



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUNDS

<b>Agenda item: 9</b>	IOPC/OCT14/9/4	
Original: ENGLISH	1 September 2014	
1992 Fund Assembly	<b>92A19</b>	•
1992 Fund Executive Committee	<b>92EC62</b>	
Supplementary Fund Assembly	<b>SA10</b>	
1971 Fund Administrative Council	<b>71AC33</b>	

## TRANSFER WITHIN THE 2014 BUDGET

### Note by the Director

<b>Summary:</b>	The budget appropriation to cover costs relating to ‘Consultants and other fees’ under Chapter V in the 2014 budget may not be sufficient due to various additional non-incident related studies and legal fees in pursuing contributors. The Director proposes that he be authorised to make the necessary transfer between chapters within the 2014 budget to cover these costs.
<b>Action to be taken:</b>	<u>1992 Fund Assembly</u>  Decide whether to authorise such a transfer within the 2014 budget.

### 1 Introduction

- 1.1 The Director’s authority to make transfers within the budget is governed by the IOPC Funds’ Financial Regulation 6.3 which reads:

Transfers between appropriations within chapters of the budget (Roman figures) may be made without limitation. Transfers between appropriations in the budget between chapters may be made up to 10%, calculated on the appropriation to which the transfer is made.

- 1.2 In previous financial periods, transfers have been made between appropriations either within chapters or between chapters of the budget, in accordance with Financial Regulation 6.3.

### 2 Consultants and other fees

- 2.1 The budget appropriation for 2014 to cover the cost of ‘Consultants and other fees’ (Chapter V – Other expenditure) is £100 000 which was reduced from the budget appropriation in 2013 of £150 000. This appropriation covers the cost of consultants/lawyers which cannot be undertaken by the permanent staff; studies of a general nature which are not specific to incidents eg study on compensation matters – VAT; in recent years, pursuing contributors in arrears; and the purchase of the Lloyds Intelligence data.
- 2.2 The costs under this budget heading in 2013 amounted to some £184 000. The estimated cost for 2014 is estimated to be in the region of some £150 000 mainly due to the continuing litigation in the Russian Federation in pursuing contributors in arrears and the cost of consultants used for the various studies which are not incident related. As at 1 August 2014 some £88 000 had been spent against a budget appropriation of £100 000.

- 2.3 Under Financial Regulation 6.3, the Director is entitled to make a transfer from other chapters of 10% (ie £10 000) to the appropriation for excess expenditure against the budget head cover 'Consultants and other fees'. This may leave a shortfall in respect of this appropriation should the costs exceed £110 000. The Director proposes, therefore, that he be authorised to make the necessary transfer to 'Other expenditure' (Chapter V) within the 2014 budget, from Chapter VI – Unforeseen expenditure, to cover costs that may exceed the amount that can be transferred under Financial Regulation 6.3.

**3 Action to be taken**

1992 Fund Assembly

The 1992 Fund Assembly is invited:

- (a) to take note of the information contained in this document; and
  - (b) to consider the Director's proposal that he be authorised to make the necessary transfer to 'Other expenditure' (Chapter V), within the 2014 budget, from Chapter VI – Unforeseen expenditure, to cover costs that may exceed the amount that can be transferred under Financial Regulation 6.3.
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