



International Oil Pollution  
Compensation Funds

<b>Agenda Item 5</b>	IOPC/OCT22/5/5	
<b>Date</b>	6 September 2022	
<b>Original</b>	English	
<b>1992 Fund Assembly</b>	92A27	●
<b>1992 Fund Executive Committee</b>	92EC79	
<b>Supplementary Fund Assembly</b>	SA19	●

## REPORT OF THE JOINT AUDIT BODY

### Note by the Audit Body

<b>Summary:</b>	In accordance with its mandate, the joint Audit Body for the 1992 Fund and the Supplementary Fund shall report on its work to each regular session of the 1992 Fund Assembly and the Supplementary Fund Assembly. The joint Audit Body's report on its activities is set out in Annex I.
<b>Action to be taken:</b>	<p><u>1992 Fund Assembly and Supplementary Fund Assembly</u></p> <p>(a) Take note of the report of the Audit Body set out in Annex I and provide comments and instructions as may be warranted; and</p> <p>(b) consider the joint Audit Body's recommendation regarding the adoption of the 2021 Financial Statements (Annex I, paragraph 3.3.3).</p>

### 1 Introduction

- 1.1 Pursuant to the mandate of the joint Audit Body of the 1992 Fund and the Supplementary Fund, the Audit Body shall submit to each regular session of the governing bodies a report on its activities since the previous regular session.
- 1.2 This report is reproduced in Annex I.

### 2 Action to be taken

#### 1992 Fund Assembly and Supplementary Fund Assembly

The 1992 Fund Assembly and the Supplementary Fund Assembly are invited to:

- (a) take note of the report of the Audit Body set out in Annex I and provide comments and instructions as may be warranted; and
- (b) consider the Audit Body's recommendation regarding the adoption of the 2021 Financial Statements (Annex I, paragraph 3.3.3).

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## ANNEX I

### JOINT AUDIT BODY REPORT COVERING THE PERIOD NOVEMBER 2021 TO OCTOBER 2022

#### **1 Introduction**

- 1.1 At its December 2020 session, the 1992 Fund Assembly elected six members of the joint Audit Body nominated by Member States for a period of service of three years<sup><1></sup>. At its November 2021 session, the 1992 Fund Assembly appointed Mrs Alison Baker as the new external expert of the Audit Body for an initial term of three years, from 1 January 2022 to 31 December 2024. The members of the Audit Body are as follows:

Mrs Birgit Sjølling Olsen, Denmark (Chair)  
Mr Vatsalya Saxena, India (Vice-Chair)  
Captain Thomas F. Heinan, Marshall Islands  
Mrs Alison Baker (External expert)  
Dr Hideo Osuga, Japan  
Mr Alfred H.E. Popp, CM, Q.C, Canada  
Mr Arnold Rondeau, France

- 1.2 The Audit Body thanks Mr Michael Knight for his outstanding service over 10 years as the external expert of the Audit Body.
- 1.3 The Audit Body operates on the basis of an annual cycle, usually consisting of three meetings. For the period covered by this report, meetings were held on 19 November 2021, 22 April 2022 and 8 July 2022. The November meeting was held virtually, whereas the April and July meetings were held in person, in London. The meetings are conducted in accordance with a structured agenda and detailed programme of activities. The Executive Assistant in the Office of the Director serves as Secretary to the Audit Body.

#### **2 Audit Body work programme of activities**

- 2.1 At its inaugural meeting in January 2020, the seventh Audit Body planned the programme of activities for its three-year tenure and adopted its work programme. The work programme includes all core and ongoing activities in accordance with the mandate of the Audit Body and is updated regularly. The Audit Body has continued working in accordance with the programme. The work programme is submitted to the governing bodies for information. <sup><2></sup>
- 2.2 In carrying out its programme, the Audit Body has worked closely with the Director and Secretariat. The Audit Body continues to be mindful of the balance required between the management responsibilities of the Secretariat and the oversight role of the Audit Body. In the conduct of its work, the Audit Body has also remained mindful of the need to ensure that the work of the Audit Body does not impose unnecessary demands on the resources of the Secretariat.
- 2.3 The programme of activities of the Audit Body focuses on six main areas in order to discharge its responsibilities under the Audit Body mandate<sup><3></sup>:
- (a) ascertaining the adequacy and effectiveness of the IOPC Funds' management and financial systems;
  - (b) reviewing the effectiveness of the IOPC Funds' risk management;
  - (c) reviewing the IOPC Funds' Financial Statements and reports;

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<1> For ease of readability, the joint Audit Body is hereafter referred to as the Audit Body.

<2> For the Audit Body Work Programme, see Annex II

<3> For the Audit Body mandate, see Annex III.

- (d) promoting the understanding and effectiveness of the audit function within the IOPC Funds;
- (e) managing the process for the selection of the External Auditor; and
- (f) undertaking any other tasks or activities as requested by the IOPC Funds' governing bodies.

### **3 How the Audit Body carried out its programme of activities**

This section reports on the work carried out by the Audit Body in relation to each of the six main areas presented above in paragraph 2.3 in the period since its last annual report to the governing bodies in November 2021.

#### **3.1 Ascertaining the adequacy and effectiveness of the IOPC Funds' management and financial systems**

- 3.1.1 The Audit Body performed this core function largely through its review and consideration of the work of the External Auditor and the Financial Statements prepared by the Secretariat. Consistent with established practice, the Audit Body met with the External Auditor to review the audit programme for the IOPC Funds' 2021 Financial Statements. This took place at the November 2021 meeting. The External Auditor carried out the interim audit in January/February 2022 and the final audit in March/April 2022. At the April 2022 meeting, the Audit Body reviewed the Audit Completion Report of the final audit of the 2021 Financial Statements. The Audit Body considered the Director's responses and updates to the External Auditor's recommendations following the audit of the 2021 Financial Statements. However, the Audit Body noted that no recommendations from prior years remained ongoing and that no recommendations had been made during the audit of the 2021 Financial Statements.
- 3.1.2 The Audit Body recognises that the responsibility for the conduct of the external audit and the external audit opinion rests entirely with the External Auditor. Nonetheless, the mandate of the Audit Body calls for it to 'discuss with the External Auditor the nature and scope of each forthcoming audit and provide input to the development of the strategic audit plan'.
- 3.1.3 Accordingly, the structured approach, which underlies the conduct of the IOPC Funds' external audit, allows for a constructive and productive working relationship with the External Auditor. It enables the Audit Body to be aware of the planned scope and focus of the audit, including the assessment of high-risk areas, and the timetable for audit reports. Traditionally the Audit Body also holds closed sessions with the External Auditor to discuss issues such as the cooperation between the Secretariat and the External Auditor. At these meetings, the Audit Body has noted with satisfaction that there is a good working relationship between the Secretariat and the External Auditor, and that the Secretariat has provided all the information necessary for the performance of the external audit.
- 3.1.4 The Audit Body has noted with great appreciation that the Secretariat has continued to function effectively during the continuation of the COVID-19 crisis and has been able to perform its tasks even though there has been a significant change in working conditions as a response to the pandemic. The Audit Body has also noted that it had been possible for the Secretariat to work back in the office since 21 February 2022. During the period covered by this report, controls were maintained and management meetings were conducted. The Audit Body has also been informed by the Director of the changes in the Secretariat at management level.

#### **3.2 Reviewing the effectiveness of the IOPC Funds' risk management**

- 3.2.1 Risk management is a key responsibility of the Secretariat. The mandate of the Audit Body calls for it to review the effectiveness of the IOPC Funds' risk management procedures with a particular focus on institutional, financial and operational risks. The Audit Body's work programme prescribes a number of activities which have a bearing on the Funds' risk management process as well as its management and operating systems.

- 3.2.2 On an ongoing basis, the Audit Body seeks to monitor the way in which the Secretariat addresses risk while discharging its responsibilities of managing the IOPC Funds' operations. While it is the Secretariat's role to identify and manage risks, the Audit Body's oversight centres on ensuring that the Secretariat's risk management framework is adequate and that its approach to maintaining sound internal controls is effective.
- 3.2.3 As part of its mandate to focus on risk management, the sixth Audit Body presented its document on the risk associated with insurers who are not members of the International Group of P&I Associations (non-IG insurers) and its findings and recommendations to the governing bodies at the December meetings in 2020. The Audit Body recommended that the document on non-IG insurers should be formally introduced to the IMO. After an initial discussion during the 108th session of the IMO Legal Committee (document LEG 108/5), the Legal Committee has continued its deliberations on this item. At the 109th session of the Legal Committee in March 2022, the Committee was mindful of the importance of the subject and decided to include a new output related to the development of guidance for the proper implementation and application of IMO liability and compensation conventions in the 2022–2023 biennial agenda of the Legal Committee (and later the 2024–2025 biennial agenda), with a target completion year of 2024 (document LEG 109/16/1). The Audit Body will continue to follow the development on this subject in the IMO Legal Committee.
- 3.2.4 While acknowledging the separate and distinct mandate of the Investment Advisory Body (IAB), the Audit Body has found it particularly useful, in the exercise of its own mandate, to have a good understanding of the views of the IAB on investment and financial risks and their approach to currency exposure and hedging policy and has benefitted from receiving the minutes from the IAB meetings. At its meeting in July 2022, the Audit Body had the benefit of receiving an oral presentation by the IAB.
- 3.2.5 The Audit Body also considers the programme of periodic internal audit type reviews commissioned by the Director. The Audit Body considered the programme of work planned for 2021–22 at its July 2021 meeting via a presentation from Mazars LLP, the Funds' internal audit service provider. The Secretariat informed the Audit Body that the annual risk review for 2022 had been conducted in accordance with the Risk Management Framework (RMF) presented by the Secretariat at the June 2020 meeting of the Audit Body. The previous years' annual key risk reviews, which were based on the old framework and on the previous risk assessment criteria/definitions, had not been considered when preparing this new RMF. Instead, the annual risk review for 2022 was undertaken based on the new risk assessment criteria/risk matrix definitions presented to the Audit Body at its April 2022 meeting. At the meeting in July 2022, the Audit Body was informed of the internal audit on the claims handling process by Mazars LLP. The audit covered a core function of the Funds, and the Audit Report confirmed that the administration is reliable and effective. The Audit Body welcomes the recommendations on the adjustment of the claims handling guidelines and the suggestion of identifying conflicts of interest before the appointment of external experts. The Audit Body has also noted the positive reaction of the Funds' management to these recommendations made by the auditor.
- 3.2.6 The Audit Body is aware that the claims handling process is a core function of the Funds and the Secretariat provided a presentation of the process. In December, the Audit Body will look further into this process.
- 3.2.7 In October 2019, the governing bodies instructed the Director to examine other ways to incentivise the submission of oil reports, including the possibility of invoicing contributors based on estimates in the event that no reports were submitted. The governing bodies were informed that the issue would be examined with the Audit Body. The Audit Body has devoted some time to discussing the issue. The Audit Body is mindful that, at present, the financial consequences for the IOPC Funds are limited but finds that it is important to ensure that all relevant parties fulfil their obligations under the Funds' Conventions. The Audit Body is supportive of the diplomatic efforts made by the Secretariat to

encourage Member States to implement the Conventions correctly and to comply with the payment of their contributions. However, the Audit Body has also examined the legal possibilities under the Conventions to issue invoices where relevant oil reports have not been received. Based on the legal opinions provided by Professor Dan Sarooshi Q.C., the Audit Body has noted with satisfaction that there is a firm legal basis under the Conventions for the Director to be authorised by the 1992 Fund Assembly to issue invoices based on estimated oil receipts. The Audit Body has also noted that the Director has the power to issue such retrospective invoices. The Audit Body recommends that the matter is brought to the attention of the 1992 Fund and Supplementary Fund Assemblies for a possible policy decision on the issue. The Audit Body offers its assistance in the deliberations of such a solution, if needed.

### 3.3 Reviewing the IOPC Funds' Financial Statements and Reports

3.3.1 At the April 2022 meeting, the External Auditor provided the Audit Completion Report on the final audit of the 2021 Financial Statements to the Audit Body and the Secretariat submitted the draft Financial Statements for the 1992 Fund and the Supplementary Fund containing a substantial and detailed report on the Funds' finances and activities.

3.3.2 As in previous years, the Audit Body looked to the external audit for reasonable assurance that the Financial Statements were free from material misstatement, whether caused by fraud or error. In its review of the IOPC Funds' Financial Statements and Report, the Audit Body was attentive to completeness and consistency while also taking into account the findings and comments by the External Auditor.

3.3.3 **Recommendation to the governing bodies:** Pursuant to its review of the Financial Statements and consideration of all relevant reports and comments by the External Auditor and in light of the assurances provided by the results of the external audit, the Audit Body recommends that the relevant governing body approves the Financial Statements of the 1992 Fund and the Supplementary Fund for the year ending 31 December 2021.

### 3.4 Promoting the understanding and effectiveness of the audit function within the IOPC Funds

3.4.1 As part of its mandate, the Audit Body promotes the understanding and effectiveness of the audit function within the IOPC Funds. The Audit Body addresses this core responsibility through a number of means.

3.4.2 By means of its programme of activities and annual report to the governing bodies, the Audit Body has sought to make clear the nature of its interactions with various entities (i.e. the Secretariat, the External Auditor and the IAB).

3.4.3 The meetings of the Audit Body, including the closed sessions with the external auditors, provide a forum to discuss a broad range of matters germane to the Audit Body's mandate. The open meetings involve the participation of the Director, Head of Finance and Administration, the Chief of Finance (since the restructuring of the Finance section in June 2022) and representatives of the External Auditor. Other members of the Secretariat are invited to attend discussions where agenda items being considered are related to their responsibilities. By means of these meetings, the Director also keeps the Audit Body fully apprised of the activities of the IOPC Funds, including developments on incidents and outcomes of inter-sessional meetings.

3.4.4 The periodic participation of one or more of the Chairs of the governing bodies at meetings of the Audit Body further serves to promote effective communication. The Chair of the Audit Body and the external expert attend the sessions of the governing bodies to report on the activities of the Audit Body. As the sessions of the governing bodies have been held remotely, it has also been possible for other members of the Audit Body to follow the deliberations. When not held remotely, other

members of the Audit Body may also attend the sessions of the governing bodies, either the extraordinary session normally held in April, or the regular session normally held in October/November. This allows the Audit Body to gain a better insight into the work of the IOPC Funds and appreciation of the perspectives and positions of Member States on key issues and developments.

- 3.4.5 The Audit Body considers periodic attendance at the sessions of the governing bodies an important element which ensures its effectiveness and enables the Audit Body to have informal interaction and discussions with representatives from Member States. These objectives are reflected in the Rules of Procedure of the Audit Body.

3.5 Managing the process for the selection of the External Auditor

- 3.5.1 As the re-appointment of BDO International as the External Auditor covers the financial years 2020–2023 inclusive, the Audit Body has on its work programme included the selection of the External Auditor.

- 3.5.2 Furthermore, the Audit Body's programme of activities calls for an annual statement to the governing bodies on the effectiveness of the external audit relationship. The Audit Body takes into account the following elements in considering the effectiveness of the relationship between the IOPC Funds and the External Auditor:

- (a) the effectiveness of the working relationship with the Audit Body and the IOPC Funds' Secretariat;
- (b) the effectiveness of the audit process and assessment of key risks;
- (c) the quality of review of the Financial Statements;
- (d) the communication of key issues between parties; and
- (e) the independence and value for money of the External Auditor.

- 3.5.3 The statement by the Audit Body regarding the effectiveness of the relationship between the IOPC Funds and the External Auditor is set out in Annex IV.

3.6 Undertaking any other tasks or activities as requested by the IOPC Funds' governing bodies

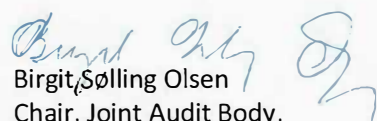
- 3.6.1 The Audit Body mandate provides for the Audit Body to undertake any other task or activity as requested by the IOPC Funds' governing bodies (see paragraphs 3.2.3. and 3.2.6.)

- 3.6.2 The Audit Body regards the effectiveness of the system of internal controls exercised by the Secretariat in respect of financial reporting, operational procedures, and risk management to be critical to the long-term viability and veracity of the IOPC Funds. Furthermore, the work of the External Auditor helps to ensure that operations of the IOPC Funds are carried out in conformity with recognised standards and procedures.

- 3.6.3 The Audit Body remains satisfied that the Director shares this view and carries out the management of the IOPC Funds accordingly.

**Concluding remarks**

In conclusion, I would like to thank my Audit Body colleagues for their hard work over the last year, as well as all members of the Secretariat for their considerable assistance in helping us discharge our responsibilities and also the Chairs of the governing bodies who attended our meetings or otherwise provided wise counsel to our deliberations.



Birgit Sølling Olsen  
Chair, Joint Audit Body,

30 August 2022

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## ANNEX II

### Audit Body Work Programme Schedule 2020 to 2023

July 2022

1	Audit Body input to the External Cycle			Person(s) responsible
1.1	Audit Body review of External Auditor Planning Report/input to audit strategy	Annually December Audit Body meeting	Core	All members of the Audit Body
1.2	Audit Body review/comment on External Auditor's interim report	Annually December or April Audit Body meeting	Core	All members of the Audit Body
1.3	Audit Body review/comment on External Auditor's long-form report and recommendations	Annually April Audit Body meeting	Core	All members of the Audit Body
1.4	Monitor Director's response to External Auditor's recommendations	Annually Review at April and June Audit Body meeting	Core	All members of the Audit Body
2	Audit Body activities in respect of the adequacy and effectiveness of the organisations' management and financial systems			Person(s) responsible
2.1	Review risk management process, operating procedures systems and internal controls	Ongoing	Core	All members of the Audit Body
2.2	Review of Key Risk Register	Annually December Audit Body meeting	Core	All members of the Audit Body
2.3	Audit Body input to Secretariat review of business process, risk identification and mitigation strategies	Audit Body meetings throughout the year	Occasional	Secretariat lead  External expert/Audit Body members
2.4	Non-IG insurers	1) The Audit Body presented an interim report to the governing bodies in October 2018 2) The Audit Body reported its consideration to the governing bodies in October 2019 3) The Audit Body presented its recommendations to the governing bodies in December 2020 4) Document forwarded to IMO. The IMO Legal Committee has decided	Occasional	Preliminary task completed. Further work TBA



		to develop guidance for the proper implementation and application of IMO liability and compensation conventions with a target completion year of 2024. The Audit Body is following the deliberations in IMO		
2.5	Audit Body to review planned programme of internal audit activity and associated reports when work is completed	Audit Body meetings throughout the year as necessary	Core	All members of the Audit Body
2.6	Invoicing contributors who have not submitted oil reports	<ol style="list-style-type: none"> <li>1) The item has been discussed at several AB meetings</li> <li>2) The Audit Body has examined the legal opinions provided and concluded that it is possible to issue invoices based on estimates and recommends that the issue be brought to the attention of the Assemblies</li> <li>3) The Audit Body offers assistance if needed</li> </ol>	Occasional	The Secretariat and all members of the Audit Body
2.7	Functioning of the guidelines on small claims – <i>Hebei Spirit</i> incident	To be discussed	Occasional	The Secretariat and all members of the Audit Body
2.8	Succession plans with regard to the Finance and Administration Department	Information provided at the April meeting 2022	Occasional	The Secretariat and all members of the Audit Body
2.9	Insight into the claims handling process	Back-to-back with the December 2022 meeting	Occasional	Arrangements to be made with the Secretariat in cooperation with the Chair of the Audit Body

3	Audit Body review of organisations' Financial Statements and Reports			Person(s) responsible
3.1	Review of Financial Statements presentation/accounting policy	Annually December Audit Body meeting	Core	All members of the Audit Body
3.2	Review Financial Statements	Annually April Audit Body meeting	Core	All members of the Audit Body
3.3	Monitor International Public Sector Accounting Standards (IPSAS) implementation	Ongoing	Core	All members of the Audit Body
4	Audit Body activities to promote understanding and effectiveness of audit function within the IOPC Funds			Person(s) Responsible
4.1	Provide a forum to discuss matters in relation to management/financial systems, risk management and external audit	Audit Body meetings throughout the year	Core	All members of the Audit Body
4.2	Annual report to the governing bodies on mandated activities	Annually October	Core	Chair and all members of the Audit Body
4.3	Audit Body meeting with Investment Advisory Body (IAB)	Semi-annually or annually as appropriate in Dec/June Audit Body meetings	Core	All members of the Audit Body and IAB members
4.4	Study/promote best practices of audit body committees	Ongoing	Core	All members of the Audit Body
4.5	Promote effective communications between Audit Body, Secretariat, governing bodies, IAB, etc.	Ongoing	Core	All members of the Audit Body
4.6	Triennial review the functioning of the Audit Body	1) Audit Body self-assessment process and report presented to governing bodies in December 2020, inclusive of Audit Body's response to External Auditor's recommendations 2) Governing bodies decided to maintain the current Audit Body mandate and composition	Core/ Rotational	Chair/External expert/ Audit Body members

		3) Seventh Audit Body to develop format for next review (in 2023)		
4.7	Presentation of Claims Handling System and internal measures in place to mitigate fraud	July meeting 2022	Core	The Secretariat
5	Audit Body management of the process for the selection of the External Auditor			Person responsible(s)
5.1	Annual statement to governing bodies	Annually as part of the annual Audit Body's Chair report	Core	Chair
5.2	Selection process preparedness & recommendation to governing bodies	Process for the next audit cycle to be presented to regular sessions of the governing bodies in October 2022 and 2023	Rotational	External expert All members of the Audit Body
6	Audit Body to undertake any other tasks requested by the Funds' governing bodies			Person(s) responsible
6.1	Non-IG insurers	See point 2.4	See point 2.4	Preliminary task completed. Further work TBA

## **ANNEX III**

### **COMPOSITION AND MANDATE OF THE JOINT AUDIT BODY OF THE 1992 FUND AND THE SUPPLEMENTARY FUND**

**(REVISED IN APRIL 2019)**

#### **COMPOSITION**

1. 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 anyone, including their Governments.
2. The Audit Body shall be composed of seven members elected by the 1992 Fund Assembly: six named individuals nominated by 1992 Fund Member States and one named individual not related to the Organisations ('external expert') with expertise and experience in financial and audit matters, nominated by the Chair of the 1992 Fund Assembly. Nominations, accompanied by the curriculum vitae of the candidate, should be submitted to the Director in response to a call for nominations made by the Director. The Chair of the 1992 Fund Assembly will, in consultation with the Chair of the Supplementary Fund Assembly, propose the names of two of the elected members of the Audit Body for consideration and approval by the governing bodies as Chair and Vice-Chair of the Audit Body.
3. Members of the Audit Body shall hold office for three years, once renewable. Should nominations for election to the Audit Body not be sufficient to fill vacancies at an election, existing members of the Audit Body having served two terms will be eligible for a once-only re-election, provided they are re-nominated by one or more 1992 Fund Member States. The external expert shall hold office for three years, twice renewable.
4. Travel and subsistence expenses of the members of the Audit Body shall be paid by the Organisations. The Assembly of the 1992 Fund will, from time to time, decide on the quantum of the honorarium paid to the six elected members and the fee paid to the external expert. The timing and method of payment will be agreed between the Audit Body and the Director.

#### **MANDATE**

5. The Audit Body shall:
  - (a) review the adequacy and effectiveness of the Organisations' management and financial systems, financial reporting, internal controls, operational procedures, risk management and related matters;
  - (b) promote the understanding and effectiveness of the audit function within the Organisations, and provide a forum to discuss matters referred to in (a) above and matters raised by the external audit;
  - (c) discuss with the External Auditor the nature and scope of each forthcoming audit and provide input to the development of the strategic audit plan;
  - (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 make appropriate recommendations to the Funds' governing bodies;
  - (f) manage the process for the selection of the External Auditor; and
  - (g) undertake any other tasks or activities as requested by the Funds' governing bodies.

6. The Chair of the Audit Body shall report on its work to each regular session of the 1992 Fund Assembly and the Supplementary Fund Assembly.
7. Every three years the functioning of the Audit Body and its mandate shall be reviewed by the 1992 Fund Assembly and the Supplementary Fund Assembly on the basis of an evaluation report from the Chair of the Audit Body.

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## **ANNEX IV**

### **Statement of the Audit Body regarding the effectiveness of the relationship between the IOPC Funds and the External Auditor**

Pursuant to the directive of the IOPC Funds' governing bodies at their October 2010 sessions, the Audit Body has continued to be attentive to the effectiveness by which the External Auditor discharges its responsibilities to the IOPC Funds. In this regard, and for the period under review, the Audit Body considers the structure, approach, scope, and coverage of the audit process to be both relevant and comprehensive.

The Audit Body finds the examination of the Financial Statements carried out by the External Auditor to be thorough and systematic. The Audit Body has also noted with appreciation that the External Auditor continuously has worked on the communication to ensure that the results of the audit process are communicated in a clear and timely manner. The work of the External Auditor, and the results of the audit process, help to ensure compliance with the accounting policies, regulations, standards, and procedures of the IOPC Funds.

The Audit Body finds the work of the External Auditor in the examination of operational procedures and processes to be helpful in ensuring the adequacy of internal controls. The Audit Body considers that the External Auditor carries out its functions with an independent and objective approach while maintaining an effective and professional relationship with the Director and Secretariat. Equally, the working relationship between the External Auditor and the Audit Body is constructive and suitably focused. Overall, it is the view of the Audit Body that the work of the External Auditor has been effective and is of tangible value to the operations of the IOPC Funds.

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