



2007 FINANCIAL STATEMENTS AND AUDITOR'S REPORT AND OPINION

Note by the Director

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Summary: | The Annex to this document provides the Director's response to recommendations made by the External Auditor in his Report on the 2007 Financial Statements (Annex III to document 71FUND/AC.23/5). |
| Action to be taken: | Information to be noted. |

1 **Introduction**

- 1.1 The Director's response to recommendations made by the External Auditor in his Report on the 2007 Financial Statements (Annex III to document 71FUND/AC.23/5) is set out in the Annex to this document.
- 1.2 Recommendations made and the actions taken on recommendations made in the External Auditor's Report from previous years are set out in the Director's comments on the 2007 Financial Statements (Annex I to document 71FUND/AC.23/5).

2 **Action to be taken by the Administrative Council**

The Administrative Council is invited to take note of the information contained in this document.

* * *

ANNEX

RECOMMENDATIONS MADE BY THE EXTERNAL AUDITOR IN MAIN REPORT ON
FINANCIAL STATEMENTS 2007

RECOMMENDATIONS AND RESPONSE

| | <u>Recommendations from External Auditor</u> | <u>Response from IOPC Funds' Director</u> | <u>Status</u> |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 1992 Fund and 1971 Fund | <p><u>Recommendation 1:</u> That the Secretariat establish a formal project plan for the adoption of IPSAS once approval has been obtained from the governing bodies. Such a project plan should incorporate milestones for implementation and progress against the plan should be regularly reviewed by the Secretariat and also the governing bodies.</p> | <p>Discussions about the adoption of IPSAS are being held with the Audit Body and the External Auditor. The Director will be submitting a document to the October 2008 sessions of the governing bodies to seek approval, in principle, for the adoption of IPSAS.</p> <p>If approval is obtained, a project plan will be developed in consultation with the Audit Body and the External Auditor.</p> | <p>The governing bodies will be updated of developments/progress at their October 2009 session.</p> |