

**Twelfth session**

The Hague, 20-28 November 2013

Report of the Court on the assessment and review of asset replacement and write-off policies***I. Introduction**

1. At its eleventh session held in November 2012, the Assembly of States Parties (“the Assembly”) considered the 2013 proposed programme budget of the International Criminal Court (“the Court”) and the related conclusions and recommendations on the proposed programme budget contained in the report of the Committee on Budget and Finance (“the Committee”) on the work of its eighteenth and nineteenth sessions¹, as well as the statement made by the Chair of the Committee at its 5th plenary meeting on 16 November 2012. While approving appropriations for the 2013 programme budget of the Court, the Assembly made a series of recommendations with regard to improving the Court’s budgetary process. In particular, the Assembly requested the Court to “conduct a review of its policies with regard to replacement of ICT and other assets from a perspective of finding further efficiencies and effectiveness, taking into account, inter alia, periods of obsolescence, the status of assets and the adequacy for the users and to report thereon to the twentieth session of the Committee”.²

2. In the present report, the Court presents an update on the activities that have taken place since December 2012 in response to the Assembly’s request.

II. Update on activities

3. The Court decided to use the services of external consultants to perform the requested review so as to ensure the use within the Court of external benchmarks and up-to-date industry standards ensuring efficient and effective asset management. While all processes in place at the Court have been set-up internally with similar requirements in mind, the use of external consultants was justified in order to ensure an independent and fully transparent review.

4. Following the Assembly resolution, the Court promptly produced the documentation required for the consultancy services envisaged, with due respect for the procurement process in place at the Court. At the outset, it should be noted that the Assembly’s request concerning the review of the Court’s asset replacement policies was part of a sentence of a resolution in which the Assembly first welcomed the Court’s initiative to conduct a review of its organizational structure. Indeed, the connection between the review of the

* Previously issued as CBF/20/17.

¹ *Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Eleventh session, The Hague, 4-22 November 2012 (ICC-ASP/11/20)*, vol. II, part B.I and B.II

² *Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Eleventh session, The Hague, 4-22 November 2012 (ICC-ASP/11/20)*, vol. I, part III, ICC-ASP/11/Res.1. 3, section I.

organizational structure and the requested review of the asset replacement policy, which could be considered as a subset of a global organizational review, became quickly apparent to the Court. It was noted that the consultants, PricewaterhouseCoopers (PwC), involved in the review of the Court's organizational structure, had already gathered a lot of valuable information on the Court's specific features through interviews and desk research analysis. The Court's procurement activities were therefore directed towards the possibility of negotiating a contract extension with PwC in order to capitalize on their experience.

5. The scope of the PwC project has been defined as a review of the organizational policies and practices related to tangible asset management with a specific focus on asset replacement and asset disposal (including asset write-off). The PwC proposal refers to PAS 55 standard³ on Asset Management, which defines the disposal phase as one of the main steps in the cradle-to-grave cycle of tangible assets:

- (a) Creation, acquisition, enhancement;
- (b) Utilization;
- (c) Maintenance;
- (d) Disposal.

6. PwC further points out that asset disposal can be triggered by a number of circumstances: damage beyond economical repair, asset worn out, theft, obsolescence, legal or security requirement, end of supplier support or even a strategic decision. In other words, there does not seem to be any independent standard disposal policy which can be applied interchangeably to independent organizations. Each disposal decision should be based on the specific context in which it has to be taken, so as to maximise the usefulness of the asset. In order to review the Court's policies on that matter, the proposal confirms that a holistic view of the Court's operation would be required and that their existing understanding of the Court's specific operations is an important factor in the future successful completion of the project.

7. The project is divided in four main phases:

- (a) Analysis of the AS-IS situation (processes);
- (b) AS-IS situation assets categories and useful life determination;
- (c) Identification of high-risk areas, including definition of mitigating controls;
- (d) Draft revised policies.

8. The Court set up an internal project team with the main actors involved in asset management to coordinate input for the consultants as well as to review their work to ensure that any proposal made is in line with the Court's rules and regulations. The Court has been making every effort to ensure the delivery of a (preliminary) report by the consultants well in advance of the Committee's twentieth session. In order to ensure that the most up-to-date information from PwC is presented to the Committee, a revised timeline has been considered. The Court informed the Committee's Executive Secretary of the situation and was consequently requested to submit this status report. The report of the consultants will be submitted to the Committee separately.

³ International benchmark as industry leading practice for effective physical asset management.