



International Oil Pollution  
Compensation Funds

<b>Agenda Item 5</b>	IOPC/NOV24/5/6	
<b>Date</b>	13 August 2024	
<b>Original</b>	English	
<b>1992 Fund Assembly</b>	92A29	●
<b>1992 Fund Executive Committee</b>	92EC83	
<b>Supplementary Fund Assembly</b>	SA21	●

## 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 at 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 at 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 2023 Financial Statements (Annex I, paragraph 3.4.3).</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 at 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:

- (a) to take note of the report of the Audit Body set out at Annex I and provide comments and instructions as may be warranted; and
- (b) to consider the Audit Body's recommendation regarding the adoption of the 2023 Financial Statements (Annex I, paragraph 3.4.3).

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## ANNEX I

### JOINT AUDIT BODY REPORT COVERING THE PERIOD NOVEMBER 2023 TO NOVEMBER 2024

#### **1 Introduction**

1.1 At its November 2023 session, the 1992 Fund Assembly elected six members nominated by Member States<sup><1></sup>. The six members were appointed for a period of service of three years. 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 eighth Audit Body are as follows:

Mr Volker Schöfisch, Germany (Chair)  
Dr Hideo Osuga, Japan (Vice-Chair)  
Captain Thomas F. Heinan, Marshall Islands  
Captain Anish Joseph, India  
Mr Christoph Kagame Mungandjela, Namibia  
Mr Alfred H.E. Popp, CM, K.C., Canada

1.2 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 8 December 2023, 19 April 2024 and 11 and 12 July 2024. In addition, an induction session for the new Audit Body, led by the Chair and Secretariat, was held on 7 December 2023 before the initial meeting of the eighth Audit Body. Audit Body members consider the induction training particularly useful for new members.

1.3 The meetings were 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.

1.4 Whenever necessary, the Audit Body also utilises email and other electronic means to discuss and make decisions. The Chair held Teams meetings with the Secretariat, the External Expert, and the External Auditor. Notably, the topic of 'Guidance for Member States for investigating the circumstances surrounding an oil pollution incident, in order to identify ships and persons involved, including, but not limited to, shipowners and their insurers' was discussed by the Audit Body members via email.

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

2.1 At its inaugural meeting in December 2023, the eighth 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, is updated at each Audit Body meeting and submitted to the governing bodies for information<sup><2></sup>. The work programme is included in Annex II of this Report.

2.2 In carrying out its programme, the Audit Body has worked closely with the Director and Secretariat while being 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 focused on the areas listed below 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 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**

3.1 This section reports on the work carried out by the Audit Body in relation to each of the areas presented above in paragraph 2.3 in the period since its last annual report to the governing bodies in November 2023.

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

3.2.1 The Audit Body performed this core function largely through its review and consideration of the work of the External Auditor. Consistent with established practice, the Audit Body met with the External Auditor to review the audit programme for the IOPC Funds' 2023 Financial Statements at its December 2023 meeting. The External Auditor carried out the planning work in the autumn of 2023 and conducted the final audit in February and March 2024. At the April 2024 meeting, the Audit Body reviewed the draft Audit Completion Report for the 2023 Financial Statements. The Audit Body considered the Director's responses and updates to the External Auditor's recommendations following the audit of the 2023 Financial Statements. The Audit Body noted that no recommendations from prior years remained ongoing and that no recommendations had been made during the audit of the 2023 Financial Statements.

3.2.2 The Audit Body also held closed sessions with the External Auditor (without members of the Secretariat being present) during the Audit Body meetings to discuss issues such as the cooperation between the Secretariat and the External Auditor, areas of attention and other relevant issues. 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.

3.2.3 The Audit Body also noted some delays in the signing of the audit opinion on the 2023 Financial Statements for the 1992 Fund, caused in part by some necessary adjustments in March 2024, triggered by the receipt of a final assessment of over 23 000 claims, amounting to more than £10 million in additional 2023 expenditure, which was a material disclosure for the 2023 accounts. Given the higher than normal number of open claims, the Secretariat held a debrief with the External Auditor to ensure a more efficient process to sign-off in 2025.

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

3.3.1 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 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.

3.3.2 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.

3.3.3 The Secretariat conducts an annual risk review in accordance with the Risk Management Framework. The purpose of this review is to prevent and minimize adverse consequences from foreseeable risks and to proactively consider appropriate safeguards against the potential key risks of the following year. At its December 2023 meeting, the Audit Body and the Secretariat discussed the IOPC Funds' Risk Management

framework and the results of the 2024 annual risk review. The Audit Body was satisfied that the Secretariat had thoroughly identified and evaluated the risks and had addressed them appropriately.

- 3.3.4 In addition to the annual review, the Secretariat provides a small, risk-focused programme of internal audit activity to be reviewed by the Audit Body. The Secretariat has identified six areas for internal audit review namely: risk management, cyber security, fraud risk assessment, data protection/GDPR, claims handling process, and key financial controls. At the time of the Audit Body meeting of December 2023, there were three areas yet to be addressed: fraud risk assessment, data protection/GDPR and key financial controls. At its meeting in December 2023, the Audit Body supported the recommendation of the Secretariat to undertake the internal review of the key financial controls, which has been conducted during the second half of 2024 and will be discussed at the upcoming Audit Body meeting in December 2024.
- 3.3.5 As part of its mandate to focus on risk management, the sixth Audit Body discussed extensively the risk associated with non-IG Insurers and presented a document on its findings and recommendations on this item at the December 2020 meeting of the governing bodies. At that meeting, the Audit Body recommended that the document should be formally introduced to the IMO at the 108th session of the IMO Legal Committee (document LEG 108/5). Since then, the Legal Committee has continued its deliberations on this item. The eighth Audit Body will continue to monitor the developments on this subject in the IMO Legal Committee.
- 3.3.6 The handling and payment of claims is the most important task of the Secretariat and has been subject both to external and internal audits. An internal audit focusing on the claims handling process was conducted in 2022. In April 2024, the Secretariat gave a detailed presentation to the Audit Body on the procedure used to pay the fisheries' claims in the *Princess Empress* incident. The Audit Body members gained valuable insight into the complexity of the process, spanning from the initial claim submission through to final payment. They were also able to appreciate the work carried out by the Secretariat to handle these claims and develop a system for making payments promptly and efficiently, despite the ongoing challenges in such a short timeframe. The Audit Body commended the steps taken to facilitate the settlement of a high volume of small claims to claimants who did not have access to traditional banking services.
- 3.3.7 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. At its meeting in July 2024, the Audit Body benefited from an oral presentation by the IAB on current issues relevant to the work of the IOPC Funds, which were of the interest to the Audit Body. The IAB presented information on major currencies and their relative stability and agreed that holding the General Fund working capital in pounds sterling and US dollars in the medium term was a sound strategy.
- 3.3.8 In respect of financial reporting, operational procedures and risk management, the Secretariat maintains an extensive framework of internal controls including policies, regulations and delegated authority. The Audit Body regards the effectiveness of the system of internal controls exercised by the Secretariat to be critical to the long-term viability and veracity of the IOPC Funds. The Audit Body remains satisfied that the Director shares this view and carries out the management of the IOPC Funds accordingly. 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.

#### 3.4 Reviewing the IOPC Funds' Financial Statements and reports

- 3.4.1 At the April 2024 Audit Body meeting, the External Auditor provided the draft Audit Completion Report for the final audit of the 2023 Financial Statements 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. At the July 2024 Audit Body meeting, the External Auditor provided the final Audit Completion Report which was approved by the Audit Body.

- 3.4.2 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 of disclosure, while also taking into account the findings and comments by the External Auditor.
- 3.4.3 **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 approve the Financial Statements of the 1992 Fund and the Supplementary Fund for the year ending 31 December 2023.
- 3.5 Managing the process for the selection of the External Auditor
- 3.5.1 The term of office of the current External Auditor to the IOPC Funds, BDO International LLP (BDO), will end following its report on the 2025 Financial Statements to the regular sessions of the governing bodies in 2026.
- 3.5.2 The management of the selection process of the External Auditor falls within the mandate of the Audit Body. In November 2023, the governing bodies were invited to consider the proposals of the Audit Body with regards to the process for the external audit tender, as well as the timetable of relevant actions, in order to secure the appointment of a new IOPC Funds External Auditor for the period 2026-2029, after the expiry of the external audit contract with BDO.
- 3.5.3 At the April 2024 sessions of the governing bodies, the Audit Body presented an update on the nominations which had been received and the proposed timetable for the tendering process. Soon after the sessions, the Secretariat issued a request for proposal to the commercial firms participating in the tender. After one of the commercial firms withdrew its nomination, in May 2024 the two remaining firms met with the Director and other members of the Secretariat, and separately with the Audit Body Chair and the external expert for the purpose of familiarisation with the work and the financial systems and audit arrangements of the Funds. In June 2024, the external expert and the Chief of Finance evaluated the written responses to the request for proposal by the tenderers and briefed the Audit Body members in preparation to the oral presentation by the tenderers on 11 July 2024.
- 3.5.4 On 11 July, the Audit Body members conducted a thorough interview process which included a presentation by each candidate followed by an extensive question and answer session. The Audit Body members ranked the two candidates and evaluated their submitted proposals against the agreed selection criteria. The Audit Body members concluded that Forvis Mazars should be recommended to the governing bodies for appointment as External Auditor to the 1992 Fund and the Supplementary Fund for a period of four years, i.e. the financial years 2026-2029 inclusive, subject to satisfactory annual performance review.
- 3.5.5 As indicated in document [IOPC/NOV24/6/2](#), although the selection panel would ideally have preferred to meet more than two candidates the Audit Body felt assured, following the presentation and interviews, that the firm being recommended to the governing bodies is highly competent, professional and is well capable of operating at the level expected by the Member States.
- 3.6 Reviewing of the effectiveness of the relationship between the IOPC Funds and the External Auditor
- 3.6.1 In addition, 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.

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

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

3.7.1 The Audit Body mandate provides for the Audit Body to undertake any other task or activity as requested by the IOPC Funds' governing bodies. At their April 2024 meeting, the governing bodies instructed the Director, to develop, in consultation with the Audit Body ([IOPC/APR24/9/1](#), paragraphs 4.2.26 and 4.2.27):

- (i) an internal procedure to be followed by the IOPC Funds' Secretariat in order to gather necessary information to determine the applicability of the 1992 Civil Liability Convention, the 1992 Fund Convention and the Supplementary Fund Protocol and the parties involved; and
- (ii) guidance for Member States for investigating the circumstances surrounding an oil pollution incident, in order to identify ships and persons involved, including, but not limited to, shipowners and their insurers.

3.7.2 During their meeting held in July 2024, the Secretariat updated the Audit Body members on the progress regarding the development of the internal procedure to be followed by the IOPC Funds' Secretariat. The Audit Body was satisfied with the progress made by the Secretariat to date.

3.7.3 The Secretariat also updated the Audit Body on the steps to be followed regarding the guidance for Member States for investigating the circumstances surrounding an oil pollution incident, in order to identify ships and persons involved, included but not limited to, shipowners and their insurers. The Secretariat consulted the Audit Body regarding this matter at their meeting via email.

3.7.4 In conclusion, the primary focus of the Audit Body's work during the period covered by this report (November 2023 to November 2024) was on the review and consideration of the Financial Statements of the 1992 Fund and the Supplementary Fund for the year ending 31 December 2023 and the appointment of the new External Auditor.

## 4 Concluding remarks

I would like to thank my Audit Body colleagues for their 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.



Volker Schöfisch,  
Chair, Joint Audit Body,  
2 September 2024

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**ANNEX II**

**Audit Body Work Programme Schedule 2023 to 2026**

**July 2024**

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	<ol style="list-style-type: none"> <li>1) The Audit Body presented its recommendations to the governing bodies in December 2020</li> <li>2) Document forwarded to the International Maritime Organization (IMO)</li> <li>3) The Audit Body is following the deliberations in IMO</li> </ol>	Occasional	Preliminary task completed. Audit Body and Secretariat to follow deliberations in IMO. Further work TBA

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
3	Audit Body review of organisations' Financial Statements and Reports			Person(s) responsible
3.1	Monitor changes to International Public Sector Accounting Standards (IPSAS) and review of Financial Statements presentation/accounting policy	Ongoing 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
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 Regular session	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	Eighth Audit Body to develop format for the next review and report to governing bodies at the November 2026 sessions	Core/ Rotational	Chair/External expert/ Audit Body members
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	<p>In November 2023, the governing bodies approved the proposed audit tender evaluation process and timetable, and instructed the Director to seek Member State and commercial firm nominees for the position of External Auditor of the IOPC Funds</p> <p>Throughout 2024, the Audit Body and the external expert conducted the tender process for the appointment of the External Auditor. They will inform the governing bodies on their recommendation at the November 2024 sessions of the governing bodies</p>	Rotational	<p>External expert</p> <p>All members of the Audit Body</p>
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. Audit Body and Secretariat to follow deliberations in IMO. Further work TBA
6.2	Take note of the development of the internal procedure to be followed by the IOPC Funds' Secretariat to gather necessary information to determine the applicability of the 1992 Civil Liability Convention, the 1992 Fund Convention and the Supplementary Fund Protocol and the parties involved	During its meeting of July 2024, the Audit Body took note of the development of internal procedure to be followed by the IOPC Fund' Secretariat.	Occasional	All members of the Audit Body and Secretariat
6.3	Contribute to the development of a guidance for Member States for investigating the circumstances surrounding an oil pollution incident, in order to identify ships and persons	The Audit Body contributed to the guidance for Member States via email.	Occasional	All members of the Audit Body and Secretariat

	involved, including, but not limited to, shipowners and their insurers.			
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## 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 noted with appreciation that the External Auditor accommodated changes to the provision for compensation which were confirmed at a late stage of audit completion. Given the higher than normal number of open claims, the Secretariat have held a debrief with the External Auditor to ensure a more efficient process to sign-off in 2025. 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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