



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS

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1992 Fund	•
Supplementary Fund	•
1971 Fund	•

Nomination of candidates for election to the joint Audit Body

Introduction

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. After the entry into force of the Supplementary Fund Protocol 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 the members of the Audit Body should be elected by the 1992 Fund Assembly.

Since the mandate of the members of the Audit Body is three years and the mandate of the current Audit Body expires in October 2014, the 1992 Fund Assembly will hold elections for members of the Audit Body at its 19th regular session to be held during the week commencing 20 October 2014.

The Audit Body meets three times a year and the IOPC Funds cover the travel and related expenses of Audit Body members in connection with official travel to attend its meetings.

The composition and mandate of the Body, as revised by the governing bodies in October 2008, is set out in **Annex I** to this circular.

Composition

In accordance with its Composition and Mandate, the Audit Body is 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 Chairman of the 1992 Fund Assembly. The Chairman of the 1992 Fund Assembly will, in consultation with the Chairman of the Supplementary Fund Assembly and the Chairman of the 1971 Fund Administrative Council, propose the name of one of the elected members of the Audit Body for consideration and approval by the governing bodies as Chairman of the Audit Body.

The composition of the Audit Body, past and present, and their dates of election are set out in **Annex II**. Due to a range of reasons (size of the Audit Body compared to equivalents in other international organisations, financial restraints and current operational costs of the Audit Body, ongoing problems with the limited number of nominations, etc), a reduced number of members (five) nominated by Member States were elected to the fourth Audit Body in October 2011.

Three members out of the five appointed in October 2011 are not eligible for re-election, having already served two terms. The other two members of the Audit Body elected in October 2011 are eligible for re-election for a second term of three years and would need to be re-nominated by one or more 1992 Fund Member States.

At its October 2013 session, the 1992 Fund Administrative Council, acting on behalf of the 1992 Fund Assembly, decided to set the level of annual honoraria for the members of the Audit Body at £7 025 for the Chairman and £4 685 for the other members nominated by Member States. The honoraria are indexed annually.

Attributes

At their October 2013 sessions, the governing bodies noted that the Audit Body had provided details of the specific skills, experience and attributes that, in its view, should typically be included in an Audit Body (**Annex III**).

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.

Nominations

There are six vacant positions for the named individuals nominated by 1992 Fund Member States who, in addition to the ‘external expert’ who is nominated by the Chairman of the 1992 Fund Assembly, will constitute the new Audit Body to be elected in October 2014. Nominations of candidates for the six vacant positions, accompanied by their curriculum vitae, should be submitted to the Director of the IOPC Funds by 14 March 2014 at the latest. Nominations can only be made by 1992 Fund Member States.

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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

(Revised in October 2008)

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 Chairperson 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 Chairperson of the 1992 Fund Assembly will, in consultation with the Chairpersons of the 1971 Fund Administrative Council and of the Supplementary Fund Assembly, propose the name of one of the elected members of the Audit Body for consideration and approval by the governing bodies as Chairperson 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 Chairman of the Audit Body shall report on its work to each regular session of the 1992 Fund Assembly, the 1971 Fund Administrative Council 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, the 1971 Fund Administrative Council and the Supplementary Fund Assembly on the basis of an evaluation report from the Chairman of the Audit Body.

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ANNEX II

Composition of Audit Body October 2002 – October 2014

<u>Audit Body Member</u>	<u>Elected</u> <u>October 2002</u>	<u>Elected</u> <u>October 2005</u>	<u>Elected</u> <u>October 2008</u>	<u>Elected</u> <u>October 2011</u>
<u>Nominated by Member States:</u>				
Mr Charles Coppolani (France) (Chairman 2002-2008)	✓	✓	-	-
Dr Eugenio Conte (Italy)	✓	-	-	-
Mr Maurice Jaques (Canada)	✓	✓	-	-
Mr Marcel Mendim Me Nko'o (Cameroon)	-	✓	✓	-
Mr Heikki Muttilainen (Finland) ^{<1>}	✓	-	-	-
Dr Reinhard Renger (Germany)	✓	✓	-	-
Mr Wayne Stuart (Australia) (Chairman 2008-2011)	-	✓	✓	-
Professor Hisashi Tanikawa (Japan)	✓	✓	-	-
Mr Emile Di Sanza (Canada) (Chairman, 2011-2014)	-	-	✓	✓
Mr Thomas Kaevergaard ^{<2>} (Sweden)	-	-	✓	✓
Professor Seiichi Ochiai (Japan)	-	-	✓	✓
Mr John Wren (United Kingdom) ^{<3>}	-	-	✓	-
Mr John Gillies (Australia)	-	-	-	✓
Mr Giancarlo Olimbo (Italy)	-	-	-	✓
<u>'External expert' not related to the</u> <u>Organisations nominated by the</u> <u>Chairperson of the 1992 Fund</u> <u>Assembly:</u>				
Mr Nigel Macdonald (United Kingdom) ^{<4>}	✓	✓	✓	-
Mr Michael Knight ((United Kingdom) ^{<4>}	-	-	-	✓

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^{<1>} Mr Muttilainen did not wish to serve a second term.

^{<2>} Formerly known as Mr Thomas Johansson

^{<3>} Mr Wren sadly passed away on 6 October 2010.

^{<4>} The 'external expert' shall hold office for three years, twice renewable.

ANNEX III

Specific skills, experience and attributes that should typically be included in an Audit Body (as identified by the current Audit Body and noted by the IOPC Funds' governing bodies at their October 2013 sessions)

Skills, experience and attributes that should be present within the IOPC Funds' Audit Body

The following broad range of skills, experience and attributes that should typically be present within the Funds' Audit Body includes:

- the ability to bring constructive challenges;
- an understanding of the particular international environment and the core activities of the Funds including its strengths, weaknesses, opportunities and threats;
- the ability to understand the legal and policy framework under which the Funds operate and the relationship of that framework to the jurisdictions of Member States;
- experience of working with external auditors and assessors and a knowledge of internal and external audit, internal control, compliance activities, fraud control and corporate governance;
- experience of risk identification, evaluation and management;
- knowledge of procurement, information management and security, information systems and emerging technology; and
- financial and business acumen, management skills, project and programme management and administrative experience.

Desirable personal attributes for candidates nominated for election to the IOPC Funds' Audit Body

On a personal level, candidates nominated for election to the Funds' Audit Body should also desirably include a range of attributes from the following list:

- good communication skills in written and spoken word with English being the working language of the Audit Body;
 - an ability to add value to a discussion or matter under consideration and to ask relevant questions, evaluate answers and probe for information;
 - an ability to analyse information from a range of sources across disparate sectoral areas and an ability to maintain a healthy level of professional objectivity in evaluating information and making judgements;
 - being proactive in identifying issues and risks;
 - a professional approach to duties, including an appropriate commitment of time and effort and a willingness to take on new tasks and assume responsibilities for undertaking key aspects of the Audit Body's work programme;
 - common sense, with a practical approach to problem solving;
 - an ability to work cooperatively in a committee type environment;
 - an ability to develop rapport with a broad range of individuals both inside and outside of the IOPC Funds;
 - personal integrity, impartiality and an ability to recognise and avoid any conflicts of interest;
 - strong ethical values, an appreciation of the Funds' culture and values and a determination to uphold these values coupled with a thoughtful approach to any ethical issues that may arise; and
 - an ability to work constructively with the Secretariat and the governing bodies to achieve continuous improvement of the Funds' financial and non-financial performance management arrangements.
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