



International Oil Pollution
Compensation Funds

Agenda Item 8	IOPC/MAY23/8/1	
Date	19 April 2023	
Original	English	
1992 Fund Assembly	92AES27	●
1992 Fund Executive Committee	92EC80	
Supplementary Fund Assembly	SAES11	

ANY OTHER BUSINESS

TRANSFER WITHIN THE 2022 BUDGET

1992 FUND

Note by the Director

Summary:	The 2022 budget appropriation for 'External Audit Fees' (Chapter VII) (document IOPC/NOV21/9/1/1, paragraph 7.3.4), did not cover the cost to the Secretariat for the 2022 audit. The additional cost of £12 308 is proposed to be met by a transfer from Chapter I (Personnel).
Action to be taken:	<u>1992 Fund Assembly</u> Decide whether to authorise the Director to make the necessary transfer to 'External Audit Fees' (Chapter VII) from Chapter I (Personnel) within the 2022 budget.

1 Introduction

- 1.1 The Director's authority to make transfers within the budget is governed by Financial Regulation 6.3 of the 1992 Fund, which reads:

'Transfers between appropriations within chapters of the budget (Roman figures) may be made without limitation. Transfers between appropriations in the budget between chapters may be made up to 10%, calculated on the appropriation to which the transfer is made.'

- 1.2 In previous financial periods, transfers have been made between appropriations either within chapters or between chapters of the budget, in accordance with Financial Regulation 6.3.

2 External Audit Fees

- 2.1 The budget appropriation for 2022 for 'External Audit Fees' (Chapter VII) was £53 600 (document IOPC/NOV21/9/1/1, paragraph 7.3.4). The final cost of the 2022 audit was £65 908, an overspend of £12 308 or 23.0%.
- 2.2 The External Auditor proposed a 2.5% support fee in November 2021, following the approval of the 2022 budget. This fee was introduced to cover additional overheads such as data storage, analytic tools, portals for data sharing and communications platforms.
- 2.3 At the 2022 audit planning stage in November 2022, the External Auditor proposed a 20% increase in the audit fee to reflect the additional work required following the introduction of the International Standard on Auditing (ISA) (UK) 315. This was accepted by the Audit Body at their meeting in December 2022.

- 2.4 Under Financial Regulation 6.3, the Director is entitled to make a transfer of £5 360 (i.e. 10% of the budget for 'External Audit Fees' of £53 600). The shortfall of £12 308 is beyond what is available to the Director under Financial Regulation 6.3.

Director's proposal

- 2.5 The Director proposes that he be authorised to make the required transfer to meet any shortfall to the budget appropriation of 'External Audit Fees' (Chapter VII) from Chapter I (Personnel).

3 Action to be taken

1992 Fund Assembly

The 1992 Fund Assembly is invited to decide whether to authorise the Director to make the necessary transfer to 'External Audit Fees' (Chapter VII) from Chapter I (Personnel) within the 2022 budget.
