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MANDATE OF THE EXTERNAL AUDITOR OF WOAAH

1. Article 12 of the Financial Regulations of the World Organisation for Animal Health (WOAH) states that *“the External Auditor shall, in particular, perform all the necessary tests and procedures on accounting documents and at the headquarters of the Office, to enable him to certify that:*
 - *the management account submitted to him by the Director General is correct and in accordance with the books and the accounting documents of the Organisation;*
 - *the financial transactions evidenced by these documents have been carried out in accordance with the relevant provisions and that the budgetary amounts have been adhered to;*
 - *the amounts and cash deposited and held in the petty cash correspond to the amounts indicated on the statements received from the depositaries;*
 - *the accounting records concerning movable goods and equipment are in accordance with the lists of such goods and equipment”.*
2. On this basis, the External Auditor audited the accounts of WOAAH in April 2026.

I. WOAAH'S FINANCIAL STATEMENTS

General Account and Special Accounts

3. WOAAH has a “*general account*” and various “*special accounts*”:
 - The “*general account*” is the operating account for WOAAH Headquarters, as defined in Article 7 of the Financial Regulations: “*A general account shall be established in which expenses of the Office shall be recorded. Annual contributions of Member Countries, miscellaneous income and subsidies, donations and legacies, the purpose of which has not been defined, shall be credited to this general account.*”
 - “*Special accounts*” are provided for in Article 7 of the Financial Regulations: “*the Director General may set up deposit funds and special accounts. He shall clearly define the object and conditions for creating each deposit fund and special account*”.
4. The special accounts open in the accounts of WOAAH in 2025 totalled 13 for the Regional Representations (RR) and Sub-Regional Representations (SRR) and one for the Headquarters (the World Animal Health and Welfare Fund). Furthermore, the WOAAH Autonomous Old-Age Pension Fund and the Joint Old-Age Allowance Fund for the staff of Regional and Sub-Regional Representations, which was instituted in June 2015, each has its own separate account.
5. Under the terms of Article 11 of the Financial Regulations of WOAAH: “*The Director General shall have the necessary accounts kept and shall prepare annual accounts showing, for the financial year to which they apply: income and expenses for all funds; the use of available credits; the financial situation, namely: the situation of stocks and shares and investments, the situation of liquid assets and the situation of outstanding amounts receivable, the situation of outstanding amounts payable; the situation of fixed assets.*”.

External audit of WOAAH's financial statements

6. The financial statements of WOAAH, prepared by WOAAH with the help of a chartered accountant, undergo various audits, both regulatory and under contract, as follows:
 - The Financial Regulations of WOAAH provide for the intervention of two “*Auditors*”, Delegates of Members who are members of the Council and are nominated for this purpose by the World Assembly.
 - The Financial Regulations also provide for the accounts to be certified as correct, regular and fair by the External Auditor, nominated by the World Assembly, and that they give a fair presentation of the result of the transactions of the previous financial year and of the financial position and assets of WOAAH.
7. Within this framework, the financial statements for Financial Year 2025 were prepared by the Organisation and the chartered accountant and have been certified and audited by the External Auditor.

WOAH's financial statements submitted to the World Assembly for approval

8. The accounts submitted to the World Assembly are contained in the “*financial report*” (document 93GS/Fin-01).
9. WOAAH has adopted a new presentation for the financial statements, in accordance with the recommendation made in the report on the accounts for 2010, which proposed improvements based on the best practices in use in intergovernmental bodies and international public sector accounting standards, with the aim of providing WOAAH Members with more extensive, relevant and useful financial information for assessing the management of the Organisation.

10. The financial statements presented to the World Assembly now comprise the full set of financial statements prescribed by the international public sector accounting standards (IPSAS):
 - a statement of financial performance, or income statement
 - a statement of financial position, or balance sheet
 - a cash flow statement
 - a statement of changes in net assets
 - explanatory notes
 - a statement of budget implementation for the financial statements recording the operations of the Regular Budget (the other operations not being covered by a budget voted by the World Assembly and therefore not recorded in a budget implementation statement).
11. In line with the recommendations made in previous years, the “*presentation report on the financial statements*”, which previously focused on commenting solely on the implementation of the Regular Budget, has been extended to include all WOH’s transactions and significantly enhanced to improve information provided to Members. This presentation is structured around WOH’s three main accounting and financial groups: the Regular Budget, the Regional and Sub-Regional Representations and the World Animal Health and Welfare Fund, hereafter referred to as the World Fund. It also covers the two pension funds, whose accounts are not included within WOH’s consolidation scope.
12. The presentation report provides a comprehensive financial analysis of WOH and the financial and accounting interactions between the three groups of which it is comprised. The External Auditor is responsible for ascertaining that the data commented on in the Organisation’s presentation report are consistent with the data in the audited financial statements.
13. The presentation report provides information on the interactions between the different activities of WOH and sets out the risks and uncertainties to which WOH is exposed and the strategy adopted to deal with these risks. Since 2018, it has included a presentation of the WAHIS project, in view of the significant impact that the implementation of this project has had on WOH’s budget, with expenses covered by the subsidies received for the project and by the World Fund, while maintenance costs are borne by the Regular Budget. At the end of 2025, the current version of WAHIS is operational and the initial development phase has been completed. Expenditure now relates solely to its maintenance and code cleaning.

II. REGURAL BUDGET AND TRANSACTIONS OF THE HEADQUARTERS

14. The observations below chiefly concern the evolution of resources and expenses, notably with regard to staffing, adherence to the voted budget, internal control and accounting.
15. The WOAHA Regular Budget integrates all transactions relating to Headquarters. The Reserve Fund, previously recorded in a special account, was integrated into the Regular Budget in 2016 as recommended by the External Auditor.

Statutory Contributions

16. Statutory contributions were raised by 6.9% in 2025, in line with the resolution of May 2018, which provides for the annual consumer price index ("OECD Total" CPI) of the Organisation for Economic Co-operation and Development (OECD) for the previous year to be taken into account when calculating the financial contributions of WOAHA Members for the following year. This resolution helps protect the Organisation against inflation.
17. With effect from 2019, the share of statutory contributions allocated until 2018 to the Regional and Sub-Regional Representations has been allocated as income to the Regular Budget, which then pays a subsidy to each of them, equivalent to the amount called for. This accounting change has had no impact on the consolidated accounts of the Organisation.
18. In 2025, the rate of recovery of statutory contributions allocated to the Regular Budget was at a very satisfactory level, comparable to previous years: 84%, compared to 85% in 2024, 84% in 2023 and 82% in 2022. An amount of € 13.27 M was thus collected out of the total amount called for the Regular Budget¹, excluding Category A, which amounted to € 15.88 M.
19. Arrears of statutory contributions for the Regular Budget totalled € 9,787 K at 31 December 2025, compared to € 8,755 K at 31 December 2024 and € 7,565 K at 31 December 2023. They have increased by 29% since 2023.
20. Arrears relating solely to Financial Year 2025 totalled € 2,611 K, compared to € 2,290 K in 2024 and € 1,469 K in 2023, representing an increase of 78% over three years.
21. As at 31 December 2025, 70 Members out of 183 have not paid their contribution for Financial Year 2025. The unpaid contributions of 13 of these Members, belonging to categories 3, 4 and 5, amounted to € 1.13 M, representing 43% of the total unpaid contributions for Financial Year 2025, which stood at € 2.61 M at 31 December 2025.
22. In application of the regulations of the Organisation, contributions outstanding for more than two years, the current year included, are fully depreciated. Depreciated contributions thus totalled € 5,436 K, compared to € 4,841 K at 31 December 2024 and € 4,174 K at 31 December 2023. This represents an increase of 30% since 2023.
23. At 31 December 2025, 43 Members had contributions arrears dating back more than two years. In 2025, the 10-year prescription concerned the contributions of 17 Members for a total of € 195 K, compared to 13 Members for a total of € 169 K in 2024 and 12 Members for a total of € 124 K in 2023. These 17 Members had 10 years of arrears at 31 December 2025. Their depreciated contributions represented a total of € 3,456 K, i.e. 64% of all depreciated arrears (€ 5,436 K).
24. **Observation:** *Members accounting for the bulk of arrears should be the focus of specific efforts under the arrears recovery plan implemented by the Organisation since 2025.*
25. The recovery rate for contributions actually received in 2025, including arrears from previous financial years, remained satisfactory. It reached 91%, as in 2024, compared to 96% in 2023.

¹ and the Regional and Sub-Regional Representations

26. In 2025, three Members contributed in extraordinary category A, as in 2024, for an additional amount of € 872 K above the level of their statutory contribution.
27. The Organisation has initiated a reflection on the modalities for financing the Regular Budget, with a view to increasing its stable resources in line with the growth of its activities and reducing financial risk. At present, Members choose the contribution category they will pay each year, independently of their actual capacity to contribute.
28. **Observation:** *An examination of the distribution of Members across the different contribution levels shows a discrepancy between the contributive capacity of certain Members and the category to which they belong. The use of indicators such as total GDP or GDP per capita, as applied in other international organisations, could be considered. This would lead to reclassifying several Members currently in categories 4, 5 or even 6 into categories 1 and 2, thereby generating significant additional resources for WOAHA without modifying the level of each category.*

Adherence to the voted appropriations

29. For the Regular Budget, annual budget estimates are prepared by the Director General and approved by WOAHA's governing bodies in accordance with the procedures laid down in the Financial Regulations. These Regulations state, in Article 4, that in voting the funds for the subsequent financial year, the Committee (now called the World Assembly) shall authorise the Director General to incur expenditure and make payments with the purpose and within the limits of the voted funds. Article 4.2. provides for the possibility of transferring funds between budget chapters within a 6% limit of the total budget. However, no provision is made for the possibility of derogating from the ceiling of voted funds. Furthermore, under the terms of Article 12 of the Financial Regulations of WOAHA, the External Auditor must certify that *"the budgetary amounts have been adhered to"*. A new budgetary structure was put in place in 2022 with chapters by purpose of expenditure.
30. The provisional budget approved by the World Assembly in May 2025 was respected, in accordance with the Financial Regulations.
31. Expenditure amounted to € 20,581 K, compared to the budgeted € 21,171 K, representing an implementation rate of 97.2% (as opposed to 101.4% in 2024, 99.4% in 2023 and 96.5% in 2022).
32. Actual expenditure under the budget remained under control, with an increase of 1.8% compared to 2024.
33. Budget forecasts included an allocation of € 2,138 K for the WAHIS project financed through voluntary contributions from donors. Expenditure for WAHIS was reduced to € 386 K, as the Organisation chose to focus on code cleaning to improve system reliability rather than developing additional modules for the platform.
34. Within the budget, several chapters were under-implemented, while the chapter relating to the Regional and Sub-Regional Representations amounted to € 2,379 K, an increase of € 435 K (+22%) compared to the voted budget. The same situation had occurred in 2024 (+ € 378 K, +23%).
35. Income, at € 20,799 K, was slightly below forecasts (€ 21,171 K, i.e. -1.8%) but higher than income recorded in 2024 (€ 20,437 K, i.e. +1.8%).

Other resources

36. In addition to statutory contributions, the overheads paid by the World Fund constitute the main source of income for the Regular Budget. They were close to forecasts at € 1,842 K. They were slightly lower than income recorded in 2024 (€ 1,934 K).

37. Overheads are calculated on the basis of actual expenditure incurred by the World Fund on projects financed by donors. Each project includes an overhead rate, depending on the contractual provisions agreed with each donor. Most donors authorise a rate of 7%, others accept up to 25%, and some older project contracts provide for rates of 0%. In total, 73% of projects have rates below 10% (including 58 at 7% and 25 at 0%), while 20% have rates equal to or above 10%. The average rate in 2025 was 8.13%. This rate should increase mechanically as programmes with a 0% overhead rate come to an end. The Organisation makes its best efforts to negotiate higher rates that allow it to cover the costs borne by the Regular Budget for project management.
38. **Observation:** *Increasing the overhead rates for new projects, which depends on negotiations with donors, represents a potential lever for increasing the Organisation's income.*
39. The calculation of overheads is based on the transmission of accounting information from the World Fund and the Regional and Sub-Regional Representations regarding expenditure and the validation of its eligibility. Due to procedural timelines and the need to ensure the reliability of information transmitted to donors, overheads are not calculated on the basis of expenditure as at 31 December, but as at 30 September, with an even longer delay for World Fund expenditure implemented by the Representations.
40. **Observation:** *The Organisation could consider ways to accelerate the process of transmitting and validating expenditure, so that overheads can be calculated as at 31 December. This would allow income to be recognised in the financial year concerned, in line with accrual accounting. Moreover, calculating overheads on the basis of expenditure for the current financial year would result in recognising exceptional income in the year of implementation.*

Staff expenses

41. As at 31 December 2025, Headquarters had 183 staff members, including 109 funded by the Regular Budget, 61 funded by the World Fund, and 13 seconded by Members. Headquarters accounted for 65% of WOAHA staff.
42. Staff expenses under the Regular Budget amounted to € 10,460 K in 2025, compared to € 10,058 K in 2024 (+4%). They cover part of the Headquarters workforce (109 staff members).

Results for the Headquarters

43. WOAHA has applied accrual accounting for the whole of the Headquarters' budget since 2023.
44. Income under the implemented Regular Budget increased between 2024 and 2025 (+ € 362 K, i.e. + 1.8%), while expenditure increased by € 372 K over the same period.
45. The Regular Budget showed a surplus of € 218 K, compared to € 228 K in 2024.

Reserve Fund

46. Under the terms of Article 12 of the Organic Statutes of WOAHA, and as stated in the Financial Regulations: *"A sum to be allocated to a Reserve Fund shall be withheld from annual income. The total of this fund shall not exceed the total annual budget. The Reserve Fund is intended to guarantee the continued operation of the Office in exceptional circumstances. Except in cases of force majeure, the Director General shall obtain the prior authorisation of the President of the World Assembly before withdrawing amounts from this Fund. They shall subsequently report on the use of this Fund to the Council and the World Assembly [...]".*
47. The level of the Reserve Fund amounted to € 3,484 K at 31 December 2025, following an allocation of € 200 K in 2025 from the 2024 results.
48. The level of reserves represents 2.32 months of 2025 operating expenses (considered as operating charges, excluding depreciation, provisions and WAHIS project expenditure). This level remains below the recommended threshold of 35%, or four months, of operating expenses.
49. WOAHA proposes to allocate € 218 K, the surplus for Financial Year 2025, to the Reserve Fund.

50. **Observation:** *Strengthening the Reserve Fund is necessary to reach at least four months of operating capacity.*

Internal control

51. WOAHA has established an internal control system aimed at identifying risks of all kinds and implementing appropriate procedures to mitigate them. A unit reporting to the Director General is responsible for identifying risks, alerting the Generale Directorate and the Audit Committee, and steering action plans to address them. A committee meets periodically under the authority of the Director General to update the risk map and determine, for each risk, action plans under the responsibility of the relevant Heads of Departments.
52. Significant progress has been made in risk management since 2022. The Financial Policy Framework has made it possible to update or establish rules and procedures relating to commitment, authorisation and payment processes, bank account management, procurement and calls for tender, project management, the use of consultants, twinning arrangements, missions, and more.
53. The implementation of the P2P budget tool since early 2024 enables budget appropriations to be delegated to services at the beginning of the financial year and allows monitoring of their execution in compliance with the allocated budget envelopes and the rules governing commitment, authorisation and payment. It provides better expenditure control and analytical monitoring while reducing the risk of error.
54. The decentralisation of the new budget tool is being piloted in certain Regional and Sub-Regional Representations. The objective is to give them visibility over the execution of their budget and ongoing projects in their region, thereby increasing their responsibility and autonomy.
55. The December 2025 Audit Committee continued the inventory of procedures existing in the Organisation's various departments and the definition of procedures in areas where none currently exist.
56. In the area of human resources, the Organisation launched the project to implement a Human Resources Information System (HRIS) at the end of 2025, after several postponements. It is currently in the process of selecting IT service providers on the basis of functional and technical specifications. Implementing such a system is necessary for an organisation of this size and complexity. In the area of human resources, the establishment of procedures remains incomplete.
57. **Observation:** *The HRIS project must be accompanied, simultaneously and as a priority, by the description or updating of procedures covering the human resources domain, and by mechanisms to verify their effective implementation to ensure the reliability of key processes (payroll, recruitment, leave, career progression, etc.). These procedures should prevent incidents such as the limited number observed in staff management.*

Cash handling

58. Cash handling has long been identified as an area of risk (fraud, theft, etc.). WOAHA has significantly reduced its cash expenditure since 2019. At Headquarters, cash payments amounted to € 136 K in 2025, including € 54 K in advances to the Regional and Sub-Regional Representations, compared to € 165 K in 2024.
59. For Regional and Sub-Regional Representations, local conditions, such as very high inflation, may justify prioritising cash transactions.
60. **Observation:** *Their sharp increase in recent years must be better controlled. Cash expenditure amounted to € 1,147 K in 2025, compared to € 833 K in 2024 and € 645 K in 2023 (+78% since 2023). Two Representations are primarily concerned, for different reasons: Bamako (€ 621 K compared to € 498 K in 2024), where cash is used to finance seminar and conference expenses; and Buenos Aires (€ 249 K compared to € 144 K in 2024), where cash is used to finance salaries.*

Procurement

61. In recent years, WOAAH has established and strengthened procurement procedures to ensure competitive tendering, enabling the Organisation to compare suppliers and select service providers offering the best value while effectively meeting its needs.
62. Competitive tendering modalities vary depending on the amount and nature of the procurement (services or works). They involve both the services expressing the need and those responsible for managing the tendering process.
63. The number of procedures to be followed is significant, given the low thresholds triggering competitive tendering. This generates a workload for the concerned departments, which in some cases may lead to postponing major procurement processes.
64. A procedure exists allowing the Director General to authorise derogations, providing flexibility in the application of the rules. It is used mainly for low-value services.
65. **Observation:** *The thresholds for formal competitive tendering, which are currently low and result in a high number of procedures, should be reviewed. Doubling the minimum threshold to € 60 K could be considered.*
66. Regarding the WAHIS contract, which was initially awarded without competitive tendering, WOAAH has launched several calls for tender that have resulted in improved conditions. The specifications have been strengthened to better engage the responsibility, including financial liability, of underperforming service providers. These developments form part of a broader effort to reinforce the Organisation's IT function.

Accounting

67. Article 10-1-c of the Financial Regulations states that the Director General appoints WOAAH staff members authorised, under her responsibility, to receive funds, commit expenditure and make payments. Article 57-2 of the Financial Policy Framework² and Decision 25-16 of the Director General, Article 1, specify that the principle of dual signature is mandatory for the settlement of expenditure after verification of services rendered or on the basis of supporting documents.
68. The dual-signature principle is also applied at Headquarters for the operation of the Organisation's bank accounts.
69. **Observation:** *Only one error was identified: the continued presence on one bank's signature register of a staff member who had left the Organisation. Signature lists must be updated periodically.*
70. The dual-signature principle is not applied to bank accounts opened by Regional and Sub-Regional Representations in local banks, due to the small size of some of these offices.
71. Due to the lack of timely responses from certain local banks used by the Regional and Sub-Regional Representations, the list of authorised signatories for these accounts could not be verified.
72. **Observation:** *For high-value transactions and sensitive operations, it would be advisable to introduce a dual-signature requirement for bank account operations within the Regional and Sub-Regional Representations.*
73. Average supplier payment times decreased from 38 days in 2024 to 34 days in 2025, despite a significant increase in activity. The volume of accounting entries rose from 62,000 in 2024 to 75,000 in 2025 (+22%). WOAAH invoices must be paid within 45 days of receipt, after verification of services rendered. In 2025, invoices paid beyond 45 days represented 21.3% of all invoices, compared to 26.7% in 2024. These delays may result in late-payment interest for the Organisation.
74. **Observation:** *The Organisation should continue its efforts to reduce payment times and aim to remain within the 45-day regulatory limit.*

² Double signature of a payment shall be mandatory to pay the expense. Only Staff Members identified in the Director General's Decision Payment of Expenses shall be responsible for paying an expense.

75. Physical inventories are properly maintained by the Organisation. WOH rules set a € 500 threshold for the capitalisation of equipment purchases, software, etc., which results in a substantial accounting workload.
76. **Observation:** *This threshold could be raised, for example to € 2,000, which would reduce the workload of the Accounting Department and allow them to focus on other priorities (reducing payment delays, implementing the P2P budget tool, etc.).*

Risks related to contributors

77. Despite the international geopolitical and financial context of 2024, WOH was not affected in 2025 by the decline in contributions experienced by other international organisations, which reflects its credibility.

III. SPECIAL ACCOUNTS

Overview

78. The 14 special accounts open in 2025 in the accounts of WOH were the 13 accounts of Regional and Sub-Regional Representations and the accounts relating to the World Fund.

Regional and Sub-Regional Representations

79. In 2025, WOH had five Regional Representations and eight Sub-Regional Representations.
80. Under the resolution adopted by the World Assembly in May 2006, a portion of the statutory contributions paid by Members, those belonging to their geographical region, is allocated to the Regional Representations. This share amounts to 8.33%. In 2025, € 1,324 K of statutory contributions were thus allocated to the Regional and Sub-Regional Representations.
81. In 2025 as in 2024, statutory contributions were called and recorded directly under the Regular Budget, which subsequently transferred to the Representations the amounts due to them.
82. Depending on the region, contributing Members may belong to lower contribution categories, which reduces the resources available to the Representations. In addition, some Members experience delays in paying their contributions.
83. Depending on the host country agreements, part or all of the Representation's operating costs may be covered by the host country.
84. **Observation:** *In one case, the host country does not pay the specific financial contribution provided for in the host country agreement with WOH. In others, these contributions are paid late. In another case, the Representation is mainly financed, through the World Fund, by a single donor whose programme ends in 2025, raising questions about its continued operation. The Organisation must ensure compliance with host country agreements, particularly regarding the financial commitments undertaken by the Members concerned.*
85. The situation of the Regional and Sub-Regional Representations depends, in addition to contributions from Members in the region, on activity flows and, in particular, on projects implemented through the World Fund, which themselves depend on donor requests.
86. In 2025, as in previous years, WOH provided exceptional support to certain Representations, notably to compensate for unpaid statutory contributions theoretically allocated to them. These amounted to € 880 K in 2025, charged to the Regular Budget, compared to € 421 K in 2024 (+109%) and € 300 K in 2023 (+193%).
87. As a result, the Regular Budget holds operational receivables from the Representations, linked to cumulative advances made to compensate for lower contributions in certain regions. These receivables amounted to € 2,889 K at 31 December 2025, including € 2,332 K for the Regional Representation for Africa (compared to € 1,954 K in 2024, +19%), € 315 K for the Regional

Representation for the Middle East (compared to € 237 K in 2024), and € 197 K for the Sub-Regional Representation for Central America and the Caribbean (compared to € 0 in 2024).

88. Prospects for clearing the debts of the concerned Regional and Sub-Regional Representations appear very limited, as the Members in arrears are the same as those for the Regular Budget. The Regular Budget will therefore ultimately have to recognise losses.
89. **Observation:** *Exceptional support provided by the Regular Budget increases its expenditure accordingly and reduces its surplus. This situation calls for reflection on improving the financing of the Regional and Sub-Regional Representations.*
90. WOAHA is implementing a programme to reduce risks for the Regional and Sub-Regional Representations arising from the difficult situation in certain countries, which could, in some cases, lead to reconsidering their geographical distribution.
91. **Observation:** *In this context, and with the aim of managing the financial risk associated with the recurring deficits of certain Regional and Sub-Regional Representations, the Organisation could consider relocating some of them to new geographical locations. In doing so, it could prioritise Members whose contributions are stable and who are likely to offer more favourable operating conditions for the Regional and Sub-Regional Representations.*
92. Some Representations hold receivables from the Regular Budget, notably due to delays in the transfer of statutory and voluntary contributions, and in some cases because funds received for projects have not yet been used. These receivables amounted to € 4,194 K at 31 December 2025, including € 2,836 K (68%) for the Regional Representation for Europe in Moscow, € 246 K for the Regional Representation for Asia and the Pacific, € 170 K for the Sub-Regional Representation for Central Asia, and € 766 K for the Regional Representation for the Americas. The Representation in Moscow holds by far the largest receivable: funds transferred by the country cannot be used due to the geopolitical situation and are therefore placed in financial investments by Headquarters.
93. The Regional and Sub-Regional Representations employed 98 staff members in 2025 (+6 compared to 2024). Of these, 35 (-11) were funded by the Regular Budget or voluntary contributions from host countries, 55 (+15) were funded by the World Fund, and 8 (+2) were seconded by Members.
94. **Observation:** *Most Regional and Sub-Regional Representations staff are now funded by the World Fund. World Fund financing depends on the number of projects in a given region, which introduces uncertainty regarding the sustainability of staffing levels in the Representations.*

World Animal Health and Welfare Fund

95. Resolution XVII adopted by the World Assembly in May 2004 established the objectives and mechanisms of the World Animal Health and Welfare Fund (hereinafter "World Fund"). Since May 2011, following a vote of the World Assembly of Delegates, its legal basis has been incorporated into WOAHA's Basic Texts. The World Fund is managed by the Director General of WOAHA, assisted by a Management Committee chaired by the President of the World Assembly, and by an Advisory Committee. Administrative and financial management is carried out, under the supervision of the Director General as delegated authorising officer, by the Engagement and Investment Department, with staff from the Accounting Unit fully dedicated to maintaining the World Fund accounts.
96. Since Financial Year 2013, the World Fund accounts have been presented on an accrual accounting basis rather than a cash basis, in line with international standards.
97. Total assets amounted to € 103,064 K at 31 December 2025, compared to € 123,610 K in 2024 (-17%). Receivables from donors relating to contributions still to be received under signed contracts decreased in 2025 (€ 53,008 K compared to € 66,311 K in 2024). This decrease reflects a high level of implementation and therefore expenditure by the World Fund.
98. Investments and cash balances remained stable (€ 49,609 K compared to € 56,769 K in 2024). Cash balances amounted to € 32,434 K at 31 December 2025. Investments totalled € 17,175 K (compared to € 8,793 K in 2024).

99. **Observation:** *A more consistent investment policy should be implemented for the World Fund. Reliable forecasts of cash flow evolution, based on expected income and expenditure, would allow better assessment of the amounts that can be invested, the appropriate investment durations, and the most suitable instruments (flexible but lower-yield term accounts, or longer-term and higher-yield bonds). The Organisation launched a competitive process among several financial institutions on this matter in 2026.*
100. Liabilities consist mainly of deferred income, representing donor-allocated funds under the World Fund that had not yet been committed as at 31 December 2025 (€ 90,636 K compared to € 112,024 K in 2024). The high level of deferred income ensures several years of activity for the World Fund at the current rate of expenditure commitments.
101. The statement of financial performance presents the income and expenditure of the World Fund. Income consists mainly of grants recognised under signed contracts for Financial Year 2025, amounting to € 30,255 K compared to € 21,801 K in 2024 (+38.8%). These grants are called to cover expenditure incurred during the year on donor-funded programmes.
102. Operating expenditure amounted to € 30,478 K, up from € 23,470 K in 2024, reflecting a significant increase in World Fund implementation compared to the previous year.
103. Overheads charged to project budgets in accordance with donor contracts are recorded as operating income under WOAHA's Regular Budget to cover the costs, excluding the coordination team, borne by the Organisation for project management.
104. In 2025, overheads were calculated on the basis of funds actually disbursed by the World Fund, in accordance with WOAHA rules. They amounted to € 1,842 K, compared to € 1,934 K in 2024. This amount reflects two factors: expenditure incurred by the World Fund per project, the overhead rate accepted by each donor for the projects entrusted to the World Fund. Overheads are estimated with a time lag (see paragraph 40).
105. By convention, the World Fund's result is always zero, as its activities must not have any impact on the Regular Budget.

IV. AUTONOMOUS OLD-AGE PENSION FUND

106. The assets of the Autonomous Old-Age Pension Fund must cover long-term retirement commitments.
107. This scheme is a supplementary pension scheme to the basic pension scheme for private-sector employees in France. Pensions paid by WOAHA are reduced by the rights acquired under this basic scheme. The inequity of this system has been noted, as foreign staff members and French staff members not covered by the private-sector basic scheme receive a full WOAHA pension without reduction. WOAHA management has initiated a reflection to address this situation.
108. **Observation:** *Corrective measures should not jeopardise the financial balance of the scheme.*
109. Net assets amounted to € 21,544 K in 2025, compared to € 20,121 K in 2024.
110. Operating expenses related to pension payments increased in 2025 (€ 1,108 K compared to € 812 K in 2024) but remained below the amount of contributions received (€ 2,019 K, including € 1,956 K from WOAHA). Pensions were paid in 2025 to 34 retired staff members for a total of € 830 K. Staff members leaving WOAHA before retirement are entitled to a partial reimbursement of contributions (€ 278 K in 2025).
111. The balance of financial activities was positive (€ 574 K) and reflects unrealised gains on the Fund's investments.
112. The balance for the Financial Year amounted to € 1,427 K, compared to € 1,650 K in 2024.

113. Cash balances are expected to continue increasing for several years, until pension payments exceed contributions. These balances are invested by the Organisation. Investments amounted to € 20,425 K at 31 December 2025, compared to € 11,640 K in 2024. At the end of 2025, a large share consisted of short-term deposits or savings accounts with maturities under one year (€ 11,989 K) offering low returns. In addition, part of the cash was not invested for part of 2025, resulting in a loss of financial income.
114. **Observation:** *The high and structurally positive cash balance should be fully invested. This situation calls for prioritising medium-term, higher-yield investments for the pension fund.*

V. JOINT OLD-AGE ALLOWANCE FUND FOR THE STAFF OF WOAHA REGIONAL AND SUB-REGIONAL REPRESENTATIONS AND OFFICES

115. This scheme covers staff of WOAHA Regional Representations, Sub-Regional Representations and Offices who do not benefit from any other pension scheme during their employment with WOAHA. It fulfils a long-standing commitment of the Organisation.
116. The scheme has been in place since June 2015. 31 staff members were affiliated as at 31 December 2025.
117. In 2025, operating income (€ 270 K) consisted of staff contributions (€ 63 K) and a WOAHA contribution (€ 207 K). Expenditure consisted mainly of contribution reimbursements (€ 82 K). The surplus for the year amounted to € 210 K.
118. Net assets amounted to € 1,877 K, compared to € 1,667 K in 2024.
119. **Observation:** *As with the Autonomous Old-Age Pension Fund, the high and stable cash balance justifies a longer-term, higher-yield investment strategy.*

VI. CONSOLIDATED WOAHA DATA

WOAHA's consolidated financial statements

120. The consolidated financial statements present all assets and liabilities, as well as all income and expenditure of WOAHA (excluding the autonomous pension schemes, which are separate entities). WOAHA has applied accrual accounting since the 2013 financial statements.

WOAHA's net assets: statement of financial position at 31 December 2025

121. Total assets amounted to € 125,084 K at 31 December 2025, compared to € 146,726 K in 2024 and € 127,487 K in 2023. Liabilities amounted to € 108,974 K, compared to € 131,898 K in 2024 and € 114,062 K in 2023.
122. The balance of € 16,110 K, compared to € 14,828 K in 2024 and € 13,425 K in 2023, represents WOAHA's net assets, consisting of accumulated surpluses from previous years (€ 14,922 K) and the 2025 surplus (€ 1,188 K).
123. The main assets of WOAHA are: the building at 14 rue de Prony, purchased in 2009, recorded at a net value of € 5,264 K at end-2025 (including € 4,224 K for the building excluding land); receivables from Members for unpaid statutory contributions (€ 4,352 K, compared to € 3,759 K in 2024³); grants receivable by the World Fund under signed donor contracts (€ 54,391 K, compared to € 57,503 K in 2024); cash balances (€ 38,403 K) and short-term investments (€ 20,562 K). The need for a more active investment policy was noted earlier (see paragraph 99).

³ This amount corresponds to contributions due for Financial Years N and N-1. It should be recalled that receivables relating to Financial Years N-2 and earlier, although still legally payable, are fully impaired in the accounts.

124. WOAAH discloses in the notes the fair market value of the real estate complex at 12 & 14 rue de Prony, estimated (excluding land) using data from the Chamber of Notaries. The building at 12 rue de Prony, acquired in 1939, is not capitalised. The fair market value of both buildings was reassessed as part of a Headquarters real-estate valuation project and amounts to € 82.4 M.
125. The main liabilities are the loan contracted to finance part of the purchase of 14 rue de Prony (€ 2,457 K); statutory contributions received in advance (€ 4,638 K); donor-allocated World Fund grants not yet committed (€ 89,719 K, compared to € 109,470 K in 2024), ensuring several years of activity; other payables (€ 7,803 K).

Income statement for all WOAAH's operations in 2025

126. Consolidated operating income amounted to € 52,225 K, compared to € 42,422 K in 2024 (+23%). Operating expenditure amounted to € 50,935 K, compared to € 42,930 K in 2024 (+18.6%). These increases stem mainly from the activities of the World Fund and the Representations, in line with project implementation.

Staffing and personnel expenditure

127. As at 31 December 2025, 281 staff members worked at WOAAH, compared to 260 in 2024. In full-time equivalents, staffing reached 263.4 FTEs, compared to 252.5 FTEs in 2024 (+4.3%).
128. 183 staff members worked at Headquarters (+10) and 98 in the Regional and Sub-Regional Representations (+11). 260 staff members (+14) were paid by WOAAH, and 21 (+2) were seconded by governments.
129. In total, 144 staff members (-6) were funded by the Regular Budget and the Regional and Sub-Regional Representations, while 116 (+19) were funded by the World Fund, including 61 at Headquarters (+4).
130. **Observation:** *The number of Headquarters staff funded by the World Fund is increasing, in line with the activities carried out by Headquarters on its behalf. Close monitoring is required, as these positions rely on voluntary contributions and should not exceed the duration of the projects that finance them.*
131. Consolidated personnel expenditure increased in 2025, reaching € 20,765 K, compared to € 19,745 K in 2024 (+5.2%), due to new positions created in 2025 and the full-year effect of 2024 recruitments.
132. Personnel expenditure represents a significantly lower share of WOAAH's operating expenditure (40.7%, compared to 46% in 2024), due to the increase in World Fund expenditure.

WOAH's overall result

133. The operating balance was €1,290 K, compared to -€508 K in 2024. Financial income amounted to -€ 101 K, compared to €1,787 K in 2024. The difference reflects higher foreign-exchange losses and lower financial income, partly due to a less active investment policy than in 2024 (see paragraph 99).
134. The balance for all WOAAH's transactions was a surplus of €1,188 K, compared to €1,313 K in 2024.

VII. CONCLUSION ON WOAHS FINANCIAL STATEMENTS

135. It should be noted that up to 2012 WOAHS had used a cash-based accounting system, recording income in the accounts when it was received and, symmetrically, recording expenses when the corresponding amounts were disbursed, with the notable exception of contributions paid in advance, which were not recorded in the accounts as income for the financial year. The report on the accounts for 2006 noted that exceptions to the principle of cash-based accounting had tended to increase, both for income and expenses. It was recommended that *“the accounting principle adopted by WOAHS be consistently applied so as not to distort the accounts and in order to maintain internal consistency. Eventually, as suggested in the report on the accounts for 2003, it would be appropriate to consider changing over to an accrual-based accounting system, as adopted by WOAHS’s principal donor institutions”*. WOAHS presented the accounts for 2013 on an accrual basis for the Regular Budget and all of the special accounts.
136. WOAHS has incorporated the recommendations made in previous reports for the financial statements to be presented in three groups: Headquarters, Regional and Sub-Regional Representations, World Fund.
- The accounts of the World Fund are now presented on an accrual basis.
 - The accounts of the two supplementary pension funds include the same financial statements as the other budgets, as recommended.
 - The financial statements provide helpful, precise, good quality information.

VIII. ACTION TAKEN ON OBSERVATIONS MADE IN PREVIOUS REPORTS

137. Observations made in previous reports that still appeared to be at least partially valid in April 2026 are reviewed hereafter.

Observations made in the report on the accounts for 2024

138. **Observation:** *The Organisation has needed to implement a Human Resources Information System (HRIS) for several years in order to have an efficient tool for human resources management. The launch of this project was postponed due to the time required to recover data and formalise HR procedures. It is important to relaunch it so that WOAAH can benefit from a management system comparable to that of other organisations of similar size and complexity.*
139. As stipulated in Article 12 of the Headquarters Agreement, WOAAH staff members are exempt from all taxes on the salaries and emoluments paid for their work at the Organisation, with the exception of pensions and retirement or survivor annuities.
140. **Observation:** *The Organisation must inform retirees each year by providing a statement of the amounts paid to them, enabling those who are fiscally liable in the host country to complete their tax declarations.*

Risks related to statutory contributions

141. Due to the international situation in 2024, WOAAH, like other international organisations, faces risks related to its statutory contributions.
142. **Observation:** *The Organisation should assess precisely the risks associated with the commitments of the Members concerned, the impact on WOAAH's resources, and the identification of potential substitute contributors.*

Observations made in the report on the accounts for 2023

Pension Fund

143. As recommended, an actuarial study was carried out. In particular, it confirmed some of the points already raised in observations, and especially the inequity of the existing system which favours staff members not affiliated to the French general pension scheme for salaried workers (CNAV), principally staff members who are not French nationals and French civil servants. The latter benefit from a pension from the Organisation that can reach up to 80% of their salary in addition to the pensions from their countries whereas staff members affiliated to CNAV, with an equivalent salary and length of service, receive only the difference between this amount and their pension in the French scheme. This second category represents approximately 24% of Headquarters' staff.
144. The study questions the sustainability of the scheme beyond a period of 55 years, which remains a distant prospect.
145. **Observation:** *The Organisation should review its pension scheme for Headquarters' staff, which appears to be inequitable for certain categories of staff, namely those affiliated to CNAV, care being taken to ensure equal treatment for all staff members, according to their length of service at WOAAH, and the long term financial sustainability of the scheme.*

Observations made in the report on the accounts for 2022

146. **Observation:** *It would be appropriate to bring the Reserve Fund progressively back to the recommended level of 35%.*

WAHIS

147. **Observation:** *The risks associated with this type of project imply that the Organisation should put in place an appropriate project management organisation. The difficulties encountered right from the start of the project (difficulties with the first service provider and high transaction costs; recourse to a service provider to take over, without a call for tenders; successive contract amendments; reduction in the scope of the expected services, despite the provider's commitments; absence of any penalty clause enabling the delays and shortcomings of the provider to be penalised; etc.) – or indeed, the abandoning of the HRIS project – show that the steering of IT projects needs to be considerably strengthened at WOAAH. Last year it had been recommended to put in place experienced project managers capable of directing large-scale, complex projects, such as the HRIS and WAHIS, and entirely dedicated to them. In the context, this recommendation is repeated.*
148. The Organisation has postponed the setting up of a human resources information system (HRIS), launched in 2021.
149. **Observation:** *In a context of strong growth in staff numbers in recent years, controlling risks in the field of staff management is a priority, including recruitment procedures, career management, performance assessment, remuneration, career end and retirement. It requires the establishment of standardised and efficient RH procedures and the establishment of an HRIS adapted to the scale and the challenges of WOAAH and to the expectations of its contributors.*

Observations made in the report on the accounts for 2020

150. **Observation:** *In accordance with a previous recommendation, WOAAH should take the opportunity provided by the work on the new Strategic Plan to put in place a classification table of posts, which would make it possible to determine, based on objective criteria (duties, country of residence, competencies, level of experience and qualifications, etc.), the salaries and career profiles of its staff. Furthermore, in line with its Seventh Strategic Plan, WOAAH should put in place a target organisational structure. The strengthening of the HR Unit should enable it to carry out its priority projects.*
151. **Observation:** *The Organisation's appropriation of internal control would be facilitated by designating staff within each of the Organisation's directorates and departments to be responsible for the implementation of priority actions.*
152. In accordance with a recommendation, harmonisation of the procedures in force at Headquarters and in the Regional and Sub-Regional Representations had been acknowledged as one of the internal control priorities for the period 2017–2019. In 2019, audits of Regional Representations were carried out, in compliance with objectives.
153. **Observation:** *These audits of certain Regional and Sub-Regional Representations, like those of programmes and twinning projects, are intended to be carried out each year and form an integral part of the regular risk management actions.*
154. **Observation:** *The method of funding for the Regional and Sub-Regional Representations could be revised so that their funding is more closely based on the specific contributions of the States benefiting from their services. The exceptional assistance WOAAH provides each year mobilises substantial resources that could otherwise serve for the Organisation's priority projects.*
155. **Observation:** *A multiannual presentation of the World Fund budget in the SG/4 would be needed to provide greater transparency. This is envisaged within the framework of the new strategic plan. Indeed, World Fund projects are spread over several years, in terms of both resources and expenses, and in accordance with the funding granted by donors and the duration of the projects. Furthermore, the World Fund's expenses, such as staff expenses, are financed from the projects and are therefore not intended to be permanent.*

Observations made in the reports on the accounts for 2019 and 2018

156. **Observation:** *It would be appropriate to submit for approval, in an appendix to the budget, a staffing table of the Organisation, which could be revised at each budget.*

Observations made in the report on the accounts for 2017

157. **Observation:** *The question of the funding of Representations, and in particular in Africa, is a recurrent issue for WOA. In addition to the appraisal of the implementation of the Resolution of 2006 relating to the funding of the Regional and Sub-Regional Representations, the question of the control of the operating expenses of these Representations should be examined.*
158. **Observation:** *WOAH should continue the efforts being made to reduce the risks related to the handling of cash in the Representations.*

Observations made in the report on the accounts for 2016

159. If a WOA employee or former employee has entitlements with respect to other schemes, in France or abroad, these are not deducted from the level guaranteed by WOA, thus leading to the pension paid by WOA being increased by an equivalent amount. There is therefore a difference in treatment between present or former salaried staff of WOA, depending on whether or not they are affiliated to the French general pension scheme for salaried staff in the private sector (CNAVTS).
160. **Observation:** *As indicated in 2015, the procedures for calculating benefits need to be reviewed as they lead to pension differences among salaried staff of the Organisation with equivalent periods of service and position in the Organisation between those who are covered by the CNAVTS and the others. These differences may ultimately have a financial cost for the Organisation.*

Observations made in the report on the accounts for 2015

161. **Observation:** *As previously recommended, multiannual forecasts should now be included to afford greater predictability on the evolution of the Organisation's resources and expenses, especially as regards the evolving nature of World Fund activities.*
162. WOA has finalised the physical inventory of its assets. Its reconciliation with the accounting inventory needs to be carried out, in compliance with a recommendation made in 2016.

Observations made in the report on the accounts for 2014

163. **Observation:** *The credit overruns are the result of changes in activity during the year. It would be advisable to amend the Financial Regulations to take better account of management needs and, where appropriate, that they broaden the powers of the Director General to authorise limited budget overruns after having obtained the prior authorisation of WOA's restricted decision-making body, namely the Council.*

Observations made in the report on the accounts for 2012

164. The bonuses and overtime of Headquarters staff do not currently give rise to the payment of social contributions. They should, in principle, be treated in the same way as salaries.
165. **Observation:** *WOAH should check with the relevant social security bodies to determine how overtime and bonuses should be treated.*

Observations made in the report on the accounts for 2008

166. It had been suggested that the contribution in kind by some of the host countries of Representations (provision of premises, etc.) could be recognised in WOA's accounts or in the form of notes to the financial statements. WOA gave a formal undertaking to do this for Financial Year 2011.
167. **Observation:** *During the audit of the accounts for 2014 it was noted that this recommendation had been partially acted upon, WOA indicating for each Representation whether premises are provided.*

CERTIFICATION OF THE AUDIT OF THE ACCOUNTS

168. Within the limits of the audit carried out, the External Auditor certifies that:

- the financial statements for Financial Year 2025 are correct and in agreement with the books and records;
- the financial transactions recorded in these documents were carried out in accordance with the regulations and the budget;
- the securities and cash on deposit correspond to the amounts entered in the accounts, duly supported by the necessary documentary evidence.
- the accounting of movable property and equipment is consistent with the inventories.

Paris, 28 April 2026

Didier Selles
External Auditor
of the World Organisation for Animal Health

End of the Report.