long-term financial plan is driven by the BIPM Strategy for the work programme.
- Funds will be used efficiently:
 - Cost savings identified in the laboratory operating and investment spend.
 - Off-site facilities will be used more.
 - reference towards new staff appointments into 5-year posts.
 - Use of secondments.



Projected expenditure for 2024 to 2027

Key assumptions

- Annual increase in salary mass 1.8 %
- Annual inflation applied to salaries, allowances and healthcare
 - ◆ 3 % (2024 and 2025)
 - ◆ 2 % (2026 and 2027)
- Annual inflation applied to contract services and utility costs
 - ◆ 6 % (2024 and 2025)
 - ◆ 4 % (2026 and 2027)



- Electricity costs are difficult to predict!

Staff assumptions for the 2024-2027 budget period

The requirements for extra staff in digital transformation will be met by efficiency savings in staff deployment in certain support roles, which will support the recruitment of new staff with specialized skills and experience.

The underlying recruitment plan for 2024-2027 will correct for key retirements.

- it includes actions to re-organize staff and operations to increase effectiveness in the delivery of the work programme.
- it continues the policy of preferring recruitment to fixed-term contracts.

In addition, the CIPM will consider

- options for outsourcing certain functions, and
- new mobility arrangements to encourage the exchange of staff between the BIPM and NMIs.

Resolution V

The CIPM has reviewed the long-term financial plans and the underlying financial assumptions.

The CIPM requests an increase in the dotation for the period 2024-2027 of 1.5 % each year.

The numbers to be entered into the text of Draft Resolution V are:

13 161 218 € in 2024

13 358 636 € in 2025

13 559 016 € in 2026

13 762 401 € in 2027

What the 1.5% increase will support

- The planned budget for 2024 to 2027 will support:
 - **1 056 k€ for new Digital Transformation projects**
 - **secondes at the level of 7.4 FTE (for each year of the 4-year period).**
 - **The number of staff will remain constant over the programme.**

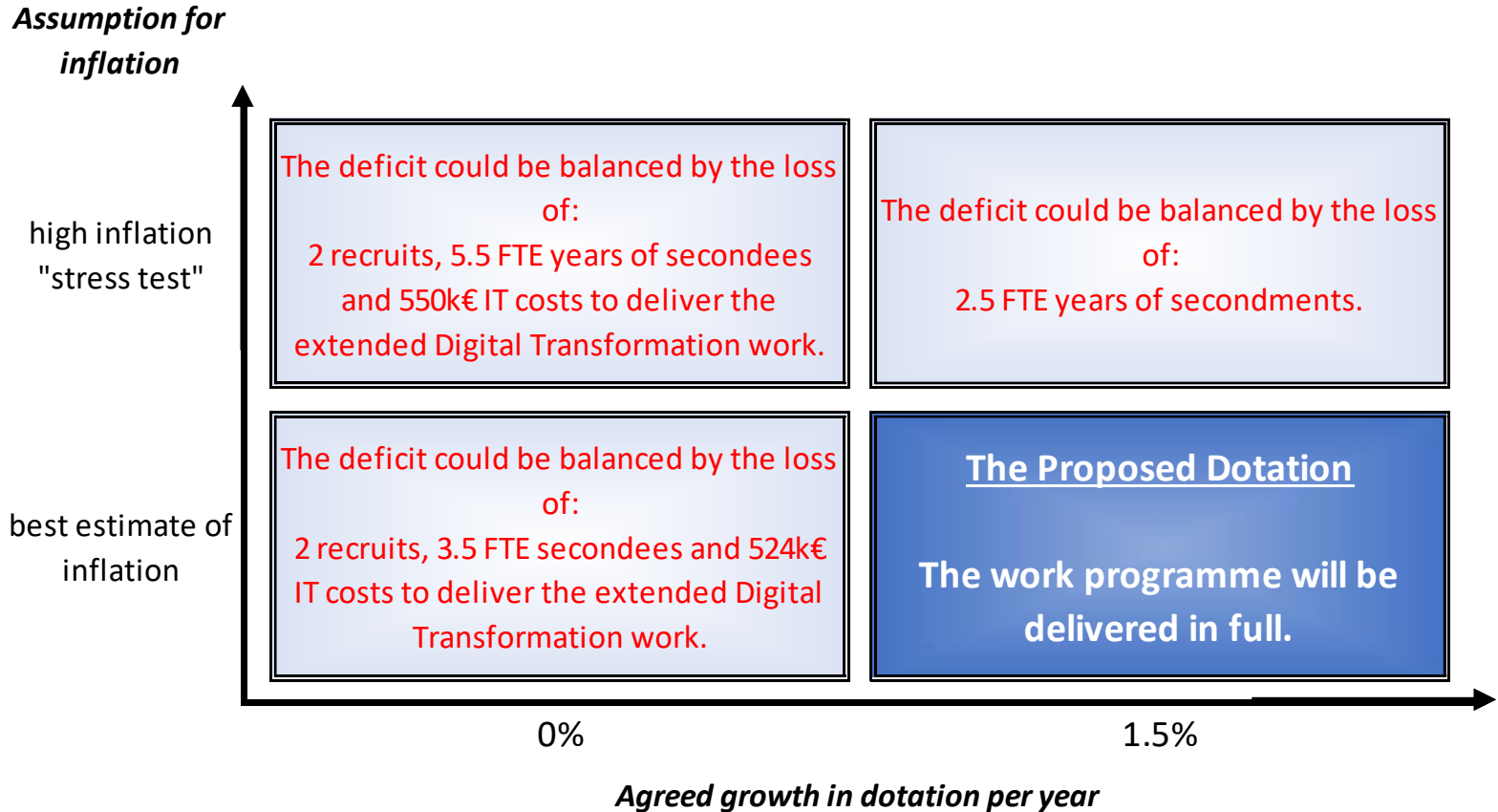
This is achieved by making:

- **Cost savings** in the laboratory operating and investment spend to maintain them at the same level (in cash terms) for the 2024-2027 dotation period as for the current period.
- **Energy savings** to reduce the cost of electricity and gas usage for building heating and climate control on the site.

This proposal is for **“zero net growth”**

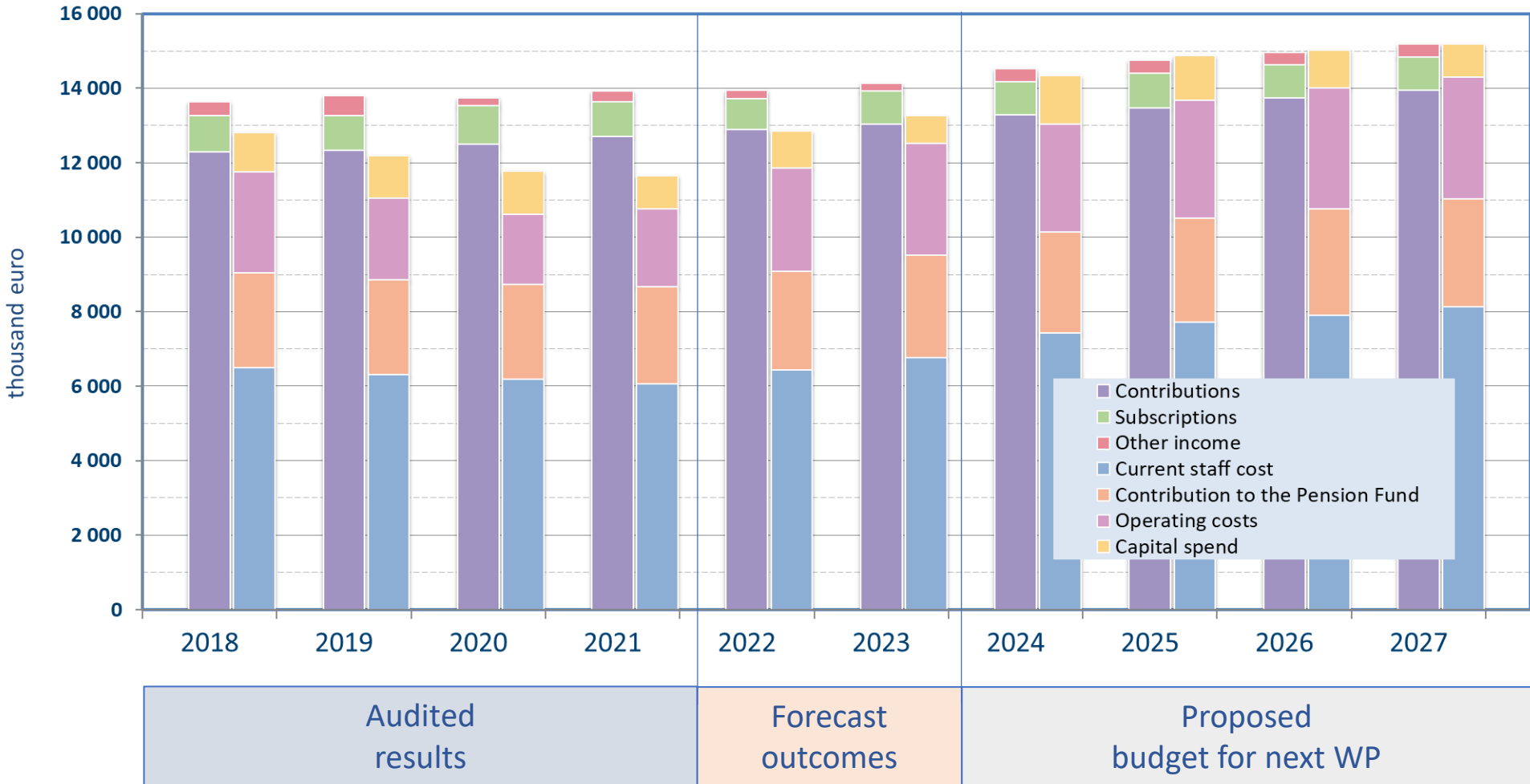
– the number of staff in 2027 will be the same as in 2023.

Financial “stress tests” of our model



The differences are all expressed with respect to the case of the “Proposed Dotation”.
The number of FTE are for each year of the 4-year programme.

Long-term performance and projection





**For all financial
information
please consult ...**

Thank you

Bureau
International des
Poids et
Mesures

Document de travail de la CGPM

Octobre 2022

CGPM Working Document

October 2022

 **CGPM**