



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS

92FUND/Circ.59
71FUND/Circ.88
SUPPFUND/Circ.9
21 January 2008

Joint Audit Body

The Assembly of the 1992 Fund and the Administrative Council of the 1971 Fund decided in 2001 to establish a joint Audit Body for the two Organisations. The first election of members of this Audit Body was held in October 2002.

In March 2005 the Assembly of the 1992 Fund, the Assembly of the Supplementary Fund and the Administrative Council of the 1971 Fund decided that there should be a joint Audit Body for all three Funds and that in future the members of the Audit Body should be elected by the 1992 Fund Assembly only. The composition and mandate of the Body, as decided by the governing bodies in March 2005, is set out in Annex I to this circular.

The Audit Body is composed of seven members elected by the 1992 Fund Assembly: one named Chairman nominated by 1992 Fund Member States, five named individuals nominated by 1992 Fund Member States and one named individual not related to the Organisations ('outsider') with expertise and experience in audit matters nominated by the Chairman of the 1992 Fund Assembly. Members of the Audit Body hold office for three years, once renewable.

The Assembly had decided in March 2005 that, in the event that there were less than three new nominations from 1992 Fund Member States, the requirement set out in the mandate that the term of office of three of the members of the first Audit Body elected in October 2002 was not renewable would not apply. It had also decided that if there were more than three candidates from the members at that time of the Audit Body standing for re-election, the balance of the remaining seats would be filled from among those members, based on the number of votes received. Due to the lack of new candidates in October 2005, four members of the Audit Body which had been elected in October 2002 were re-elected.

Since the mandate of the members of the Audit Body is three years, the 1992 Fund Assembly will hold elections for members of the Audit Body at its 13th session to be held during the week commencing 13 October 2008.

The composition of the Audit Body and their dates of election are set out in Annex II from which it can be seen that four members of the six nominated by Member States are not eligible for re-election.

With respect to the nomination of the 'outsider' with expertise and experience in audit matters, a proposal will be made to the governing bodies by the Chairman of the 1992 Fund Assembly in consultation with the current Chairman of the Audit Body.

Nominations of candidates for election to the Audit Body accompanied by their curriculum vitae should be submitted to the Director by Friday 16 May 2008 at the latest. Nominations can only be made by 1992 Fund Member States. Those members of the Audit Body eligible for re-election for a second term of three years also need to be nominated by a 1992 Fund Member State.

It should be noted that the members of the Audit Body shall perform their functions independently and in the interest of the Organisations as a whole and shall not receive any instructions from their Governments. It should also be noted that the working language of the Audit Body is English and no interpretation facilities or translation of documents are provided.

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ANNEX I

COMPOSITION AND MANDATE OF THE JOINT AUDIT BODY OF THE 1992 FUND, THE 1971 FUND AND THE SUPPLEMENTARY FUND

- 1 The Audit Body shall be composed of seven members elected by the 1992 Fund Assembly: one named Chairman nominated by 1992 Fund Member States, five named individuals nominated by 1992 Fund Member States and one named individual not related to the Organisations ('outsider'), with expertise and experience in audit matters nominated by the Chairman of the 1992 Fund Assembly. Nominations, accompanied by the curriculum vitae of the candidate, should be submitted to the Director at least six weeks in advance of the session at which the election will take place.
- 2 Members of the Audit Body shall hold office for three years, once renewable. Of the first Audit Body to be elected, the term of three of those elected from 1992 Fund Member States shall not be renewable.
- 3 The members of the Audit Body shall perform their functions independently and in the interest of the Organisations as a whole. The members elected from 1992 Fund Member States shall not receive any instructions from their Governments.
- 4 Travel and subsistence expenses of the six members of the Audit Body elected from 1992 Fund Member States shall be paid by the Organisations. The member not related to the Organisations ('outsider') shall be paid travel expenses and an appropriate fee.
- 5 The Audit Body shall:
 - (a) review the effectiveness of the Organisations regarding key issues of financial reporting, internal controls, operational procedures and risk management;
 - (b) promote the understanding and effectiveness of the audit function within the Organisations, and provide a forum to discuss internal control issues, operational procedures and matters raised by the external audit;
 - (c) discuss with the External Auditor the nature and scope of each forthcoming audit;
 - (d) review the Organisations' financial statements and reports;
 - (e) consider all relevant reports by the External Auditor, including reports on the Organisations' financial statements; and
 - (f) make appropriate recommendations to the governing bodies.
- 6 The Audit Body shall normally meet at least twice a year. The Chairman of the Audit Body and the External Auditor may request that additional meetings should be held. The meetings shall be convened by the Director, in consultation with the Chairman of the Audit Body.
- 7 The External Auditor, the Director and the Head of the Finance and Administration Department shall normally be present at the meetings.
- 8 The Chairman of the Audit Body shall report on its work to each regular session of the governing bodies.
- 9 Every three years the functioning of the Audit Body and its mandate shall be reviewed by the governing bodies on the basis of an evaluation report from the Chairman of the Audit Body.

ANNEX II

Composition of Audit Body
October 2002 – October 2008

<u>Audit Body Member</u>	<u>Elected October 2002</u>	<u>Elected October 2005</u>
Mr Charles Coppolani (France) (Chairman)	✓	✓
Dr Eugenio Conte (Italy)	✓	-
Mr Maurice Jaques (Canada)	✓	✓
Mr Marcel Mendim Me Nko'o (Cameroon)	-	✓
Mr Heikki Muttillainen (Finland) *	✓	-
Dr Reinhard Renger (Germany)	✓	✓
Mr Wayne Stuart (Australia)	-	✓
Professor Hisashi Tanikawa (Japan)	✓	✓
Mr Nigel Macdonald (United Kingdom) (outside expert not related to the Organisations)	✓	✓

* Did not wish to serve a second term
