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**Tenth session**

New York, 12-21 December 2011

**Trust Fund for Victims  
Financial statements for the period  
1 January to 31 December 2010**

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## Letter of transmittal

31 March 2011

In accordance with Financial Regulation 11.1, I have the honour to submit the financial statements of the Trust Fund for Victims for the financial period 1 January to 31 December 2010.

(Signed) Silvana Arbia  
Registrar

Ms. Helen Feetenby  
Director  
National Audit Office  
157 Buckingham Palace Road  
London SW1W 9SS  
United Kingdom

## **Independent auditor's opinion and report to the Board of Directors of the Trust Fund for Victims and the Assembly of State Parties**

I have audited the financial statements of the Trust Fund for Victims for the year ended 31 December 2010. These comprise of Statement I, Income and Expenditure and Changes in Fund Balances; Statement II, Statement of Assets, Liabilities, Reserves and Fund Balances; Statement III, Statement of Cash Flow and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### **Registrar's Responsibility for the Financial Statements**

The Registrar is responsible for the preparation and fair presentation of the financial statements in accordance with United Nations System Accounting Standards and the requirements of the Financial Regulations as authorised by the Assembly of State Parties. The Registrar is also responsible for such internal control as she determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit in accordance with Regulation 12 of the Financial Regulations. I conducted my audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require me and my staff to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Trust Fund for Victims' preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Registrar, as well as the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the revenue and expenditure reported in the financial statements have been applied to the purposes intended by the Board of Directors and the Assembly of State Parties and the financial transactions are in accordance with the Financial Regulations.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinion on financial statements**

In my opinion:

(a) the financial statements present fairly, in all material respects, the financial position of the Trust Fund for Victims as at 31 December 2010 and the results for the year then ended; and

(b) the financial statements have been properly prepared in accordance with United Nations System Accounting Standards and the Financial Regulations authorised by the Assembly of State Parties.

## **Opinion on Regularity**

In my opinion, in all material respects, the revenue and expenditure have been applied to the purposes intended by the Board of Directors and Assembly of State Parties and the financial transactions conform to the Financial Regulations.

## **Matters on which I report by exception**

I have nothing to report in respect of the following:

Under the letter of engagement, I am required to report to you if, in my opinion:

- (a) proper accounting records have not been kept; or
- (b) I have not received all of the information and explanations I require for my audit; or
- (c) effective systems of internal control are not in place.

## **External Auditor's Report**

In accordance with Regulation 12 of the Financial Regulations, I have also issued an External Auditor's Report on my audit of the Trust Fund for Victims financial statements.

Amyas C E Morse  
Comptroller and Auditor General  
United Kingdom  
External Auditor

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

July 2011

## External Auditor’s Report on the 2010 Financial Statement Audit

The aim of the audit is to provide independent assurance to the Board of Directors; to add value to the Fund’s financial management and governance; and to support the objectives of the Fund’s work.

The Comptroller and Auditor General is the head of the National Audit Office (NAO), the United Kingdom's Supreme Audit Institution. The Comptroller and Auditor General and the NAO are independent of the United Kingdom Government and ensure the proper and efficient spending of public funds and accountability to the United Kingdom's Parliament. We audit the accounts of all central public sector bodies as well as a number of international organizations. The NAO provides external audit services to a number of international organizations, working independently of its role as the Supreme Audit Institution of the United Kingdom.

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### Executive Summary

1. We have provided an unqualified audit opinion on the 2010 financial statements – which present fairly in all material respects the financial position and the results of operations and cash flows for the period. Our audit revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and validity of the financial statements.

2. As well as a commentary on the current financial position of the Trust Fund for Victims (“the Fund”) this report also documents our findings in the following areas:

(a) Objective setting for the Fund in regard to its budget. We have reviewed the objectives set by the Assembly of State Parties in the approval of the overall budget for the Fund and have made recommendations to improve the usefulness of these objectives for both the Fund and the Assembly of State Parties.

(b) The future sustainability of the Fund. We have reviewed the Fund’s reliance upon voluntary contributions and have made recommendations which build upon those of last year in regards to increasing donations through an online donations site. We have also considered the effects of the first International Criminal Court judgement which could oblige the Fund to make reparation payments.

(c) Open tendering for future contracts. With the Fund’s first open tendering for contracts now underway we have taken the opportunity to make recommendations to ensure that the Fund can extract the maximum benefit from an altered procurement approach.

(d) Governance Issues. We have revisited all the recommendations in our last report. Progress has been made in many areas however some of the governance issues have been readdressed and further recommendations made.

## Introduction

3. We audited the 2010 financial statements of the Trust Fund for Victims in accordance with the Financial Rules and Regulations and in conformity with International Standards on Auditing. In our opinion, the financial statements present fairly, in all material respects, the financial position and the results of operations and cash flows for the period. They have been prepared in accordance with United Nations Systems Accounting Standards and the Trust Fund for Victims' stated accounting policies and, in all material respects, the transactions have been made in accordance with the financial regulations and applied to the purposes intended by the Rome Statute.
4. The audit included a review of the Fund's accounting procedures; an assessment of internal controls; and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. Our audit procedures are designed primarily for the purpose of forming an audit opinion. Finally, an examination was carried out to ensure that the financial statements accurately reflected the Fund's accounting records and were fairly presented.
5. The main observations and recommendations from our audit are set out below and are summarised at **Annex A**. Action taken by management in response to our 2009 recommendations are set out at **Annex B**.
6. This report has been prepared for the sole use of the Trust Fund for Victims and the International Criminal Court. It must not be disclosed to any other third party, or quoted or referred to, without the written consent of the National Audit Office (NAO) and no responsibility is assumed by the NAO to any other person.

## Financial Overview

7. The Trust Fund for Victims was created by the Rome Statute and fulfils two mandates for victims of crimes under jurisdiction of the ICC, and their families: **Reparations**: implementing Court-ordered reparations awards against a convicted person when directed by the Court to do so. While several cases are pending before the International Criminal Court (ICC), none has reached the reparation stage to date; and **General Assistance**: using voluntary contributions from donors to provide victims and their families in situations before the Court with physical rehabilitation, material support, and/or psychological rehabilitation.
8. In 2010 the ICC had yet to complete proceedings on the first trial being held and thus there was no expenditure under the first mandate. All expenditure of the Fund relates to the second mandate or to administration costs.
9. Income for the Trust Fund increased by 31 percent, with voluntary contributions increasing from €1.2 million to €1.6 million. Over €600,000 of voluntary contributions were received from Germany in this year, representing a large proportion of the total income for 2010.
10. Income from interest on cash deposits increased by 20 percent from €40,070 to €48,700. However this is still substantially lower than the interest received in 2008 which was €135,927. This is a result of a change in the ICC's investment policy in 2009 following the global financial crisis. In 2009 the Court used saving accounts as opposed to time deposits in order to keep funds liquid and this resulted in a significantly lower interest rate yields.
11. Appropriations from the Assembly of States Parties to pay for the running cost of the Fund in 2010 were €1,221,600, with matching expenditure of €39,827, this represents a decrease in the overall running costs of 25% from 2009 (€1,263,964).
12. Expenditure on delivering assistance to victims and affected communities increased by 43 percent from €1.4 million to €2.0 million which is a result of increased activities on projects within the Trust Fund, most notably those programs which received earmarked funds in 2009.

13. The overall fund balance decreased from €2,887,733 to €2,519,049. This is due to the Fund's expenditure exceeding income, primarily due to the reduction in interest income as already noted.

### **Internal controls**

14. From the work we have performed, we have not identified any significant weaknesses in the internal financial control during this financial period, and key controls we reviewed operated as expected.

### **Cases of fraud and presumptive fraud**

15. Primary responsibility for the prevention and detection of fraud rests with the Management of the Fund. During the audit of the 2010 financial statements management of the Fund has informed us of two cases of fraud.

16. During late 2009 a local tax office in the eastern Democratic Republic of Congo (DRC) misappropriated \$58,000 from a bank account held by a TFV implementing partner organisation. This money belonged to the Fund/ICC and was withdrawn for 'taxes unpaid'. Negotiations are underway between the TFV, ICC and DRC Government to have the money returned to the partner organisation or the Fund/ICC itself but at this point, despite a constructive response from the DRC Government no such agreement has been finalised. Management of the Fund have told us that the Implementing Partner is also pursuing the issue through the local courts in the DRC.

17. During the 2010 financial period there was an instance of a local partner organisation misappropriating funds while managing a project on behalf of the Fund. This was discovered by the management of the Fund and all costs and property were recovered. A new partner has subsequently been contracted to implement the project.

18. There were no other reported instances of fraud. We can also confirm that our audit has not identified any cases of fraud or presumptive fraud during the year.

## **Audit Findings**

### **Objectives of the Fund**

19. The administrative appropriations for the Fund as decided upon by the Assembly of States are based on performance against three main objectives. These are to:

- (a) Pay reparations to victims when ordered by the court;
- (b) Improve communications to the Board of Directors and other stakeholders through timely reports and an increase in web traffic; and
- (c) Achieve greater efficiency and effectiveness for back office systems and staff.

20. When we reviewed the progress against these objectives in 2010 we found only one of the objectives issued to the Fund was measurable and achievable. The Fund has made good progress against this second objective by improving its communication with stakeholders and the Board of the Fund and by also increasing traffic to its website.

21. However the first objective issued to the Fund has not been applicable in the year 2010. It relates to the Fund's first mandate of paying reparations which has yet to begin and therefore no judgement on the performance of the fund can be reached.

22. The third objective for the Fund is to become more efficient and effective at internal administrative tasks and providing information to interested parties. Progress towards this has been made however the targets set are hard to measure against since the Fund relies on the Registry for administration and it is therefore difficult for the Fund or the Assembly of States to determine what has been achieved, this lessens the impact of the objectives

23. In the current economic climate donors will be looking to ensure that the money issued by the Assembly of States to the Fund is being used in an appropriate and efficient way. Clear and measurable objectives are important to the fund in order to be able to prove that contributions are being used effectively.

**Recommendation 1:**

24. The process of the setting the strategic objectives for the operation of the Fund must be examined. All objectives given should be measurable, specific and achievable over the period of each budget cycle.

**Managing the Future of the Fund**

25. The Fund is heavily dependent upon the voluntary contributions if it is to continue its work, specifically those projects which fall under the second mandate of the Fund. Increasing voluntary contributions from states and individuals must be a priority especially as there is a strong likelihood the Fund must begin redirecting resources to pay reparations in the coming financial period.

26. Progress towards the online donation system has been made during the year but further work is required by the Fund in order to bring this facility into operation. This should be carried out as soon as possible, ideally so that it is in place before the Court has determined reparations are to be paid. Once operational, publicity of this donation facility should form a core part of the overall fund raising strategy in order to increase the proportion of contributions not being received from states.

**Recommendation 2:**

27. The Fund and the Registry should continue with its efforts to complete the work on an online donation facility and publicise its availability in order to maximise donations and to capitalise on the coverage of the first ICC rulings expected this year.

28. The work being carried out by the Fund under its second mandate may become restricted, either due to monetary or staffing pressures, in the future as the Court issues verdicts on the cases being heard. This may result in the Fund having to focus its projects towards the victims of crime due to receive reparations as ordered by the Court. Additionally the Fund must ensure that the partner organisations administering the programmes started under the second mandate are not overly reliant on the continuation of support they receive. If in future the Fund's operations change the Fund should attempt to withdraw in such a way that the programmes can still continue without aid, maximising the benefits received by victims from the limited resources of the Fund.

29. We recognise the Fund's efforts to work with partner organisations to ensure project sustainability at a point when the Fund may no longer be involved in a particular project.

**Recommendation 3:**

30. The Fund must ensure that in dealing with smaller, local partner organisations contingencies are in place so that, in the event the Fund is no longer able to provide funds and support, the projects are able to continue or come to an end in a way that protects the reputation of the Fund and does not generate harm toward victims and affected communities.

**Open Tendering for New Projects**

31. During the course of our audit work we became aware that all of programmes run by the Fund were not put out to tender but contracts were selected from unsolicited proposals. We fully understand the occasionally difficult supplier situations in the environments in which the Fund operates and that the specific nature of the tasks may limit the number of suppliers. However, the potential benefits both to the Fund and to the intended beneficiaries of aid of an open tendering process should not be under estimated.



32. We are aware that the Fund has placed its first open tender on the market and this represents good progress towards a more open procurement system. Encouragement and support should be given to all those who show an interest in bidding for the programmes and the Fund should use the process to increase their contacts amongst potential partner organisations.

**Recommendation 4:**

33. The Fund and the Registry should ensure that the bidding process for projects is as simple as possible to encourage participation. Guidance on the bidding process should be made available to all potential bidders, in order to help to make the process open to as many applicants as possible.

34. With the Fund's first attempt at open tendering now underway it is important that if this and future tenders are to be successful the Fund must be quick to learn lessons from the process and incorporate these going forwards.

**Recommendation 5:**

35. The Fund should look to review each stage of the tender process in depth in order to capture lessons that need to be learnt in order to improve the process for future tenders.

## Governance Issues

36. In our audit report for 2009 we highlighted several areas in which governance of the Fund could be improved. Progress has been made on some of our recommendations however more work remains to be done.

### Preparation and Submission of Financial Accounts

37. The financial accounts of the Fund are prepared by the Registrar of the ICC in accordance with the administrative arrangement between the two bodies. In our 2009 report we recommended that the Board of Directors review the procedure for the submission of financial accounts and that they be jointly signed by the Registrar and by the Chair of the Board in order to increase accountability. This recommendation has been followed through and these arrangements are now in place.

38. We also made a recommendation that the Fund should appoint a permanent member of administration staff with skills in financial management in order to allow the Fund to deal with the increasing volume of contributions being received. The management and Board of the Fund agree with our recommendation but as yet no progress has been made.

39. The benefits for the Fund in appointing such a professional, even in a part time capacity, would greatly assist the organisation in both operational and financial reporting matters and thus we reiterate our previous recommendation here.

**Recommendation 6:**

40. We recommend that the Trust Fund for Victims and the Assembly of States Parties should continue to consider and discuss the necessary resources required to support the administrative and financial requirements of the Fund as online donations and reparations become more significant over the coming financial periods.

### Management of Risk

41. The management of risks facing the Fund still remains an issue. Our report last year recommended that the audit committee established by the ICC produces and manages a risk register for the Fund. We have noted the Board's objection to this recommendation (see Annex B) and accept that as there is no permanent representation of the Fund on the audit committee that this is not the appropriate body to create and manage the aforementioned

risk register. However, this does not absolve the Fund of the need manage the risks facing their operations.

**Recommendation 7:**

42. The management and Board should engage in enterprise risk management. Ongoing processes for identifying, assessing and mitigating risks should be implemented as soon as possible in order to safeguard the resources which have been entrusted to the Fund.

**Follow up of Previous Audit Recommendations**

43. In our report for 2009, we made a number of recommendations on the implementation of an online donation system, and also on the reparation fund. As part of our work we have followed up the progress the Fund has made in implementing these. The detailed follow up, including both the response from the Board of the Fund and our comments thereon, is set out in Annex B.

**Acknowledgement**

44. We wish to record our appreciation for the co-operation and assistance provided by the staff of the Fund during the course of our audit.

Amyas C E Morse  
Comptroller and Auditor General, United Kingdom  
External Auditor

## Annex A

### Summary of Audit Recommendations

#### Recommendation 1:

The process of the setting objectives for the Fund must be examined. All objectives given must be measurable, specific and achievable over the period of each budget cycle.

#### Recommendation 2:

The Fund should make all efforts to complete the work on an online donation facility and publicise its availability in order to maximise donations generated from coverage of the first ICC rulings expected this year.

#### Recommendation 3:

The Fund must ensure that in dealing with smaller, local partner organisations contingencies are in place so that, in the event the Fund is no longer able to provide funds and support, the projects are able to continue or come to an end in a way that protects the reputation of the Fund.

#### Recommendation 4:

The Fund should ensure that the bidding process for projects is as simple as possible to encourage participation. Clear guidance on preparing a bid should be provided by the Fund for those who are uncertain of the process; this will help in making the process open to as many applicants as possible.

#### Recommendation 5:

The Fund should look to review each stage of the tender process in depth in order to capture lessons that need to be learnt in order to improve the process for future tenders.

#### Recommendation 6:

We recommend that the Trust Fund for Victims should consider the necessary resources required to support the administrative and financial requirements of the Fund as online donations and reparations become more significant over the coming financial periods.

#### Recommendation 7:

The management and board should engage in enterprise risk management. Ongoing processes for identifying, assessing and mitigating risks should be implemented as soon as possible in order to safeguard the resources which have been entrusted to the Fund.

## Annex B

### Implementation of Prior Year Recommendations

We reviewed management's implementation of recommendations made in our prior year report. We have summarised the response and provided our evaluation, based on the audit work we have undertaken.

#### Follow up on Prior Year Recommendations

<i>Recommendation</i>	<i>Management Response</i>	<i>External Auditors Comment</i>
<b>Recommendation 1:</b> We recommend that in finalizing the online donation mechanisms the Trust Fund considers the cost benefits of an outsourced web donation facility, and that this is actively promoted through a clear fundraising strategy.	The Board of Directors fully endorses this recommendation and will review the options for an online donation mechanism, bearing in mind a cost-benefit analysis of the various options and ability to comply with the Court's Financial Regulations and Rules. At its annual meeting, the Board mandated the Secretariat to develop a new fund-raising strategy. The new Director, who will start in September 2010, will have fund-raising as one of his main priorities.	Progress has been made towards this recommendation however there is still work to be done. This has been covered above as a part of this year's audit report.
<b>Recommendation 2:</b> We recommend that once a new web facility is brought into use the Fund establishes clear procedures to ensure that that resources are subject to appropriate controls, in compliance with the Court's Financial Regulations and Rules.	The Board agrees with this recommendation and will develop appropriate procedures, e.g. for vetting, in line with the Court's Financial Regulations and Rules.	Progress against this recommendation has not been made as it is dependent on the resolution of recommendation 1 above.
<b>Recommendation 3:</b> We recommend that the Trust Fund for Victims should consider the necessary resources required to support the administrative and financial requirements of the Fund as online donations and reparations become more significant over the coming financial periods.	The Board gives its full support to this recommendation. It agrees that adequate administrative and financial support is crucial for the proper functioning of the Fund. However, staffing is dependent on the provision of adequate resources within the regular programme budget, which is approved by the Assembly of State Parties. The Board encourages the Committee on Budget and Finance and the Assembly to take into consideration the recommendations of the external and internal auditors by ensuring that the appropriate level of administrative and financial support continue to be made available for the effective functioning of Fund.	We are pleased that the board supports this recommendation however the Fund is still without adequate internal support for its administrative and financial operation. We regard this recommendation to be significant enough that it has been reiterated in this audit report.
<b>Recommendation 4:</b> We recommend that the reserve for reparations is subject to regular and evidenced review and scrutiny by the Board to ensure that the level of the reserve is sufficient to cover future anticipated Court ordered reparations.	The Board will review on a regular basis the level of resources set aside for any potential court orders for reparations; and the Secretariat will engage in a regular exchange with the Court (Chambers) to share information in this regard.	We have once again discussed this issue with the management of the Fund. We are pleased to see that this issue is being regularly considered.
<b>Recommendation 5:</b> We further recommend that the Trust Fund develop simple management accounts including a cash flow forecast for review by the Board on regular basis. Information on financial resources for reparations should be shared with the Court on a regular basis. This would ensure that the financial position of the Fund is properly understood.	The Board supports this recommendation and will ensure that cash-flow forecasts are shared with the Court on a regular basis.	Annual forecasts are shared with the board on an annual basis for approval and bi-annual reports are publicly available. This is a good start but due to the less predictable nature of voluntary contributions on which the Fund is reliant it could be beneficial to increase the regularity of board involvement.

<p><b>Recommendation 6:</b> We recommend that the Audit Committee mandate specifically includes consideration of the Trust Fund for Victims, and that a separate risk register is developed to consider the operational, financial and reputational risks which the Fund faces.</p>	<p>The Board notes that the regulations pertaining to the mandate of the audit committee have been promulgated by Presidential Directive ICC/PRES/D/G/2009/1. The Board has not been consulted in this process, and neither the Board nor the Secretariat is represented in the Audit Committee. Therefore, the Board does not agree with the recommendation as long as it has not been consulted on this matter, and has no representation in the audit committee.</p>	<p>This recommendation is discussed above; please see the governance issues section.</p>
<p><b>Recommendation 7:</b> We recommend that the Assembly considers approving the appropriations in respect of the Secretariat of the Trust Fund for Victims directly to the Fund, so that the full income and cost of operations are disclosed within its financial statements.</p>	<p>The Board of Directors notes that this recommendation is not addressed to the Board but to the Assembly. In addition, in the opinion of the Board and in accordance with resolution ICC-ASP/3/RES.7, paragraph 2, “for administrative purposes, the Secretariat and its staff shall be attached to the Registry of the Court”. Accordingly, it is impossible to approve appropriations in respect of the Secretariat of the Trust Fund directly to the Fund and not as part of the regular programme budget of the Court. However, the costs for the Secretariat may be fully disclosed in the Fund’s financial statements to enhance financial transparency.</p>	<p>The financial reporting situation for the administrative income and expenditure remains unchanged from the time of our last report. The reasons for this have been reiterated to us but we are still of the opinion that the financial statements would be better served if the full income and expenditure of the Fund were recognised through the primary statements.</p> <p>We draw attention to the fact that if the Fund elects to adopt IPSAS accounting at the same time as the ICC the full income and expenditure will have to be recognised in the primary financial statements.</p>
<p><b>Recommendation 8:</b> We recommend that the Board of Directors review the procedure for approval of the Fund’s financial statements following their preparation by ICC Budget and Finance Section. We also recommend that the Chair of the Board of Directors sign the financial statements to confirm their acceptance on behalf of the Board.</p>	<p>The Board endorses recommendation 8. It notes that recommendation 8 on the submission of financial statements appears to be in line with article 77 of the Regulations of the Trust Fund, according to which “the Board of Directors shall also submit: (... ) b) the accounts and financial statements of the Trust Fund for review by the External Auditor.” However, in practical terms there will be limits to oversight of the financial statements by the Board. In particular, the Board of Directors consists of eminent persons of “high moral character, impartiality and integrity with competence in the assistance to victims of serious crimes” (resolution ICC-ASP/1/Res.7). The Board works pro bono; and members have consisted of former politicians, former heads of State, Nobel laureates, royalty and other VIPs. The Board of Directors, which meets only once a year, points out that it does not consist of technical working-level staff with expertise in the day-to-day running of an administration, including budgetary and financial matters. Accordingly, the Board can through the signature of one of its members acknowledge the financial statements. However, it will continue to rely on the technical expertise of the Secretariat and Registry for the proper drafting and review of the financial statements.</p>	<p>We welcome the acceptance of this recommendation. Procedures have been put in place for the chair of the Board to accept the accounts on behalf of the Fund. This will give the Board of Directors chance to see and review the accounts before they are published in the name of the Fund.</p>

## Statement I

### Trust Fund for Victims Statement of income and expenditure and changes in fund balances for the period ending 31 December 2010 (*in euros*)

	2010	Notes Ref.	2009
<i>Income</i>			
Voluntary contributions	1,563,123	3.4	1,188,238
Interest income	48,700		40,070
Other/miscellaneous income	-		-
<b>Total income</b>	<b>1,611,823</b>		<b>1,228,308</b>
<i>Expenditure</i>			
Disbursements	1,228,986	3.5	945,723
Unliquidated obligations	833,984	3.5, 3.6	464,933
Repatriation Grant Accrual	2,836	3.11	-
<b>Total expenditure</b>	<b>2,065,806</b>		<b>1,410,656</b>
<b>Excess/(shortfall) of income over expenditure</b>	<b>(453,984)</b>		<b>(182,348)</b>
Savings on, or cancellation of, prior periods obligations	-	3.7	64,460
Refund to Donors	-	3.8	(283)
Fund balances at beginning of financial period	2,887,733		3,005,904
<b>Fund balances as at 31 December</b>	<b>2,433,749</b>		<b>2,887,733</b>
Date:	Signed: Chair of the Board of Directors for the Trust Fund for Victims..... Chief of Budget and Finance Section.....		

## Statement II

### Trust Fund for Victims Statement of assets, liabilities, reserves and fund balances as at 31 December 2010 (*in euros*)

	2010	Notes Ref.	2009
<i>Assets</i>			
Cash and term deposits	3,211,189		3,459,860
Other accounts receivable	59,381	3.9	2,054
<b>Total assets</b>	<b>3,270,570</b>		<b>3,461,914</b>
<i>Liabilities</i>			
Unliquidated obligations	833,984		464,933
Interfund balances payable	-		-
Other accounts payable	-	3.10	109,248
Repatriation Grant Accrual	2,836	3.11	-
<b>Total liabilities</b>	<b>836,820</b>		<b>574,181</b>
<i>Reserves and fund balances</i>			
Cumulative surplus	2,433,749		2,887,733
<b>Total reserves and fund balances</b>	<b>2,433,749</b>		<b>2,887,733</b>
<b>Total liabilities, reserves and fund balances</b>	<b>3,270,570</b>		<b>3,461,914</b>
Date:	Signed: Chair of the Board of Directors for the Trust Fund for Victims..... Chief of Budget and Finance Section.....		

## Statement III

### Trust Fund for Victims Statement of cash flow as at 31 December 2010 (*in euros*)

	2010	2009
<i>Cash flows from operating activities</i>		
Net excess/(shortfall) of income over expenditure (Statement I)	(453,984)	(182,348)
Other accounts receivable (increase)/decrease	(57,327)	71,082
Unliquidated obligations increase/(decrease)	369,052	(199,057)
Interfund balances payable increase/(decrease)	-	(413,168)
Other accounts payable increase (decrease)	(109,248)	109,248
Repatriation Grant Accrual	2,836	-
Less: interest income	(48,700)	(40,070)
<b>Net cash from operating activities</b>	<b>(297,371)</b>	<b>(654,313)</b>
<i>Cash flows from investing and financing activities</i>		
Plus: interest income	48,700	40,070
<b>Net cash from investing and financing activities</b>	<b>48,700</b>	<b>40,070</b>
<i>Cash flows from other sources</i>		
Net increase/(decrease)	-	64,177
<b>Net cash from other sources</b>	<b>-</b>	<b>64,177</b>
Net increase/(decrease) in cash and term deposits	(248,671)	(550,066)
Cash and term deposits at beginning of period	3,459,860	4,009,926
<b>Cash and term deposits at 31 December (Statement II)</b>	<b>3,211,189</b>	<b>3,459,860</b>

## Notes to the financial statements of the Trust Fund for Victims

### 1. The Trust Fund for Victims and its objectives

1.1 The Trust Fund for Victims was established by the Assembly of States Parties, in its resolution ICC-ASP/1/Res.6, for the benefit of victims of crimes within the jurisdiction of the International Criminal Court (ICC), and the families of such victims.

In the annex to that resolution, the Assembly of States Parties established a Board of Directors, which is responsible for the management of the Trust Fund.

### 2. Summary of significant accounting and financial reporting policies

2.1 The accounts of the Trust Fund for Victims are maintained in accordance with the Financial Regulations and Rules of the Court, as established by the Assembly of States Parties in the annex to resolution ICC-ASP/1/Res.6. Therefore, the accounts of the Trust Fund are currently in conformity with the United Nations System Accounting Standards. These notes form an integral part of the Trust Fund's financial statements.

2.2 **Fund accounting:** the Trust Fund's accounts are maintained on a fund accounting basis.

2.3 **Financial period:** the financial period of the Trust Fund is one calendar year, unless otherwise decided by the Assembly of States Parties.

2.4 **Historical cost basis:** the accounts are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services.

2.5 **Currency of accounts:** the accounts of the Trust Fund are presented in euros. Accounting records kept in other currencies are converted into euros at the United Nations operational rate of exchange in effect at the date of the financial statement. Transactions in other currencies are converted into euros at the United Nations operational rate of exchange in effect at the date of transaction.

2.6 **Funding:** the Trust Fund for Victims is funded by:

a) Voluntary contributions from governments, international organizations, individuals, corporations and other entities, in accordance with relevant criteria adopted by the Assembly;

b) Money and other property collected through fines or forfeiture transferred to the Trust Fund if ordered by the Court pursuant to article 79, paragraph 2, of the Statute;

c) Resources collected through awards for reparations, if ordered by the Court pursuant to rule 98 of the Rules of Procedure and Evidence;

d) Resources as the Assembly may decide to allocate.

2.7 **Income:** voluntary contributions are recorded as income at the time that the actual contributions are received from the donors.

2.8 **Cash and term deposits** comprise funds held in interest-bearing bank accounts, time deposits, and call accounts.

### 3. The Trust Fund for Victims (statements I-III)

3.1 **Statement I** reports the income and expenditure and changes in reserve and fund balances during the financial period. It includes the calculation of the excess or shortfall of income over expenditure for the current period and prior-period adjustments of income or expenditure.

3.2 **Statement II** shows the assets, liabilities, reserves and fund balances as at 31 December 2010.



3.3 **Statement III** is the cash flow summary statement prepared using the indirect method of International Accounting Standard 7.

3.4 **Voluntary contributions** in the total amount of €1,563,123 were received from governments, individuals, organizations and other entities.

In 2010, almost 29 per cent or €447,752 of voluntary contributions accepted by the Trust Fund was earmarked for assistance to victims of gender crimes and sexual violence. Ten per cent, or €155,000, is an earmarked contribution received from Germany to fund a project supporting a legal advisor to assist in the legal preparations for implementing reparations. The table below on earmarked contributions has been restated as the figures disclosed in 2009 for expenditure included obligations and disbursements whereas the purpose of this table is to disclose disbursements only.

<i>Earmarked contributions</i>	<i>Countries</i>	<i>2010</i>	<i>2009 restated</i>
Contributions received	Denmark	-	497,160
	Andorra	-	12,000
	Norway	253,839	-
	Germany	155,000	-
	Netherlands	20,475	-
	Finland	170,000	-
	ICC staff/others	3,438	-
<b>Total (in euros)</b>		<b>602,752</b>	<b>509,160</b>
Disbursements	Denmark	301,541	195,619
	Andorra	-	11,114
	Norway	224,920	10,401
	Germany	106,141	-
	Netherlands	19,075	-
	Finland	78,738	-
<b>Total (in euros)</b>		<b>730,415</b>	<b>217,134</b>

3.5 **Expenditures:** the total amount of expenditures of €2,065,806 comprises disbursements of €1,228,986, unliquidated obligations of €833,984 and repatriation grant accrual of €836. Earmarked disbursements also grew significantly during 2010 to €730,415, spent on assistance to victims.

3.6 **Unliquidated obligations** have been recognized in accordance with the Court's Financial Regulation 4.5, "Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to liquidate any outstanding legal obligations of the financial period." Due to the nature of the activities of the Fund, unliquidated obligations reported in the financial statements of the Trust Fund for Victims relate to ongoing contracts which were signed at the end of 2010 and as a result include activities relating to 2011. The Trust Fund for Victims reserves the rights to cancel these obligations in exceptional circumstances, reducing the actual obligation at 31 December 2010.

3.7 **Savings on, or cancellation of, prior periods' obligations:** actual disbursements of prior periods' obligations of €464,933 amounted to €464,933 as all prior year obligations of 2009 were disbursed in 2010.

3.8 **Refund to donors:** no amounts were refunded to donors in 2010.

3.9 **Other accounts receivable** in the amount of €9,381 represent interest earned of €13,007 but not yet received as at 31 December 2010 and €46,374 the amount of an invoice to a supplier which will be offset by the next invoice to be received in 2011.

3.10 **Other accounts payable:** all invoices of 2010 were booked and paid before 31 December 2010.

3.11 **Repatriation Grant Accrual** in the amount of €2,836 represents the entitlement in case of separation of one internationally recruited staff member funded by the earmarked voluntary contribution of Germany who would be eligible to repatriation grants after one year of service.

3.12 **United Nations Joint Staff Pension Fund (UNJSPF):** in accordance with decision ICC-ASP/1/Decision 3 of the Assembly of States Parties and United Nations General Assembly resolution 58/262 adopted on 23 December 2003, the Court became a member organization of the UNJSPF with effect from 1 January 2004. The UNJSPF provides retirement, death, disability and related benefits to Court staff.

The Pension Fund is a funded defined benefit plan. The financial obligation of the Organization to the Fund consists of its mandated contribution at the rate established by the United Nations General Assembly of 15.8 per cent of pensionable remuneration, together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

3.13 **Contributions from the Court:** in annex 6 of resolution ICC-ASP/1/Res.6, the Assembly decided that the Registrar of the Court should be responsible for providing such assistance as is necessary for the proper functioning of the Board of Directors of the Trust Fund in carrying out its tasks, and should participate in the meetings of the Board in an advisory capacity.

In 2010, the Assembly approved an appropriation of €1,221,600 for the Secretariat of the Trust Fund for Victims, which administers the Trust Fund and offers administrative support to the Board and its meetings. Expenditures recorded in the accounts for the Secretariat during the financial period are €39,827.

#### 3.14 **Contributions in kind**

The following are the significant matching funding recorded by the Trust Fund for Victims during the financial period:

The Trust Fund for Victims recorded around €306,627 (31.12.2010 foreign exchange rate) as matching resources such as services, support provided to the victims by implementing partners in 2010.

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