



**INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992**

ASSEMBLY
1st extraordinary session
Agenda item 4

92FUND/A/ES.1/3
10 October 1996
Original: ENGLISH

AUDIT COMMITTEE

Note by the Director

1 At its 1st session, the Assembly noted that the Assembly of the 1971 Fund had examined the question of whether to establish an Audit Committee for that Organisation, and that it had decided to consider the matter further at its session in October 1996. It was decided that it was premature for the Assembly to consider the establishment of an Audit Committee for the 1992 Fund (document 92FUND/A.1/34, paragraph 33.2).

2 In a document submitted to the 19th session of the 1971 Fund Assembly (1971 Fund document 71FUND/A.19/7), the Chairman of that Assembly has elaborated upon his proposals for the establishment of an Audit Committee for that Organisation. The Chairman has stated that he believes that it is important that there is a consensus in the 1971 Fund Assembly on this issue. He has therefore proposed that the Assembly of the 1971 Fund might wish to consider establishing an Intersessional Working Group which could have the following mandate:

- (a) to review the present system of financial control in the 1971 Fund; and
- (b) to make proposals on how to improve the system of financial control.

3 The Director submits that it would be premature for the Assembly to consider at this stage the establishment of an Audit Committee for the 1992 Fund. He suggests, however, that it would be appropriate for the 1992 Fund to note the considerations of the 1971 Fund in this regard and to follow the work of any intersessional working group which might be established by the 1971 Fund to study the matter further.

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

The Assembly is invited to consider the question of establishing an Audit Committee.
