



**INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUNDS 1971 AND  
1992**

ASSEMBLY  
8th session  
Agenda item 23

92FUND/A.8/19  
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ADMINISTRATIVE COUNCIL  
12th session  
Agenda item 18

71FUND/AC.12/16

## TRANSFER WITHIN THE 2003 BUDGET

### Note by the Director

<b>Summary:</b>	The budget appropriation to cover the costs of the operation of the Audit Body under Miscellaneous expenditure (Chapter V) in the 2003 budget will not be sufficient. The Director proposes that he be authorised to make a transfer between chapters within the 2003 budget to cover these costs.
<b>Action to be taken:</b>	To authorise such a transfer within the 2003 budget.

### **1**     **Introduction**

- 1.1     The Director's authority to make transfers within the budget is governed by the 1992 and 1971 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. Transfers within chapters may also be made in 2003.

### **2**     **Miscellaneous expenditure**

- 2.1     The budget appropriation in the 2003 budget for Miscellaneous expenditure (Chapter V) (£255 000) includes an appropriation of £50 000 to cover the costs resulting from the operation of the Audit Body. However, when the 2003 budget was prepared, it was difficult to estimate the costs relating to the newly-created Audit Body. It is now estimated that this appropriation will be insufficient to cover the costs of travel and subsistence for the four sessions of the Audit Body, including attendance at the October 2003 sessions of the governing bodies, the fee of the 'outsider/expert' and the honorarium payable to the other members. It is estimated that the total cost under this item in 2003 will be in the region of £85 000.

- 2.2 It is estimated that most of the other appropriations in Chapter V (External audit, Consultants' fees and Investment Advisory Bodies) will be used up in their entirety. Under Financial Regulation 6.3, the Director is entitled to make a transfer of only £5 000 from other Chapters to the appropriation for the Audit Body in Chapter V, leaving a shortfall in respect of this appropriation of some £30 000. The Director proposes, therefore, that he be authorised to make the necessary transfer to Chapter V from Chapter I (Personnel) or Chapter VI (Unforeseen expenditure) to cover the costs of the operation of the Audit Body.

**3 Action to be taken by the governing bodies**

The governing bodies are 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 transfer to Chapter V (Miscellaneous expenditure), within the 2003 budget, from Chapter I (Personnel) or Chapter VI (Unforeseen expenditure) to cover the costs relating to the Audit Body.

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