INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

ASSEMBLY
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Agenda item 14

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TRANSFERS WITHIN THE 1995 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:

> 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 1995.

3 For the 1995 financial period, it is likely that the budget appropriations for Miscellaneous expenditure (Chapter V) will be exceeded.

Budgetary surplus

4 It is expected that there will be a budgetary surplus at the end of 1995. It is estimated that the total expenditure in the chapter of Personnel (Chapter I) will be in the region of £570 000, out of a budget appropriation of £708 890. There should, therefore, be a budgetary surplus of over £138 000 in this chapter alone.

Miscellaneous expenditure

5 As mentioned above, it is likely that the budget appropriation for Miscellaneous expenditure in Chapter V (£127 300) will be exceeded for the 1995 financial period. This is due to that fact that costs incurred for Consultants' fees have proved to be higher than the budget amount of £50 000. The reason for this is the increased cost for using consultants in connection with the preparations for the entry into force of the 1992 Protocol to the 1971 Fund Convention. It is estimated that the total 1995 expenditure in respect of Consultants' fees will be in the region of £62 000, resulting in the appropriation being exceeded by approximately £12 000.

6 Most of the other appropriations in Chapter V will be used up in their entirety. Under Financial Regulation 4.3, the Director is entitled to make a transfer of only £5 000 from other chapters to the appropriation for Consultants' fees in Chapter V, which would leave a shortfall of about £7 000 in respect of this appropriation. The Director proposes, therefore, that he be authorised to make the necessary transfer to Chapter V (Miscellaneous expenditure) from Chapter I (Personnel) to cover increased costs for using consultants, up to a maximum of £15 000.

Action to be taken by the Assembly

7 The Assembly is invited to consider the Director's proposal that he be authorised to transfer, in the 1995 budget, up to £15 000 from Chapter I (Personnel) to Chapter V (Miscellaneous expenditure) to cover increased costs for using consultants.