

Part C

Related documents

1. Financial statements for the period 1 January to 31 December 2010*

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* Previously issued as ICC-ASP/10/12.

Letter of transmittal

31 March, 2011

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

(Signed) Silvana Arbia
Registrar

Ms. Helen Feetenby
Director
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
United Kingdom

Statement on internal financial control

Scope of responsibilities

In accordance with Financial Rule 101.1, the Registrar in her capacity as principal administrative officer of the Court is responsible and accountable for ensuring that the Financial Rules and Regulations are administered in a coherent manner by all organs of the Court, including through appropriate institutional arrangements with the Office of the Prosecutor and without prejudice to the functions and powers of the Prosecutor by virtue of article 42, paragraph 2, of the Rome Statute. Under Rule 111.1 responsibility for the financial statements is assigned to me and I have prescribed and maintained financial and subsidiary records; established appropriate accounting procedures of the Court; and designated the officials responsible for performing accounting functions.

Under the Court's Financial Regulations and Rules, including Regulation 1.4 and Regulation 10, as Registrar I have responsibility for maintaining a sound system of internal financial control. The system of internal financial control provides for effective examination and/or review of financial transactions in order to ensure:

- (a) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Court;
- (b) The conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Assembly of States Parties, or with the purposes and rules relating to trust funds and special accounts; and
- (c) The economic use of resources of the Court.

In accordance with Financial Rule 101.1 c), in the application of the Financial Regulations and Rules, officials shall be guided by the principles of effective financial administration and the exercise of economy.

I am satisfied that appropriate systems of internal financial control have been in place throughout the period.

Review of effectiveness of the system of internal financial control

The effectiveness of the system of internal financial control and of compliance with the Court's Financial Rules and Regulations is informed by a process whereby operational managers (Certifying Officers) within the Court provide a Statement of Assurance to confirm that they have established processes to ensure compliance with the relevant rules and regulations. These assurances confirm that Certifying Officers have complied with financial rules and regulations for their operational areas, and draw attention to any weaknesses or irregularities.¹

Furthermore, in 2010 the Office of Internal Audit performed audits of the Procurement Review Committee; the management of petty cash and miscellaneous obligating documents (MODs); and the administration of the Permanent Premises Project, reviewing the financial and operational control frameworks, risk management and governance of these activities.

As a result of its review, Internal Audit provided me with assurance on the effectiveness of controls for the Procurement Review Committee and the management of petty cash and MODs.

However some control weaknesses were noted in the audit of the administration of the Permanent Premises Project. OIA found that:

- (a) The design of the governance structure generally followed good practice. However, implementation of the structure has been problematic in several areas including the definition of the project approach which is not consistent with the ASP's original policy;
- (b) The quality and effectiveness of the risk assessment process should be improved in several areas; and
- (c) The project's financial processes and controls need to be clarified and adequately documented.

Recognising the above issues, action plans are being set up to resolve them and to further enhance financial control systems and improve practices.

In accordance with Financial Rule 110.1, the Committee on Budget and Finance will receive a report of the Internal Auditor on its activities through the Chair of the Audit Committee.

Although the audit activities undertaken showed some scope for improvement in controls, the overall conclusion from the results of these reviews is that the Court has maintained an adequate framework of internal financial control during the period and that no significant weaknesses have been identified which would impact on the operation of the internal control framework during this period. I am satisfied that I have received the necessary assurances to confirm that an adequate framework of internal financial control was in place during the year and up to the date of signature of this Statement.

Ms. Silvana Arbia
Registrar

¹ It is noted that the Statements of Assurance for the period which ended on 31 December 2010 have been signed *ex post facto*.

Independent auditor's opinion and report to the Assembly of States Parties

I have audited the financial statements of the International Criminal Court for the year ended 31 December 2010. These comprise Statement I, Income and Expenditure and Changes in Fund Balances; Statement II, Assets, Liabilities, Reserves and Fund Balances; Statement III, Cash Flow; Statement IV, Appropriations; Schedules 1 to 7 and the related notes. These financial statements have been prepared under the accounting policies set out within them.

The 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 States 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 International Criminal Court's 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 Assembly of States 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 International Criminal Court 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 States Parties.

Opinion on regularity

In my opinion, in all material respects, the revenue and expenditure have been applied to the purposes intended by the Assembly of States 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 International Criminal Court's 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

Report on the 2010 financial statements audit

The aim of the audit is to provide independent assurance to States Parties; to add value to the Organisation's financial management and governance; and to support the objectives of the Organisation's work through the external audit process.

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 organisations. The NAO provides external audit services to a number of international organisations, working independently of its role as the Supreme Audit Institution of the United Kingdom.

July 2011

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Executive summary

Overall conclusion

1. We will be recommending that the External Auditor provides an **unqualified audit opinion** on the 2010 financial statements which present fairly, in all material respects, the financial position of the International Criminal Court (“the Court”), as at 31 December 2010 and the results for the year then ended; and that the financial statements have been properly prepared in accordance with United Nations System Accounting Standards and the Financial Regulations authorised by the Assembly of States Parties.

Audit findings

2. In addition to our comments on the Court’s financial performance, our 2010 audit report to the Assembly of States Parties focuses on the Court’s progress in respect of the Permanent Premises Project, the plans for the implementation of International Public Sector Accounting Standards, and we have also presented a compendium report on our previous recommendations and the Court’s progress in implementing our recurring recommendations.

3. On the Permanent Premises Project, we found that little progress had been made in implementing our 2009 recommendations and further delays in the early stages of the project will present significant risks to the delivery of the project to time and to budget. On the project governance, we have recommended that the Oversight Committee accelerate the implementation of a more effective governance structure to mitigate the risk of the project failing to meet its objectives.

4. On the implementation of IPSAS, we have recommended that the Court accelerate its implementation timetable and in particular, conclude on its accounting policies for property, plant and equipment in 2011 to ensure it captures relevant and timely cost information on the Permanent Premises project and makes appropriate investment decisions on accounting software enhancements.

5. Over a number of years, we have made recommendations in key areas of corporate governance which we consider to be important to protect the reputation of the Court and enhance internal control. A significant number of long standing recommendations remain unaddressed. It is critical that management develop a realistic timetable for the implementation of all previous recommendations and for this to be endorsed and monitored by the Audit Committee.

Overall results of the audit

6. We have audited the financial statements of the Court in accordance with the Financial Regulations and in compliance with International Standards on Auditing.

7. The audit revealed no weaknesses or errors which we consider material to the accuracy, completeness and validity of the financial statements. The audit opinion confirms that these financial statements present fairly, in all material respects, the financial position of the International Criminal Court as at 31 December 2010 and the results for the year then ended; and that the financial statements have been properly prepared in accordance with United Nations System Accounting Standards and the Financial Regulations authorised by the Assembly of States Parties.

8. The audit confirms that, in all material respects, the transactions underlying the financial statements have been made in accordance with the Financial Rules and Regulations and applied to the purposes intended by the Assembly of States Parties.

9. The audit included a general review of the Court’s accounting procedures, an assessment of internal controls that impact on our audit opinion; and such tests of 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.

10. The audit work did not involve a detailed review of all aspects of the Court's budgetary and financial information systems, and the results should not be regarded as a comprehensive statement on them. Finally, an examination was carried out to ensure that the financial statements accurately reflected the Court's accounting records and were fairly presented.

11. The main observations and recommendations from our audit are set out below. Our recommendations are summarised in **Annex A**. Action taken by management in response to our 2009 recommendations is set out at **Annex B**.

Financial review of the General Fund

Overall financial performance

12. For the first time the Court is reporting a shortfall of income compared with expenditure in its General and Working Capital Funds. The Statement of appropriations (Statement IV) shows total expenditures of €104.5 million against the approved budget of €103.6 million, resulting in a budget deficit of €876,000. This deficit has been partially reduced through interest income of €343,000 and other income totalling €121,000, resulting in a retained deficit of €412,000 (2009: surplus €827,000).

Income

13. Assessed contributions increased by €7.3 million (7.7%). The increase was intended to support the growth of the Court with three trials being envisaged for 2010. The increased contributions were also to support the creation of the African Union Liaison Office, the Independent Oversight Mechanism, and the costs associated with the Court's Review Conference.

Interest income

14. The Court received interest income of €343,000 in 2010 (2009: €1.3 million) representing a decrease of 73 per cent. This low return was due to reduced cash balances and a continued low interest rate.

Contributions in kind

15. Significant contributions-in-kind during the period included free rental of the Court's headquarters in The Hague. No value has been attributed to this in kind contribution in the financial statements. As reported in Note 12, the rent free period granted by the host state ends in 2012 and the annual additional future cost of maintaining the current premises, until the permanent premises are finalised will be approximately €6.3 million.

Expenditure

16. Expenditure increased by 11.4 per cent to €104.5 million (2009: €93.8 million). Table 2 in the financial statements provides details of the categories of expenditure against the budget. While salaries and other staff related costs of €75.9 million were broadly in line with budget of €76.3 million, there was a significant overspend (€1.8 million) on contractual services which was partially offset by an under spend of €905,000 in the Court's operating expenses. The increased expenditure is predominately related to a new situation in Kenya which has resulted in additional costs and the parallel trials of Lubanaga and Katanga which have increased the Court's operating overheads which were not foreseen when the budget was set.

17. The staff related costs include €568,000 for the increase in the Annual Leave Accrual. In 2010, the Court changed its accounting policy and recognised the liability it has to its staff for their accrued annual leave. This has resulted in a restatement of the prior year financial statements and the recording of the full liability which at 31 December 2010 was €4.1 million (2009: €3.5 million [*restated*]).

18. The staff related costs also include a charge for the increase in the provision for ILO cases (€330,000) and a new provision for doubtful debt of €510,000. In 2010, five cases were brought before the International Labour Organisation Tribunal by former Court staff members. The Court's legal department have assessed that it is probable that the Tribunal will award damages.

Recommendation 1:

19. We recommend that the Court closely reviews all Tribunal cases to identify any common themes and lessons to be learned in respect of its Human Resources policies.

20. The provision for doubtful debt relates to balances advanced to an accused person whose assets were frozen by the Court to cover the costs of legal representation. Management have reached the decision that recovery is unlikely and the Court will continue to pay these legal fees for the foreseeable future.

Assets and liabilities

21. At 31 December 2010, total reserves and fund balances were €19.5 million (2009: €31.4 million). This reduction retained reserves is mainly attributable an increase in contributions receivable and a decrease in contributions received in advance. This resulted in a negative cash flow of €8.7 million in 2010 which broadly explains the Court's net cash outflow from its operating activities of €8.7 million (2009: €4.5 million [outflow]).

22. The assessed contributions receivable from States Parties increased by €5.2 million to €6.2 million and the contributions received in advance decreased by €3.6 million to €41,000. The Court should consider whether these movements represent increased pressure on States Parties' own national budgets and the impact this may have on future funding of the Court. In addition, the reducing reserves and increased monthly expenditure presents a real risk that the Court will not have sufficient accessible resources to meet its expenses as they fall due.

23. The Court has reported a reduction in unliquidated obligations at 31 December 2010 reducing by €2.0 million to €5.7 million (2009: €7.7 million). We have continued to carry out a detailed examination to ensure that funds are being properly obligated for the purposes intended and are supported by valid legal commitments at the year end.

24. The Working Capital Fund remained at €7.4 million. In 2010, there was a charge of €412,000 against the Contingency Fund. This was due to additional expenditures that the Court could not absorb in its Regular Budget.

Cases of fraud or presumptive fraud

25. Primary responsibility for the prevention and detection of fraud rests with the Registrar. International Standards on Auditing require us to consider the risk of fraud or presumptive fraud as part of our audit procedures, and our audit provides reasonable assurance in respect of material fraud and error.

26. The ICC does not maintain a centralised register of reported fraud cases. As part of our audit procedures, we have sought individually, for those charged with governance and internal audit, whether they have any knowledge of frauds impacting the Court. The Registrar has confirmed that there were no cases of fraud in the Court for 2010. The Director of the Office of Internal Audit informed us that there was one case of theft of petty cash in the field office identified through audit of petty cash. Our audit did not identify any instances of fraud.

27. There is still no anti-fraud policy at the Court. Court employees do not have a defined procedure for reporting instances or suspicions of fraudulent activities. Within our Ethical Conduct section we have reviewed the progress the Court has made against our previous audit recommendations.

Losses, write-offs and ex-gratia payments

28. In accordance with the Financial Rules and Regulations, the Registrar has notified us of write-offs of the amount €13,000 in respect of irrecoverable receivables and a further €217,000 related to irrecoverable Ugandan VAT. Non-expendable property totalling €505,000, at original cost, was written off in year. This related primarily to the write off of a large number of desktop computers.

29. In 2010, damages and costs relating to awards to former employees through the International Labour Organisation Administrative Tribunal amounted to €241,000 and the Permanent Premises project expenditure includes an amount of €1.65 million which was paid as a settlement, following a dispute with an architect, in relation to the design phase of the Permanent Premise construction.

Permanent Premises Project

Background

30. The Court is accommodated in interim premises provided as a contribution-in-kind by the host State, The Netherlands. In December 2007, the Assembly of States Parties approved the construction of newly built permanent premises for the ICC in The Hague. The new premises will consist of six connected buildings, to include three courtrooms and approximately 1,200 workstations within a total gross floor area of 50,560 square metres. The permanent premises are expected to be fully operational by December 2015 and will cost €190 million.

31. The aim of the Permanent Premises project is to construct permanent premises for the ICC that will:

- (a) Reflect the character of the Court;
- (b) Accommodate all organs of the Court in one place for at least the next 50 years; and
- (c) Be in full conformity with its general functional, organisational, security and other needs.

Scope of our audit

32. In our 2009 report, we identified the following issues:

- (a) The reporting and accountability arrangements resulting from the split between the division of responsibilities between the ASP Project Office and the Registry Project Office;
- (b) The level of contingency. Some 10 per cent of the Project's contingency had been utilised by April 2010, despite the project not yet having completed the design stage; and
- (c) The Project did not have a benefits realisation plan, which will make it harder for States Parties to measure the success of the project and its value for money.

33. We have considered the progress that the Court has made against our 2009 audit findings. It is early for us to form a view on the progress of the project as the project remains at an early stage, activity to date has focused on the finalisation of the Preliminary Design and €6.4 million had been spent by the end of 2010. In particular, we have reviewed progress on: the governance structure; the effectiveness of communications; the budget; and risk management and have highlighted a number of potential risks which could impact on the delivery of the project.

Current status

34. The project is expected to be delivered on schedule and within budget, despite delays and changes in requirements over the Preliminary Design stage (Figure 1).

Figure 1: The status of the Permanent Premises Project

	<i>December 2007 (Original budget)</i>	<i>Current forecast</i>
Total size of buildings	45,552 M ²	50,560 M ²
Fully operational date	2014	2015
Total construction cost (Euro million at 2014 prices)	190	190

Figure Source: International Criminal Court documents

35. Preliminary Design was approved a month later than planned and under conditions. The delay occurred due to lack of resources in the Court Organisation and changes in requirements which generated €3.3 million additional cost. To offset the additional costs, the Oversight Committee considered a list of items where savings could be found. These included:

- (a) The reduction of scenic lifts from four to two;
- (b) Lower ceilings for the top three floors of the Court room tower; and
- (c) Further optimization of the parking and warehousing space.

36. In November 2010, the Oversight Committee approved the Preliminary Design stage under the condition that the Court and Assembly of States Parties Project Director would jointly review the layout of the court room, the capacity of the conference centre and the need for a second main equipment room and the associated energy requirements.

37. The Final Design stage was originally scheduled to start in November 2010, but did not commence until March 2011. The Court should consider the impact of these delays on the completion of the project as we understand that overruns could cost approximately €1 million per month. This consists of €0.5 million for operational costs, including fees and extra work plus a further €0.5 million for the monthly rent for the interim premises.

38. The total gross area for the premises has increased by approximately 5,000 square metres since December 2007 as a result of additional requirements in court rooms and logistics areas. The Assembly of States Parties Project Director considers this is cost neutral, as the design has achieved an efficient ratio between façade and floor space. Although some changes may be inevitable as the project develops, the ASP and the Court must ensure that any changes are kept to a minimum as they can be costly and disruptive to delivery schedules. Significant changes may indicate inadequate definition of the project scope at the outset.

Governance structure

39. To be effective, the project's governance structure should clearly set-out the functions, processes, procedures and responsibilities that define how the project is to be setup, managed and controlled. The governance structure provides the basis for all activities of managing the project and achieving the anticipated outcomes.

40. The Permanent Premises project consists of three main stakeholders:

- (a) The Assembly of States Parties is the project sponsor and developer;
- (b) The Court is the user organisation; and
- (c) The Host state delivers the construction project, provides financing and advice on legal building procedures.

41. In approving the project, the Assembly established the following governance arrangements:

- (a) The Oversight Committee on Permanent Premises is a standing subsidiary body of the Assembly of States Parties and provides strategic oversight to the project;
- (b) The Assembly of States Parties Project Director has final responsibility for the overall management of the project and reports to the Assembly of States Parties through the Oversight Committee. The Project Director's office is responsible for the day-to-day management of the project;

(c) The Court's Project Director is heading the Project Office Permanent Premises and is member of the Project Board. As the key interface between the project and the Court and the focal point for the project;

(d) The Registrar is the principal administrative officer of the Court and therefore responsible for the project within the mandate of the Court and without prejudice to the overall responsibility of the Assembly of States Parties Project Director. The Registrar is directly responsible for administrative and financial aspects of the management of the Assembly of States Parties Project Director's office; and

(e) The Project Board has the mandate to provide a cooperative and consultative structure for the overall management of the project, bringing together the key stakeholders. The Board is chaired by the Assembly of States Parties Project Director and includes representatives of the Court and the Dutch Government as host state.

42. In our 2009 report, we recommended that *"following the initial period of operation, the Oversight Committee should review the governance arrangements relating to the Project, to confirm they are fit for purpose, and provide for full and clear accountability"*. In response to that recommendation, and similar internal audit findings, the Oversight Committee commissioned independent experts to review the existing governance arrangements and recommend a new structure which is due to be finalised and approved by the Assembly in 2011-2012. The ICC should consider whether this is too late to make a real difference to the effective delivery of the project and consider accelerating the implementation of the new structure.

Recommendation 2:

43. We continue to recommend the need for clear accountability structures to be established as soon as possible to ensure adequate project oversight, control and risk management.

44. Successful projects must have common goals and objectives, together with a clear understanding of design, cost and time to completion. Although both the Assembly of States Parties and the Court project teams appreciate the scope of the Permanent Premises project, they have different understanding of how project value is defined in terms of maximizing the value of resources invested. Our audit continues to evidence that there is limited congruence between the Court and Assembly of States Parties teams. Unless addressed, these challenges will put the effectiveness of any governance structure at risk. It is therefore important that the different stakeholder views on the cost, time and quality trade-offs are reconciled. Equally, a one-team mentality should be established to ensure that both teams follow the same approach in delivering the project outcomes. The Project Board should honestly appraise the barriers to effective working and develop a strategy to overcome these.

Recommendation 3:

45. We recommend that a common set of project objectives and outcomes are agreed, together with a clear view on cost, time and quality.

46. We noted that there is still no clarity over the roles and responsibilities of the Assembly of States Parties Project Director and the Court in regards to their administrative parts in the project such as finance and procurement. The Assembly of States Parties should formally the administrative responsibilities and delegations of authority for the project.

Effectiveness of communications

47. A successful project requires a well developed communications strategy which documents how information will be disseminated to, and received from, all stakeholders. Such a strategy is used to establish and manage on-going communications through the project. A communication strategy for the Permanent Premises project was drafted in August 2008 but it has not been updated since.

48. In early 2011, the Assembly of States Parties Project Director resigned from his post with effect on March 2011 and the Committee began a campaign to fill his post. The Committee also decided that in case of delay with the recruitment of the Assembly of States Parties Project Director, they would consider hiring a consultant as an interim solution. We identified, however, some deficiencies in the way which that information was communicated to the stakeholders. Key stakeholders did not feel fully informed about the time frame of the selection process and the implications that any delays might cause in the project timeline. In our discussions we identified concerns that communications between the key stakeholders were deficient and could threaten the achievement of objectives.

Budget and risk management

49. The overall budget for the Permanent Premises project is €190 million at 2014 prices and expenditure to December 2010 was €6.4 million (Figure 2).

50. In February 2011, additional unplanned Design Stage costs of €1.65 million were incurred, against which the Court received a contribution of €150,000 from the Host State to finance legal advisory services related to architectural selection process, reducing the contingency expenditure to Euro 1.5 million. Without commencing the construction, the project has already consumed 10 per cent of its contingency.

51. Given the delays noted above and the planned changes to the project governance structure, the contingency must be closely monitored to ensure that the overall project costs do not continue to escalate. There remains no guidance on the parameters for the use of the contingency and there remains a difference of views on how this can be used.

52. The project's budget does not include the full project costs. In particular, loose furniture, user equipment, together with operational costs (i.e. cost of moving) are excluded from the total project cost. The separation of these costs from the main project budget can make the identification of the aggregate costs hard. We would encourage a full cost budget for the project to be developed for Assembly of States Parties' approval.

Recommendation 4:

53. We recommend that as a matter of priority a full appraisal of non structural costs is undertaken to identify any previously unrecognised overheads. Additional costs identified, not budgeted for, should be presented to the Assembly of States Parties for approval.

Figure 2: Cost of the Permanent Premises project

<i>Costs</i>	<i>Actual expenditure (2008-2010) (Euro million at 2014 prices)</i>	<i>Total budget approved (Euro million at 2014 prices)</i>
Construction costs	0	114.9
Other costs:		
Escalation (cost increases)	0 ^(b)	29.4
Fees (designers, engineers, consultants)	3.3	18.5
Project Management fees	1.6	5.3
Permits and dues (including consultancy permits)	0.0	3.5
Integrated specialised features	0.0	1.1
Financial contingency	1.5 ^(a)	17.2
Grand total	6.4	190

^(a) The Court received Euro 150,000 from the host State to finance legal advisory services related to architectural selection process. Therefore, the contingency expenditure reduced from Euro 1.65 million to Euro 1.5 million.

^(b) This is yet to be finalised. The estimated escalation is Euro 0.5 million.

Figure Source: International Criminal Court documents.

54. A risk register is a key tool for analysing and managing risks. It lists all the identified risks and shows the likelihood of occurrence, severity of effect, counter measures and risk owners. The project makes use of a risk registers to manage risks, nevertheless, the registers lack the necessary detail to allow informed decisions. In addition, the registers used by the design and project teams differ in format and they do not quantify the impact if

risks materialize. Hence, contingency reserve has not been defined on the basis of quantified project risks. A more comprehensive risk assessment approach should be developed including the quantitative assessment of risks which enables the better understanding of potential impact in terms of cost, time and performance and reduces the likelihood of costs overruns.

Recommendation 5:

55. We recommend that a more comprehensive risk assessment should be developed including the quantification of risks and their potential impacts in terms of cost, time and performance.

First time adoption of IPSAS

Background

56. International Public Sector Accounting Standards (IPSAS) provides a comprehensive framework for financial reporting, ensuring greater transparency to financial statements and allowing effective comparisons with other entities.

57. Financial statements prepared under IPSAS provide a more complete picture of the financial position, matching income with expenditure and providing a more accurate measure of the consumption and valuation of longer term assets and liabilities. Much of this information is lacking under the current United Nations Systems Accounting Standards (UNSAS) accounting framework, and consequently prevents States Parties from obtaining a true understanding of the Court's underlying financial health.

58. We welcome that during its ninth session, in December 2010, the ASP approved the implementation of IPSAS. The Court has now prepared an implementation schedule together with a proposed budget; this was presented to the Committee on Budget and Finance in April 2011. The Court has proposed to present its first set of IPSAS compliant financial statements for 2014. The implementation is expected to cost €2 million.

59. We have reviewed the Court's implementation schedule against our previous IPSAS recommendations. Overall, we can confirm that the proposed project outline includes all the key aspects we would expect for a managed transition to the revised accounting framework.

Financial Rules and Regulations

60. Management needs to undertake a thorough standard-by-standard review of the IPSAS to identify and document how they may impact the Court. While the requirements of many standards are not likely to be particularly onerous, for the purposes of completeness the impact of all IPSAS standards needs to be considered and the Court's judgement on their impact should be fully documented.

61. After completing a full impact analysis of the standards, the Court will need to assess the impact of the required IPSAS changes on the Financial Regulations. This should be done early due to the time it may take for the revised documents to be approved. The Court should prepare a clear analysis of each standard setting out the proposed accounting practice and policy and how it impacts the financial rules and regulations.

62. The current proposal is that changes to the Financial Rules and Regulations are approved by the Committee on Budget and Finance. We would urge the Court to present the revisions for Audit Committee scrutiny prior to the formal submission to the Committee on Budget and Finance.

Recommendation 6:

63. We recommend the Court perform an early IPSAS standard by standard impact analysis and consider the changes that will be required to the Financial Rules and Regulation. We recommend that changes to the Financial Rules and Regulations are approved by the Assembly of States Parties.

Implementation timetable and budget

64. The Court plans to implement IPSAS in 2014 with a total proposed implementation budget of €2 million. The Court has approved two posts fully dedicated to the IPSAS implementation project with the more senior post filled in June 2011. The Court has allowed three years for transition and has estimated these staff costs at €600-700,000 for the transition period to 2014.

65. The implementation schedule reflects the work that will be required in the first half of 2015, when the first IPSAS financial statements are prepared and audited. In our experience, when organisations implement new accounting frameworks, and particularly with a “modified cash” to “accruals” conversion, the level of resources required should not be underestimated. A review of the current proposed timing and extent of resources should be undertaken.

66. The Court is well placed to make a quick and efficient transfer to IPSAS and we would encourage the Court to consider earlier adoption. In particular:

(a) The Court’s operations are relatively straight forward with only two main streams of revenue and expenses - assessed contributions for the regular budget and expenditure in relation to staff costs. There will be limited changes from the implementation of IPSAS to the accounting treatments for these transaction streams;

(b) The Court will have up-to-date and current detailed costing information around its major non-current assets (the permanent premises and its fittings);

(c) The Court will need to consider how it will value the liabilities associated with its employee benefits. Provided the employee data is readily available, this should not require significant timescales;

(d) The Court already operates a modern enterprise resource planning system which is suitable to support accruals accounting, SAP for which new modules, such as fixed assets (if it is deemed necessary) can be readily acquired; there is no requirement to migrate to a new accounting system;

(e) Its operations are centralised in The Netherlands, there is not a large number of regional offices with material transactions requiring training and development of local systems; and

(f) The Court has staff available to support the project.

67. In light of this and the appointment of two dedicated full time posts, the Court should review the timeframe for the production of the first set of financial statements. Earlier implementation will result in a significant reduction in costs relating to the project, and ensure that the benefits of improved financial reporting are realised earlier. The Court has informed us that it has already brought the timetable forward from its original planned 2015 implementation.

Recommendation 7:

68. We recommend that the timetable for transition to IPSAS is reviewed, taking into consideration the complexity of transition and resources available to the Court, and be brought forward. In particular, the timetable should allow for at least one “dry run” exercise of preparing IPSAS accounts, either a restatement of the financial statements before the “live” year, or a month six account for the year in question. Opening balances for the first “live” year should be produced by the Court and reviewed by the External Auditors as soon as possible.

Detailed planning

69. Following review of the timetable the key phases from the implementation schedule should be developed further into sub tasks and deadlines assigned. This will result in a useable detailed IPSAS project plan. Monitoring against this plan will ensure that resources are managed efficiently throughout the course of the project and the risks to delivery in terms of quality and time will be managed.

Recommendation 8:

70. We recommend that the Court ensure that a robust and detailed IPSAS project plan is set and progress against agreed deadlines should be monitored regularly by senior management and the Audit Committee.

Property, plant and equipment (and intangible assets)

71. The implementation schedule states that the capital assets implementation plan is to be considered in 2012. In our view this should be accelerated, the Court should evaluate the volume and values of assets held above differing capitalisation thresholds, (non expendable property reported in the 2010 Financial Statements was €15 million at cost) to determine an appropriate threshold for the capitalisation of assets. The Court can then determine the software needed to support the management of its assets, taking into consideration the cost compared with requirements and benefits.

72. The Court should also bring forward the development of its accounting policies for property, plant and equipment to establish this before the build phase of the permanent premises project. The Court is now incurring expenditure which may ultimately require capitalisation under IPSAS. It is important that the Court evaluate the IPSAS requirements and determine a suitable accounting policy so that the project costs are captured and recorded in a way suitable to determine the value of the asset and depreciation policies and fully comply with the revised accounting framework.

Recommendation 9:

73. We recommend earlier consideration of the accounting estimates and policies in relation to property plant and equipment to determine the appropriate software for management of assets and to ensure that the costs in relation to the Permanent Premises are suitably recorded in preparation for capitalisation under IPSAS.

Compendium - progress against previous audit recommendations**Overview**

74. Over a number of years we have made recommendations regarding the Court's corporate governance arrangements. This section reviews the progress the Court has made in these areas.

Audit Committee

75. In previous years' reports we have outlined the benefits of an effective Audit Committee as an essential mechanism in improving corporate governance. The ICC has made progress on our previous recommendations and brought independent members in to the Committee, appointed through an external recruitment process. The first meeting to include the external members was held in April 2010.

76. The Audit Committee last met in February 2011 to consider a range of topics, including the Court's internal governance structure, the permanent premises construction and the work plans of internal and external audit. While the Committee has not had the opportunity yet to fully mature, it has made a very positive start. We have the following observations where we consider the effectiveness of the committee could be further enhanced:

(a) The Committee's agenda should be driven by the assurance needs of the ICC and its risk management processes;

(b) The cycle of Committee meetings should be reviewed to ensure that it reflects the work plans of the internal and external auditors;

(c) There should be a greater focus on accounting issues, including a detailed review of the financial statements. This should be a key part of the Committee's terms of reference; and

(d) The Audit Committee could operate on a more informal basis and be smaller to facilitate more effective operation with fewer executive attendees.

Recommendation 10:

77. We recommend that the Audit Committee and the Court continue to work together to maximise the effectiveness of the Committee and of the support provided to the Committee. The terms of Reference should be reviewed at least annually to ensure that the work of the Audit Committee is aligned with good practice and business needs.

Risk management

78. Since our earliest reports in 2003, we have outlined the benefits of systematic risk management and the importance of early consideration of risk. Given the complexity of the Court's structure, its high public profile and challenging cultural environment, effective risk management is essential for the effective operation of the Court.

79. In 2007, we reported that the Court was developing a risk identification process. Consultants had been appointed to undertake this exercise and we recommended that once completed these risks be promptly collated into a number of key risks for a useable risk register. The risk register should prioritise risks; and identify risk owners and actions to mitigate key risks. We anticipated that the risk register would be reviewed and updated regularly and used by senior management as an active diagnostic tool to manage risks. We also advised that an annual submission should be made to the Assembly of States Parties to bring key risks to their attention.

80. The high priority risks identified from the 2008 consultant report have been analysed and a range of mitigation strategies proposed. At the same time the Court has conducted a bottom up risk assessment whereby section heads were asked to develop their own risk registers. Based on Divisions' work each Organ developed an organ wide register and these were considered in the development of the Court wide register. The Court wide register is planned to combine this process with the risks and mitigation strategies identified in the consultants report. Six strategic risks areas have been identified and are now under consideration by the organs. These are Human Resources, Security, Permanent Premises, Compliance with Internal and External Rules, Governance and External Communications.

81. However, as at June 2011, the Court does not have a completed useable risk register to monitor and manage risks some **seven** years after we first recommended the need for this.

Statement on Internal Control

82. The Court first presented a Statement on Internal Control (SIC) with the Financial Statements in 2008. The purpose of such a Statement is to provide assurance that resources have been controlled and managed appropriately and is also a vehicle for highlighting any weaknesses which may exist in the internal control system. The SIC is therefore an important accountability document in communicating the state of internal control to States Parties.

83. While the Court has included a SIC with the financial statements since 2008, we have continued to recommend that the Court further develop the assurance framework which underpins the representations made in the SIC.

The statements on internal control for 2010

84. For 2010, the Court separated the statements on financial and non-financial control and presented a statement on internal financial control, signed by the Registrar as the principal administrative officer of the Court. It separately presented a statement of non-

financial control, which was jointly signed by the Register, the President and the Chief Prosecutor. As this development only occurred in June 2011, the External Auditor has not formed an opinion on the statements.

85. During 2011, the Court started to develop its assurance framework to support the representations in the statements by obtaining certifying officers confirmation on compliance with the Financial Regulations. The Court should continue these developments and now establish a comprehensive single Statement on Internal Control, supported by a complete assurance mechanism covering the management of all major risks for the successful operation of the Court. This single statement should be signed by the President of the Court, and by the Prosecutor, as well as by the Registrar, recognising their respective responsibilities for aspects of management of the Court and its resources.

Recommendation 11:

86. We recommend that for 2011 the Court should produce a single Statement on Internal Control which should describe the key elements of the Court's risk management strategy to reflect the Court's capacity to handle risk, setting out how the Court is equipped to manage changing risk profiles. It should, in our view, set out the differing responsibilities of the President, the Prosecutor and the Registrar, for overall management of the Court and use of resources, and be signed by all three.

Absence of evidence to support the 2010 Statement on Internal Financial Control

87. In relation to the evidence supporting the representations made in the 2010 Statement on Internal Financial Control, we found this to be lacking. Template statements of assurance to be signed by certifying officers were prepared but the exercise was not commissioned prior to production of the statement. We have therefore been unable to audit these assurance statements and as a result are unable to confirm whether the Statement is supported by confirmations on the operations of controls throughout the Court.

88. The statement has been signed and dated by the Registrar acknowledging the Organ's responsibility for maintaining a sound system of internal financial control. However, in the absence of an overarching piece of work by Internal Audit, looking at the system of controls across the Court, there has been limited assurance obtained to support the signature confirming the effectiveness of internal controls. Consequently, we have not been able to evaluate the assertions made in the statement by the Registrar, though we have seen no evidence to the contrary.

Recommendation 12:

89. We recommend that prior to preparation of the Statement on Internal Control written assurances are obtained from the divisions of the Court to properly conclude on the effectiveness of the control environment.

Recommendation 13:

90. We recommend that, prior to signature of the Statement on Internal Control and in line with best practice, internal audit provide an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Office of Internal Audit

91. Internal audit should represent a key element of internal assurance and good governance. It should ensure that an effective control environment is maintained, and should provide advice to management on how it can be strengthened. Over several years, the Court has developed an in-house internal audit function.

Follow up of recommendations

92. The Office of Internal Audit produces a number of reports each year containing recommendations to management. We have found that appropriate mechanisms were not established to ensure the systematic follow-up and implementation of internal audit recommendations, which resulted in a very low implementation rate and devaluing Internal Audit's work.

93. We are pleased to report some progress in this area. In 2010, a procedure was established and the ownership for the follow up of recommendations has been assigned. The Court has also developed a centralised database to track the status of recommendations. If properly managed, this new development should help ensure that identified improvements to procedures and internal controls will be implemented.

Recommendation 14:

94. We recommend that the Court continue its progress in following up internal audit recommendations and regularly report on implementation to both senior management and the Audit Committee.

Information technology issues

Business continuity and disaster recovery

95. In July 2007, the server that hosts the Court's accounting ledgers containing all the Court's financial information crashed. The system was not restored for a month later as the back up system had not been operating correctly and lost information had to be re-input into the restored system using supporting documentation on file.

96. Since 2007 we have recommended that the Court develop and implement an IT disaster recovery and business continuity plan. This is not just about the financial information, the Court's proceedings and evidence are also recorded electronically and such IT failures incidences could risk the judicial process. These essential recommendations have still not been fully implemented.

IT strategy

97. An IT strategy provides a roadmap for how information technology will be used and implemented. The purpose is to ensure that there is a strong and clear relationship between IT investment decisions and an organisation's overall strategies, goals and objectives. There has been no update to the Court's IT strategy since 2006.

98. A recent e-Court Consultancy Report which reviewed the Court e-Court systems and processes made several recommendations regarding developing replacement strategies for strategic components, update of software and next generation equipment.

99. In 2014, it is expected that the new permanent premises for the Court will be completed and the operations will be moving to a newly designed building. IT forms a vital part of the Court's operations and it will be essential to plan for this move when considering any new acquisitions or upgrades.

100. An IT strategy is derived from the needs of an organisation. Without an IT strategy the Court runs the risk that significant organisational resources will be misdirected.

101. In this regard it is vital that an IT strategy should be prepared and reviewed by senior management as a matter of priority. This is to ensure that the strategy meets the current and future needs of the Court considering factors, amongst others, the e-Court review and the planned move to new premises. The production of an IT strategy and review for consistency with the medium to long term plans of the Court by senior management will provide assurance to Member States that funds are spent wisely to benefit the long term objectives of the Court.

Recommendation 15:

102. We reiterate our previous recommendation that an IT strategy be prepared and implemented as a matter of priority. The strategy be approved by senior management to ensure consistency with the long term objectives of the Court. The strategy should be annually reviewed and updated to ensure that it remains current and appropriate.

Ethical conduct

103. As a legal institution the Court has to operate to a very high standard of integrity to maintain its reputation. In our previous reports we have made recommendations to improve practice in relation to internal policies and procedures in this regard. There is still progress to be made.

Fraud

104. Our reports over a number of years have recommended that the Court develop an anti-fraud policy as part of the Court's response to developing and maintaining effective controls to prevent fraud. The key aspects of such a policy include:

- (a) Outlining the procedures to ensure a vigorous and prompt investigation would occur;
- (b) A zero-tolerance policy demonstrating that appropriate disciplinary and legal action would be taken in all cases;
- (c) Defining the procedures to examine review systems and procedures to prevent further frauds;
- (d) Investigate whether there has been a failure in supervision and take appropriate disciplinary action where supervisory failures occurred; and
- (e) Record and report all discovered cases of fraud.

105. Included within the anti fraud policy should be a defined whistle blowing policy which would allow the Court's employees to report any suspected cases of fraud and outline the protection that would be afforded to whistle-blowers. Without a defined procedure for reporting fraud the Court's staff may not report concerns due to fear of prejudice or harassment.

Management response to audit recommendations for 2009

106. In our 2009 External Audit Report we made a number of recommendations on financial matters and governance. As part of our work we have reviewed the progress the Court has made in implementing these recommendations. The detailed follow up, including both the response from the Court and our comments thereon, is set out in Annex B.

107. A number of these recommendations have not been implemented or they remain in progress. These have been discussed above in our compendium of previous audit recommendations.

Acknowledgement

108. We wish to record our appreciation for the co-operation and assistance provided by the Registrar and the staff of the Court during our audit.

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

Annex A

Summary of recommendations for 2010

Recommendation 1:

We recommend that the ICC closely reviews all Tribunal cases to identify any common themes and lessons to be learned in respect of its Human Resources policies.

Recommendation 2:

We continue to recommend the need for clear accountability structures to be established as soon as possible to ensure adequate project oversight, control and risk management.

Recommendation 3:

We recommend that a common set of project objectives and outcomes are agreed, together with a clear view on cost, time and quality.

Recommendation 4:

We recommend that as a matter of priority a full appraisal of non structural costs is undertaken to identify any previously unrecognised overheads. Additional costs identified, not budgeted for, should be presented to the Assembly of States Parties for approval.

Recommendation 5:

We recommend that a more comprehensive risk assessment should be developed including the quantification of risks and their potential impacts in terms of cost, time and performance.

Recommendation 6:

We recommend the ICC perform an early IPSAS standard by standard impact analysis and consider the changes that will be required to the Financial Rules and Regulation. We recommend that changes to the Financial Rules and Regulations are approved by the Assembly of States Parties.

Recommendation 7:

We recommend that the timetable for transition to IPSAS is reviewed, taking into consideration the complexity of transition and resources available to the Court, and be brought forward. In particular, the timetable should allow for at least one “dry run” exercise of preparing IPSAS accounts, either a restatement of the financial statements before the “live” year, or a month six account for the year in question. Opening balances for the first “live” year should be produced by the Court and reviewed by the External Auditors as soon as possible.

Recommendation 8:

We recommend that the Court ensures that a robust and detailed IPSAS project plan is set and progress against agreed deadlines should be monitored regularly by senior management and the Audit Committee.

Recommendation 9:

We recommend earlier consideration of the accounting estimates and policies in relation to property plant and equipment to determine the appropriate software for management of assets and to ensure that the costs in relation to the Permanent Premises are suitably recorded in preparation for capitalisation under IPSAS.

Recommendation 10:

We recommend that the Audit Committee and the Court continue to work together to maximise the effectiveness of the Committee and of the support provided to the Committee. The terms of Reference should be reviewed at least annually to ensure that the work of the Audit Committee is aligned with good practice and business needs

Recommendation 11:

We recommend that for 2011 the Court should produce a Statement on Internal Control should describe the key elements of the Court's risk management strategy to reflect the Court's capacity to handle risk, setting out how the Court is equipped to manage changing risk profiles. It should, in our view, set out the differing responsibilities of the President, the Prosecutor and the Registrar, for overall management of the Court and use of resources, and be signed by all three.

Recommendation 12:

We recommend that prior to preparation of the Statement on Internal Control written assurances are obtained from the divisions of the Court to properly conclude on the effectiveness of the control environment.

Recommendation 13:

We recommend that, prior to signature of the Statement on Internal Control and in line with best practise, internal audit provide an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Recommendation 14:

We recommend that the ICC continue its progress in following up internal audit recommendations and regularly report on implementation to both senior management and the Audit Committee.

Recommendation 15:

We reiterate our previous recommendation that an IT strategy be prepared and implemented as a matter of priority. The strategy be approved by senior management to ensure consistency with the long term objectives of the Court. The strategy should be annually reviewed and updated to ensure that it remains current and appropriate.

Annex B

Follow-up on prior year recommendations

<i>Recommendation</i>	<i>Management Response</i>	<i>External Auditors Comment</i>
<p>Recommendation 1: We recommend that, following the initial period of operation, the Oversight Committee should review the governance arrangements relating to the Project, to confirm they are fit for purpose, and provide for full and clear accountability.</p>	<p>The Oversight Committee requested its independent experts to conduct a Peer Review. The Peer Review was finalised 4 November 2010. The examination of the governance structure is ongoing. Any adjustments that might be required will be implemented in the first half of 2011 on a provisional basis, until approved by the ASP.</p>	<p>In Progress.</p> <p>A revised governance structure has not been agreed at the time of our audit. Agreement is expected to be achieved prior to the new Project Director taking office.</p>
<p>Recommendation 2: We recommend that delegations and authorities are set at an appropriate level and that authorising officers have sufficient information, authority and oversight to discharge their responsibilities. Authorisation should ultimately sit with the project sponsor.</p>	<p>The ASP PDO is mandated to lead the overall management including the tendering process for the permanent premises project.</p> <p>The Oversight Committee has been requested in ICC-ASP/9/Res.1 para 11 to review, in cooperation with the Court, the financial framework for the project; the resolution invites the Registrar to delegate authority to the Project Director where necessary and at an appropriate level, in accordance with the FRR, with respect to engaging funds for the permanent premises project. Already earlier, the Registrar had decided to increase the limit for awarding contracts without prior involvement of the Procurement Review Committee (PRC) from €50,000 to €250,000; to delegate the authority for awarding such contracts to the chief of procurement; and to increase the monetary value for a mandatory review by the PRC in case of modification of contracts to €500,000.</p>	<p>In Progress.</p>
<p>Recommendation 3: We recommend that effective channels of communication should be developed between the Project Board, Oversight Committee and the Court's Co-Ordination Council to ensure that all relevant information is communicated freely and openly to all of the organs within the Court.</p>	<p>The Project Board is attended by the Registrar and the ICC Project Director who reports directly to the Registrar. The Registrar also attends the Oversight Committee and reports frequently in the Court's Co-ordination Council, where the information is shared with all organs of the Court.</p>	<p>In Progress. No changes have been made to establish formal communication channels. We encourage the Court to consider further work in this area.</p>
<p>Recommendation 4: We recommend that the Court build on the development of communications between the project team and users to ensure that the project will meet their needs; manage their expectations and to communicate progress and that the Board might consider a survey of key users on whether they feel these are effective.</p>	<p>The meetings between the project team and the user groups are continued and intensified in the final design stage.</p>	<p>In Progress. Our 2010 audit enquires identified that differences in expectations remain between the user groups and the project team. We recommend that the Court further efforts in this area.</p>

<p>Recommendation 5: We recommend that the project team develop a benefits realisation plan which is included in the project manual in order to demonstrate the achievement of agreed objectives and benefits to enable the assessment of value for money.</p>	<p>The benefits realisation plan is being produced.</p>	<p>In Progress. We encourage the Court to complete this against the target date of June 2011.</p>
<p>Recommendation 6: We recommend that following appointment of an architect the process is reviewed to identify any lessons learned to inform future procurements in respect of the project.</p>	<p>PDO is, given the specific nature of the architect selection process (it was a one-off process for the Court and for the project), not envisioning conducting a detailed review of the process. PDO's intention is forward-looking and, for any of the future tenders, PDO will be carefully analyzing and developing the tender procedures with close involvement of LASS and the External Lawyer and with the expertise of the Project Management.</p>	<p>Closed. A formal review was not documented however we accept the Project Office's response and recommend that the necessary precautionary steps are taken for future procurements.</p>
<p>Recommendation 7: We recommend that the budget and financial contingency set aside for the project should be re-appraised in the light of the current level of drawdown at the design stage, and to undertake an assessment of the risk of cost overruns.</p>	<p>After the Preliminary Design phase the contingency has been analyzed. The current contingency is deemed as sufficient. By applying a stringent financial management in the various project phases, the budget will be carefully managed and controlled.</p>	<p>Not implemented. We recommend that the Court address this recommendation as a matter of priority. Please refer to the section on the Permanent Premises and Recommendation 5.</p>
<p>Recommendation 8: We recommend that the Court should develop a project plan for the adoption of IPSAS and make proposals to the Assembly of States Parties for their agreement.</p>	<p>The Court submitted a broad five-year plan to the fifteenth session of the CBF; based on the CBF recommendation, the ninth session of the ASP endorsed the IPSAS adoption and an additional appropriation of €332,600 for the first year of implementation (2011).</p>	<p>In Progress. The Court has produced a high level plan for IPSAS transition. However we have recommended that a more detailed plan be developed. Please see Recommendation 9 earlier in this report.</p>
<p>Recommendation 9: We further recommend that the project plan should include an internal review of financial rules, regulations and accounting policies using the information presented in this report. This should consider whether the financial systems are sufficient to support IPSAS.</p>	<p>During the first year (2011), a GAP study will identify the change management requirements of the regulatory framework and the ERP customization requirements.</p>	<p>Not Implemented. We have made further recommendations in this report. Please see Recommendation 7 and Recommendation 10 earlier in this report.</p>
<p>Recommendation 10: We recommend that, with input from the assurance functions and the new Audit Committee, the Registrar reviews the processes which underpin the Statement on Internal Control to ensure it is supported by appropriate evidence.</p>	<p>Based on recommendations of the Audit Committee, D/CASD will lead process and implement accordingly.</p>	<p>In Progress. The Court has now developed assurance returns which are to be completed by Certifying Officers to support the SIC. The exercise was not completed in time for our 2010 audit. We recommend that this exercise is commission earlier for 2011.</p> <p>The Court has removed the section on risk from the Statement on Internal Control. We have made further recommendations. Please see section on Statement on Internal Control.</p>

<p>Recommendation 11: We recommend that the Registrar establishes a process to receive written representations on the risk and control environment from head of organs, and from senior managers in respect of compliance with rules and regulations.</p>	<p>IOR developed template (statements of assurances). Inter Organ consultations are ongoing with the view of producing final drafts to be further discussed and approved during the forthcoming audit committee on 28 February and 1 March 2011.</p>	<p>In Progress. This has been implemented for Procurement Section however should be extended to cover senior management. We recommend that further work is undertaken to develop this further</p>
<p>Recommendation 12: We recommend that the Court should establish a clear timeline for the implementation of a full business continuity plan for all processes and areas identified as part of the business impact assessment, focusing resources on functions and systems deemed critical to the Court's operations.</p>	<p>The Business Continuity Framework consists of five stages: 1) Business Impact Analysis, 2) IT Risk Analysis, 3) IT Continuity Framework, 4) IT Continuity Planning and 5) Maintenance and Audit of Measures. The Business Impact Analysis and the IT Risk Analysis delivered the consolidated report, where all processes (business functions) and applications have been classified with regards to the Maximum Allowed Outage (MAO) and the impact of unavailability. Based on these findings, the Business Continuity Management (BCM) Framework was drafted with the set of objectives and controls to be implemented and measured in order to achieve the required Business Continuity. The IT Continuity Framework will provide a cost estimate for BIA scenarios based on the MAO, including technical and non-technical measures that need to be in place to move from the existing situation into the situation described in the scenario.</p>	<p>In Progress. Please see section on Information Technology Issues for update.</p>
<p>Recommendation 13: We recommend that following the appointment of an Investigations Officer, the Court should develop and communicate a clear anti-fraud policy and that this should include an approved process to enable staff to report concerns.</p>	<p>Fraud is misconduct and requires disciplinary proceedings, up to dismissal. The Court has the process for disciplinary proceedings well described in Staff Rules and the respective AI. Although IOM is responsible for investigating fraudulent behaviour of staff members, elected officials and contractors/consultants, an anti-fraud policy is a matter which the Court will promulgate once a proper risk management framework has been set up.</p>	<p>Not Implemented. Work on an anti-fraud policy has not commenced. We have made further recommendations earlier in this report. Please see section on Ethical Conduct.</p>
<p>Recommendation 14: We recommend that the Court establish a process to record and retain a register of interests for senior management and for those making procurement decisions. These declarations should be updated on an annual basis.</p>	<p>D/CASD will ask sections to establish a register based on the draft code of conduct which is currently being finalized. After the approval of the code of conduct, the requested detailed register of interests will be developed.</p>	<p>In Progress. This has been implemented for Procurement Section however should be extended to cover senior management. We recommend that further work is undertaken to develop this further.</p>

Statement I

International Criminal Court

Statement of income and expenditure and changes in fund balances for the period ending 31 December 2010 (in thousands of euros)

	<i>General Fund & Working Capital Fund</i>		<i>Notes ref.</i>	<i>Trust Funds</i>		<i>Notes ref.</i>	<i>Permanent Premises</i>		<i>Notes ref.</i>	<i>Total</i>	
	<i>2010</i>	<i>2009 rest.</i>		<i>2010</i>	<i>2009</i>		<i>2010</i>	<i>2009 rest.</i>		<i>2010</i>	<i>2009 rest.</i>
<i>Income</i>											
Assessed contributions	103,623	96,230	4.1	-	-		15,548	2,092	15.4	119,171	98,322
Voluntary contributions	-	-		1,488	1,652	5.2	-	-		1,488	1,652
Interest income	343	1,292	4.2	4	4	5.3	50	1		397	1,297
Other/miscellaneous income	121	294	4.3	-	-		-	-		121	294
Total income	104,087	97,816		1,492	1,656		15,598	2,093		121,177	101,565
<i>Expenditure</i>											
Disbursed expenditures	95,808	84,399	4.4	1,452	1,292	5.4	4,813	1,274	15.5	102,073	86,965
Unliquidated obligations	5,723	7,714	4.4	125	172	5.4	321	5	15.5	6,169	7,891
Annual Leave Accrual	568	359	2.24 / 4.5	-	-		-	-		568	359
Provision for US tax liability	53	60	4.6	-	-		-	-		53	60
Provision for ILO cases	330	224	4.6	-	-		-	-		330	224
Provision for doubtful debt	510	-	4.6	-	-		-	-		510	-
Repatriation Grant Accrual	1,507	1,095	4.5	(1)	-	5.4	-	-		1,506	1,095
Total expenditure	104,499	93,851		1,576	1,464		5,134	1,279		111,209	96,594
Excess/(shortfall) of income over expenditure	(412)	3,965		(84)	192		10,464	814		9,968	4,971
Savings on, or cancellation of, prior periods' obligations	2,147	2,162	4.7	17	13		-	-	15.6	2,164	2,175
Credits to States Parties	(13,679)	(19,195)	4.8	-	-		-	-		(13,679)	(19,195)
Refund to donors	-	-		(20)	(19)	5.5	-	-		(20)	(19)
Net increase in Working Capital Fund	-	-	4.9	-	-		-	-		-	-
Fund balances at beginning of financial period	31,413	44,481		461	275		814	-		32,688	44,756
Fund balances as at 31 December	19,469	31,413		374	461		11,278	814		31,121	32,688

Date:

Signed: Chief of Budget and Finance Section.....

Statement II

International Criminal Court

Statement of assets, liabilities, reserves and fund balances as at 31 December 2010 (in thousands of euros)

	<i>General Fund & Working Capital Fund</i>		<i>Trust Funds</i>		<i>Permanent Premises</i>		<i>Total</i>	
	<i>2010</i>	<i>2009 rest.</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009 rest.</i>	<i>2010</i>	<i>2009 rest.</i>
<i>Assets</i>								
Cash and term deposits	26,867	46,760	1,764	2,005	11,547	3,144	40,178	51,909
Assessed contributions receivable	6,255	1,093 4.10	-	-	-	-	6,255	1,093
Voluntary contributions receivable	-	-	(30)	26	-	-	(30)	26
Other contributions receivable	20	- 4.11	-	-	-	-	20	-
Interfund balances receivable	219	140 4.12	-	-	-	-	219	140
Other accounts receivable	3,090	2,811 4.13	-	1 5.6	111	206 15.7	3,201	3,018
Prepaid expenses – education grants	987	688 4.14	-	-	-	-	987	688
Total assets	37,438	51,492	1,734	2,032	11,658	3,350	50,830	56,874
<i>Liabilities</i>								
Contributions received in advance	41	3,672 4.15	1,018	1,259 5.7	-	- 15.9	1,059	4,931
Unliquidated obligations	5,723	7,714	125	172	321	5 15.5	6,169	7,891
Other accounts payable	2,950	1,339 4.16	-	-	59	1,106 15.8	3,009	2,445
Interfund balances payable	100	40	219	140 5.8	-	-	319	180
Provision for US tax liability	53	60 4.6	-	-	-	-	53	60
Provision for ILO cases	378	245 4.6	-	-	-	-	378	245
Repatriation Grant Accrual	4,659	3,512 4.5	(2)	-	-	-	4,657	3,512
Annual Leave Accrual	4,065	3,497 2.24/ 4.5	-	-	-	-	4,065	3,497
Host State loan	-	-	-	-	-	1,425 15.10	-	1,425
Total liabilities	17,969	20,079	1,360	1,571	380	2,536	19,709	24,186
<i>Reserves and fund balances</i>								
Working Capital Fund	7,406	7,406 4.9	-	-	-	-	7,406	7,406
Contingency Fund	8,757	9,169 4.17	-	-	-	-	8,757	9,169
Temporary reserve Contingency Fund	412	- 4.17	-	-	-	-	412	-
Reserve for unpaid contributions	480	332 4.18	-	-	-	-	480	332
Cumulative surplus	2,414	14,506 5.4	374	461	11,278	814	14,066	15,781
Total reserves and fund balances	19,469	31,413	374	461	11,278	814	31,121	32,688
Total liabilities, reserves and fund balances	37,438	51,492	1,734	2,032	11,658	3,350	50,830	56,874

Date:

Signed: Chief of Budget and Finance Section.....

Statement III

International Criminal Court Cash flow as at 31 December 2010 (in thousands of euros)

	<i>General Fund & Working Capital Fund</i>		<i>Trust Funds</i>		<i>Permanent Premises</i>		<i>Total</i>	
	<i>2010</i>	<i>2009 rest.</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009 rest.</i>	<i>2010</i>	<i>2009 rest.</i>
<i>Cash flows from operating activities</i>								
Net excess/(shortfall) of income over expenditure (Statement I)	(412)	3,965	(84)	192	10,464	814	9,968	4,971
Contributions receivable (increase)/decrease	(5,182)	(535)	56	53	-	-	(5,126)	(482)
Interfund balances receivable (increase)/decrease	(79)	421	-	-	-	-	(79)	421
Other accounts receivable (increase)/decrease	(279)	1,773	1	7	95	(206)	(183)	1,574
Prepaid expenses (increase)/decrease	(299)	99	-	-	-	-	(299)	99
Contributions received in advance increase/(decrease)	(3,631)	(9,418)	(241)	960	-	-	(3,872)	(8,458)
Unliquidated obligations increase/(decrease)	(1,991)	(1,286)	(47)	(28)	316	5	(1,722)	(1,309)
Interfund balances payable increase/(decrease)	60	26	79	(8)	-	-	139	18
Host State loan	-	-	-	-	(1,425)	1,425	(1,425)	1,425
Annual Leave Accrual increase/(decrease)	568	359	-	-	-	-	568	359
Provision for US Tax liability increase/(decrease)	(7)	(14)	-	-	-	-	(7)	(14)
Provision for ILO cases increase/(decrease)	133	210	-	-	-	-	133	210
Repatriation Grant Accrual	1,147	668	(2)	-	-	-	1,145	668
Accounts payable increase/(decrease)	1,611	548	-	-	(1,047)	1,106	564	1,654
Less: interest income	(343)	(1,292)	(4)	(4)	(50)	(1)	(397)	(1,297)
Net cash from operating activities	(8,704)	(4,476)	(242)	1,172	8,353	3,143	(593)	(161)
<i>Cash flows from investing and financing activities</i>								
Plus: interest income	343	1,292	4	4	50	1	397	1,297
Net cash from investing and financing activities	343	1,292	4	4	50	1	397	1,297
<i>Cash flows from other sources</i>								
Net increase/(decrease) in Working Capital Fund	-	-	-	-	-	-	-	-
Savings on, or cancellation of, prior periods' obligations	2,147	2,162	17	13	-	-	2,164	2,175
Credits to States Parties	(13,679)	(19,195)	-	-	-	-	(13,679)	(19,195)
Refund to donors	-	-	(20)	(19)	-	-	(20)	(19)
Net cash from other resources	(11,532)	(17,033)	(3)	(6)	-	-	(11,535)	(17,039)
Net increase/(decrease) in cash and term deposits	(19,893)	(20,217)	(241)	1,170	8,403	3,144	(11,731)	(15,903)
Cash and term deposits at beginning of financial period	46,760	66,977	2,005	835	3,144	-	51,909	67,812
Cash and term deposits at 31 December (Statement II)	26,867	46,760	1,764	2,005	11,547	3,144	40,178	51,909

Statement IV

International Criminal Court

Statement of appropriations for the period 1 January to 31 December 2010 (in thousands of euros)

<i>Major Programme</i>	<i>Appropriation approved</i>	<i>Disbursements</i>	<i>Unliquidated obligations</i>	<i>Accruals, Provisions</i>	<i>Total expenditures</i>	<i>Unencumbered balance</i>
Judiciary	10,744	10,210	199	474	10,883	(139)
Office of the Prosecutor	26,828	23,517	962	780	25,259	1,569
Registry	59,631	57,651	4,055	1,619	63,325	(3,694)
Secretariat of the Assembly of States Parties	4,273	3,166	401	23	3,590	683
Secretariat of the Trust Fund for Victims	1,222	788	96	56	940	282
Permanent Premises Project Office	584	381	7	7	395	189
Independent Oversight Mechanism	341	95	3	9	107	234
Total	103,623	95,808	5,723	2,968	104,499	(876)

Schedule 1

International Criminal Court

Status of contributions as at 31 December 2010 (in euros)

<i>States Parties</i>	<i>Outstanding as at 1 January 2010</i>		<i>Collections a/Outstanding</i>	<i>Assessed</i>	<i>Credits from 2009</i>	<i>Collections b/</i>	<i>Outstanding 2010</i>	<i>Total outstanding</i>	<i>Credit on 2010 receipts</i>	<i>Receipts relating to 2011</i>
	<i>Prior years</i>	<i>2010</i>								
Afghanistan	2,625	2,625	-	6,154	-	6,154	-	-	-	-
Albania	-	-	-	15,386	488	14,889	9	9	-	-
Andorra	-	-	-	10,770	658	10,090	22	22	-	-
Antigua and Barbuda	-	-	-	3,077	165	406	2,506	2,506	-	-
Argentina	-	-	-	441,583	176,491	265,092	-	-	47	-
Australia	-	-	-	2,974,147	146,978	2,827,169	-	-	322	-
Austria	-	-	-	1,309,363	3,817	1,305,546	-	-	143	-
Bangladesh	-	-	-	8,975	-	-	8,975	8,975	-	-
Barbados	-	-	-	12,309	739	11,570	-	-	-	-
Belgium	-	-	-	1,654,013	90,637	1,563,376	-	-	182	-
Belize	621	621	-	1,539	-	1,539	-	-	-	-
Benin *)	-	-	-	4,616	4,616	-	-	-	584	-
Bolivia (Plurinational State of)	8,569	8,569	-	10,770	-	1,108	9,662	9,662	-	-
Bosnia & Herzegovina	-	-	-	21,541	493	21,048	-	-	4	-
Botswana	-	-	-	27,695	1,150	26,545	-	-	-	24,143
Brazil	-	-	-	2,478,712	3,769	1,752,459	722,484	722,484	-	-
Bulgaria	-	-	-	58,467	1,644	56,823	-	-	7	-
Burkina Faso	1,090	1,090	-	4,616	-	4,616	-	-	49	-
Burundi	5,617	203	5,414	1,539	-	-	1,539	6,953	-	-
Cambodia	-	-	-	4,616	82	4,533	1	1	-	-

States Parties	Outstanding as at 1 January 2010			Assessed	Credits from 2009	Collections b/	Outstanding	Total outstanding	Credit on 2010 receipts	Receipts relating to 2011
	Collections a/	Outstanding	Prior years							
Canada	-	-	-	4,934,344	244,854	4,689,490	-	-	534	-
Central African Republic	6,405	203	6,203	1,539	-	-	1,539	7,742	-	-
Chad	2,977	203	2,774	3,077	-	-	3,077	5,851	-	-
Chile	-	-	-	363,114	-	363,114	-	-	3	-
Colombia	41,376	41,376	-	221,561	-	221,561	-	-	647	-
Comoros	4,332	203	4,129	1,539	-	-	1,539	5,668	-	-
Congo	1,967	204	1,763	4,616	-	-	4,616	6,379	-	-
Cook Islands	1,766	1	1,765	1,539	-	-	1,539	3,304	-	-
Costa Rica	5,815	5,815	-	52,313	-	49,530	2,783	2,783	-	-
Croatia	-	-	-	149,246	4,111	145,135	-	-	17	-
Cyprus	-	-	-	70,776	190	70,586	-	-	7	-
Czech Republic	-	-	-	536,977	1	536,976	-	-	58	-
Democratic Republic of the Congo	-	-	-	4,616	-	4,616	-	-	993	-
Denmark	-	-	-	1,132,422	60,784	1,071,638	-	-	124	-
Djibouti	3,926	204	3,722	1,539	-	-	1,539	5,261	-	-
Dominica	-	-	-	1,539	-	203	1,336	1,336	-	-
Dominican Republic	96,472	60,771	35,701	64,622	-	-	64,622	100,323	-	-
Ecuador	22,722	22,722	-	61,545	-	61,545	-	-	-	-
Estonia	-	-	-	61,545	1,315	38,986	21,244	21,244	-	-
Fiji	9,549	9,549	-	6,154	-	6,154	-	-	-	-
Finland	-	-	-	870,857	2,426	868,431	-	-	94	-
France	-	-	-	9,420,952	518,247	8,902,705	-	-	100	-
Gabon	31,407	1,628	29,779	21,541	-	-	21,541	51,320	-	-
Gambia	-	-	-	1,539	4	203	1,332	1,332	-	-
Georgia	-	-	-	9,232	247	8,985	-	-	-	-
Germany	-	-	-	12,336,631	705,448	11,631,183	-	-	130	-
Ghana	-	-	-	9,232	2,809	593	5,830	5,830	-	-
Greece	-	-	-	1,063,184	49,019	1,014,165	-	-	114	-
Guinea	13,661	204	13,457	3,077	-	-	3,077	16,534	-	-
Guyana *)	-	-	-	1,539	1,539	-	-	-	4,610	-
Honduras	14,275	1,018	13,257	12,309	-	-	12,309	25,566	-	-
Hungary	205,825	205,825	-	447,738	-	246,078	201,660	201,660	-	-
Iceland	-	-	-	64,622	-	64,622	-	-	7	-
Ireland	-	-	-	766,231	36,599	729,632	-	-	83	-
Italy	-	-	-	7,691,546	417,741	7,273,805	-	-	831	-
Japan	-	-	-	19,278,872	63,925	19,214,947	-	-	2,078	-
Jordan	-	-	-	21,541	989	20,552	-	-	4	-
Kenya	-	-	-	18,463	3,505	14,958	-	-	5	-
Latvia	-	-	-	58,467	1,481	56,986	-	-	1	-
Lesotho	1,701	204	1,497	1,539	-	-	1,539	3,036	-	-
Liberia	1,967	204	1,763	1,539	-	-	1,539	3,302	-	-
Liechtenstein	-	-	-	13,848	821	13,027	-	-	-	-
Lithuania	-	-	-	100,010	2,550	97,460	-	-	1	-
Luxembourg	-	-	-	138,476	6,991	131,485	-	-	15	-
Madagascar	2,899	238	2,661	4,616	-	-	4,616	7,277	-	-
Malawi	302	204	98	1,539	-	-	1,539	1,637	-	-
Mali *)	-	-	-	4,616	4,616	-	-	-	1,957	-
Malta	-	-	-	26,156	1,400	24,756	-	-	4	-
Marshall Islands	3,973	3,254	719	1,539	-	-	1,539	2,258	-	-
Mauritius	-	-	-	16,925	905	16,020	-	-	-	-

States Parties	Outstanding as at 1 January 2010			Assessed	Credits from 2009	Collections b/	Outstanding	Total outstanding	Credit on 2010 receipts	Receipts relating to 2011
	Collections a/Outstanding	Prior years	2010							
Mexico	-	-	-	3,624,982	-	447,328	3,177,654	3,177,654	-	-
Mongolia	-	-	-	3,077	82	2,995	-	-	-	-
Montenegro	-	-	-	6,154	82	6,072	-	-	1	-
Namibia	-	-	-	12,309	495	998	10,816	10,816	-	-
Nauru	4,013	204	3,809	1,539	-	-	1,539	5,348	-	-
Netherlands	-	-	-	2,854,135	8,059	2,846,076	-	-	311	-
New Zealand	-	-	-	420,042	21,053	398,989	-	-	45	-
Niger	1,378	204	1,174	3,077	-	-	3,077	4,251	-	-
Nigeria	60,455	60,455	-	120,012	-	6,651	113,361	113,361	-	-
Norway	-	-	-	1,340,136	64,317	1,275,819	-	-	144	-
Panama	-	-	-	33,850	3,832	4,779	25,239	25,239	-	-
Paraguay	5,828	5,828	-	10,770	-	10,764	6	6	-	-
Peru	308,322	122,983	185,339	138,476	-	-	138,476	323,815	-	-
Poland	-	-	-	1,273,975	2,155	1,251,672	20,148	20,148	-	-
Portugal	-	-	-	786,233	43,346	742,887	-	-	85	-
Rep. of Korea	-	-	-	3,477,275	9,349	2,806,300	661,626	661,626	-	-
Romania	-	-	-	272,335	5,757	266,578	-	-	3	-
Saint Kitts and Nevis	-	-	-	1,539	82	203	1,254	1,254	-	-
Saint Lucia	-	-	-	256	-	-	256	256	-	-
Saint Vincent and the Grenadines	1,097	1,097	-	1,539	-	1,526	13	13	-	-
Samoa	-	-	-	1,539	80	1,459	-	-	12	-
San Marino	-	-	-	4,616	247	4,369	-	-	-	-
Senegal	2,153	816	1,337	9,232	-	-	9,232	10,569	-	-
Serbia	-	-	-	56,929	1,727	55,202	-	-	6	-
Seychelles	-	-	-	513	-	-	513	513	-	-
Sierra Leone	5,983	5,983	-	1,539	-	201	1,338	1,338	-	-
Slovakia	-	-	-	218,484	5,183	213,301	-	-	22	-
Slovenia	-	-	-	158,478	7,896	150,582	-	-	17	-
South Africa	-	-	-	592,368	23,850	568,518	-	-	64	-
Spain	-	-	-	4,888,186	244,116	4,644,070	-	-	529	-
Suriname	-	-	-	4,616	4	4,611	1	1	-	-
Sweden	-	-	-	1,637,089	88,088	1,549,001	-	-	178	-
Switzerland	-	-	-	1,738,637	5,231	1,733,406	-	-	189	-
Tajikistan	440	440	-	3,077	-	1,623	1,454	1,454	-	-
The former Yugoslav Rep. of Macedonia	-	-	-	10,770	412	795	9,563	9,563	-	-
Timor-Leste	143	143	-	1,539	-	60	1,479	1,479	-	-
Trinidad and Tobago	-	-	-	67,699	2,220	65,479	-	-	7	-
Uganda	-	-	-	9,232	3,879	2,959	2,394	2,394	-	-
United Kingdom	-	-	-	10,161,027	546,298	9,614,729	-	-	1,095	-
United Republic of Tanzania	6,472	6,472	-	12,309	-	12,231	78	78	-	-
Uruguay	-	-	-	41,543	12,567	28,976	-	-	-	-
Venezuela (Bolivarian Rep. of)	204,889	40,730	164,159	483,126	-	-	483,126	647,285	-	-
Zambia *)	-	-	-	6,154	-	-	6,154	6,154	-	-
Total (113 States Parties)	1,093,012	612,493	480,520	103,623,300	3,664,651	94,184,299	5,774,350	6,254,870	16,463	24,143

*) In 2010, credit on 2009 receipts reported for Benin, Guyana, Mali and Zambia were respectively €5,218, €5,946, €6,590 and €82. Only €4,616, €1,539, €4,616 and €0 were reported in 2010 as collections against 2010 assessed contributions. The remaining amounts of respectively €602, €4,407, €1,974 and €82 are used to settle the outstanding Working Capital Fund (WCF) or may be included in the amounts for credit on 2010 receipts to be applied against future years' contributions.

Schedule 2

International Criminal Court Status of Working Capital Fund as at 31 December 2010 (in euros)

	2010	2009
Balance at beginning of financial period	7,405,713	7,405,382
<i>Receipts/(refunds)</i>		
Receipts from States Parties	(19,319)	331
<i>Withdrawals</i>		
	-	-
Balance as at 31 December	7,386,394	7,405,713
Established level	7,405,983	7,405,983
Less: due from States Parties (Schedule 3)	19,589	270
Balance as at 31 December	7,386,394	7,405,713

Schedule 3

International Criminal Court Status of advances to the Working Capital Fund as at 31 December 2010 (in euros)

<i>States Parties</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>	<i>Receipts relating to 2011</i>
Afghanistan	440	440	-	-
Albania	1,100	1,100	-	-
Andorra	770	770	-	-
Antigua and Barbuda	220	220	-	-
Argentina	31,557	31,557	-	-
Australia	212,542	212,542	-	-
Austria	93,571	93,571	-	-
Bangladesh	1,099	1	1,098	-
Barbados	880	880	-	-
Belgium	118,201	118,201	-	-
Belize	110	110	-	-
Benin	330	330	-	-
Bolivia (Plurinational State of)	770	770	-	-
Bosnia & Herzegovina	1,539	1,539	-	-
Botswana	1,979	1,979	-	-
Brazil	177,137	177,137	-	-
Bulgaria	4,178	4,178	-	-
Burkina Faso	330	330	-	-
Burundi	110	109	1	-
Cambodia	330	330	-	-
Canada	352,624	352,624	-	-
Central African Republic	110	91	19	-
Chad	220	109	111	-
Chile	25,949	25,949	-	-
Colombia	15,833	15,833	-	-

<i>States Parties</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>	<i>Receipts relating to 2011</i>
Comoros	110	109	1	-
Congo	330	109	221	-
Cook Islands	110	49	61	-
Costa Rica	3,738	3,738	-	-
Croatia	10,666	10,666	-	-
Cyprus	5,058	5,058	-	-
Czech Republic	38,374	38,374	-	-
Democratic Republic of the Congo	330	330	-	-
Denmark	80,926	80,926	-	-
Djibouti	110	109	1	-
Dominica	110	110	-	-
Dominican Republic	4,617	2,624	1,993	-
Ecuador	4,398	4,398	-	-
Estonia	4,398	4,398	-	-
Fiji	440	440	-	-
Finland	62,234	62,234	-	-
France	673,251	673,251	-	-
Gabon	1,538	875	663	-
Gambia	110	110	-	-
Georgia	660	660	-	-
Germany	881,615	881,615	-	-
Ghana	660	660	-	-
Greece	75,979	75,979	-	-
Guinea*	220	(16)	236	-
Guyana	110	110	-	-
Honduras	880	547	333	-
Hungary	31,997	31,997	-	-
Iceland	4,618	4,618	-	-
Ireland	54,757	54,757	-	-
Italy	549,662	549,662	-	-
Japan	1,377,729	1,377,729	-	-
Jordan	1,539	1,539	-	-
Kenya	1,319	1,319	-	-
Latvia	4,178	4,178	-	-
Lesotho	110	109	1	-
Liberia	110	109	1	-
Liechtenstein	990	990	-	-
Lithuania	7,147	7,147	-	-
Luxembourg	9,896	9,896	-	-
Madagascar	330	219	111	-
Malawi	110	109	1	-
Mali	330	330	-	-
Malta	1,869	1,869	-	-
Marshall Islands	110	109	1	-
Mauritius	1,210	1,210	-	-

<i>States Parties</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>	<i>Receipts relating to 2011</i>
Mexico	259,053	259,053	-	-
Mongolia	220	220	-	-
Montenegro	440	440	-	-
Namibia	880	880	-	-
Nauru	110	109	1	-
Netherlands	203,966	203,966	-	-
New Zealand	30,018	30,018	-	-
Niger	220	109	111	-
Nigeria	8,576	8,576	-	-
Norway	95,770	95,770	-	-
Panama	2,419	2,419	-	-
Paraguay	770	770	-	-
Peru	9,895	8,528	1,367	-
Poland	91,042	91,042	-	-
Portugal	56,187	56,187	-	-
Republic of Korea	248,497	248,497	-	-
Romania	19,462	19,462	-	-
Saint Kitts and Nevis	110	110	-	-
Saint Lucia	110	-	110	-
Saint Vincent and the Grenadines	110	110	-	-
Samoa	110	110	-	-
San Marino	330	330	-	-
Senegal	660	437	223	-
Serbia	4,068	4,068	-	-
Seychelles	220	-	220	-
Sierra Leone	110	110	-	-
Slovakia	15,614	15,614	-	-
Slovenia	11,325	11,325	-	-
South Africa	42,332	42,332	-	-
Spain	349,325	349,325	-	-
Suriname	330	330	-	-
Sweden	116,992	116,992	-	-
Switzerland	124,249	124,249	-	-
Tajikistan	220	220	-	-
The former Yugoslav Rep. of Macedonia	770	770	-	-
Timor-Leste	110	110	-	-
Trinidad and Tobago	4,838	4,838	-	-
Uganda	660	660	-	-
United Kingdom	726,139	726,139	-	-
United Rep. of Tanzania	880	880	-	-
Uruguay	2,969	2,969	-	-
Venezuela (Bolivarian Republic of)	34,525	21,866	12,659	-
Zambia	440	395	45	-
Total (113 States Parties)	7,405,983	7,386,394	19,589	-

*) The negative amount for the cumulative payments for Guinea is caused by the refund of the WCF portion of the cash surplus for 2005, being €290.

Schedule 4

International Criminal Court Status of cash surplus as at 31 December 2010 (in euros)

	2010	2009 restated
<i>Current year</i>		
<i>Credits</i>		
Receipts of assessed contributions	97,848,950	95,469,325
Miscellaneous income	464,255	1,586,097
	98,313,205	97,055,422
<i>Charges</i>		
Disbursed expenditures	95,807,577	84,398,821
Unliquidated obligations	5,722,544	7,714,050
Provision for US tax liability	53,156	60,161
Provision for doubtful debt	510,491	-
Provision for ILO cases	330,690	223,700
Annual Leave Accrual	567,850	358,754
Repatriation Grant Accrual	1,506,692	1,095,487
	104,499,000	93,850,973
Provisional cash surplus/(deficit)	(6,185,795)	66,428
Contributions receivable	5,774,350	760,575
Excess/(shortfall) of income over expenditure (Statement I)	(411,445)	3,965,024
Adjustment to opening reserve – note 4.5 b)	-	3,138,021
Adjusted Excess/(shortfall) of income over expenditure	(411,445)	827,003
<i>Disposition of prior year's provisional surplus/(deficit)</i>		
Prior year's provisional surplus/(deficit)	66,428	11,292,593
Plus: Receipt of prior periods' assessed contributions	612,492	225,024
Savings on, or cancellation of, prior periods' obligations	2,146,787	2,161,500
Prior year's cash surplus/(deficit)	2,825,707	13,679,117
Total cash surplus (Statement II)	2,414,262	14,506,120

Schedule 5

International Criminal Court Shares of States Parties in the 2009 cash surplus (in euros)

<i>States Parties</i>	<i>States Parties to the Rome Statute since</i>	<i>2009 scale of assessment</i>	<i>Surplus</i>
Afghanistan	May-03	0.00149	42
Albania	May-03	0.00891	252
Andorra	Jul-02	0.01188	336
Antigua and Barbuda	Jul-02	0.00297	84
Argentina	Jul-02	0.48267	13,639
Australia	Sep-02	2.65396	74,993
Austria	Jul-02	1.31733	37,224
Barbados	Mar-03	0.01337	378
Belgium	Jul-02	1.63664	46,247
Belize	Jul-02	0.00149	42
Benin	Jul-02	0.00149	42
Bolivia (Plurinational State of)	Sep-02	0.00891	252
Bosnia & Herzegovina	Jul-02	0.00891	252
Botswana	Jul-02	0.02079	587
Brazil	Sep-02	1.30099	36,762
Bulgaria	Jul-02	0.02970	839
Burkina Faso	Jul-04	0.00297	84
Burundi	Dec-04	0.00149	42
Cambodia	Jul-02	0.00149	42
Canada	Jul-02	4.42129	124,933
Central African Republic	Jul-02	0.00149	42
Chad	Jan-07	0.00149	42
Chile	Sep-09	0.07970	2,252
Colombia	Nov-02	0.15594	4,406
Comoros	Nov-06	0.00149	42
Congo	Aug-04	0.00149	42
Cook Islands	Oct-08	0.00149	42
Costa Rica	Jul-02	0.04752	1,343
Croatia	Jul-02	0.07426	2,098
Cyprus	Jul-02	0.06535	1,847
Czech Republic	Oct-09	0.10433	2,948
Democratic Republic of the Congo	Jul-02	0.00446	126
Denmark	Jul-02	1.09753	31,013
Djibouti	Feb-03	0.00149	42
Dominica	Jul-02	0.00149	42
Dominican Republic	Aug-05	0.03564	1,007
Ecuador	Jul-02	0.03119	881
Estonia	Jul-02	0.02376	671
Fiji	Jul-02	0.00446	126
Finland	Jul-02	0.83763	23,669
France	Jul-02	9.35794	264,427
Gabon	Jul-02	0.01188	336
Gambia	Sep-02	0.00149	42
Georgia	Dec-03	0.00446	126
Germany	Jul-02	12.73814	359,943
Ghana	Jul-02	0.00594	168
Greece	Aug-02	0.88515	25,012
Guinea	Oct-03	0.00149	42
Guyana	Dec-04	0.00149	42
Honduras	Sep-02	0.00743	210
Hungary	Jul-02	0.36238	10,240
Iceland	Jul-02	0.05495	1,553
Ireland	Jul-02	0.66089	18,675
Italy	Jul-02	7.54308	213,144
Japan	Oct-07	22.00000	621,656

<i>States Parties</i>	<i>States Parties to the Rome Statute since</i>	<i>2009 scale of assessment</i>	<i>Surplus</i>
Jordan	Jul-02	0.01782	504
Kenya	Jun-05	0.01485	420
Latvia	Sep-02	0.02673	755
Lesotho	Jul-02	0.00149	42
Liberia	Dec-04	0.00149	42
Liechtenstein	Jul-02	0.01485	420
Lithuania	Aug-03	0.04604	1,301
Luxembourg	Jul-02	0.12624	3,567
Madagascar	Jun-08	0.00297	84
Malawi	Dec-02	0.00149	42
Mali	Jul-02	0.00149	42
Malta	Feb-03	0.02525	713
Marshall Islands	Jul-02	0.00149	42
Mauritius	Jul-02	0.01634	462
Mexico	Jan-06	3.35199	94,717
Mongolia	Jul-02	0.00149	42
Montenegro	Jun-06	0.00149	42
Namibia	Sep-02	0.00891	252
Nauru	Jul-02	0.00149	42
Netherlands	Jul-02	2.78169	78,602
New Zealand	Jul-02	0.38020	10,743
Niger	Jul-02	0.00149	42
Nigeria	Jul-02	0.07129	2,014
Norway	Jul-02	1.16139	32,817
Panama	Jul-02	0.03416	965
Paraguay	Jul-02	0.00743	210
Peru	Jul-02	0.11584	3,273
Poland	Jul-02	0.74406	21,025
Portugal	Jul-02	0.78267	22,116
Republic of Korea	Feb-03	3.22723	91,192
Romania	Jul-02	0.10396	2,938
Saint Kitts and Nevis	Nov-06	0.00149	42
Saint Vincent and the Grenadines	Mar-03	0.00149	42
Samoa	Dec-02	0.00149	42
San Marino	Jul-02	0.00446	126
Senegal	Jul-02	0.00594	168
Serbia	Jul-02	0.03119	881
Sierra Leone	Jul-02	0.00149	42
Slovakia	Jul-02	0.09356	2,644
Slovenia	Jul-02	0.14257	4,029
South Africa	Jul-02	0.43069	12,170
Spain	Jul-02	4.40793	124,555
Suriname	Oct-08	0.00149	42
Sweden	Jul-02	1.59060	44,946
Switzerland	Jul-02	1.80594	51,031
Tajikistan	Jul-02	0.00149	42
The former Yugoslav Rep. of Macedonia	Jul-02	0.00743	210
Timor-Leste	Dec-02	0.00149	42
Trinidad and Tobago	Jul-02	0.04010	1,133
Uganda	Sep-02	0.00446	126
United Kingdom	Jul-02	9.86437	278,737
United Republic of Tanzania	Nov-02	0.00891	252
Uruguay	Sep-02	0.04010	1,133
Venezuela (Bolivarian Rep. of)	Jul-02	0.29703	8,393
Zambia	Feb-03	0.00149	42
Total (110 States Parties)		100.00000	2,825,707

Schedule 6

International Criminal Court

Status of voluntary contributions as at 31 December 2010 (in euros)

<i>Project</i>	<i>Contributor</i>	<i>Pledges</i>	<i>Received</i>	<i>Outstanding</i>	<i>Receipts for Refund to future periods</i>	<i>donors</i>
Internship and Visiting Professionals Programme*	European Commission	796,092	846,581	(50,489)	210,691	-
	Finland	27,300	27,300	-	9,100	1,231
	Norway	20,000	20,000	-	-	1,855
	Australia	12,500	12,500	-	-	-
	Netherlands	18,805	18,805	-	4,602	270
	Belgium	-	-	-	-	7,240
	Rep. of Korea	5,670	5,670	-	1,890	-
	Switzerland	17,063	17,063	-	5,688	4,566
<i>Sub-total</i>		<i>897,430</i>	<i>947,918</i>	<i>(50,489)</i>	<i>231,969</i>	<i>15,162</i>
Least Developed Countries	Australia	-	50,000	-	-	-
	Finland	-	46,638	-	-	-
	Ireland	-	25,000	-	-	-
	Luxembourg	-	20,000	-	-	-
	Poland	-	10,000	-	-	-
<i>Sub-total</i>		<i>-</i>	<i>151,638</i>	<i>-</i>	<i>-</i>	<i>-</i>
Regional Seminar in Yaoundé	France	15,000	15,000	-	-	-
	Organisation Internationale de la Francophonie	59,403	59,403	-	-	-
<i>Sub-total</i>		<i>74,403</i>	<i>74,403</i>			
Dakar Seminar	France	-	-	-	-	-
	Organisation Internationale de la Francophonie	3,580	3,580	-	-	-
<i>Sub-total</i>		<i>3,580</i>	<i>3,580</i>	<i>-</i>	<i>-</i>	<i>-</i>
Legal Tools Project	European Commission	56,236	49,987	6,249	69,982	-
	Finland	35,000	35,000	-	35,000	2,528
	Germany	44,500	44,500	-	-	-
	Netherlands	10,000	10,000	-	-	1,909
<i>Sub-total</i>		<i>145,736</i>	<i>139,487</i>	<i>6,249</i>	<i>104,982</i>	<i>4,437</i>
Defence Counsel Seminar	European Commission	78,734	64,930	13,805	21,643	-
	Rep. of Korea	17,744	17,744	-	5,915	-
	Finland	2,700	2,700	-	900	-
	Switzerland	2,250	1,688	-	563	-
	Netherlands	1,398	1,398	-	466	-
<i>Sub-total</i>		<i>102,827</i>	<i>88,459</i>	<i>13,805</i>	<i>29,486</i>	<i>-</i>
General trust fund	Austria	-	10,000	-	-	-
	Rep. of Korea	-	10,549	-	-	-
	Uganda	48,370	48,370	-	-	-
	Finland	8,850	8,850	-	-	-
	Belgium	-	35,475	-	-	-
<i>Sub-total</i>		<i>57,220</i>	<i>113,243</i>	<i>-</i>	<i>-</i>	<i>-</i>
Special Fund for Relocations of Witnesses	Denmark	-	-	-	131,881	-
	Germany	-	-	-	200,000	-
	United Kingdom	-	-	-	234,196	-
<i>Sub-total</i>				<i>566,077</i>		
Family visits for indigent detainees	Germany	-	-	-	85,000	-
<i>Sub-total</i>				<i>85,000</i>		
Total voluntary contributions		1,281,194	1,518,728	(30,436)	1,017,514	19,599

Schedule 7

International Criminal Court Status of Trust Funds as at 31 December 2010 (in euros)

<i>Trust Fund</i>	<i>Balances brought forward as at 1 January</i>	<i>Receipts</i>	<i>Disbursements</i>	<i>Unliquidated obligations</i>	<i>Provision Accruals</i>	<i>Total expenditures</i>	<i>Interest Earned</i>	<i>Savings on, or cancellation of, prior periods' obligations to donors</i>	<i>Refunds</i>	<i>Unencumbered balances</i>
General trust fund	-	113,243	57,544	-	-	57,544	63	-	-	55,762
Internship and Visiting Professionals Programme*	1,068	947,918	1,070,140	31,739	(1,622)	1,100,257	2,506	14,040	(15,162)	(149,887)
Least Developed Countries	161,347	151,638	9,889	84,615	-	94,504	546	1,935	-	220,962
Legal Tools Project	16,476	139,487	159,781	7,495	-	167,277	246	195	(4,437)	(15,309)
Judicial Capacity Strengthening Programme	2,680	-	-	-	-	-	14	-	-	2,694
Dakar seminar	(1,673)	3,580	-	-	-	-	3	448	-	2,358
Regional seminar in Yaoundé	-	74,403	40,782	-	-	40,782	48	-	-	33,669
Defence counsel seminar	11,518	88,459	114,471	1,313	-	115,784	125	-	-	(15,682)
Special Fund for Relocations	-	-	-	-	-	-	228	-	-	228
Family visits for indigent detainees	-	-	-	-	-	-	-	-	-	-
Total	191,416	1,518,728	1,452,607	125,162	(1,622)	1,576,147	3,779	16,618	(19,599)	134,796

* As from 1 April 2010, the full name of the Internship and Visiting Professionals Programme is Strengthening the International Criminal Court - reinforcing the principle of complementarity and universality and building a high quality defence.

Notes to the financial statements

1. The International Criminal Court and its objectives

1.1 The International Criminal Court (ICC) was established by the Rome Statute of the International Criminal Court on 17 July 1998, when 120 States participating in the "United Nations Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court" adopted the Statute. The Court is an independent permanent judicial institution with the power to exercise jurisdiction over perpetrators of the most serious crimes of international concern (genocide, crimes against humanity, war crimes and crimes of aggression once formally defined). The Court has four organs: the Presidency, Chambers (consisting of an Appeals Division, a Trial Division and a Pre-Trial Division), the Office of the Prosecutor and the Registry. In undertaking their tasks, the organs of the Court are guided by the framework set out in the Rome Statute, the Rules of Procedure and Evidence, and other relevant instruments.

The seat of the Court has been established at The Hague in the Netherlands in accordance with article 3 of the Rome Statute. The Court has also established seven field offices to enable it to conduct its field operations. These field offices are operational in Uganda, Democratic Republic of the Congo (2), Chad (2), Central African Republic and, since December 2010, Kenya.

For the purposes of the 2010 financial period, the appropriations were divided into seven Major Programmes: the Judiciary (Presidency and Chambers), the Office of the Prosecutor, the Registry, the Secretariat of the Assembly of States Parties, the Secretariat of the Trust Fund for Victims, the Permanent Premises Project Office and the Independent Oversight Mechanism. The composition and objectives pursued by each Major Programme of the Court are as follows:

(a) **Presidency**

- (i) The Presidency, comprising the President and the First and Second Vice-Presidents.
- (ii) To ensure the proper administration of the Court through means of managerial oversight, coordination and cooperation;
- (iii) To oversee and support the fair, open and effective conduct of proceedings and to fulfil all exclusive judicial functions assigned to the Presidency; and
- (iv) To broaden global understanding of and support for the work of the Court by representing it in the international arena.

(b) **Chambers**

- (i) The Chambers, comprising an Appeals Division, a Trial Division and a Pre-Trial Division; the Appeals Division is composed of the President and four other judges; the Trial Division is composed of not less than six judges, as is the Pre-Trial Division; and
- (ii) To ensure the conduct of fair, effective and open proceedings, safeguarding the rights of all parties.

(c) **Office of the Prosecutor**

- (i) The Office of the Prosecutor, which acts independently as a separate organ of the Court, is responsible for the investigation and prosecution of crimes within the jurisdiction of the Court;
- (ii) To promote national efforts and international cooperation to prevent and punish genocide, crimes against humanity and war crimes; and
- (iii) To build universal consensus on the principles and purposes of the Rome Statute.

(d) **Registry**

- (i) To provide efficient, effective and high-quality judicial and administrative support services to the Presidency and Chambers, the Office of the Prosecutor, the defence, and victims and witnesses;
- (ii) Management of the internal security of the Court; and
- (iii) The implementation of mechanisms to assist and safeguard the rights of victims, witnesses and defence.

(e) **Secretariat of the Assembly of States Parties**

In its resolution ICC-ASP/2/Res.3 adopted in September 2003, the Assembly of States Parties established the Secretariat of the Assembly of States Parties (the Secretariat), to begin its operations on 1 January 2004. The Secretariat, which provides the Assembly and its Bureau, the Credentials Committee, the Committee on Budget and Finance, the Special Group on the Crime of Aggression, as well as, upon explicit decision by the Assembly, any subsidiary body that may be established by the Assembly, with independent substantive servicing as well as administrative and technical assistance.

- (i) To organize conferences of the Assembly and meetings of the subsidiary bodies of the Assembly, including the Bureau and the Committee on Budget and Finance;

(ii) To assist the Assembly, including its Bureau and subsidiary bodies in all matters relating to their work, with particular emphasis on the effective scheduling and procedurally correct conduct of meetings as well as consultations; and

(iii) To enable the Assembly and its subsidiary bodies to carry out their mandate more effectively by providing them with high-quality substantive secretariat servicing and support, including technical secretariat services.

(f) **Secretariat of the Trust Fund for Victims**

The Secretariat of the Trust Fund for Victims administers the Trust Fund for Victims and offers administrative support to the Board and its meetings. For more information regarding the Trust Fund for Victims, please refer to the Financial Statements of 2010 for the Trust Fund for Victims which was established by the Assembly of States Parties in its resolution ICC-ASP/1/Res.6.

(g) **Permanent Premises Project Office**

In annex IV and V of resolution ICC-ASP/6/Res.1, the Assembly of States Parties decided to establish the Project Director's Office within the annual proposed programme budget of the Court to cover the staff costs and other operational costs related to the Permanent Premises Project. The Project Director's Office operates under the full authority of the Assembly of States Parties, it reports directly to and is accountable to the Assembly through the Oversight Committee. For more information regarding the Permanent Premises Project, please refer to note 14 of these financial statements.

(h) **Independent Oversight Mechanism**

By resolution ICC-ASP/8/Res.1 the Assembly of States Parties established the Independent Oversight Mechanism (IOM) as a new Major Programme. This Independent Oversight Mechanism shall be co-located with (but not integrated into or subordinated to) the Office of Internal Audit at the seat of the Court in The Hague. The scope of the Independent Oversight Mechanism, as envisaged under article 112, paragraph 4, of the Rome Statute includes investigation, evaluation and inspection.

2. Summary of significant accounting and financial reporting policies

2.1 The accounts of the International Criminal Court are maintained in accordance with the Financial Regulations and Rules of the Court, as adopted by the Assembly of States Parties at its first session in September 2002, and amendments thereto. The accounts of the Court are currently in conformity with the United Nations System Accounting Standards. These notes form an integral part of the Court's financial statements.

2.2 **Fund accounting:** The organization's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the Assembly of States Parties, Trust Funds and special accounts funded wholly by voluntary contributions may be established and closed by the Registrar.

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

2.4 **Accrual basis:** With the exception of voluntary contributions, as defined in subparagraph 2.16(b) below, income, expenditure, assets and liabilities are recognized on an accrual basis.

2.5 **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.

2.6 **Currency of accounts and treatment of exchange rate movements:** The accounts of the organization 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.

Exchange rate gains and losses are treated as follows:

- (a) Realized gains and losses resulting from the purchase of other currencies are recorded as miscellaneous income;
- (b) Realized losses on transactions are reflected in the expenditures of the main programme;
- (c) Unrealized gains and losses resulting from the revaluation of cash and other assets and liabilities are recorded as a provision in the balance sheet. At year-end, a cumulative net gain is left as a provision in the balance sheet, whereas a net loss is specifically provided for and recorded as expenditure; and
- (d) Unrealized gains and losses relating to the revaluation of unliquidated obligations are recorded as expenditure and adjusted in the corresponding programme budgets.

2.7 **The General Fund** was established for the purpose of accounting for the expenditures of the Court. The General Fund includes assessed contributions, funds provided by the United Nations, voluntary contributions, miscellaneous income and advances made from the Working Capital Fund to finance expenditures.

2.8 **The Working Capital Fund** is the fund established to ensure capital for the Court to meet short-term liquidity problems pending receipt of assessed contributions. The amount of the Working Capital Fund is determined by the Assembly of States Parties for each financial period and is assessed in accordance with the scale of assessments used for the appropriations of the Court, in accordance with financial regulation 6.2.

2.9 **The Contingency Fund** in the maximum amount of €10,000,000 was established by the Assembly of States Parties in September 2004 to be effective 1 January 2005, to ensure that the Court can meet:

- (a) Costs associated with an unforeseen situation following a decision by the Prosecutor to open an investigation;
- (b) Unavoidable expenses for developments in existing situations that could not be foreseen or could not be accurately estimated at the time of adoption of the budget; or
- (c) Costs associated with an unforeseen meeting of the Assembly of States Parties.

The level of the Contingency Fund is determined by the Assembly of States Parties and is financed by assessed contributions or by applying cash surpluses, as determined by the Assembly of States Parties.

2.10 **The Trust Funds and special accounts** are established and closed by the Registrar, and are reported to the Presidency and, through the Committee on Budget and Finance, to the Assembly of States Parties. They are funded wholly by voluntary contributions in accordance with specific terms and agreements with the donors.

Reserve accounts and special accounts funded wholly or in part by assessed contributions may be established by the Assembly of States Parties.

2.11 **The Permanent Premises Project is funded by:**

- a) Ministry of Foreign Affairs of the host State Netherlands: through the provision to the Court of a loan of up to a maximum of €200 million, to be repaid over a period of 30 years at an interest rate of 2.5 per cent, on the basis of annex II to resolution ICC-ASP/7/Res.1. The interest is to be paid annually, as of the first utilization of the host State loan. Repayment of the loan, through regular annual instalments, will commence after expiration of the existing or future leases of the interim premises. In the event of the €200 million not being fully utilized at the end of the project, the host State will reduce the amount of the loan to be repaid by an amount that corresponds to 17.5 per cent;
- b) Assessed contributions based on the principles laid out in resolution ICC-ASP/7/Res.1, annex III for one-time payments of the assessed share;

c) Voluntary contributions from governments, international organizations, individuals, corporations and other entities, in accordance with annex VI of ICC-ASP/6/Res.1 adopted by the Assembly of States Parties on the establishment of a permanent premises construction trust fund; and

d) Alternative resources as the Assembly of States Parties may decide to allocate.

2.12 Assessed contributions:

(a) In accordance with financial regulation 5.2, the appropriations are assessed to States Parties in accordance with the scale of assessments adopted by the United Nations for its regular budget, adjusted to reflect differences in membership between the United Nations and the Court;

(b) In accordance with financial regulation 5.8, payments made by a State Party are credited first to the Working Capital Fund and then to the contributions due to the General Fund, and then to the Contingency Fund, in the order in which the State Party was assessed;

(c) Contributions paid in other currencies are converted into euros at the rate of exchange in effect at the date of payment; and

(d) New States Parties to the Rome Statute are assessed for the year in which they became States Parties for the Working Capital Fund and the regular budget, in accordance with financial regulation 5.10.

2.13 Surpluses due to States Parties for a given financial period are funds arising from:

- (a) Unencumbered balances of appropriations;
- (b) Savings on, or cancellation of, prior periods' obligations;
- (c) Contributions resulting from the assessment of new States Parties;
- (d) Revisions to the scale of assessments taking effect during the financial year; and
- (e) Miscellaneous income as defined in subparagraph 2.16(e) below.

Unless otherwise determined by the Assembly of States Parties, surpluses at the end of the financial period, after deducting therefrom any assessed contributions for that financial period which remain unpaid, are apportioned to the States Parties based on the scale of assessments applicable for the financial period to which the surplus relates. As of 1 January following the year in which the audit of the accounts of the financial period is completed, the amount of surplus apportioned to a State Party is surrendered if its contribution for that financial period has been paid in full. In such cases, the credit is used to offset, in whole or in part, contributions due to the Working Capital Fund and assessed contributions due for the calendar year following the financial period to which the surplus relates.

2.14 **Reserve for unpaid assessed contributions:** A reserve in the amount of assessed contributions remaining unpaid for prior financial periods is shown on the balance sheet as a deduction from the cumulative surplus.

2.15 **Contributions received in advance:** Contributions received in advance are shown on the balance sheet as a liability. Contributions received in advance are applied in the following financial period, first against any advances due to the Working Capital Fund and second, to the assessed contributions.

2.16 **Income:** The organization's income consists of:

(a) Assessed contributions: For the purposes of the financial statements, income is recognized when the assessments to the States Parties in the proposed programme budget have been approved by the Assembly of States Parties;

(b) Voluntary contributions are recorded as income on the basis of a written commitment to pay monetary contributions during the current financial year, except where contributions are not preceded by a pledge. For these funds, income is recorded at the time that the actual contributions are received from the donors;

(c) Permanent Premises Project contributions received as one-time payments contributions are recorded as income at the time that the actual contributions are received from the States Parties;

(d) Funds provided by the United Nations in accordance with article 115, subparagraph (b), of the Rome Statute; and

(e) Miscellaneous income includes:

(i) Refunds of actual expenditures incurred in prior financial periods;

(ii) Interest income includes all interest earned on deposits in interest-bearing bank accounts and time deposits;

(iii) Income derived from investments of the General Fund, the Working Capital Fund and the Contingency Fund;

(iv) At the end of the financial period, a net positive balance of the account for loss or gain on exchange resulting from currency exchange, or revaluation and devaluation of currency is credited to miscellaneous income, a net negative balance is charged to the relevant expenditure account;

(v) Proceeds from the sale of property; and

(vi) Voluntary contributions for which no purpose is specified.

2.17 **Expenditure:**

(a) Expenditures are incurred against authorized allotments in accordance with financial rule 104.1. Total expenditures reported include disbursement expenditures and unliquidated obligations;

(b) Expenditures incurred for non-expendable property are charged to the budget of the period when acquired and are not capitalized, inventory of such non-expendable property is maintained at the historical cost; and

(c) Obligations pertaining to future financial periods are recorded against a deferred charge account, in accordance with financial rule 111.7.

2.18 Unliquidated obligations are commitments entered into that have not been disbursed during the financial period. Obligations are based on a formal contract, agreement, purchase order or other form of undertaking, or on a liability recognized by the Court. Current period obligations remain valid for 12 months after the end of the financial year to which they relate.

2.19 **Provision for pension liabilities for judges:**

During its seventh session, held from 9 to 13 October 2006, the Committee on Budget and Finance recommended that the Court should accept the tender of Allianz/NL to provide the judges' pension scheme. The CBF recommendation was accepted by the Assembly during its fifth session (see ICC-ASP/5/32, part II.D, paragraph 31). Allianz have been appointed as the Judges Pension Scheme Administrators and the commencement date for the contract is 31 December 2008.

In 2010, the Court pays Allianz an annual premium of €2,059,670. Based on the premium paid the scheme is a defined benefit scheme which provides the following benefits for scheme members: a defined retirement pension for judges after the completion of the nine-year term (pro-rated if nine-year term is not completed); the surviving spouse pension of 50 per cent of the judge's entitlement and a disability pension for judges aged 65 and under.

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

2.21 Deferred income includes pledged contributions for future financial periods and other income received but not yet earned.

2.22 Prepaid expenses comprise that portion of the education grant advance which is assumed to pertain to the scholastic year completed at the date of the financial statement is reported as prepaid expenses for the purposes of the balance sheet statement only. The full

amount of the advance is maintained in the accounts receivable of staff members and officials of the Court until the required evidence of entitlement is produced, at which time the budgetary account is charged and the advance settled.

The following methods of estimating the liability are in line with the International Accounting Standard on employee benefits, where the underlying principle is that the cost of providing employee benefits should be recognized in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

2.23 Repatriation grant liability: internationally recruited staff members who separate become entitled to repatriation grants after one year of service. Similarly, judges become entitled to receive a relocation allowance after five years of service, upon termination of duty.

2.24 Change in accounting policy for the annual leave accrual: In 2010, the Court changed its accounting policy for the treatment of the untaken annual leave balance for Court staff members and elected officials. In previous periods this estimate was only disclosed in a note to the financial statements. The Court has now decided to recognize the costs of untaken annual leave by Court employees at 31 December 2010. Management judges that the new policy is preferable because it results in a more transparent treatment of the costs related to annual leave. The 2009 financial statements have been restated to reflect this change of accounting policy, resulting in an adjustment of the 2009 opening reserve by €3,138,021, which represents the accumulated annual leave accrual for all staff members of the Court since its start in 2002. The costs related to untaken annual leave of 2009 have been recognized as an expenditure of €358,754 in the income statement of 2009. This adjustment to the 2009 opening reserve has an impact on the calculation of the 2009 cash surplus, which has been restated in Schedule 4. The amount accrued for 2010 is recognized as an expenditure of €567,850 in the income statement of 2010.

2.25 Contingent liabilities, if any, are disclosed in the notes to the financial statements.

2.26 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. The International Criminal Court (statements I-IV)

3.1 The financial period of the organization is one calendar year unless otherwise decided by the Assembly of States Parties.

3.2 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.

3.3 Statement II shows the assets, liabilities, reserves and fund balances as at 31 December 2010, the value of non-expendable property is excluded from the assets (see note 6).

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

3.5 Statement IV reports on expenditures against the appropriation approved for the financial period.

4. General Fund, Working Capital Fund and Contingency Fund

4.1 **Assessed contributions:** The Assembly of States Parties, in its resolution ICC-ASP/8/Res.7, approved the funding of the appropriations of the Court for the financial period 1 January to 31 December 2010 in the total amount of €103,623,300. As at 31 December 2010, there were 113 States Parties to the Rome Statute.

4.2 **Interest income:** Interest in the amount of €343,042 represents interest accrued on the Court's bank accounts for the General Fund, the Working Capital Fund and the Contingency Fund.

4.3 **Miscellaneous income:** The total miscellaneous income of €121,214 represents the following:

Table 1: Details of miscellaneous income (in euros)

<i>Miscellaneous income</i>	<i>Amount (euros)</i>
Refund of expenditures incurred in prior financial periods	70,597
Miscellaneous income	50,617
Total	121,214

4.4 **Expenditures:** The total amount of expenditures, €104,499,000, comprises total disbursements of €95,807,577, outstanding obligations of €5,722,544 and accruals or provisions for liabilities of €2,968,879. The expenditures are detailed in table 2 below. The total disbursements include €2,004,677 accounts payable at 31 December 2010 as explained in note 4.16.

Table 2: Details of expenditures (in euros)

<i>Category of expenditure</i>	<i>Appropriation amount</i>	<i>Disbursed expenditures</i>	<i>Unliquidated obligations</i>	<i>Accruals, Provisions^(a)</i>	<i>Total expenditures</i>
Salaries & other staff costs	76,290,500	72,539,552	933,363	2,458,388	75,931,303
Travel & hospitality	5,309,100	4,178,658	1,061,976	-	5,240,634
Contractual services	7,787,200	7,063,464	2,023,309	510,491	9,597,264
Operating expenses	12,198,400	9,771,951	1,521,020	-	11,292,971
Acquisitions	2,038,100	2,253,952	182,876	-	2,436,828
Total	103,623,300	95,807,577	5,722,544	2,968,879	104,499,000

^(a) The amount of €2,968,879 is recorded in the accounts as the sum of the following provisions: a provision for US tax liability for staff of €53,156; a provision for ILO cases of €330,690; a provision for doubtful debt of €510,491; an accrual for repatriation grant of €1,506,692 and an accrual for annual leave of €567,850 as stated in notes 4.5 and 4.6 below.

Pension expenditures: The pension scheme of the judges' pension changed in 2008 from an accrual basis system to the payment of an annual premium to Allianz. The accrual amount premium for 2010 was paid to Allianz and recorded as disbursed expenditure for €2,059,670.

4.5 Accruals

(a) **Repatriation Grant Accrual:** The Repatriation Grant Liability has been subdivided into a Repatriation Grant Accrual of €4,660,418 and Repatriation Grant Liability of €367,979 under Other Accounts Payable. The distinction being that the Repatriation Grant Liability refers to amounts owed to staff as of 31 December 2010 who have already left the Court and the amounts are therefore due and payable. The Repatriation Grant Accrual refers to amounts earned by eligible employees as at 31 December 2010 but are not payable as at 31 December as the staff are still employed by the Court. The amount charged to the budget in 2010 for Repatriation Grant Accrual was €1,506,692, which was split between the different organs of the Court.

(b) **Annual Leave Accrual:** The 2009 financial statements have been restated to reflect this change of accounting policy, resulting in an adjustment in the 2009 opening reserve by €3,138,021, which represents the accumulated annual leave accrual for all staff members of the Court since its start in 2002. The costs related to untaken annual leave of 2009 has been recognized as an expenditure of €358,754 in the income statement of 2009. This adjustment to the 2009 opening reserve has an impact on the calculation of the 2009 cash surplus, which has been restated in Schedule 4. The amount accrued for 2010 is recognized as an expenditure of €567,850 in the income statement of 2010.

4.6 Provisions

(a) Provisions for ILO cases:

During 2010 five cases (including three cases reported last year as contingent liability) were filed with the International Labour Organization Administrative Tribunal (ILOAT) by former staff members of the Court. The Court's Legal Department has assessed that it is probable that a payment will have to be made to those staff members and based upon the Court's experience of such cases an amount of €330,690 has been provided for in 2010.

(b) Provisions for US tax liability:

According to the practice and fundamental principles of the International Civil Service, as adjudicated upon by the International Labour Organization Administrative Tribunal (ILOAT), all employees of the Court are entitled to exemption from taxation on Court salaries, emoluments and allowances paid by the Court. The calculated tax liability has been estimated at €53,156 for the year 2010 for six United States taxpayers on the payroll of the Court during this period.

(c) Provision for doubtful debt:

Under Other Accounts Receivable an amount of €510,491 has been deducted and charged to the legal aid costs because recovery of this amount is uncertain. Based on a judicial decision dated 20 October 2009 (Trial Chamber III, number ICC-01/05-01/08-568), the Court advanced an amount of €510,491 for legal costs to cover the legal representation of an accused person in 2010 whose assets have been frozen.

4.7 **Savings on, or cancellation of, prior periods' obligations:** Actual disbursements of prior periods' obligations of €7,714,050 amounted to €5,567,263 due to savings on or cancellation of obligations in the amount of €2,146,787.

4.8 **Credits to States Parties:** Cash surplus credited to eligible States Parties amounted to €13,679,117. This comprises cash surpluses from 2008 and had been apportioned to States Parties in accordance with their respective assessments for that financial period. The sum of €0 of this cash surplus had been returned to States Parties and the full amount of €13,679,117 was credited towards assessed contributions due and is included in the total amount of collections during 2010 (Schedule 1).

4.9 **Working Capital Fund:** The Assembly of States Parties, in its resolution ICC-ASP/8/Res.7, established the Working Capital Fund for the financial period 1 January to 31 December 2010 in the amount of €7,405,983, at the same level as the previous financial period.

4.10 **Assessed contributions receivable:** The outstanding balance of contributions of €6,254,870 comprises €480,520 due for prior financial periods and €5,774,350 due for 2010 (Schedule 1). Contributions received from States Parties in excess of contributions due in the amount of €40,606 are reported as contributions received in advance (see note 4.15 below).

4.11 **Other contributions receivable** refer to the outstanding balance due to the Working Capital Fund. The outstanding balance as at 31 December 2010 was €19,589 (Schedules 2 and 3).

4.12 **Interfund balances receivable** to the General Fund as at 31 December 2010 amount to €219,792 from the Trust Funds, for which there are separate accounts.

4.13 **Other accounts receivable** in the total amount of €3,089,604 are detailed in table 3 below.

Table 3: Details of other accounts receivable (in euros)

<i>Accounts receivable</i>	<i>2010 amount</i>	<i>2009 amount</i>
Governments (value-added tax) ^(a)	924,005	1,127,297
Staff	384,967	277,681
Vendors	31,732	9,921
Interest accrued	111,754	97,439
Travel advances (other than cash advances) ^(b)	671,505	513,251
Advances to vendors for travel-related expenses ^(c)	766,427	565,848
Others ^(d)	102,048	219,810
Deferred payment from Special Court for Sierra Leone ^(e)	97,166	-
Total	3,089,604	2,811,247

^(a) **Value-added tax:** The amount of €924,005 recorded in the accounts as receivable from governments for value-added tax (VAT) paid on goods and services does not include the amount of €216,745 representing VAT for purchases in Uganda during 2005, 2006, 2007, 2008 and 2009 any longer. This amount is still a receivable from the Ugandan Government, but the Court has not been able to retrieve the amount to date. The law granting VAT exemption status to the Court in Uganda was signed on 18 October 2008 and entered into force on 1 July 2008. Efforts were made for retroactive VAT reimbursement on the basis that the Court was entitled to VAT exemption status from the beginning of its operations in Uganda and that the delays in formally recognizing that status were not caused by the Court. The fact, though, that reimbursement has not been achieved to date led to the conclusion to no longer state it as an account receivable. In the case the money would be retrieved in the future, it will have a positive effect on the Income and Expenditure Statement.

^(b) **Travel advances (other than cash advances)** represent the amount of travel advances for which the travellers had not submitted travel expense claims to be recorded in the accounts as expenditure in 2010. This is the amount of travel advances with the exception of those paid in the form of cash. Cash advances are recorded as receivables from the travellers and are included in the total amounts for “Staff”, “Vendors”, or “Others” receivables.

^(c) **Advances to vendors for travel-related expenses** represent the amounts paid to vendors for travel-related expenses such as tickets and shipments for which the travel claims had not been submitted by the travellers to be recorded as expenditure in the accounts as at 31 December 2010.

^(d) **Within the others accounts receivable** an amount of €510,491 is not included any longer as it is related to the Defence Counsel Costs of an accused. As a result of a judicial decision dated 20 October 2009 (Trial Chamber III, number ICC-01/05-01/08-568), the Court advanced an amount of €510,491 for legal costs to cover the legal representation of an accused person whose assets have been frozen. It is doubtful that a full recovery of the amount will be possible when the Court applies for all the assets to be released; therefore a provision for doubtful debt was booked in 2010.

^(e) **Deferred payment from the Special Court for Sierra Leone:** On 29 March 2006, the Court received a request from the President of the Special Court for Sierra Leone (Special Court) to provide temporary assistance with regard to the provision of courtroom and detention services and facilities and support for the conduct of the trial of Charles Taylor. After consultations with the Bureau of the Assembly of States Parties, the Court agreed to provide the services and facilities on condition that full payment in advance would be made before services are rendered. Based on this decision, the Court and the Special Court signed a Memorandum of Understanding (MOU) on 13 April 2006 regarding the administrative arrangements between the two Courts. The amount of €97,166 is the balance of the advance payment which had not yet been received at 31 December 2010 from the Special Court less the expenditures incurred by the Special Court as at 31 December 2010. This amount was received in January 2011.

4.14 Education grant advances: Prepaid expenses contain the amount of €987,157 which is the portion of the education grant advance that is assumed to pertain to the scholastic years completed as at 31 December 2010 and 2011.

4.15 Contributions or payments received in advance: A total of €40,606 was received from States Parties to be applied to the next financial period. This comprises:

(a) €16,463 received from States Parties in advance for 2010 assessed contributions (Schedule 1); and

(b) €24,143 representing contributions received in excess of assessed contributions for 2010 resulting from assessment of new States Parties, overpayments or the distribution of 2008 cash surplus (Schedule 1).

4.16 **Other accounts payable** in the total amount of €2,950,229 are detailed in table 4 below.

Table 4: Details of other accounts payable (in euros)

<i>Accounts payable</i>	<i>2010</i>	<i>2009</i>
Staff	340,448	161,520
Vendors ^(c)	2,004,677	447,034
Deferred payment from Special Court for Sierra Leone	Refer to table 3 (e)	386,039
Repatriation Grant Liability ^(a)	368,914	283,544
Others ^(c)	218,817	50,745
Interest accrued (loan from MFA Netherlands) ^(b)	17,373	9,877
Total	2,950,229	1,338,759

^(a) **Repatriation Grant Liability:** The accounting for repatriation grants has been adjusted in 2008 to increase financial statement transparency. The Repatriation Grant Liability has been subdivided into a Repatriation Grant Accrual of €4,660,418 and Repatriation Grant Liability of €368,914 under Other Accounts Payable. The distinction being that the Repatriation Grant Liability refers to amounts owed to staff as of 31 December 2010 who have already left the Court and the amounts are therefore due and payable. The Repatriation Grant Accrual refers to amounts earned by eligible employees as at 31 December 2010 but are not payable as at 31 December as the staff are still employed by the Court.

^(b) **Interest Accrued:** The amount of €17,373 is the interest accrued on the utilization of the host State loan of €1,425,000 which was fully refunded to the host State on 28 June 2010.

This interest was paid to the Netherlands Ministry of Foreign Affairs (MFA) in January 2011 in accordance with annex II to resolution ICC-ASP/7/Res.1. The interest is to be paid annually, as of the first utilization of the host State loan. Repayment of the loan, through regular annual instalments, will commence after expiration of the existing or future leases of the interim premises. For more information regarding the Permanent Premises Project, please refer to note 14 of the present report.

^(c) **Vendors and Other Accounts Payable:** Based on the principle of accrual based accounting, all invoices dated until 31 December 2010 represent an account payable of the Court and were booked in the accounting system in 2010, those invoices were paid in January and February 2011.

4.17 **Contingency Fund:** The amount of €9,168,567 representing the cash surplus for the 2002-2003 financial periods had been credited to establish the Contingency Fund in accordance with part B of resolution ICC-ASP/3/Res.4. In 2010, the total expenditure exceeds the approved budget by €876,000 (Statement IV). €464,000 recorded as interests and miscellaneous income offsets part of this. The remaining €412,000 for the Contingency Fund has been moved from the General Fund to a temporary reserve until it can be determined whether these funds actually need to be used. The final amount will be determined in the same way as the cash surplus, 12 months after the end of the year. At that time the temporary reserve will be adjusted accordingly.

4.18 **Reserve for unpaid assessed contributions:** An amount of €480,520, being the amount of outstanding assessed contributions for prior financial periods (Schedule 1), is deducted from the cumulative surplus to derive the cash surplus for 2009 for distribution to States Parties (Schedule 4).

5. Trust Funds

5.1 **General description and purpose** of the different Trust Funds disclosed in Schedules 6 and 7:

Internship and Visiting Professionals Programme supports interns and visiting professionals in Judiciary, Office of the Prosecutor and Registry at the Court. This programme runs from April through March of the period for two years. As from 1 April 2010, the full name of the Internship and Visiting Professionals Programme is Strengthening the International Criminal Court - reinforcing the principle of complementarity and universality and building a high-quality defence.

Least Developed Countries programme is run by the Secretariat of the Assembly of States Parties and covers travel costs related to the participation of representatives of least developed countries and other developing States at sessions of the Assembly of States Parties. This is an ongoing programme.

Regional Seminar in Yaoundé is run by the Registry to support the organization of local seminars for local experts (judges, lawyers, politicians, NGOs, etc...) to raise awareness and knowledge of the Court around the world. The first seminar took place in Senegal (Dakar) at the end of 2009.

Legal Tools Project is run by the Office of the Prosecutor to facilitate and coordinate the introduction, implementation and use of the Legal Tools Project, in particular the Case matrix, by users outside the Court.

Defence Counsel Seminar is run by the Registry to finance the consultations between the Court and the legal professionals represented by the counsels on the Court's list of counsel.

General Trust Fund is used for the Victims and Witnesses Unit to organize a one-day seminar on protection in November 2010.

Special Fund for Relocations is established to assist States which are willing but do not have the capacity to enter into relocation agreements with the Court with cost neutral solutions, aimed at increasing the number of effective relocations and building local capacity to protect witnesses. This Special Fund will be resourced by voluntary donations from willing States Parties.

The system to fund family visits for indigent detainees was established within the Registry by the Assembly of States Parties in its resolution ICC-ASP/8/Res.4. The purpose is to fund family visits for indigent detainees entirely through voluntary donations, with contributions from States Parties, other States, non-governmental organizations, civil society or individuals.

5.2 **Voluntary contributions:** Contributions in the amount of €1,488,292 have been pledged and/or received for 2010 projects.

5.3 **Interest income:** Interest in the amount of €3,779 represents interest earned on the Court's bank account for the Trust Funds.

5.4 **Expenditure:** The total amount of €1,576,147 comprises total disbursements of €1,452,607, outstanding obligations of €125,162 and repatriation grant accrual of €-1,622.

5.5 **Refund to donors:** The amount of €19,599 was refunded to donors, being the amount in excess of the requirements of the specific projects completed (Schedules 6 and 7).

5.6 **Other accounts receivable:** The amount of €513 is the interest earned but not received yet with regard to the bank account of the Trust Funds.

5.7 **Contributions or payments received in advance:** The Court received voluntary contributions in the total amount of €1,017,514 for projects starting after 31 December 2010 (Schedule 6).

5.8 **Interfund balances payable:** As at 31 December 2010, interfund balances between the Trust Fund and the General Fund amounted to a payable of €219,792.

6. Non-expendable property

6.1 A summary of non-expendable property, at historical cost, as at 31 December 2010 is provided in table 5 below. In accordance with the Court's current accounting policies, non-expendable property is not included in the fixed assets of the organization, but is directly charged to the budget upon acquisition.

Table 5: Summary of non-expendable property (in euros)

<i>Asset management category</i>	<i>Opening balance as at 1 January 2010</i>	<i>Acquisitions/ adjustments</i>	<i>Written-off items^{a/}</i>	<i>Closing balance as at 31 December 2010</i>
Information, technology and communications equipment	7,261,015	924,442	(410,981)	7,774,476
Security and safety equipment	821,911	(23,127)	-	798,784
General services equipment	1,075,832	63,426	(37,057)	1,102,201
Vehicles and transportation equipment	864,543	-	-	864,543
Office of the Prosecutor equipment	1,348,041	78,149	(3,717)	1,422,473
Other equipment	1,426,240	113,326	(682)	1,538,884
Courtrooms and Pre-Trial Chamber ^{b/}	1,362,918	-	-	1,362,918
Total	14,160,500	1,156,216	(452,437)	14,864,279

^{a/} During 2010, items valued at a total amount of €505,175 were written off.

^{b/} Courtrooms and Pre-Trial Chamber – courtroom elements constituting an integral part of the installation.

In addition to the above, the Court's records include the following non-expendable property acquired from voluntary contributions:

Table 6: Summary of non-expendable property funded by other sources (in euros)

<i>Asset management category</i>	<i>Opening balance as at 1 January 2010</i>	<i>Written-off items^{a/}</i>	<i>Closing balance as at 31 December 2010</i>
Advance team budget	17,560	(7,938)	9,622
Donations to the Court	328,175	(44,800)	283,375
Total	345,735	(52,738)	292,997

^{a/} During 2010, items valued at a total amount of €505,175 were written off.

7. Write-off losses of cash, receivables and property

7.1 In addition to the items written off during 2010 as stated in 6.1 above, a total amount of €12,894 has been written off as irrecoverable accounts receivable since 2008. As stated in footnote (a) of table 3 above, the Uganda VAT receivable from 2005 to 2009 of €216,745 was also written off for transparency reasons even though this amount is still a receivable from the Ugandan Government, but the Court has not been able to retrieve the amount to date.

8. Ex gratia payments

8.1 No ex gratia payments were made by the Court during the financial period.

9. Gratis personnel

9.1 No services of gratis personnel were received during the financial period.

10. Contingent liabilities

10.1 No contingent liability was identified during the financial period.

10.2 During 2009 three potential cases were identified where a former staff member of the Court might consider filing actions with the International Labour Organization Administrative Tribunal (ILOAT). In 2010 those three cases were filed with ILOAT and the estimated claims have been booked as ILO provisions (see note 4.6 (a) above).

11. Service-incurred injury

11.1 The Court entered into an agreement with an insurance company to offer coverage for service-incurred injuries for Court staff, judges, consultants and temporary assistants. The insurance premium, calculated as a percentage of the pensionable remuneration for the staff members and a comparable percentage for judges, consultants and temporary assistants, is charged to the organization's budget and is reflected in the accounts under expenditures. The total premium paid during 2010 for this insurance was €941,230.

12. Contributions in kind

12.1 The following are the significant (higher than €25,000) contributions in kind received by the Court during the financial period:

(a) As reported in the financial statements for the prior financial periods, the Court continues to receive the following contributions from the host State:

(i) Premises to the Court free of rent for a period of 10 years, starting 1 July 2002; and

(ii) Costs associated with the interim premises of the Court to a maximum of €33 million, including the costs of building a courtroom.

13. Contributions to the Trust Fund for Victims

13.1 In its resolution ICC-ASP/1/Res.6, the Assembly of States Parties established the Trust Fund for Victims for the benefit of victims of crimes within the jurisdiction of the Court, and the families of such victims.

In the annex to that resolution, the Assembly established a Board of Directors, which is responsible for the management of the Trust Fund, and decided that the Registrar of the Court should be responsible for providing such assistance as is necessary for the proper functioning of the Board 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 €939,827.

14. The Permanent Premises Project: General description

14.1 The Permanent Premises Project was established by the Assembly of States Parties in its resolution ICC-ASP/4/Res.2, which emphasized that "the Court is a permanent judicial institution and as such requires functional permanent premises to enable the Court to discharge its duties effectively and to reflect the significance of the Court for the fight against impunity", and reiterating the importance of permanent premises to the future of the Court.

14.2 In its resolution ICC-ASP/6/Res.1, the Assembly further recalled that the overall construction costs, which include a contingency reserve, fees for the consultants and contractors, pre-tender and post-tender inflation, any fees for permits and dues and a fund for integrated, specialized representational features were estimated to be no more than €190 million at the 2014 price level. In annex II to resolution ICC-ASP/6/Res.1, the Assembly established an Oversight Committee of States Parties which is established as a subsidiary body of the Assembly of States Parties pursuant to article 112, paragraph 4, of the Rome Statute.

14.3 The mandate of the Oversight Committee is to provide a standing body to act on behalf of the Assembly in the construction of the permanent premises of the International Criminal Court. The role of the Oversight Committee will be strategic oversight, with routine management of the project resting with the Project Director. The Oversight

Committee is a body consisting of 10 States Parties, with at least one member from each regional group.

15. The Permanent Premises Project: Notes to statements I-III

15.1 **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 of income over expenditure for the current period and prior-period adjustments of income or expenditure.

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

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

15.4 **Assessed contributions** in the total amount of €15,547,836 were received from States Parties as one-time payments and are detailed in table 7 below.

Table 7: One-time payments received from States Parties (in euros)

<i>States Parties</i>	<i>2010</i>	<i>2009</i>	<i>Total</i>
Albania	-	-	-
Andorra	18,305	-	18,305
Australia	2,725,921	-	2,725,921
Benin	-	-	-
Bolivia (Pluri-national State of)	13,729	-	13,729
Burkina Faso	-	-	-
Cambodia	2,288	-	2,288
Canada	6,811,751	-	6,811,751
Czech Republic	-	-	-
Djibouti	-	-	-
Finland	1,290,503	-	1,290,503
Hungary	-	-	-
Iceland	-	-	-
Italy	1,781,707	2,092,090	3,873,797
Jordan	9,152	-	9,152
Liechtenstein	22,881	-	22,881
Lithuania	-	-	-
Mauritius	25,169	-	25,169
Mexico	1,721,434	-	1,721,434
Montenegro	2,288	-	2,268
Portugal	401,948	-	401,948
Samoa	2,288	-	2,288
San Marino	6,864	-	6,864
Serbia	48,051	-	48,051
South Africa	663,557	-	663,557
Total one-time payments received	15,547,836	2,092,090	17,639,906

15.5 **Expenditures:** The total amount of expenditures of €5,133,346 comprises disbursements of €4,812,824 and outstanding obligations of €320,522. The expenditures are related to the finalization of the preliminary design phase and include architectural costs, consultants, project management and legal fees. The construction itself had not yet started in 2010.

15.6 **Savings on, or cancellation of, prior periods' obligations:** Actual disbursements of prior periods' obligations of €5,389 amounted to €5,389 as all outstanding obligations of 2009 were disbursed in 2010.

15.7 **Other accounts receivable,** in the amount of €28,454 representing interest earned but not yet received as at 31 December 2010, and €82,694 representing value-added tax paid on goods and services to be received from the Dutch government.

15.8 **Other accounts payable,** in the amount of €59,830, representing invoices booked in the accounts but not yet paid as at 31 December 2010. Those invoices were paid in January and February 2011.

15.9 **Contributions received in advance:** All contributions received in 2010 for the Permanent Premises Project in relation to one-time payments option (as referred to in resolution ICC-ASP/7/Res.1) were recognized as income of 2010. As a restatement of 2009 financial statements, the contribution received from Italy in 2009 of €2,092,090 has been recognized as an income of 2009 instead of a contribution received in advance.

15.10 **Host State loan,** in the amount of €1,425,000, was fully refunded to the host State on 28 June 2010. The interests accrued on the utilization of the loan of €17,373 were included in the Court's programme budget for 2010 and paid to the Netherlands Ministry of Foreign Affairs (MFA) in January 2011. This is in line with paragraph 11 of resolution ICC-ASP/6/Res.1: "[the Assembly] decides to establish, within the ambit of the annual proposed programme budget, a permanent premises budget for the purpose of ...payment, as of the first utilization of the host State loan, of the accrued interest, which will be determined annually and will be included in the proposed programme budget of the following year."

15.11 **Project Director's Office:** In annexes IV and V of resolution ICC-ASP/6/Res.1, the Assembly of States Parties decided to establish the Project Director's Office within the annual proposed programme budget of the Court under Major Programme VII to cover the staff costs and other operational costs related to the premises project. The Project Director's Office operates under the full authority of the Assembly of States Parties and reports directly and is accountable to the Assembly through the Oversight Committee.

Without prejudice to the paragraph above, the Project Director's Office is an integral part of the International Criminal Court; for administrative and staff purposes, the Project Director's Office and its staff are attached to the Registry of the Court.

In 2010, the Assembly of States Parties approved an appropriation of €584,200 for the Project Director's Office, which is responsible for the management of the Permanent Premises Project; expenditures recorded in the accounts for the Project Director's Office during the financial period are €395,326.

15.12 **Contributions in kind**

The following are the significant contributions in kind received by the Permanent Premises Project during the financial period:

(a) Administrative services are provided by Court sections mainly by the Budget and Finance Section (accounts preparation, bank reconciliations, recording and payment of invoices); Legal Advisory Services Section (contract negotiation and other legal matters); General Services Section (procurement services: preparation of purchase orders and facilities management services); Information Communication and Technologies Section (provision of ICT services).

(b) Host State contribution to architect selection.

2. 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

* Previously issued as ICC-ASP/10/13.

Independent auditor's opinion and report to the Board of Directors of the Trust Fund for Victims and the Assembly of States 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 States 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 States 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 States 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 States 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;
- (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 States 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 States 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; and

(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 €939,827, 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 underestimated.

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>
Recommendation 1: 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.
Recommendation 2: 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.
Recommendation 3: 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 States 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.
Recommendation 4: 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.
Recommendation 5: 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>Recommendation 6: 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>Recommendation 7: 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>Recommendation 8: 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	-		-
Total income	1,611,823		1,228,308
<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	-
Total expenditure	2,065,806		1,410,656
Excess/(shortfall) of income over expenditure	(453,984)		(182,348)
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
Fund balances as at 31 December	2,433,749		2,887,733
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
Total assets	3,270,570		3,461,914
<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	-
Total liabilities	836,820		574,181
<i>Reserves and fund balances</i>			
Cumulative surplus	2,433,749		2,887,733
Total reserves and fund balances	2,433,749		2,887,733
Total liabilities, reserves and fund balances	3,270,570		3,461,914
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)
Net cash from operating activities	(297,371)	(654,313)
<i>Cash flows from investing and financing activities</i>		
Plus: interest income	48,700	40,070
Net cash from investing and financing activities	48,700	40,070
<i>Cash flows from other sources</i>		
Net increase/(decrease)	-	64,177
Net cash from other sources	-	64,177
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
Cash and term deposits at 31 December (Statement II)	3,211,189	3,459,860

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; and

(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 adviser 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	-
Total (in euros)		602,752	509,160
Disbursements	Denmark	301,541	195,619
	Andorra	-	11,114
	Norway	224,920	10,401
	Germany	106,141	-
	Netherlands	19,075	-
	Finland	78,738	-
Total (in euros)		730,415	217,134

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 €2,836. 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 regulation 4.5 of the Court's Financial Regulations and Rules: "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 right 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 €59,381, represent interest earned of €13,007 but not yet received as at 31 December 2010, and €46,374, being 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 €939,827.

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.
