



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS

92FUND/Circ.74
71FUND/Circ.96
SUPPFUND/Circ.21
6 May 2011

Joint Audit Body – Second call for nominations

The International Oil Pollution Compensation Funds (IOPC Funds) have a joint Audit Body. 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.

The Audit Body, which normally meets three times a year, 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 mandate of the members of the Audit Body is three years and the 1992 Fund Assembly will hold elections for members of the Audit Body at its 16th regular session to be held during the week commencing 24 October 2011.

In response to the Director's call for nominations in circular 92FUND/Circ.72, 71FUND/Circ.94, SUPPFUND/Circ.19, dated 17 December 2010, only four nominations for the six available positions for the members nominated by 1992 Fund Member States, including three from members who had only served one term, were received from 1992 Fund Member States by the deadline of 11 March 2011.^{<1>}

At the 8th session of the 1992 Fund Administrative Council, acting on behalf of the 1992 Fund Assembly, which was held from 29 March to 1 April 2011, the Council decided that the candidates whose nominations had been received within the deadline given in the above-mentioned Circular would be automatically elected in October 2011 and that another circular would be sent by the Director to 1992 Fund Member States calling for further nominations to fill the remaining positions. If more than two candidatures were received for these positions, an election would take place in October 2011.

In October 2009, 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 £6 000 for the Chairman and £4 000 for the other members nominated by Member States and that the honoraria should be indexed annually. The current rates are £6 300 and £4 200 respectively (2010/2011). The IOPC Funds also cover the travel and related expenses of Audit Body members in connection with official travel to attend meetings of the Audit Body.

At their October 2010 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. These are set out at Annex II.

^{<1>} The three members having already served one term are: Mr Emile Di Sanza (Canada), Mr Thomas Kaevergaard (formerly known as Mr Thomas Johansson) (Sweden) and Professor Seiichi Ochiai (Japan). The new nomination is Mr John Gillies (Australia),

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 of candidates for election to the two remaining places on the Audit Body, accompanied by their curriculum vitae, should be submitted to the Director by 30 July 2011 at the latest. Nominations can only be made by 1992 Fund Member States.

*** * ***

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.

* * *

ANNEX II

The specific skills, experience and attributes present within an Audit Body should typically include:

- The ability to bring constructive challenge;
 - The ability to understand the legal framework under which the Funds operate and the relationship of that framework to the jurisdictions of Member States;
 - Experience of risk assessment and risk management;
 - Experience of working with external auditors and assessors;
 - Administrative experience;
 - Understanding of the particular international environment of the Funds;
 - Experience of the shipping insurance sector;
 - Experience of procurement; and
 - Financial acumen.
-