

INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1971

ASSEMBLY
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Agenda item 4

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SECRETARIAT WORKING METHODS

Note by the Director

Summary:	A summary of the recommendations contained in the final report of the consultants engaged in connection with the review of the working methods within the Secretariat has been prepared by the consultants.
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Action to be taken:	Information to be noted.
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1 As indicated in paragraph 4 of document 71FUND/A/ES.4/3, the consultants engaged in connection with the review of the working methods of the Secretariat have prepared a summary of their recommendations. This summary is reproduced in the Annex.

2 **Action to be taken by the Assembly**

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

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ANNEX**International Oil Pollution Compensation Fund
Review of Working Methods****Summary of Recommendations**

At its 19th session, the Assembly of the 1971 Fund instructed the Director to review the working methods within the Secretariat in order to ensure that the 1971 and the 1992 Funds are managed in a way which produces the most efficient and cost effective outcome. (document 71FUND/A.19/30, paragraph 12.7)

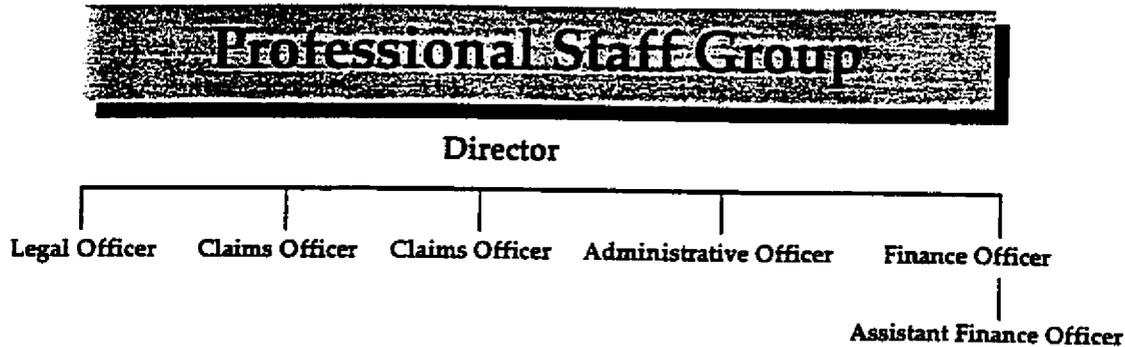
The Assembly defined the terms of reference as being a review of the present structure of the Secretariat, its working methods and the distribution of tasks based upon the current and future needs of the 1971 and 1992 Funds.

This document is a brief summary of the study that has been carried out according to this mandate. It concentrates on the recommendations made by the consultants. Much more information is available in the management study.

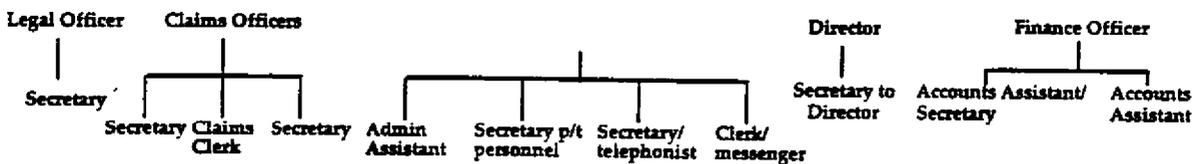
- 1. The organisation structure**
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1. THE ORGANISATION STRUCTURE

1.1 The present organisation structure



General Staff Group And Their Reporting Relationships



The present structure is characterised by its informality, which, with the increase of the workload in both volume and complexity, may be beginning to be an impediment to the Secretariat's effectiveness. Management processes that will facilitate the working of the organisation should be put in place:

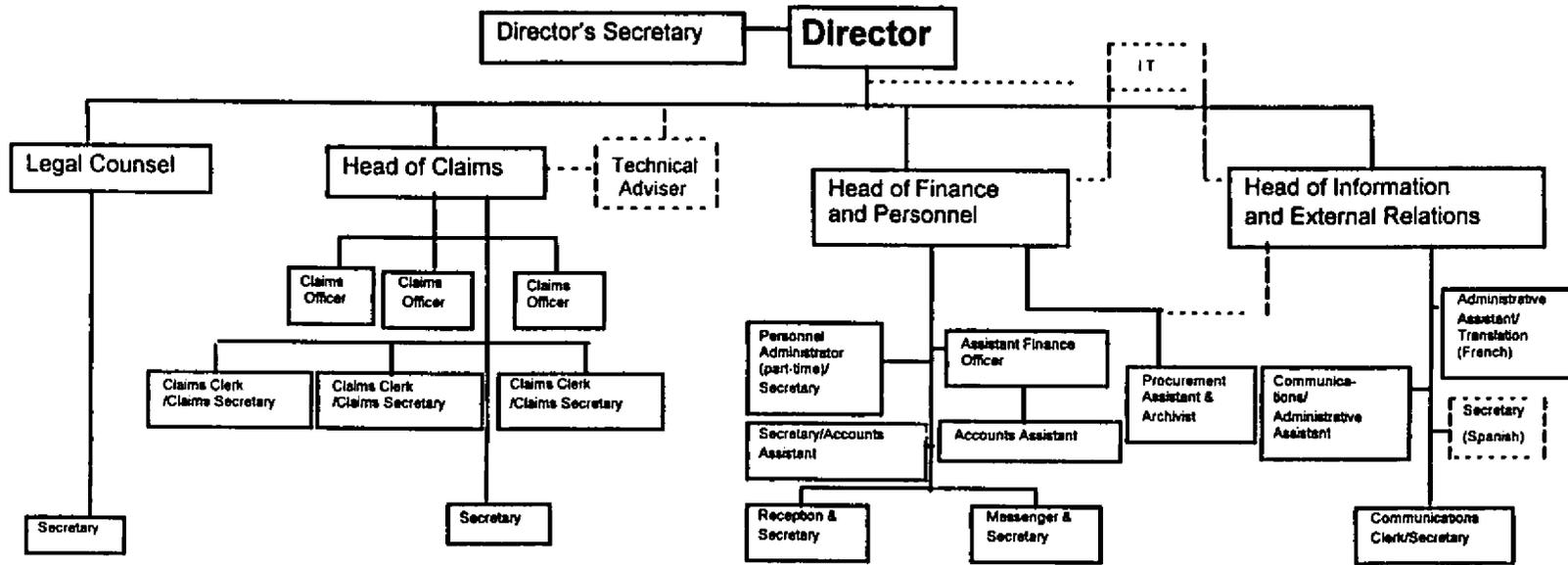
- There is an opportunity to delegate more responsibility down from the Director.
- There are opportunities to clarify departmental and individual objectives, to establish performance and review processes and to clarify reporting relationships.

1.2 Proposal for a new structure

The study recommends the establishment of a Management team comprising the Director, the Legal Counsel and Heads of Departments. The three departments which are recommended to be established are as follows:

- A Claims Department
- A strengthened and formalised Finance and Personnel Department
- An Information and External Relations Department

A New Structure in More Detail



This organigram only denotes reporting relationships. It does not describe the grading of posts.

This recommended organisational structure is set out below.

The Director

Our understanding of the Conventions and the Internal Regulations is that the Director *is* able to delegate his *responsibility* for specific aspects of the work of the Secretariat without compromising his overall *accountability* for the work of the Secretariat. Thus, this report assumes no reasonable legal or regulatory constraint on the Director to delegate his authority in the discharge of his duties and responsibilities subject to any decisions of the Assembly in this regard. The issue for the future is to establish an organisational structure such that the Director can feel confident in delegating issues to sub-ordinates with the appropriate competencies in whom he can rely.

The establishment of a formal management team responsible for the operational activities of the Funds will enable the Director to devote more time to the representational and diplomatic areas currently under pressure due to operational burdens - particularly his direct handling of individual claims.

The Legal Counsel

We would expect that the future appointment of Fund Director will continue to be drawn from those with considerable experience of international legal and political affairs. Thus the role of the Legal Counsel is to provide advice to the Director on significant issues of legal principle and policy and to support the Claims team.

The Claims Department

Claims handling should be headed up by someone who will take a management responsibility for the Claims team - this person will lead and guide the Claims Team and so ensure that the Director's involvement can be limited to regular performance reviews, process audits to ensure that claims are being handled in conformance with agreed procedures and policies, and to issues of special urgency or importance. The prime competence requirement for this role is the possession of excellent management and interpersonal skills. Ideally the Fund should recruit someone who knows the Fund well and could be immediately operational.

Reporting to the Head of the Claims Department would be Claims Officers and reporting to them would be Claims Clerks/Claims Secretaries and a junior secretary. On the dedicated secretarial side there is the opportunity to redefine the secretarial role to be that of a support service to professional staff, who could undertake more of their own word-processing. The actual number required should be determined only once the new structure is in place. However based on current workloads we would anticipate the need for three Claims Clerks/Claims Secretaries and a junior secretary. We believe that the existing Claims Clerk can continue with his additional role of IT support and troubleshooting.

Technical / Scientific Advice

In addition, the scientific expertise of the Secretariat should be enhanced with the appointment of a person with substantial consultancy experience in the field of marine pollution, as an engineer or scientist. This role should provide the Secretariat with a direct body of experience in the recruitment and management of external technical experts, as well as the increased opportunity to challenge and review expert advice where required.

Further, this post holder would be responsible for the development, training and monitoring of the retained experts, as described more fully in the section on Claims Handling and the role of experts. This postholder would provide technical advice and support in each incident. To the extent required, he/she would advise the Director on issues of technical or scientific matters relating to the HNS Convention.

It is possible that the Fund could recruit an individual who would be able to combine the two roles of Head of Claims and Technical Adviser. However if this was not possible then an additional post of Technical Adviser would need to be created. This post could report either to the Head of Claims or to the Director.

The Finance and Personnel Department

The Finance Team should consist of the current Finance Officer supported by the current team.

It is critical that the Finance team is strong enough to ensure that the Director is not required to sign off every investment move, provided that control procedures are effectively enforced. However, the overall performance of Finance should be the subject of a weekly meeting between the Head of Finance and the Director. Finance should also provide a report at a weekly management team meeting.

Finance should continue to retain responsibility for the strategic and administrative areas of personnel activity.

Finance should also be accountable for managing the Secretariat's IT systems, procurement, travel arrangements, the Post Room and Messenger Services. The opinion of an IT expert should be sought to advise the Secretariat on what word processing and database systems should be developed and introduced. The results of this advice may result in further resource requirements. This could take the form of either a dedicated individual employed by the Secretariat for a specific period of time or the establishment of a contract with a specialist consultancy.

The Information and External Relations Department

The purpose of the Information and External Relations Department would be to communicate information about the Funds to the outside world, as well as to supply the needed documents to the Funds Assembly and Executive Committee and other Funds bodies. Essential elements of its role would be to manage the Secretariat's

translation services, documents and publications, government liaison, contributor liaison and the promotion of the Funds.

The Head of the Information and External Relations Department should have an excellent support service management background. His/her main skill would be in the managing the conflicting demands of a customer-focused service department and the performance management issues around the activities of the sections within the department.

The Management Team Overview

The Secretariat would in future be managed and led by the Director and his Management Team: the Legal Counsel and the heads of departments. A weekly management team meeting would be held at which all operational matters requiring the broader consideration of the management team could be discussed and dealt with. In addition, the team would be responsible, under the authority of the Director, for defining the business plan for the Fund, defining direction and responding to emerging issues.

Each Head of Department would also be responsible for holding regular meetings with members of his team at agreed frequencies to set targets, prioritise activities within the team and ensure that all relevant information about Fund activity is communicated effectively.

The implications of this new structure

At the professional level, our proposal entails the creation of two new roles - the Head of the Claims Department and the Head of the Information and External Relations Department.

The organisation structure also includes the third Claims Officer, already approved by the Assembly. The recruitment to this post has been postponed by the Director pending the outcome of this study.

Among the current general staff group the main challenge for the new management team will be to harness their talents and skills which are significantly under used. Our proposals are likely to require an additional two posts - one of which has already been approved by the Assembly i.e that of an additional Secretary. We propose in addition a further Secretary.

In addition we highlight the need for investment in IT resources.

At the heart of our recommendations with respect to the general staff group it is our view that the scope and nature of many of the existing jobs can be expanded. The effect of these recommendations on the Secretariat staffing levels are summarised in the table below:

Professional Staff Group : Post	Current	Future
Director	1	1
Legal Officer/Counsel	1	1
Head of Claims	0	1
Head of Finance and Personnel	1	1
Administrative Officer	1	0
Assistant Finance Officer	1	1
Head of Information and External Relations	0	1
Claims Officer <1>	3	3
Sub Total	8	9

General Staff Group : Post	Current	Future
Director's Secretary	1	1
Legal Officer's Secretary	1	1
Claims Secretary	2	1
Claims Clerk - Claims Clerk/Claims Secretary <2>	2	3
Communications/Administrative Assistant	0	1
Secretary Information & External Relations	0	1
Personnel Admin and Secretary	1	1
Telephonist and Secretary	1	1
Clerk/Messenger - Secretary/Messenger	1	1
Secretary - Finance and Personnel Dept	1	1
Accounts Clerk	1	1
Procurement Assistant/Archivist	0	1
Administrative Assistant/Translator (French)	1	1
Sub Total	12	15

Secretariat Staffing	20	24
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Further additional staff may be required if Spanish is adopted as an official language.

An additional post of Technical Adviser may be necessary if the Head of Claims cannot fulfill both roles.

- <1> The third post of Claims Officer was already established by the Assembly, but recruitment was postponed by the Director, pending the outcome of this study.
- <2> The additional post of Claims Secretary has already been established by the Assembly, but recruitment was postponed by the Director, pending the outcome of this study.

1.3 Recommendations for Change

131 A new management structure

We recommend the following:

1. The move to a structure characterised by specific departments and a management team.
2. The creation of a new role of Head of Claims Department.

3. A new role of Technical Adviser should be created. It should be held by someone with significant scientific competence in the field of marine pollution. This role could be combined with that of the Head of the Claims Department.
4. The creation of a new role of Head of Information and External Relations.
5. The establishment of a formal organisation structure which clearly specifies all reporting relationships.
6. The definition of the accountabilities and responsibilities of all jobs.
7. The definition of appropriate methods of internal communication.
8. The identification of staff's training and development needs and have in place a process to prioritise and resource them.
9. The establishment of formal methods of performance review at the level of both the organisation and the individual.
10. The periodic review of the system implemented to check and control the Funds' investments.

132 The creation of an implementation plan that will ensure that the selected changes are consolidated over time

Together with the Director and the Steering Group, we would recommend that a detailed implementation plan is produced, which will identify what actions by the Director and the Secretariat staff will be necessary within specified time scales. It will also identify any external assistance that may be required to effect the change. The plan will also need to specify what new processes may be required as well as the role and behavioural implications of the structural changes.

133 The communication process to the Secretariat staff

Throughout the course of this management study, we have been impressed by the dedication, support and courtesy shown to us by the Secretariat staff as a whole. Without their wholehearted co-operation, a study such as this would have been very difficult to develop. We are particularly pleased that the Director has put in place a variety of communication and consultation processes with the staff to discuss this report. We believe that the spirit of this process will need to be continued in order to assist in the successful implementation of these recommendations.

134 Review of Information Technology capabilities

We believe the Secretariat should commission a review of its current hardware and IT systems. This review should identify the shortcomings of what is in place now, identify clear user and organisational requirements by working with Secretariat staff and make recommendations for the future.

1.4 Implementation

The implementation of the recommendations of this report should be managed with sensitivity and care. Change in any organisation can be unsettling for those who work within it. In a small tightly-knit team, like the Secretariat, it is especially important to ensure that everyone is fully involved in the development of the new organisational structure and the new ways of working. Much of the work to successfully implement this report's recommendations will be the accountability of the Director and his new management team.

To facilitate that objective we have identified four critical implementation steps which need to be put in place once the Assembly has given approval to the Director to proceed.

These four critical implementation steps are as follows:

- Appoint a Head of the Claims Department
- Appoint a Head of the Information and External Relations Department
- Establish appropriate ways of working to enable the new structure to function effectively.
- Clarify accountabilities in the Director's absence and submit a proposal to the Assembly in this regard.

1.5 Office Space and Accommodation

With the increase in staff numbers, the Secretariat will need additional space. At present the Secretariat is working in a relatively cramped environment. The archive is close to capacity, the availability of appropriate meeting rooms is sometimes a source of concern and there is no appropriate Reception area. Ideally the Secretariat should remain within the IMO building on Albert Embankment. There are benefits to be gained on policy, practical and cost grounds, for this to be the case. Thus the Director will need to enter discussions with the Secretary-General of the IMO to identify whether extra space within the building can be made available.

If space cannot be found in the building then the Secretariat may be required to move to alternative premises. This could have further staffing implications, as currently the Secretariat benefits from services provided by the IMO, like reception, security and miscellaneous administrative support.

2. OTHER RECOMMENDATIONS

2.1 Local Claims Offices

211 The roles of a Local Claims Office (LCO) and the roles of the Claims Officers based in the Secretariat should be formally defined:

- The role of a Local Claims Office is to inform the potential claimants, to advise them in the presentation of their claims, to examine their claims in co-operation with the technical experts and forward the claims to the Fund and the Club with a recommendation for decision. Currently no decision on whether to accept or reject a claim is ever taken by an LCO.
- The Claims Officers are accountable for the establishment and management of the operation of the LCO.

This means inter alia:

- selecting and training individuals who are capable of becoming LCO managers;
- setting up an LCO, when appropriate, after an incident;
- establishing the standards and performance measures for the LCO;
- agreeing the work to be undertaken by the LCO;
- agreeing a process to negotiate with claimants;
- reviewing on a regular basis the actual performance of the LCO against those standards and measures;
- dealing with the P & I Club involved in the incident - this will include managing and advising on issues where there is a potential conflict of interest between the Funds and the Club;
- liaising and co-ordinating with other relevant parties involved in the incident;
- supervising and managing the work of the experts involved in the case.

In time we believe that it may be possible to delegate some accountability for making decisions on claims to the LCO themselves. However we do not make that recommendation at this stage. Rather, the first priority, we believe, is to establish the new management structure.

212 Some representatives of the P&I Clubs, selected experts and local staff should be brought together with the two Claims Officers and the Legal Counsel to form a working group. This working group should recommend to the Director the management principles of a claims office in respect of:

1. The clarification of the responsibilities and accountabilities in the claims handling process between a local claims office, the Funds and the Clubs.
2. The documentation and agreement of procedures and standards of operation, including the specification of IT and communication processes and equipment.
3. The required client handling skills profile for local claims office staff.
4. The codification of the relationship between the claims office and the operational activities of external experts.
5. The criteria for deciding the life span and assessing the effectiveness of the local claims office.

In addition to the above, the Finance Department should be involved in reviewing the current payment and authorisation practices, to assess the time spent on double authorisation loops, and to define a set of agreed financial procedures which can be modified to fit with whatever legal or currency domain in which an office might be based.

- 213 A more detailed manual of procedures (how to run a Local Claims Office) should be set up, preferably in co-operation with someone who has run a Local Claims Office.
- 214 A closer look should be given to the Claims Offices databases. They should be standardised and include the possibility of functioning in different languages (English, French, Spanish, Japanese) and, at the same time, be converted from any language to English, in order to offer the possibility of making comparisons between incidents and contribute to enforce a policy of equality of treatment. Correctly used, these databases can be a very powerful tool to increase the Secretariat's overall efficiency.
- 215 Recognising that to-date only one Claims Office has closed, we believe that it is right that a post-closure workshop should be held in which LCO managers, Claims Officers, the Finance Officer, representatives from ITOPF and P&I Clubs review its operation. It should produce a report each time an LCO is closed. Prior to this workshop a short survey should be undertaken of a cross section of claimants (satisfied/rejected), about their perception of the Fund and how it works.

2.2 Experts

- 221 The selection of experts requires a defined process and check-list. We would recommend that periodic reviews of regularly used experts should be held in which contractual and payment issues could be discussed and agreed. As well as providing routine opportunities for the review of market rates, the Fund should also ensure that, post-crisis in the management of any incident, a contractual terms meeting is held with the relevant experts, and precise terms agreed for the continuation of the project.
- 222 The Fund should ensure that on the engagement of experts there is clarity about the Secretariat's expectations. Outcomes should be specified, targets and project milestones (dates) agreed. The Secretariat should then evaluate experts' performance against those criteria.
- 223 The Fund should consider drafting more comprehensive briefing documentation which would accompany the awarding of a contract, spelling out the requirements of the Fund.
- 224 Due to the heavy reliance of the Fund Secretariat on ITOPF technical expertise, the negotiating of a Memorandum of Understanding with ITOPF is highly recommended. It would be an excellent vehicle for examining, with an open mind, the co-operation between the two organisations.

- 225 The use of national/regional experts. In an incident occurring in countries using such a widespread language as Spanish, the Fund should continue and endeavour to increase the use of experts who can speak Spanish (although not necessarily as their mother tongue).
- 226 It would be possible for the Fund to select and maintain a register of key experts in each continent/region of the world who could establish and operate a Local Claims Office for the Secretariat. These experts should be equipped to become knowledgeable and experienced in the workings of the Fund (through a Fund-developed comprehensive training programme). A nominal retaining fee may or may not be necessary.
- 227 The Fund could employ external assistance to evaluate the effectiveness of its use of its retained experts.
- 228 A study should be undertaken of the different claims handling processes in different countries so as to improve the system.

2.3 Other Matters

- 229 The Fund should create an Internet Web site operating in many languages. This site would include the Annual Report, the Claims Manual, press releases and indications on where to find more information on the Fund.
- 230 A review of the process of document translation is undertaken with a view to increasing efficiencies and eliminating bottlenecks. This review should also deal with the implications of adopting Spanish as a third working language.
-