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71FUND/AC.22/10

OPERATION OF THE SECRETARIAT

Note by the Director

Summary:	Developments as regards the operation of the Secretariat since October 2006 are reported. Information is given <i>inter alia</i> on the structure of the Secretariat and on progress made with respect to risk management and the creation of a database of Records of Decisions of the Funds' governing bodies. Work on the new claims handling database is reported as is the completion of the project to expand the Document Server to contain all documents going back to the first session of the 1971 Fund Assembly in November 1978.
Action to be taken:	(i) to take note of the information contained in this document; and (ii) to approve the establishment of a new post in the Professional category in the External Relations and Conference Department.

1 Introduction

In this document the Director reports, as in previous years, on recent developments as regards the operation of the Secretariat.

2 Structure of the Secretariat

- 2.1 The joint Secretariat of the 1992 Fund, the 1971 Fund and the Supplementary Fund is structured in departments, namely the Claims Department, the Finance and Administration Department and the External Relations and Conference Department. The Director's Office, which is outside the departmental structure, comprises the Director, the Deputy Director/Technical Adviser, the Legal Counsel, the Director's Personal Assistant and an Administrative Assistant to the Deputy Director/Technical Adviser and to the Legal Counsel.
- 2.2 The Director, the Deputy Director/Technical Adviser, the Legal Counsel and the three Heads of Department comprise a Management Team which manages the operation of the Organisations.
- 2.3 Mr Willem Oosterveen took up office as Director of the IOPC Funds on 1 November 2006. The previous Director, Mr Måns Jacobsson, continued to be available until his retirement on 31 December 2006.
- 2.4 Mr Joe Nichols retired from the post of Deputy Director/Technical Adviser on 17 August 2007.

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- 2.5 Under the structure established by the governing bodies, the Director has delegated authority to the Deputy Director/Technical Adviser, the Legal Counsel and the Heads of Departments, within the limits laid down by the governing bodies in the Internal and Financial Regulations.
- 2.6 At its October 1998 session, the 1992 Fund authorised the Director to determine the grades of individual posts in the General Service category and in the Professional category up to grade P5 and to decide on promotions for these categories, provided that the increased costs resulting therefrom could be covered within the total budget appropriation for Personnel adopted by the Assembly. It was decided that decisions relating to grades above the P5 level (ie grades D1 and D2) would be taken by the Assembly, on the basis of proposals by the Director (document 92FUND/A.3/27, paragraph 23.6; cf document 71FUND/EXC.54/17/A.21/24, paragraph 22.3). Since the governing bodies' October 2006 sessions, two posts in the Professional Category and one post in the General Service category have been re-classified.
- 2.7 At their October 2002 sessions, the governing bodies confirmed that the Director had the authority to change job descriptions of staff and make any adjustments necessary to make the most effective use of the available resources in the light of the changing needs of the Organisations (document 92FUND/A.7/29, paragraph 18.3 and 71FUND/AC.9/20, paragraph 14.3).
- 2.8 At its October 2006 session, the 1992 Fund Assembly renewed its authorisation to the Director to create positions in the General Service category as required, provided that the resulting cost would not exceed 10% of the figure for salaries in the budget (document 92FUND/A.10/37, paragraph 30.6). No such post has been created by the Director since the October 2006 sessions of the governing bodies.
- 2.9 The Secretariat has 31 established posts as detailed below. An organisation chart showing the structure is at the Annex.

Posts	Posts approved by governing bodies
Professional Staff Category	
Director	1
Deputy Director/Technical Adviser (vacant)	1
Legal Counsel	1
Personal Assistant to the Director	1
Head, Claims Department	1
Claims Managers (one post vacant)	3
Head, Finance and Administration Department	1
IT Manager	1
Finance Manager	1
Human Resources Manager (part-time) (vacant)	1
Office Manager	1
Head, External Relations and Conference Department	1
French Translator (vacant)	1
Spanish Translator (vacant)	1
Information Officer (vacant)	1
<i>Sub-total</i>	<i>17</i>

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General Service Staff Category		
	<i>Director's Office</i> Administrative Assistant to the Deputy Director/Technical Adviser and to the Legal Counsel	1
	<i>Claims Department</i> Claims Administrators	2
	Claims Assistant	1
	<i>Finance and Administration Department:</i> IT Administrator	1
	Finance Assistants	2<1>
	Office Assistant	1
	Receptionist/Travel Assistant	1
	<i>External Relations and Conference Department</i> Translation Administrators	3<2>
	Publications Administrator (vacant)	1
	Conference Administrator	1<3>
	<i>Sub-total</i>	<i>14</i>
Established posts		31
Posts vacant		7

- 2.10 Six posts are vacant in the Professional Category, ie those of Deputy Director/Technical Adviser, Claims Manager, Human Resources Manager, Information Officer and French and Spanish translators. Recruitment for the post of Claims Manager will only be made if required due to an increase in workload. The Director does not intend to fill the vacant posts of in-house translators for the foreseeable future but will continue to use freelance translators.
- 2.11 One post is vacant in the General Services category, ie that of Publications Administrator.
- 2.12 Temporary appointments have been made in the General Service category to cover for maternity leave and for a post where the incumbent is currently working part-time after returning from maternity leave.

3 Developments since the October 2006 sessions of the governing bodies

3.1 Staffing issues

- 3.1.1 The Director reviews regularly the operation and structure of the Secretariat in the light of experience, so as to make optimum use of the Secretariat's resources and to ensure the best possible service to the increasing number of Member States, to claimants and to contributors. He considers it also important to ensure that the full potential of staff members is used and that staff find job satisfaction.
- 3.1.2 The Director has taken the opportunity to review the staff resources in the External Relations and Conference Department (ERC Department) as a result of two posts becoming vacant in 2007. In order to provide better service to the increasing number of Member States and contributors as well as to further develop the Funds' outreach programmes, the Director seeks the approval of the

<1> One incumbent part-time
<2> One incumbent part-time.
<3> Incumbent part-time

1992 Fund Assembly for the establishment of a new post in the Professional category in the ERC Department.

- 3.1.3 Should the 1992 Fund Assembly approve the establishment of the new post set out in paragraph 2.13 above, the Director does not envisage the need to propose an increase in the Administrative Budget for 2008 (document 92FUND/A.12/21/Add.1). He proposes instead to use the funds allocated in the draft 2008 Administrative Budget for the vacant post of Claims Manager which will only be filled should the workload so require.

3.2 Risk Management

- 3.2.1 During 2004 the Director undertook a general review of the IOPC Funds' risk management. In close cooperation with the Audit Body and with the assistance of consultants and the External Auditor, the Director identified five areas of risk, in no particular order of priority, namely: reputation, claims handling, financial, human resource management and business continuity.
- 3.2.2 The risks have been identified and assessed in terms of the likelihood and impact on the Funds' operations and controllability. The consideration of risks relating to finance, human resources and claims handling has been completed to a satisfactory level. Key risks have been identified and controls and procedures in place to investigate these risks have been evaluated. Progress has been made since the October 2006 sessions of the governing bodies with respect to business continuity (IT and premises). The only outstanding area is reputation risk and this will include risks already identified under the other areas of risk which could have a reputational impact (eg fraudulent claims).
- 3.2.3 The Director's objective is that the work on risk management should be completed as soon as practically possible and hopefully by the summer of 2008. It is then envisaged that the key risks which have been identified will be reviewed on a regular basis.

- 3.2.4 The Audit Body and the External Auditor have made valuable contributions to this process.

3.3 Records of Decisions Database

- 3.3.1 Consideration has been given to the establishment of a database of the decisions taken over the years by the governing bodies. After having considered various options, the Director approved a prototype Records of Decisions Database in 2005. A key feature of the database, which will be web-based and set up at least initially in the English language only, is that each decision will be accompanied by an abstract of that decision which will be linked directly to the relevant paragraphs in the source documents relating to the decision. The total number of decisions taken by the various bodies of the 1971, 1992 and Supplementary Funds during the period 1978-2005 is estimated at some 1 500.
- 3.3.2 The former Deputy Director Director/Technical Adviser, Mr Joe Nichols, had begun work on categorising all the decisions and other relevant information, such as court judgements, into the database before his retirement in August 2007 and had by then covered the period 1978-1998. In order to maintain the same style, the Director decided to accept Mr Nichols' kind offer to complete the work. Once the work has been completed and proofread, a database interface will be developed to enable the database to be accessible online. The database will then be kept up to date after each session of the governing bodies.

3.4 Claims handling and related issues

- 3.4.1 The Secretariat has continued to strengthen its monitoring of the claims handling process.
- 3.4.2 A number of staff members have visited the *Prestige* Claims Handling Offices in La Coruña and Lorient and meetings have been held at various locations with the experts examining claims

arising from the *Prestige* incident. Staff members have also travelled to the Philippines to make payments to claimants in the context of the *Solar 1* incident as well as for meetings with government officials and to visit the claims liaison office in Iloilo which was set up by The Shipowners' Club and the Fund to assist with the handling of claims.

3.4.3 The Secretariat has participated in or organised a large number of seminars and workshops on the international compensation regime in general and on claims handling in particular. The purpose of this activity is to increase the understanding in Member States of the various aspects of the regime, thereby facilitating the submission and handling of compensation claims.

3.4.4 A new claims handling database is in the process of being developed in-house. It will assist in the handling of incidents where claimants, Governments, experts, etc, make large amounts of data available to the Fund. The new database will become a very useful management tool in the handling of major and complex oil spill incidents, enabling the Director to monitor the claims situation on a continuous basis. It will contain three modules namely, contacts, claims and experts. The contacts and claims modules are being finalised and the experts' module is in the design process. It is expected that the database will be available by the end of 2007.

3.5 Financial and administrative matters

3.5.1 The work on strengthening financial control has continued, taking into account recommendations made by the External Auditor and the Audit Body. The joint Investment Advisory Body has also made a valuable contribution in this regard.

3.5.2 The finance and contributions database (FUNDMAN) has been upgraded and enables the External Auditor to interrogate the ledgers using computer-assisted audit techniques. This has increased the External Auditor's assurance over the preparation of the Financial Statements from the accounting records.

3.5.3 The Funds have confirmed their requirements for office space at IMO in the framework of the refurbishment of the IMO Building. The governing bodies will recall that the offices are not only used during Fund meetings held at IMO but also as a business continuity solution.

3.6 Staff policy issues

3.6.1 A staff performance management review system has been introduced and the Secretariat will continue to use the new system in the years ahead.

3.6.2 Staff training has continued during 2007. Staff members have participated in language classes (English, French, Spanish and Arabic) and IT training has also been provided. Some staff members have had further training in the use of the translation software 'Trados'. Staff training will be developed further in 2008.

3.6.3 Staff meetings are held on a monthly basis to enable an exchange of information amongst the members of the Secretariat, in particular across Departments. On some occasions, outside visitors are invited to make presentations of general interest to the Secretariat.

3.7 External Relations and Public Information

General information

3.7.1 The *Erika* and *Prestige* incidents have focused the Secretariat's attention on the importance of informing the public in Member States affected by a spill of the role of the IOPC Funds. In the context of these incidents, the 1992 Fund has been assisted in these activities by French and Spanish agencies (AttentionConsultants and Estudio de Comunicación respectively) specialising in these matters.

- 3.7.2 In 2006 AttentionConsultants had been asked by the Director to look for a PR company with worldwide coverage to assist the Funds should the need arise. AttentionConsultants had put together an interim proposal which had been discussed with the Secretariat. The Director was of the view that it might be useful for the Funds to have a company or a network of companies in areas of the world with a high-risk profile on a stand-by basis in case of crisis, as long as it was cost-effective and that this could be seen as part of risk management. The work by AttentionConsultants on this project is ongoing.
- 3.7.3 The French and Spanish versions of the brochure on the HNS Convention were published in the spring of 2007.

IOPC Funds' Website

- 3.7.4 Consideration will be given to expanding the IOPC Funds' website further during 2008 by introducing new sections aimed at specific groups of users such as delegates, the media and claimants.

Document Server

- 3.7.5 The IOPC Funds' Document Server was developed to provide delegates with access to documents for meetings via the IOPC Funds' website. The Document Server has been fully operational since January 2001 and originally contained documents covering all meetings from January 2001 onwards. In response to a growing demand from delegates, in June 2005 the Secretariat began work on the expansion of the Document Server to contain all documents going back to the first session of the 1971 Fund Assembly in November 1978.
- 3.7.6 The project involved adding more than 4 000 documents (comprising some 40 000 pages) to the Document Server of which at least 3 200 needed to be scanned from the hard copies of meeting documents because they were not available in digital format. Since the scanning was carried out externally, the scanned documents had to be checked against the bound volumes from which they were scanned. Data for each document also had to be entered into a database which was then used to upload all documents onto the Document Server.
- 3.7.7 The work was completed in early 2007.

4 Action to be taken by the governing bodies

The governing bodies are invited:

- (i) to take note of the information contained in this document; and
- (ii) to approve the establishment of a new post in the Professional category in the ERC Department.

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CURRENT STRUCTURE OF THE IOPC FUNDS' SECRETARIAT

