



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

ASSEMBLY
2nd session
Agenda item 10

92FUND/A.2/8
30 July 1997
Original: ENGLISH

SYSTEM OF FINANCIAL CONTROL

Note by the Director

1 At its 1st session, the Assembly noted that the Assembly of the 1971 Fund had examined the question of whether to establish an Audit Committee for that Organisation, and that it had decided to consider the matter further at its session in October 1996. It was decided that it was premature for the Assembly to consider the establishment of an Audit Committee for the 1992 Fund (document 92FUND/A.1/34, paragraph 33.2).

2 At its 1st extraordinary session, the Assembly noted that the Assembly of the 1971 Fund had decided at its 19th session that an open consultation group should be established, led by the Chairman of the 1971 Fund Assembly, with a mandate to review the system of financial control in the 1971 Fund, and to make proposals, if appropriate, for improvements in the system. It was again decided that it was premature for the Assembly to consider the establishment of an Audit Committee for the 1992 Fund.

3 In a document submitted to the 20th session of the 1971 Fund Assembly, the Chairman of the Informal Consultation Group has set out points to be considered in connection with the establishment of an Audit Committee for that Organisation (document 71FUND/A.20/8, Annex). In the document it is noted that the External Auditor of the 1971 Fund (who is also the External Auditor of the 1992 Fund) supports the establishment of an Audit Committee.

4 The Director submits that it would still be premature for the Assembly to consider at this stage the establishment of an Audit Committee for the 1992 Fund. He suggests, however, that it would be appropriate for the 1992 Fund to note the considerations of the 1971 Fund in this regard.

5 **Action to be taken by the Assembly**

The Assembly is invited to consider the question of establishing an Audit Committee.
