



**INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992**

ASSEMBLY
3rd extraordinary session
Agenda item 12

92FUND/A/ES.3/11/Add.1
24 April 1998

Original: ENGLISH

SUPPLEMENTARY BUDGET 1998

Note by the Director

<i>Summary:</i>	Further to document 92FUND/A/ES.3/11 a more detailed breakdown of the supplementary budget for 1998 is submitted for approval. The revised supplementary budget for 1998 amounts to £251 100.
<i>Action to be taken:</i>	Adopt a supplementary budget for 1998.

1 Secretariat review

1.1 As a result of the review of the Secretariat working methods and the Director's proposal on the revised structure of the Secretariat (document 92FUND/A/ES.3/7), it is estimated that the additional costs for 1998 of the proposed changes will be in the region of £211 500, made up as follows:

Salaries	£99 800
Staff benefits and allowances	£19 700
Recruitment costs	£35 000
Rent of office accommodation (including service charges)	£17 000
Office machines	£7 500
Furniture and other office equipment	£12 500
Consultants' fees	<u>£20 000</u>
	£211 500

1.2 The above estimates are based on a gradual recruitment of new staff members during the remainder of 1998. The estimates include the cost of an IT expert to be engaged for a reasonable time to review the Secretariat's IT requirements. They also include an appropriation for a Spanish speaking secretary should the Assembly approve Spanish as a working language of the Organisation.

1.3 There may be a need to engage consultants to undertake additional work in connection with the implementation of the proposed changes. An additional appropriation of £20 000 for consultants' fees is therefore included.

2 Extension of the scope of the audit

The External Auditor has not revised his original estimate of £25 000 for the proposed extended scope of the audit (document 92FUND/A/ES.3/10).

3 Other costs

As decided by the Executive Committee of the 1971 Fund at its 34th session, it was agreed that the 1971 Fund should finance the cost of one extra translator to be employed by the International Maritime Organisation (IMO). An appropriation of £52 400 was approved by the Assemblies for the 1998 budget. Based on new estimates provided by IMO an additional £14 600 will be required. The revised appropriation for 1998 has therefore been increased to £67 000.

4 Sharing of joint administrative costs

As decided by the Assemblies of the 1992 and 1971 Funds, the costs of running the joint Secretariat for 1998 should be distributed with 60% to be paid by the 1971 Fund and 40% by the 1992 Fund (document 92FUND/A.2/29, paragraph 24.1). The increased costs referred above have been distributed accordingly between the two Organisations, except that the additional amount for consultants' fees has been distributed equally between the Organisations.

5 Draft revised budget

A draft revised Budget for 1998, incorporating the increases set out above, is at the Annex.

6 Action to be taken by the Assembly

The Assembly is invited:

- (a) to adopt a supplementary budget of £251 100 for 1998 to cover the increased administrative expenses of the 1992 and 1971 Funds; and
- (b) to approve the revised budget for 1998 as annexed.

ANNEX

REVISED DRAFT 1998 GENERAL FUND BUDGET FOR 1971 FUND AND 1992 FUND (amendments highlighted)

STATEMENT OF EXPENDITURE		Actual 1996 expenditure for 1971 and 1992 Funds		1996 budget appropriations for 1971 and 1992 Funds		1997 budget appropriations for 1971 and 1992 Funds		1998 budget appropriations			
								Total		Distribution	
										1971 Fund	1992 Fund
A	SECRETARIAT	£		£		£		£		£	£
I	Personnel										
(a)	Salaries	503 559		515 140		652 140		780 980		468 588	312 392
(b)	Separation and recruitment	9 822		19 430		131 020		59 215		35 529	23 686
(c)	Staff benefits and allowances	160 071		219 050		246 530		270 200		162 120	108 080
(d)	Temporary assistance	8 717		15 000		30 000		30 000		18 000	12 000
(e)	Staff Training	9 316		10 000		10 000		15 000		9 000	6 000
	Sub-total		691 485		778 620		1 069 690		1 155 395	693 237	462 158
II	General Services										
(a)	Rent of office accommodation (including common services, security services and rates)	72 765		93 710		100 580		111 700		67 020	44 680
(b)	Office machines, including maintenance	36 177		25 000		38 000		52 500		31 500	21 000
(c)	Furniture and other office equipment	5 835		8 000		12 000		24 500		14 700	9 800
(d)	Office stationery and supplies	18 775		23 000		20 000		22 000		13 200	8 800
(e)	Communications (telephone, telefax, telex, postage)	26 477		40 000		40 000		45 000		27 000	18 000
(f)	Other supplies and services	18 968		25 000		27 500		26 600		15 960	10 640
(g)	Representation (hospitality)	9 663		14 000		14 000		15 000		9 000	6 000
(h)	Printing and publication	71 800		90 000		90 000		98 000		58 800	39 200
	Sub-total		260 460		318 710		342 080		395 300	237 180	158 120
III	Meetings										
(a)	Autumn sessions of 1971 Fund and 1992 Fund Assemblies and Executive Committees	22 589		21 075		25 000		25 800		20 640	5 160
(b)	Further sessions of 1971 Fund Executive Committee	18 701		31 720		40 000		30 600		30 600	0
(c)	Extra sessions of 1971 Fund and 1992 Fund Assemblies and 1971 Fund Executive Committee	9 829		21 075		30 000		25 800		18 060	7 740
(d)	Extra sessions of 1992 Fund Assembly or Executive	0		0		0		15 300		0	15 300
(e)	Intersessional Working Groups	0		7 930		20 000		20 600		10 300	10 300
	Sub-total		51 119		81 800		115 000		118 100	79 600	38 500

STATEMENT OF EXPENDITURE		Actual 1996 expenditure for 1971 and 1992 Funds		1996 budget appropriations for 1971 and 1992 Funds		1997 budget appropriations for 1971 and 1992 Funds		1998 budget appropriations		
								Total		Distribution
										1971 Fund 1992 Fund
		£		£		£		£		£ £
IV	Conferences and travel									
(a)	Conferences and seminars	12 173		20 000		20 000		20 000		10 000 10 000
(b)	Mission	11 601		20 000		20 000		20 000		10 000 10 000
	Sub-total		23 774		40 000		40 000		40 000	20 000 20 000
V	Miscellaneous expenditure									
(a)	External audit	18 000		18 500		21 000		57 925		37 925 20 000
(b)	Payment to IMO for general services	5 300		5 300		6 000		6 200		3 720 2 480
(c)	Consultants' fees	32 175		80 000		100 000		125 000		62 500 62 500
(d)	Payment to IMO for translator	46 773		45 000		49 950		67 000		40 200 26 800
(e)	Investment Advisory Body	18 000		18 000		18 000		18 000		10 800 7 200
	Sub-total		120 248		166 800		194 950		274 125	155 145 118 980
VI	Unforeseen expenditure (such as consultants' and lawyers' fees, cost of extra staff and cost of equipment)		0		50 000		60 000		60 000	30 000 30 000
Total Expenditure I-VI			1 147 086		1 435 930		1 821 720		2 042 920	1 215 162 827 758
VII	Expenditure relating only to 1992 Fund		70 990		120 000		0			60 000
B	CLAIMS (See documents 71FUND/A.20/24 and 92FUND/A.2/26)									

STATEMENT OF INCOME		Funds actually accumulated as at 31.12.96		1996 budget estimates		1997 budget estimates		1998 budget estimates		
								Total		Distribution
										1971 Fund 1992 Fund
		£		£		£		£		£ £
I	Balance from preceding years	18 086 317	-242 123	10 014 708	0	15 184 524	0	15 943 179	9 609 057	6 334 122
II	Any other income			600 000	0	1 692 224	160 000	1 350 000	500 000	850 000
Total Income I-II		18 086 317	-242 123	10 614 708	0	16 876 748	160 000	17 293 179	10 109 057	7 184 122
III	Income relating only to 1971 Fund		70 990		120 000		0		60 000	