



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUND

ASSEMBLY  
14th session  
Agenda item 24

FUND/A.14/21  
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## **ANY OTHER BUSINESS**

### **TRANSFERS WITHIN THE 1991 BUDGET**

Note by the Director

#### **Introduction**

1 The Director's authority to make transfers within the budget is governed by Financial Regulation 4.3, which reads:

"4.3 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."

2 In previous financial periods, transfers have been made between appropriations either within or within and between chapters of the budget, in accordance with Financial Regulation 4.3. Such transfers will also be made in 1991.

3 For the 1991 financial period, it is likely that the budget appropriations for General Services and Miscellaneous Expenditure will be exceeded.

#### **General Services**

4 At the time of preparing the Budget for 1991, the Director did not foresee the expansion of the IOPC Fund's offices (cf document FUND/A.14/10). This expansion will, as regards 1991, result in an extra cost for Rent and Service Charges of approximately £2 100, and this cost can be covered by transfer within the Chapter "General Services" to the appropriation for Rent of Office Accommodation.

5 However, the expansion of the offices will also necessitate further expenditures during 1991 which can not be covered by transfers within the Chapter "General Services", nor by transfers between chapters within the limit laid down in Financial Regulation 4.3. These additional expenses relate to the cost of alteration of partition walls, re-wiring and purchase of necessary furniture and other equipment for the Claims Officer and for the new secretary who so far has used furniture belonging to IMO. In addition, the IOPC Fund will have to cover costs for relocation of certain members of the IMO staff. It is estimated that these expenses would necessitate transfers from other chapters in the budget not exceeding £30 000.

6 The Director proposes that he should be entitled to make transfers to Chapter II (General Services) not exceeding £30 000 from other chapters in the 1991 Budget to cover expenses connected with the expansion of the IOPC Fund's offices and the creation of the new posts of Claims Officer and Principal Clerk Secretary. It should be noted that these expenses would be made only to the extent that savings in other chapters would make such transfers possible.

#### **External Audit**

7 As regards Chapter V (Miscellaneous Expenditure), the appropriation of £10 200 for External Audit was based on a provisional figure obtained from the External Auditor. However, the External Auditor has recently informed the Director that he estimates the cost for the audit of the 1991 account at approximately £11 400, and that this increase reflects the additional work that will be needed for the audit, following the AGIP ABRUZZO and HAVEN incidents. According to the External Auditor, the increased fee of £11 400 could be subject to adjustment if any further significant incidents occur.

8 The other appropriations in Chapter V, viz payments to IMO for General Services (£4 000) and Consultants' fees (£8 000) have or will be used in their entirety. In order to cover the increased cost of the External Audit, a transfer of at least £1 200 would have to be made from other chapters. The Director proposes that, should the increase in the audit fee necessitate a transfer between chapters in excess of the limit laid down in Financial Regulation 4.3, he be authorised to make the necessary transfer.

#### **Action to be Taken by the Assembly**

9 The Assembly is invited to consider the Director's proposal that he be authorised to transfer in the 1991 Budget:

- (a) to Chapter II (General Services) up to £30 000 from other chapters to cover expenses connected with the expansion of the IOPC Fund's offices and the creation of two new posts; and
  - (b) to Chapter V (Miscellaneous Expenses) from other chapters such amount as may be necessary to cover the increase in the audit fee.
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