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**Financial statements of the International Criminal Court
for the year ended 31 December 2015**

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Letter of transmittal

13 June 2016

In accordance with Financial Regulation 11.1 the Registrar shall submit to the Auditor accounts for the financial period. I have the honour of submitting the financial statements of the International Criminal Court for the financial period 1 January to 31 December 2015.

Gela Abesadze
Chief of Finance Section
Herman von Hebel
Registrar

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Statement on Internal Financial Control

Scope of responsibilities

In accordance with Financial Rule 101.1(b), the Registrar in his capacity as principal administrative officer of the Court is “*responsible and accountable for ensuring that these Rules are administered in a coherent manner by all organs of the Court, including through appropriate institutional arrangements with the Office of the Prosecutor with regard to management and administrative functions falling under the authority of that Office by virtue of article 42, paragraph 2, of the Rome Statute*”. Financial Regulation 11 and, *inter alia*, Rule 111.1, assign responsibility for the accounts to me. In accordance with this Financial Regulation and Rule, I have prescribed and maintained financial and subsidiary records, established the accounting procedures of the Court and designated the officials responsible for performing accounting functions.

In line with the Court’s Financial Regulation 1.4, these “*Regulations shall be implemented in a manner consistent with the responsibilities of the Prosecutor and the Registrar as set out in articles 42, paragraph 2, and 43, paragraph 1, of the Rome Statute. The Prosecutor and the Registrar shall cooperate, taking into account the independent exercise by the Prosecutor of his or her functions under the Statute*”.

Furthermore, in accordance with Financial Regulation 10.1, as Registrar I have responsibility for maintaining “*an internal financial control which shall provide for effective current examination and/or review of financial transactions in order to ensure:*

- (i) *The regularity of the receipt, custody and disposal of all funds and other financial resources of the Court;*
- (ii) *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*
- (iii) *The economic use of resources of the Court”.*

Having made appropriate institutional arrangements in cooperation with the Office of the Prosecutor as provided for in Rule 101.1(b), I am satisfied that appropriate systems of internal financial control were in place throughout the financial period of 2014.

Review of effectiveness of the system of internal financial control

The effectiveness of the system of internal financial control and compliance with the Court’s Financial Regulations and Rules relies on operational managers (certifying officers) within the Court. To strengthen the internal financial control within the Court, comprehensive training for certifying officers has been implemented and is mandatory for all certifying officers.

My review of the effectiveness of the system of internal control and compliance with the Court’s Financial Rules and Regulations is informed by the work of the internal auditors to date, the work of the operational managers within the Registry who have responsibility for the maintenance of the internal control framework and comments made to date by the external auditors in their management letter and other reports.

I am satisfied that I have received the necessary assurances to confirm that an appropriate framework of internal financial control was in place during 2015.

Herman von Hebel
Registrar

13 June 2016

Independent auditor's opinion

We have audited the Financial Statements of the International Criminal Court (ICC), for the 12 month period ended 31 December 2015. These financial statements include a Statement of Financial Position as at 31 December 2015, a Statement of Financial Performance, a Statement of Changes in Net Assets, a Statement of Cash Flow, a Statement of Comparison of Budget and Actual Amounts and Notes including a summary of the accounting principles and other information. A set of eight schedules presenting some additional information under UNSAS standards, outside of the scope of this audit, have also been added in an annex to the Financial Statements.

By virtue of Regulation 11 of the Financial Regulations, the Registrar of the International Criminal Court is responsible for preparing and presenting the financial statements. These statements are in conformity with the International Public Sector Accounting Standards (IPSAS). This responsibility includes the design, implementation and monitoring of internal control procedures to ensure the preparation and the fair presentation of financial statements, free of significant misstatements, resulting either from frauds or errors. This responsibility also includes the determination of fair accounting estimates adapted to the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing (ISA). These Standards require us to comply with the ethical rules and to plan and perform our audit in order to obtain a reasonable assurance that the financial statements are free from material misstatements.

An audit consists in implementing audit procedures in order to collect audit evidence regarding the amounts and the information presented in the financial statements. The design of the audit procedures is based on the external auditor's professional judgment, as well as the risk evaluation that the financial statements include significant misstatements, resulting either from frauds or errors. In the context of this risk evaluation, the auditor considers the internal control in place for the preparation and presentation of the financial statements, in order to design appropriate audit procedures and not in order to express any opinion on the internal control. An audit also consists in evaluating that the accounting method applied and the presentation of the financial statements are appropriate and that the significant accounting estimates are reasonable.

We believe that the audit evidence collected is sufficient and appropriate to constitute a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

As at 31 December 2015, the permanent premises were capitalized at k€195,756. At the time of this report, the negotiation was still ongoing between the International Criminal Court and the Constructor (Courty's), in order to address the cost issues regarding the permanent premises. No signed agreement was available to validate the final cost of the operation. Consequently, we were unable to determine whether any adjustments to the permanent premises amounts recognized as at 31 December 2015 were necessary.

Qualified Opinion

Based on our audit, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements give a fair view of the financial position of the International Criminal Court as at 31 December 2015, as well as the financial performance, the changes in net assets, the cash flow and the comparison of budget and actual amounts for the 12 month period ending 31 December 2015 in conformity with the IPSAS.

(Signed)
Didier Migaud

Statement I

International Criminal Court Statement of financial position as at 31 December 2015 (in thousands of euros)

	<i>Note.</i>	<i>2015</i>	<i>2014</i>
Assets			
Current assets			
Cash and cash equivalents	<i>3</i>	23,026	56,693
Accounts receivable (non-exchange transactions)	<i>4</i>	20,510	14,491
Other accounts receivable	<i>5</i>	2,422	1,175
Prepayments and other current assets	<i>6</i>	2,360	2,143
Total current assets		48,318	74,502
Non-current assets			
Property, plant and equipment	<i>7</i>	208,570	153,620
Intangible assets	<i>8</i>	1,353	1,326
Reimbursement right	<i>10</i>	23,235	23,423
Total non-current assets		233,158	178,369
Total assets		281,476	252,871
Liabilities			
Current liabilities			
Accounts payable	<i>9</i>	9,926	13,593
Employee benefit liabilities	<i>10</i>	9,322	8,882
Host State loan	<i>11</i>	891	-
Deferred revenue and accrued expenses	<i>12</i>	17,066	23,832
Provisions	<i>13</i>	2,255	972
Total current liabilities		39,460	47,279
Non-current liabilities			
Accounts payable	<i>9</i>	50	153
Employee benefit liabilities	<i>10</i>	37,372	36,788
Host State loan	<i>11</i>	77,120	84,607
Provisions	<i>13</i>	-	1,756
Total non-current liabilities		114,542	123,304
Total liabilities		154,002	170,583
Net assets/equity			
Contingency Fund	<i>14</i>	5,791	7,500
Working Capital Fund	<i>14</i>	1,616	7,406
Other fund balances	<i>14</i>	120,067	67,382
Total net assets/equity		127,474	82,288
Total liabilities and net assets/equity		281,476	252,871

The accompanying notes form an integral part of these financial statements.

Statement II

International Criminal Court

Statement of financial performance for the year ended 31 December 2015 (in thousands of euros)

	<i>Note.</i>	<i>2015</i>	<i>2014</i>
Revenue			
Assessed contributions	<i>15</i>	167,119	152,499
Voluntary contributions	<i>15</i>	4,243	3,985
Financial revenue	<i>15</i>	179	268
Other revenue	<i>15</i>	21,952	2,468
Total revenue		193,493	159,220
Expenses			
Employee benefit expenses	<i>16</i>	99,263	86,465
Travel and hospitality	<i>17</i>	6,683	5,832
Contractual services	<i>18</i>	9,059	4,413
Counsel fees	<i>19</i>	5,777	5,283
Operating expenses	<i>20</i>	17,057	17,106
Supplies and materials	<i>21</i>	2,346	1,308
Depreciation and amortization	<i>22</i>	3,308	1,361
Financial expenses	<i>23</i>	2,996	640
Total expenses		146,489	122,408
Surplus/(deficit) for the period		47,004	36,812

The accompanying notes form an integral part of these financial statements.

Statement III

International Criminal Court

Statement of changes in net assets/equity for the year ended 31 December 2015 (in thousands of euros)

	<i>General</i>							<i>Total Net Assets/equity</i>
	<i>General Fund</i>				<i>Other General Fund Balances</i>	<i>Permanent Premises Project</i>	<i>Trust Funds</i>	
	<i>Working Capital Fund</i>	<i>Contingency Fund</i>	<i>Funds for Employee Benefit Liabilities</i>	<i>Cash Surplus/ (Deficit)</i>				
Opening balance as at 1 January 2014	7,406	7,500	11,646	4,468	(12,548)	26,029	975	45,476
Movement in net assets/equity in 2014								
Surplus/(deficit)	-	-	-	-	1,769	35,002	41	36,812
Transfers	-	-	(419)	(4,468)	419	4,325	-	(143)
Prior year cash surplus/deficit	-	-	-	(2,269)	2,269	-	-	-
2012 Trust Fund for Victims Surplus	-	-	-	-	143	-	-	143
Total movements during the year	-	-	(419)	(6,737)	4,600	39,327	41	36,812
Total net assets/equity as at 31 December 2014	7,406	7,500	11,227	(2,269)	(7,948)	65,356	1,016	82,288
Movement in net assets/equity in 2015								
Surplus/(deficit)	-	-	-	-	(6,736)	53,227	513	47,004
Transfers	(5,790)	(1,709)	(4,832)	-	12,341	-	(10)	-
Prior year Cash Surplus/(Deficit)	-	-	-	4,432	(4,432)	-	-	-
Adjustment of 2015 Assessed Contributions (ICC-ASP/13/Res.1)	-	-	-	(2,068)	-	-	-	(2,068)
2013 Trust Fund for Victims Secretariat's surplus	-	-	-	-	250	-	-	250
Total movements during the year	(5,790)	(1,709)	(4,832)	2,364	1,423	53,227	503	45,186
Total net assets/equity as at 31 December 2015	1,616	5,791	6,395	95	(6,525)	118,583	1,519	127,474

The accompanying notes form an integral part of these financial statements.

Statement IV

International Criminal Court Statement of cash flows for the year ended 31 December 2015 (in thousands of euros)

	<i>Note.</i>	<i>2015</i>	<i>2014</i>
Cash flows from operating activities			
Surplus/(deficit) for the period (Statement II)		47,004	36,812
Unrealized foreign exchange differences		5	(11)
Discount on host State loan		(17,963)	-
Depreciation and amortization		3,308	1,361
(Gain)/loss on disposal of property, plant and equipment		8	-
Interest expense		2,860	518
(Increase)/decrease in accounts receivable from non-exchange transactions		(6,019)	(7,037)
(Increase)/decrease in other accounts receivable		(1,247)	944
(Increase)/decrease in prepayments and other current assets		16	842
(Increase)/decrease in reimbursement right		188	(2,178)
Increase/(decrease) in accounts payable		3,403	(3,228)
Increase/(decrease) in employee benefit liabilities		1,023	4,507
Increase/(decrease) in deferred revenue and accrued expenses		(14,039)	(22,554)
Increase/(decrease) in provisions		(473)	664
Less: Interest income		(179)	(268)
Net cash flows from operating activities		17,895	10,372
Cash flows from investing activities			
Plus: Interest received		197	303
Purchase of property, plant and equipment		(58,268)	(77,183)
Purchase of intangible assets		(1,052)	(328)
Net cash flows from investing activities		(59,123)	(77,208)
Cash flows from financing activities			
Credits to States Parties		(2,068)	-
Interest paid		(1,061)	(112)
Receipts from host State loan		10,693	64,700
Net cash flows from financing activities		7,564	64,588
Net increase/(decrease) in cash and cash equivalents		(33,664)	(2,248)
Cash and cash equivalents at beginning of financial period	3	56,693	58,941
Unrealized foreign exchange gains/losses on cash and cash equivalents		(3)	-
Cash and cash equivalents as at 31 December (Statement I)	3	23,026	56,693

The accompanying notes form an integral part of these financial statements.

Statement V

International Criminal Court

Statement of comparison of budget and actual amounts for the year ended 31 December 2015 (in thousands of euros)

<i>Major Programme</i>	<i>Appropriation approved</i>	<i>Contingency Fund application</i>	<i>Final budget</i>	<i>Expenditures charged against General Fund</i>	<i>Expenditures charged against Contingency Fund</i>	<i>Total expenditure</i>	<i>Surplus/ (deficit) General Fund</i>	<i>Surplus/ (deficit) Contingency Fund</i>	<i>Total surplus/ (deficit)</i>
	<i>I</i>	<i>II</i>	<i>III=I+II</i>	<i>IV</i>	<i>V</i>	<i>VI=IV+V</i>	<i>VII=I-IV</i>	<i>VIII=II-V</i>	<i>IX=VII+VIII</i>
Judiciary	12,034	407	12,441	10,906	118	11,024	1,128	289	1,417
Office of the Prosecutor	39,613	2,601	42,214	38,370	2,211	40,581	1,243	390	1,633
Registry	65,026	3,256	68,282	64,957	3,032	67,989	69	224	293
Secretariat of the Assembly of States Parties	3,013	-	3,013	2,857	-	2,857	156	-	156
Interim Premises	6,000	-	6,000	5,394	-	5,394	606	-	606
Secretariat of the Trust Fund for Victims	1,816	-	1,816	1,543	-	1,543	273	-	273
Permanent Premises Project Office	2,209	-	2,209	2,116	-	2,116	93	-	93
Independent Oversight Mechanism	340	-	340	75	-	75	265	-	265
Office of Internal Audit	615	-	615	614	-	614	1	-	1
Total	130,666	6,264	136,930	126,832	5,361	132,193	3,834	903	4,737

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. The International Criminal Court and its objectives

1.1 Reporting entity

The International Criminal Court (“the Court”) 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 the crime of aggression). 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. The financial statements are prepared for the Court and subsidiary bodies of the Assembly of States Parties other than the Secretariat of the Trust Fund for Victims as described in note 1.2(g).

The seat of the Court was established at The Hague in the Netherlands in accordance with article 3 of the Rome Statute. The Court has also established six field offices and one field presence to enable it to conduct its field operations. These field offices are operational in Uganda, the Democratic Republic of the Congo (2), the Central African Republic, the Republic of Côte d’Ivoire and Kenya. A small administrative field presence was established in Mali in 2014.

1.2 Programme budget

For the purposes of the 2015 financial period, appropriations were divided into eight major programmes: the Judiciary (Presidency and Chambers), the Office of the Prosecutor, the Registry, the Secretariat of the Assembly of States Parties (“the Secretariat”), the Interim Premises, the Secretariat of the Trust Fund for Victims, the Permanent Premises Project Office and the Independent Oversight Mechanism. The composition, role and objectives of each component of the major programmes of the Court are as follows:

(a) *The Presidency*

- (i) comprises the President and the First and Second Vice-Presidents;
- (ii) ensures the proper administration of the Court through managerial oversight, coordination and cooperation;
- (iii) oversees and supports the fair, open and effective conduct of proceedings and performs all judicial functions within its preserve; and
- (iv) broadens global understanding of and support for the work of the Court by representing it in the international arena.

(b) *Chambers*

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

(c) *The Office of the Prosecutor*

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

(d) *The Registry*

(i) provides efficient, effective and high-quality judicial and administrative support services to the Presidency, Chambers, the Office of the Prosecutor, the defence, and victims and witnesses;

(ii) manages the internal security of the Court; and

(iii) implements mechanisms to assist and safeguard the rights of victims, witnesses and the defence.

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

In its resolution ICC-ASP/2/Res.3 adopted in September 2003, the Assembly of States Parties (“the Assembly”) established the Secretariat of the Assembly of States Parties 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 Committee”), the Special Working 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 and administrative and technical assistance.

The Secretariat:

(i) organizes conferences of the Assembly and meetings of the subsidiary bodies of the Assembly, including the Bureau and the Committee;

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

(f) *Interim Premises*

Stakeholders are provided with an overview of the resources required by the Court for interim premises.

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

The Secretariat of the Trust Fund for Victims administers the Trust Fund for Victims, offers administrative support to the Board of the Trust Fund for Victims and its meetings and operates under the full authority of the Board. The Trust Fund for Victims was established by the Assembly in its resolution ICC-ASP/1/Res.6. By resolution ICC-ASP/4/Res.3 the Assembly adopted the Regulations of the Trust Fund for Victims, which state that the Trust Fund is a separate reporting entity. The revenue from assessed contributions and expenses of the Secretariat of the Trust Fund for Victims are reported in the Statement of Financial Performance of the Trust Fund for Victims. For more information regarding the Trust Fund for Victims please refer to the financial statements of the Trust Fund for Victims for 2015.

(h) *Permanent Premises Project Office*

In annex IV and V of resolution ICC-ASP/6/Res.1, the Assembly established 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 and reports directly and is accountable to the Assembly through the Oversight Committee.

(i) *Independent Oversight Mechanism*

By resolution ICC-ASP/8/Res.1 the Assembly established the Independent Oversight Mechanism (IOM) as a major programme. This independent oversight mechanism is located next to, but is not integrated into or subordinate 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(4) of the Rome Statute includes investigation, evaluation and inspection.

1.3 *Tax exemption*

According to (i) the Headquarters Agreement signed between the Kingdom of the Netherlands and the Court, and more particularly its article 15, and (ii) the Agreement on Privileges and Immunities of the International Criminal Court, and more particularly its Article 8, the Court is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use.

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

Basis of preparation

2.1 The Court's financial statements are maintained in accordance with the Financial Regulations and Rules of the Court, as adopted by the Assembly at its first session in September 2002, and the amendments thereto. The Court's financial statements have been prepared on the accrual basis of accounting in compliance with the International Public Sector Accounting Standards (IPSAS). These notes form an integral part of the Court's financial statements.

2.2 *Financial period:* the financial period is one calendar year.

2.3 *Historical cost basis:* the financial statements are prepared on the historical cost basis of accounting.

Currency of accounts and treatment of exchange rate movements

2.4 The Court's functional and presentation currency is the euro.

2.5 Foreign currency transactions are translated into the functional currency using the United Nations operational rates of exchange which approximate the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end of exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Statement of financial performance.

2.6 Non-monetary assets and items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated at the reporting date.

Use of estimates and judgements

2.7 The preparation of the financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, and information available at the date of preparation of the financial statements, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.8 The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

2.9 The judgements made by management in the application of IPSAS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

(a) The Court recognized provisions as a result of court cases initiated against the Court where it is likely that there will be an outflow of resources to settle the claims and

the amounts can be reliably estimated. The provision made was based on professional legal advice and management considerations that it is unlikely that any further significant loss will arise;

(b) The Court continues to use certain equipment and intangible assets which have been fully depreciated. Amortization and depreciation rates were initially determined in accordance with the best estimate of the useful life of this equipment and intangible assets. The management believes this is appropriate as the use of these assets will soon be discontinued;

(c) Provision for doubtful debt is recognized in respect of a receivable from a particular accused person to whom the Court is advancing funds on the basis of a judicial decision to cover legal representation. The recovery of this advance is considered uncertain;

(d) The fair value of the host State loan at initial recognition amounts to a net present value of future cash flows using the effective interest rate. The host State will reduce the amount of the loan to be repaid by an amount that corresponds to 17.5 per cent of the difference between the loan utilized and €200 million. The Court estimates that the full amount of the loan will not be utilized, based on the difference between total project value and loan amount, as well as taking into account the total estimated amount of one-time payments.

Cash and cash equivalents

2.10 Cash and cash equivalents are held at nominal value and comprise cash on hand, funds held in current accounts, interest-bearing bank accounts and time deposits with a maturity of less than three months.

Financial instruments

2.11 The Court classifies its financial instruments as loans and receivables and other financial liabilities. Financial assets consist mainly of short-term bank deposits and accounts receivable. Financial liabilities consist of a long-term loan for the construction of the premises (see note 2.56) and accounts payable.

2.12 All financial instruments are initially recognized in the Statement of financial position at their fair values plus transaction costs. Subsequently, they are measured at amortized cost using the effective interest rate method. The historical cost-carrying amount of receivables and payables subject to normal trade credit terms approximates the fair value of the transaction.

Financial Risks

2.13 The Court has instituted prudent risk management policies and procedures in accordance with its Financial Regulations and Rules. The Court makes short-term investments of moneys not needed for immediate requirements. The judges' pension scheme is insured, administered and invested by Allianz Nederland Levensverzekering N.V. In the normal course of business, the Court is exposed to financial risk, such as market risk (foreign currency exchange and interest rate), credit risk and liquidity risk.

2.14 *Currency risk*: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Court is exposed to currency risk through transactions in foreign currencies relating mostly to its field operations.

2.15 *Interest rate risk*: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Court deposits its funds only in short-term fixed interest accounts, and therefore has no significant interest rate risk exposure. The loan granted by the host State carries a fixed interest rate and does not expose the Court to interest rate risk.

2.16 *Credit risk*: the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Court is exposed to credit

risk through receivables from States Parties, advances of funds based on judicial decisions to cover legal representation of accused persons who are not considered indigent and deposits at banks. The Court has policies that limit exposure to risk from any one financial institution.

2.17 *Liquidity risk*: this risk arises from the general funding of the Court's activities. The Court holds short-term liquid assets to ensure continuous operations and maintains a Working Capital Fund established to ensure capital for the Court to meet short-term liquidity issues pending receipt of assessed contributions.

Receivables

2.18 Receivables and advances are recognized initially at nominal value. Allowances for estimated irrecoverable amounts are recognized for receivables and advances when there is objective evidence that the asset is impaired, the impairment losses being recognized in the statement of financial performance.

Prepayments and other current assets

2.19 Other current assets comprise interest accrued on bank accounts and deposits. Prepayments comprise education grants and software maintenance prepayments which will be recognized as expenses in the subsequent reporting period. The Statement of financial position shows as a prepayment that portion of the education grant advance which is assumed to pertain to the remainder of the school year after the date of the financial statement. Expenses are recognized evenly over the school year and charged to the budgetary account.

Property, plant and equipment

2.20 Property, plant and equipment are tangible assets that are held for use in the supply of services, for rental to others or for administrative purposes.

2.21 Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

2.22 The cost of a self-constructed asset is determined using the same principles as for an acquired asset. Any abnormal amount of waste of material, labour or other resources incurred in construction of a self-constructed asset is not included in the cost of the asset. Borrowing costs are not recognized as a component of property, plant and equipment costs and are expensed as incurred.

2.23 The costs capitalized as part of the permanent premises asset under construction include project management fees, architect fees, legal fees, other directly related consultant and expert fees, fees for permits, direct labour and material costs.

2.24 Based on the deed dated 23 March 2009 between the host State and the Court establishing the ground lease and building and planting rights, land ready for development was leased to the Court for no consideration. The lease may be terminated by mutual consent at the end of the Court's mandate or by a decision of the Assembly. The land is recognized as an asset of the Court.

2.25 The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Court and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in surplus/deficit as incurred.

2.26 Depreciation is recognized in surplus/deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

2.27 Estimated useful lives are as follows:

	<i>2015</i>
Motor vehicles	4 - 6 years
ICT equipment	3.5 - 5 years
Furniture and fittings	7 - 10 years
Building components	4 - 40 years
Other assets	5 - 20 years

2.28 Depreciation methods and useful lives are reassessed at the reporting date.

Leases

2.29 Lease agreements entered into field offices and Headquarters are classified as operating leases and the lease payments made are charged to the statement of financial performance as expenses on a straight-line basis over the period of the lease.

Intangible assets

2.30 Intangible assets mainly consist of computer software and licences. They are stated at cost incurred to acquire and render operational the specific software less amortization and impairment losses. These assets are amortized using the straight-line method based on an expected useful life of five years or over the licence validity period.

Impairment of non-cash generating assets

2.31 The assets that the Court holds are normally not held to generate commercial returns and are therefore non-cash generating assets.

2.32 Impairment represents a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation or amortization.

2.33 The asset is impaired if the carrying amount of the asset is higher than the recoverable service amount. The recoverable service amount is the higher of the assets' fair value less cost to sell and its value in use.

2.34 Fair value less cost to sell is the bid price from an active market or a sale price in a binding sale agreement in an arm's length transaction.

2.35 Value in use is the present value of an asset's remaining service potential which can be determined using the depreciated replacement cost approach, the restoration cost approach or the service units approach.

2.36 Impairment loss is recognized in net surplus/deficit. Once an impairment loss has been recognized, the depreciation (amortization) charge for the asset will be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

2.37 The Court will assess at each reporting period whether there is any indication that the impairment loss recognized in a previous period no longer exists or has decreased. If this is the case, the carrying amount of the asset will be increased to its recoverable service amount but no higher than the amount at which the asset would be carried had the impairment loss not been recognized in the first place. That increase is a reversal of an impairment loss which is recognized in net surplus/deficit.

Reimbursement right

2.38 The Court recognized the reimbursement right which arises under the insurance policy with Allianz NV and which exactly matches the amount and timing of the benefits

payable under a defined benefit plan for judges' pensions. The fair value of the reimbursement right is deemed to be the present value of the related obligation.

Accounts payable

2.39 Accounts payable are recognized initially at nominal value, which best estimates the amount required to settle the obligation at the reporting date.

Deferred revenue and accrued expenses

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

2.41 Accrued expenses are recognized in respect of goods and services delivered during the reporting period for which payments have not been made.

Related party disclosures

2.42 The Court will disclose related parties that have the ability to exercise control or significant influence over the Court by making financial and operational decisions, or will disclose if a related party and the Court are subject to common control. Transactions that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those done at arm's length in the same circumstance between the Court and its related parties will not be considered as related party transactions and therefore will not be disclosed. The Court and the Trust Fund for Victims are related parties as they are subject to the common control of the Assembly.

2.43 The key management personnel of the Court are the President, the Chef de Cabinet, the Registrar, the Prosecutor, the Deputy Prosecutor and the Directors, all of whom have the authority and responsibility for planning, directing and controlling the activities of the Court and influencing its strategic direction. The remuneration and benefits of key management personnel are considered a related party transaction. In addition, the Court will disclose any specific transactions with key management personnel and their family members.

Employee benefit liabilities

2.44 Employee benefit expenses and corresponding liabilities are recognized as services rendered by employees. Employee benefits are classified as short-term benefits, post-employment benefits, other long-term benefits or termination benefits.

2.45 *Short-term benefits* fall due for settlement within the twelve months after service is rendered and include salary, various allowances, paid sick leave and annual leave. Short-term employee benefits are recognized as expense and liability as services are rendered. Benefits that are earned but not yet paid are recorded as expenses in the period to which they relate and reported in the Statement of financial position as liabilities or provisions.

2.46 Annual leave is recognized as an expense as employees render services that increase their entitlement to future compensated absences. As a portion of annual leave can fall due for settlement in a period exceeding twelve months, periodic assessments are undertaken to determine whether the impact of the time value of money for this benefit is material and whether it should be accounted as other long-term benefit.

2.47 *Post-employment benefits* include pension benefits and after-service health insurance (ASHI).

2.48 *United Nations Joint Staff Pension Fund (UNJSPF)*: in accordance with decision ICC-ASP/1/Decision 3 of the Assembly 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 the Court staff. The UNJSPF is a funded defined multi-employer benefit plan. Since there is no consistent and reliable basis for allocating the obligation, plan assets and cost of UNJSPF to individual organizations participating in the

plan, contributions paid to UNJSPF are accounted for as if it were a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an expense in the Statement of financial performance as incurred.

2.49 *Pension benefits for judges.* The scheme is a defined benefit scheme which provides the following for its members: a defined retirement pension for judges after the completion of the nine-year term (prorated if a nine-year term is not completed); a pension for the surviving spouse at 50 per cent of the judges' entitlement, and a disability pension for judges aged 65 and under. During its seventh session held from 9 to 13 October 2006, the Committee recommended that the Court accept the tender of Allianz/NL to provide the judges' pension scheme. The Committee's recommendation was accepted by the Assembly during its fifth session (See ICC-ASP/5/32, page 16, paragraph 31). Allianz have been designated as administrators of the judges' pension scheme. The contract commences on 31 December 2008.

2.50 *ASHI.* The Court's group health insurance plan is administered by Cigna. The group health insurance plan is also available to staff upon retirement. The Court provides a subsidy on premium payments of retirees in amount of 50 per cent. ASHI is a defined benefit plan.

2.51 For defined benefit plans, the projected unit credit method is used to measure obligations and costs. Benefits are attributed to periods of service under the plan's benefit formula. The present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The present value of defined benefit obligations is calculated using unbiased and mutually compatible actuarial assumptions.

2.52 Actuarial gains and losses are recognized using the corridor approach. The portion of actuarial gains and losses to be recognized for each defined benefit plan is the excess that falls outside the 10 per cent "corridor" at the previous reporting date, divided by the expected average remaining working lives of the employees participating in that plan. The specified portion of the net cumulative actuarial gains and losses to be recognized is the one that exceeds 10 per cent of the present value of the defined benefit obligation.

2.53 *Other long-term employee benefits* comprise separation benefits (including repatriation grant, relocation allowance, travel, shipment and insurance of household effects), home leave, family visit, death grant and survivor's benefit. Other long-term benefits are measured using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the Statement of financial performance.

2.54 Post-employment benefits and other long-term benefits are calculated by independent actuaries.

2.55 *Termination benefits* are benefits payable as a result of a decision by the Court to terminate a staff member's employment before the normal retirement date. Termination benefits are recognized as a liability and an expense when it has been confirmed that, due to restructuring, a staff member's contract of employment is to be terminated.

Host State loan

2.56 The loan described in note 2.74(a) is initially recognized at fair value. The fair value at initial recognition amounts to a net present value of future cash flows using the effective interest rate. Subsequently, the loan is recognized at amortized cost using the effective interest rate.

Provisions and contingent liabilities

2.57 *Provisions* are recognized when the Court has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle that obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The estimate is discounted where the effect of the time value of money is material. Provisions are released only for such expenses in respect of

which provisions are recognized at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

2.58 *Contingent liability* is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Court, the present obligation which will probably not result in an outflow of economic resources/service potential or the amount of obligation cannot be measured with sufficient reliability. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

Non-exchange revenue

2.59 *Assessed contributions*: revenue is recognized when the assessments to the States Parties of the adopted programme budget have been approved by the Assembly at the beginning of the year to which assessment relates.

2.60 In accordance with financial regulation 5.2, the appropriations are assessed to States Parties in line 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. In accordance with financial regulation 5.8, payments made by a State Party are credited first to the Working Capital Fund, then to the contributions due to the General Fund, and lastly to the Contingency Fund, in the order in which the State Party was assessed. Contributions paid in other currencies are converted into euros at the rate of exchange in effect on the date of payment. New States Parties to the Rome Statute are assessed in respect of the year in which they became States Parties for their contributions to the Working Capital Fund and the regular budget, in accordance with financial regulation 5.10.

2.61 *Voluntary contributions*: revenue from voluntary contributions that include restrictions on their use is recognized upon signature of a binding agreement between the Court and the donor providing the contribution. Revenue from voluntary contributions that attach conditions to their use, including an obligation to return the funds to the contributing entity if such conditions are not met, is recognized as the conditions are satisfied. Until such conditions are met, the obligation is recognized as a liability. Voluntary contributions and other revenue which are not provided for by binding agreements are recognized as revenue when received.

2.62 *One-time payments contributions* to the Permanent Premises Project are recognized as revenue to the extent that construction costs are incurred.

2.63 *Assessed contributions to replenishment of the Contingency Fund* are recognized as revenue when approved by the Assembly in the period for which replenishment is approved. If the fund is replenished through application of cash surpluses, such replenishment is not recognized as revenue but as transfer between the funds in net assets/equity.

2.64 *Goods-in-kind contributions* are recognized at their fair value and goods and the corresponding revenue are recognized immediately if no condition is attached. If conditions are attached, a liability is recognized until such time as the conditions are met and the obligation is satisfied. Revenue is recognized at fair value, measured as of the date of acquisition of the donated assets.

2.65 *Services-in-kind*: revenue resulting from services-in-kind is not recognized. Major services-in-kind are disclosed in the financial statements, including their fair value, when it is practicable to determine it.

Exchange revenue

2.66 *Financial revenue* comprises interest revenue and net foreign exchange gains. Interest revenue is recognized in the Statement of financial performance as it accrues, taking into account the effective yield on the asset. At the end of the financial period, a net balance of the account for foreign exchange gains and losses, if positive, is recognized as revenue.

2.67 *Gains and losses on disposals* of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are included in the Statement of financial performance.

Expenses

2.68 *Financial expenses* comprise bank charges, interest expenses and net foreign exchange loss. Interest expenses are recognized as they occur for interest-bearing financial instruments, measured at amortized cost using the effective interest rate method. At the end of the financial period, a net balance of the account for foreign exchange gains and losses, if negative, is recognized as an expense.

2.69 *Expenses arising from the purchase of goods and services* are recognized at the point that the supplier has performed its contractual obligations, which is when the goods and services are received and accepted by the Court.

Fund accounting and segment reporting

2.70 A segment is a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Segment information is based on principal activities and sources of financing of the Court. Separate financial information is reported for three segments: general, trust funds and permanent premises project funds.

2.71 *Fund accounting*: the Court's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the Assembly, and trust funds and special accounts funded wholly by voluntary contributions may be established and closed by the Registrar.

2.72 *The general segment* accounts for the Court's primary activities under the Rome Statute comprise:

(a) *The General Fund*, established for the purpose of accounting for the expenditures of the Court.

(b) *The Working Capital Fund*, which 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 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.

(c) *The Contingency Fund*, established by the Assembly to ensure that the Court can meet costs associated with an unforeseen situation following a decision by the Prosecutor to open an investigation; unavoidable expenses arising from developments in existing situations that could not be foreseen or could not be accurately estimated at the time of adoption of the budget; or costs associated with an unforeseen meeting of the Assembly.

2.73 *The trust funds segment* accounts for various activities funded by voluntary contributions including relocation of witnesses, development of the Legal Tools matrix and the organization of seminars. Trust funds and special accounts are established and closed by the Registrar, who reports on them to the Presidency and, through the Committee, to the Assembly. They are funded wholly by voluntary contributions in accordance with specific terms and agreements with the donors. The trust funds segment does not include activities of the Trust Fund for Victims or the Secretariat of the Trust Fund for Victims which are reported in separate financial statements.

2.74 *The Permanent Premises Project segment* accounts for activities related to the construction of the Court's permanent premises as well as transition activities not funded through the regular programme budget.

The Permanent Premises Project was established by the Assembly by resolution ICC-ASP/4/Res.2, which emphasised 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", reiterating the importance of permanent premises to the future of the Court.

In Annex II to Resolution ICC-ASP/6/Res.1, the Assembly established an Oversight Committee of States Parties as a subsidiary body of the Assembly pursuant to article 112(4) of the Rome Statute. The mandate of the Oversight Committee is to provide a standing body to act on behalf of the Assembly in the construction of the Court's permanent premises. The role of the Oversight Committee is strategic oversight, 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.

In its resolution ICC-ASP/6/Res.1, the Assembly further recalled that the overall construction costs were estimated to be no more than €190 million at the 2014 price level.

In its resolution ICC-ASP/10/Res.6, the Assembly confirmed that the integrated elements (3gv) are construction costs and, as such incorporated in the overall budget of €190 million.

In its resolution ICC-ASP/11/Res.3, the Assembly welcomed the fact that the project continues to remain within the approved budget of €190 million at 2014 prices, and, in this regard, noted with satisfaction that the integrated elements (3gv) had been entirely absorbed within the overall budget.

In its resolution ICC-ASP/12/Res.2, the Assembly noted the current estimates of the aggregated construction (€84.4 million) and transition (€1.3 million) costs, with a total level of €95.7 million and the need to provide the Project Director with an overall unified financial envelope to manage these costs for the lifetime of the project, as well as the funding scheme proposed by the Oversight Committee and as endorsed by the Committee on Budget and Finance.

In its resolution ICC-ASP/13/Res.3, the Assembly approved that, in addition to the mandate established under resolution ICC-ASP/6/Res.1, the Oversight Committee shall have the authority delegated by the Assembly to make decisions, as a measure of last resort and as necessary and appropriate, for any increases of the project budget up to €4.3 million in 2015, thus bringing the budget authorization from €195.7 million up to a maximum of €200 million, to ensure the financial security of the project.

In its resolution ICC-ASP/13/Res.6, the Assembly authorized an increase of the unified budget envelope in the amount of €6 million, bringing the total project budget to €206 million, of which approximately €2 million shall not be disbursed if the sharing mechanism of the contract with the General Contractor produces such expected results.

The Permanent Premises Project is funded by:

(a) The Ministry of Foreign Affairs of the host State, the Netherlands, through a loan to the Court not exceeding €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 leases on 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 of the difference between the loan utilized and €200 million.

(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. In resolution ICC-ASP/14/Res. 5 the Assembly requested States Parties, which elected by 31 December 2014 the option of a full or partial one-time payment of their assessed share in the project, to consult with the Project Director so as to determine the scheduling thereof, taking into account that said one-time payments are to be received in full by no later than 29 June 2016 or any earlier date. States Parties having opted for a one-time payment and not fulfilling this option, entirely or partly, within final deadline of 29 June 2016 will automatically forfeit the opportunity of making a one-time payment for any unpaid amount.

(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 on the establishment of a permanent premises construction trust fund.

- (d) Any other resources as the Assembly may decide to allocate.

Additional information is provided in supporting schedules annexed to the financial statements.

Net assets/equity

2.75 Net assets/equity comprises the Contingency and Working Capital funds, established and held at a level determined by the Assembly, and surpluses or deficits in the General Fund, the Permanent Premises Project Fund and the trust funds.

2.76 *Cash 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 period 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 financial regulation 7.1.

Unless otherwise determined by the Assembly, surpluses at the end of the financial period, after deducting any assessed contributions for that financial period which remain unpaid, are apportioned to the States Parties based on the scale of assessments applicable to 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.

2.77 *Reserve accounts and special accounts* funded wholly or in part by assessed contributions may be established by the Assembly.

Budget comparison

2.78 A comparison of actual amounts with the amounts in the original and final annual programme budget is presented in Statement V. This comparison is made on the same modified cash basis of accounting as adopted for the annual programme budget.

2.79 A reconciliation of the actual amounts on a modified cash basis with actual amounts presented in the financial statements is included in note 24, considering that the full accrual accounting and modified cash basis budget differ.

Changes in presentation

2.80 The amounts due to the Secretariat of the Trust fund for Victims and provisions were redistributed from non-current to current liabilities and the presentation of the comparatives was updated.

3. Cash and cash equivalents

<i>In thousands of euros</i>	<i>2015</i>	<i>2014</i>
Cash on hand	58	42
Cash at bank	22,968	56,651
Total	23,026	56,693

3.1 Cash and cash equivalents contain restrictions on their availability for use depending upon the Fund to which they relate (see note 25 for segment information). Cash and cash

equivalents include an amount equivalent to €178 thousand (2014: €166 thousand) held in currencies other than the euro.

3.2 Interest-bearing bank accounts and term deposits yielded interest at an average annual rate of 0.30 per cent.

4. Accounts receivable from non-exchange transactions

<i>In thousands of euros</i>	2015	2014
Assessed contributions receivable	20,786	14,489
Voluntary contributions receivable	129	166
Other contributions receivable	7	152
Total accounts receivable, gross	20,922	14,807
Provision for doubtful debt	(412)	(316)
Total accounts receivable, net	20,510	14,491

4.1 *Assessed contributions receivable*: the outstanding balance of contributions of €20,786 thousand comprises €8,147 thousand due for prior financial periods and €12,639 thousand due for 2015 (Schedule 1). Contributions received from States Parties in excess of contributions due in an amount of €280 thousand are reported as contributions received in advance (see note 12.1 below).

4.2 *Voluntary contributions receivable*: the amount of €129 thousand represents an outstanding amount receivable from donors for completed projects.

4.3 *Other contributions receivable* relate to the outstanding balances due to the Working Capital Fund and the Contingency Fund at 31 December 2015 (Schedules 3 and 4).

4.4 *Provision for doubtful debt*. The Court recognized provision for doubtful debt in an amount of 90 per cent of outstanding contributions from States Parties that are in arrears for more than two years. Article 112 of the Rome Statute stipulates that a State Party which is in arrears in the payment of its assessed contributions and the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years shall have no vote in the Assembly of States Parties. The Assembly may, nevertheless, permit such a State Party to vote in the Assembly and in the Bureau if it is satisfied that the failure to pay is due to conditions beyond the control of the State Party.

Changes in provision for doubtful debt

<i>In thousands of euros</i>	<i>Total</i>
Provision for doubtful debt as at 31 December 2014	316
Increase in provision	96
Provision for doubtful debt as at 31 December 2015	412

4.5 The following table illustrates accounts receivable by age:

<i>In thousands of euros</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Assessed contributions receivable	12,639	8,120	27	20,786
Voluntary contributions receivable	129	-	-	129
Other contributions receivable	-	7	-	7
Total accounts receivable, gross	12,768	8,127	27	20,922

5. Other accounts receivable

<i>In thousands of euros</i>	2015	2014
Receivable from governments	1,907	997
Other receivables	1,498	717
Other accounts receivable, gross	3,405	1,714
Provision for doubtful debt	(983)	(539)
Other accounts receivable, net	2,422	1,175

5.1 Receivables from governments represent receivables for refundable energy tax and VAT.

5.2 Provision for doubtful debt: Under other accounts receivable and on the basis of a judicial decision dated 20 October 2011 (Trial Chamber III, no. ICC-01/05-01/08-568), in 2015 the Court advanced an amount of €444 thousand for legal costs to cover the legal representation of an accused person whose assets have been frozen, which has not been recovered and has been charged to legal aid costs because recovery is uncertain.

Changes in provision for doubtful debt

<i>In thousands of euros</i>	<i>Other receivables</i>	<i>Receivables from Government</i>	<i>Total</i>
Provision for doubtful debt as at 1 January 2015	514	25	539
Increase in provision	444	-	444
Provision for doubtful debt as at 31 December 2015	958	25	983

5.3 The following table illustrates other accounts receivable by age:

<i>In thousands of euros</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Receivable from governments	1,895	12	-	1,907
Other receivables	981	517	-	1,498
Other accounts receivable, gross	2,876	529	-	3,405

6. Prepayments and other current assets

<i>In thousands of euros</i>	2015	2014
Advances to staff	1,612	1,458
Advances to vendors	52	64
Prepaid expenses	620	527
Accrued interest	76	94
Total	2,360	2,143

6.1 Advances to staff comprise €1,119 thousand of education grant advances for the portion of the school year to be completed during 2016, €26 thousand of travel advances for trips in 2016 and €467 thousand of advances for field operations.

6.2 Advances to vendors mostly represent the amounts paid to vendors for travel-related expenses such as tickets and shipments.

6.3 Prepaid expenses relate to payments to vendors for software maintenance for periods after 31 December 2015 and for motor vehicles delivered in 2016.

7. Property, plant and equipment

<i>In thousands of euros</i>	<i>Land</i>	<i>Asset under construction</i>	<i>Building</i>	<i>Motor vehicles</i>	<i>Furniture and fittings</i>	<i>ICT equipment</i>	<i>Other assets</i>	<i>Total</i>
Cost								
At 1 January 2015	9,741	141,671	-	2,365	505	8,697	1,936	164,915
Additions	-	-	54,085	222	57	2,796	692	57,852
Capitalization	-	(141,671)	141,671	-	-	-	-	-
Disposals/Write-offs	-	-	-	-	(1)	-	(156)	(157)
<i>At 31 December 2015</i>	<i>9,741</i>	<i>-</i>	<i>195,756</i>	<i>2,587</i>	<i>561</i>	<i>11,493</i>	<i>2,472</i>	<i>222,610</i>
Accumulated depreciation								
Accumulated depreciation at 1 January 2015	-	-	-	1,947	441	7,341	1,566	11,295
Depreciation Charge	-	-	1,704	166	27	836	161	2,894
Disposals/Write-offs	-	-	-	-	-	-	(149)	(149)
<i>At 31 December 2015</i>	<i>-</i>	<i>-</i>	<i>1,704</i>	<i>2,113</i>	<i>468</i>	<i>8,177</i>	<i>1,578</i>	<i>14,040</i>
Net book value								
at 1 January 2015	9,741	141,671	-	418	64	1,356	370	153,620
At 31 December 2015	9,741	-	194,052	474	93	3,316	894	208,570

7.1 Based on the deed dated 23 March 2009 between the host State and the Court establishing the ground lease and building and planting rights, land ready for development was leased to the Court for no consideration. The lease may be terminated by mutual consent at the end of the Court's mandate or by a decision of the Assembly. The value of the land is estimated on the basis of its not-for-profit function by an independent valuer.

7.2 Upon completion of the Permanent Premises construction in November 2015, the building was capitalized at an accumulated cost of €195,756 thousand and depreciated in line with the useful lives of various components of the building.

8. Intangible assets

<i>In thousands of euros</i>	<i>Software externally acquired</i>	<i>Software in development</i>	<i>Total</i>
Cost			
At 1 January 2015	9,758	328	10,086
Additions	367	74	441
At 31 December 2015	10,125	402	10,527
Accumulation Amortization			
At 1 January 2015	8,760	-	8,760
Amortization charge	414	-	414
At 31 December 2015	9,174	-	9,174
Net book value			
At 1 January 2015	998	328	1,326
At 31 December 2015	951	402	1,353

9. Accounts payable

<i>In thousands of euros</i>	<i>2015</i>	<i>2014</i>
Current		
Counsel payables	1,228	710
Suppliers	6,653	12,517
Secretariat of the Trust Fund for Victims	153	250
Other payables	1,892	116
Total current	9,926	13,593
Non-current		
Secretariat of the Trust Fund for Victims	50	153
Total non-current	50	153

9.1 Payables to suppliers include €3,265 thousand of payables for the Permanent Premises Project, which were settled after the year-end.

9.2 Other payables mainly represent an overpaid amount for one-time payments of the assessed share to the Permanent Premises Project due to the change in the scale of assessment.

9.3 Liability towards the Secretariat of the Trust Fund for Victims represents a surplus in major programme VI which is consolidated in the Court's programme budget but is part of the net assets/equity of the Trust Fund for Victims and is pending credit to States Parties (see note 1.2 (g)).

10. Employee benefit liabilities

<i>In thousands of euros</i>	<i>2015</i>	<i>2014</i>
Current		
Salaries and entitlements	798	547
Annual leave accrual	5,791	5,622
Other long-term benefits	1,605	1,634
Post-employment benefits	1,128	1,079
<i>Sub-total current</i>	<i>9,322</i>	<i>8,882</i>
Non-current		
Other long-term benefits	5,740	6,177
Post-employment benefits	31,632	30,611
<i>Sub-total non-current</i>	<i>37,372</i>	<i>36,788</i>
Total	46,694	45,670

Current employee benefit liabilities

10.1 Current liabilities comprise payables for salaries and other entitlements, annual leave accrual and the current portion of other long-term benefits and post-employment benefits.

10.2 *Annual Leave Accrual:* At 31 December 2015, €5,791 thousand represents the accumulated annual leave accrual for all staff members of the Court. The cost related to untaken annual leave incurred in 2015 has been recognized as an expense of €169 thousand in the Statement of financial performance.

Non-current employee benefit liabilities

10.3 Actuarial assumptions used to determine the value of other long-term benefits and post-employment benefits are as follows:

Financial assumptions

Discount rate:

Judges' pension scheme	2.20 per cent
ASHI	2.70 per cent
Repatriation grant	1.60 per cent
Other separation benefits of staff members	1.60 per cent
Relocation allowance and other separation benefits of judges	0.35 per cent
Home leave and family visit	0.35 per cent
Death grant and transportation of deceased	1.60 per cent
Survivor's benefit	0.35 per cent
Price inflation	2.00 per cent
Wage inflation	1.50 per cent
Individual salary increase rate	1.20 per cent
Medical cost trend rate	5.00 per cent
Expected return on reimbursement right	2.20 per cent

Demographic assumptions

Individual turnover rates	From 0.5 per cent to 7 per cent depending on age group, GTA 30 per cent
Mortality tables	Based on UNJSPF
Age corrections	Generational improvement scale (for inactive)
Age difference M/F	+3
Disability rates	Based on UNJSPF
Participation rate in ASHI	80 per cent

10.4 The discount rate was determined on the basis of high-quality corporate bonds. The discount rate which corresponds to the duration of each plan was used.

Reconciliation of the opening and closing balance of the present value of the defined benefit obligation

<i>In thousands of euros</i>	<i>Judges</i>		<i>Staff members</i>		<i>Total</i>
	<i>Pension scheme</i>	<i>Other long-term</i>	<i>ASHI</i>	<i>Other long-term</i>	
Defined benefit obligation as at 1 January 2015	23,423	924	11,413	6,886	42,646
Service cost including employee contributions	545	171	1,308	1,408	3,432
Interest cost	422	2	299	75	798
Actuarial (gains)/losses	(163)	47	(2,301)	(752)	(3,169)
Benefits paid	(992)	(498)	(10)	(918)	(2,419)
Defined benefit obligation as at 31 December 2015	23,235	646	10,709	6,699	41,289

Reconciliation of the defined benefit obligation to the liabilities recognized in the statement of financial position

<i>In thousands of euros</i>	<i>Judges</i>		<i>Staff members</i>		<i>Total</i>
	<i>Pension scheme</i>	<i>Other long-term</i>	<i>ASHI</i>	<i>Other long-term</i>	
Defined benefit obligation as at 31 December 2015	23,235	646	10,709	6,699	41,289
Unrecognized net actuarial gains and (losses)	(905)	-	(279)	-	(1,184)
Net liability as at 31 December 2015	22,330	646	10,430	6,699	40,105

Reconciliation of the opening and closing balance of the reimbursement right

<i>In thousands of euros</i>	<i>Judges' pension scheme</i>
Reimbursement right as at 1 January 2015	23,423
Expected return on reimbursement right	424
Actuarial gains/(losses)	(652)
Contributions by employer	1,147
Benefits paid	(992)
Administration cost	(115)
Reimbursement right as at 31 December 2015	23,235

10.5 The expected rate of return on the reimbursement right is equal to the discount rate used to calculate the present value of the defined benefit obligation.

Total expense recognized in the Statement of financial performance

<i>In thousands of euros</i>	<i>Judges</i>		<i>Staff members</i>		<i>Total</i>
	<i>Pension scheme</i>	<i>Other long-term</i>	<i>ASHI</i>	<i>Other long-term</i>	
Employee benefit expense for the year ended 31 December 2015					
Service cost including employee contributions	545	171	1308	1408	3,432
Interest cost	422	2	299	75	797
Expected return on reimbursement right	(424)	-	-	-	(424)
Actuarial (gains)/losses	-	47	152	(752)	(553)
Administration cost	115	-	-	-	115
Total	658	220	1,759	731	3,367

10.6 Effect of an increase of one percentage point and effect of a decrease of one percentage point in the assumed medical cost trend rates on:

- (a) the aggregate of the current service cost and interest cost components of the net periodic post-employment medical costs; and
- (b) the accumulated post-employment benefit obligation for medical costs.

<i>In thousands of euros</i>	<i>Service cost</i>	<i>Interest cost</i>
Decrease of one percentage point (4 per cent)	1,105	271
Assumed medical cost trend rate (5 per cent)	1,297	324
Increase of one percentage point (6 per cent)	1,533	379

The accumulated post-employment benefit obligation for medical costs amounts to €7,989 thousand. The accumulated post-employment benefit obligation is determined as the defined benefit obligation without taking into account any salary increase assumptions.

An increase of one percentage point in the assumed medical cost trend rate results in an accumulated post-employment benefit obligation for medical costs of €9,286 thousand.

A decrease of one percentage point in the assumed medical cost trend rate results in an accumulated post-employment benefit obligation for medical costs of €6,800 thousand.

United Nations Joint Staff Pension Fund

10.7 The financial obligation of the Court 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 for member organizations and 7.9 per cent for participants, together with any share of 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 provisions 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.

10.8 The actuarial valuation performed as of 31 December 2013 revealed an actuarial deficit of 0.72 per cent (1.87 per cent in the 2011 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2013 was 24.42 per cent of pensionable remuneration, compared to the actual contribution rate of 23.7 per cent. The next actuarial valuation will be conducted as of 31 December 2015 in 2016.

10.9 At 31 December 2013, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 127.5 per cent (130.0 per cent in the 2011 valuation). The funded ratio was 91.2 per cent (86.2 per cent in the 2011 valuation) when the current system of pension adjustments was taken into account.

10.10 After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2013, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date.

10.11 The plan exposes participating organizations to actuarial risks associated with current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation and plan assets among participating organizations in the plan. The Court, as well as other participating organizations, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes, and hence has accounted for this plan as if it were a defined contribution plan.

10.12 During 2015, total contributions paid to UNJSPF amounted to €20,093 thousand.

Service-incurred injury

10.13 The Court entered into an agreement with an insurance company to offer coverage for service-incurred injuries for the Court's staff, judges, consultants and temporary assistants. The insurance premium, calculated as a percentage of the pensionable remuneration for 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 2015 for this insurance was €1,259 thousand.

Secretariat of the Trust Fund for Victims

10.14 Employees of the Secretariat of the Trust Fund for Victims are provided with benefits and entitlements in accordance with staff regulations and consistent with those of employees of the Court. These benefits are provided on a pooled basis with the Court's staff and it is not considered feasible to perform a separate actuarial valuation for the Secretariat. Long-term and post-employment benefits that relate to the Secretariat and that are included in the obligations of the Court are estimated at €159 thousand.

10.15 The value of annual leave due to employees of the Secretariat as at 31 December 2015, also provided on a pooled basis, are included in the Court's liabilities and amounted to €49 thousand.

11. Host State loan

<i>In thousands of euros</i>	2015	2014
Host State loan current	891	-
Host State loan non-current	77,120	84,607
Total	78,011	84,607

11.1 The loan is recognized at amortized cost using the effective interest rate. The effective interest rate is applied to each stream of drawings from the total capital amount available. Upon completion of the Permanent Premises construction the revenue was recognized (note 15) and the carrying value of the loan was reduced by the estimated amount of subsidy (€17,963 thousand) provided by the host State as described in note 2.74 (a).

11.2 Repayment of the host State loan will commence at the date on which the present or future rental agreement of the Court concerning interim premises expires. States Parties that did not pay the one-time contribution will be assessed annually for loan repayment. The following table illustrates the remaining contractual maturity of the loan:

<i>In thousands of euros</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Host State loan	2,186	10,507	102,391	115,084

12. Deferred revenue and accrued expenses

<i>In thousands of euros</i>	2015	2014
Assessed contributions in advance	280	355
Deferred contributions to the Permanent Premises Project	-	16,900
Deferred voluntary contributions	805	-
Accrued expenses	13,795	5,517
Accrued interest on host State loan	2,186	1,060
Total	17,066	23,832

121.1 *Assessed contributions received in advance*: €280 thousand was received from States Parties to be applied to the next financial period.

121.2 *Deferred voluntary contributions* represent contribution payment by the host State to fund 2016 rent of the Court's Interim Premises, the lease on which expires in 2016.

13. Provisions

<i>In thousands of euros</i>	2015	2014
Provision for ILOAT cases	251	471
Provision for US tax	131	28
Provision for termination benefits	117	473
Provision for early termination of Headquarters lease	1,756	1,756
Total	2,255	2,728

Changes in provisions

<i>In thousands of euros</i>	<i>ILOAT provision</i>	<i>US tax provision</i>	<i>Termination benefits provision</i>	<i>Early termination of lease</i>	<i>Total</i>
Provision as at 1 January 2015 (restated)	471	28	473	1,756	2,728
Increase in provision	-	123	117	-	240
Decrease due to payments	(9)	(16)	(473)	-	(498)
Decrease due to reversals	(211)	(4)	-	-	(215)
Provision as at 31 December 2015	251	131	117	1,756	2,255

13.1 *Provision for ILOAT cases:* At the end of 2015, seventeen cases were filed with the Administrative Tribunal of the International Labour Organization (ILOAT) by current or former staff members of the Court. A total of €251 thousand is earmarked for seven cases. Other cases pending as at 31 December 2015 are either disclosed as contingent liabilities or it is considered that the possibility of an outflow of resources is remote.

13.2 *Provision for US Tax Liability:* According to the practice and fundamental principles of the International Civil Service, as determined by the 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 is €131 thousand estimated for the year 2015 for eight United States taxpayers on the payroll of the Court during this period.

13.3 *Provision for termination benefits:* The Registry of the Court went through an extensive review and re-organization under the *ReVision* project which has resulted in a number of staff separating from the Court under separation packages. The provision of €17 thousand represents the estimated costs expected to be incurred in respect of pending cases where it was determined that positions are abolished and there is a likelihood that a separation package will be accepted.

13.4 *Provision for early termination of the Headquarters lease:* The Headquarters of the Court moved to its new permanent premises by December 2015. Elements of the lease agreements on the interim premises cannot be terminated before 31 March 2016 and 30 June 2016 and the provision of €1,756 thousand reflects the rent that will be due for the period that the Court will no longer occupy these premises.

14. Net assets/equity

<i>In thousands of euros</i>	2015	2014
General		
Contingency Fund	5,791	7,500
Working Capital Fund	1,616	7,406

<i>In thousands of euros</i>	2015	2014
General Funds		
Funds for Employee Benefit Liabilities	6,395	11,227
Cash Surplus / (Deficit)	95	(2,269)
Other General Fund	(6,525)	(7,948)
<i>Total General balances</i>	<i>7,372</i>	<i>15,916</i>
Other fund balances		
Permanent Premises Project	118,583	65,356
Trust Funds	1,519	1,016
<i>Total other fund balances</i>	<i>120,102</i>	<i>66,372</i>
Total	127,474	82,288

14.1 *Contingency Fund*: the amount of €9,169 thousand representing the cash surplus for the 2002 and 2003 financial periods was credited to establish the Contingency Fund in accordance with resolution ICC-ASP/ICC/Res.4(b). The level of the Contingency Fund was subsequently reduced and established at €7 million. In 2015, €1,709 thousand was withdrawn from the Contingency Fund representing the excess of expenditures incurred during 2015 over General Fund budget appropriations.

14.2 *Working Capital Fund*: the Assembly, in its resolution ICC-ASP/13/Res.1, established the Working Capital Fund for the financial period 1 January to 31 December 2015 at €7,406 thousand, the same level as in the previous financial period. In 2015, the amount of €5,790 thousand was withdrawn from the working capital fund to meet temporary liquidity issues at the end of 2015, pending receipt of assessed contributions.

14.3 *Funds for Employee Benefit Liabilities* were reduced by €4,832 thousand in 2015 to fund 2015 employee benefits and part of ReVision restructuring costs.

14.4 *Cash surplus* after funding 2015 assessed contributions (ICC-ASP/13/Res.1) was €95 thousand (Schedule V).

15. Revenue

<i>In thousands of euros</i>	<i>Note</i>	2015	2014
Assessed contributions			
To programme budget	15.1	125,850	117,120
To Permanent Premises Project		41,365	35,549
Change in provision for doubtful debt		(96)	(170)
<i>Sub-total assessed contributions</i>		<i>167,119</i>	<i>152,499</i>
Voluntary contributions			
To programme budget	15.2	2,834	3,000
To trust funds		1,409	985
<i>Sub-total voluntary contributions</i>		<i>4,243</i>	<i>3,985</i>
Financial revenue			
Interest revenue	15.3	179	268
<i>Sub-total financial revenue</i>		<i>179</i>	<i>268</i>
Other revenue			
Host State contribution to Permanent Premises Project	15.4	21,463	-
Other miscellaneous revenue		489	2,468
<i>Sub-total other revenue</i>		<i>21,952</i>	<i>2,468</i>
Total		193,493	159,220

15.1 *Assessed contributions*: the Assembly, in its resolution ICC-ASP/13/Res.1, approved the funding of the appropriations of the Court for the financial period 1 January to 31 December 2015 in a total amount of €130,666 thousand, €1,816 thousand of which related to contributions to the Secretariat of the Trust Fund for Victims. The assessed contributions have been further adjusted by €3,000 thousand of the estimated contribution from the host State to the rent of the interim premises. The assessed contributions were partially funded from 2014 surplus in the amount of €2,068 thousand as per ICC/ASP/13/Res.1.

15.2 *Voluntary contributions to the programme budget*: voluntary contributions to the programme budget represents a contribution from the host State for the costs of the interim premises.

15.3 *Interest revenue*: interest in an amount of €157 thousand represents interest earned on the Court's bank accounts for the General Fund, the Working Capital Fund and the Contingency Fund. The remainder of the interest revenue is earned on the Permanent Premises Project funds and trust funds.

15.4 *Revenue from host State contribution to Permanent Premises Project represents*: a contribution from the host State in an amount of €3.5 million to bridge the estimated financial gap that has arisen between the reduction of the loan under the agreement and the discount applied to States Parties making one-time payments (ICC-ASP/14/Res.5); and the €7,963 estimated repayment of the loan by host State as described in note 2.74(a).

Contributions in kind

15.5 In 2015, the Court hired a number of short term pro-bono personnel, representing receipt of services in kind at a value of €1,451 thousand.

16. Employee benefit expenses

<i>In thousands of euros</i>	2015	2014
Judges' salaries	2,971	3,131
Judges' entitlements and allowances	1,553	1,148
Staff salaries	44,329	43,353
Staff entitlements and allowances	25,076	20,597
Temporary assistance and consultants	25,334	18,236
Total	99,263	86,465

16.1 No *ex-gratia* payment was made by the Court during the financial period.

17. Travel and hospitality expenses

<i>In thousands of euros</i>	2015	2014
Hospitality	32	29
Travel	6,651	5,803
Total	6,683	5,832

18. Expenses for contractual services

<i>In thousands of euros</i>	2015	2014
Public information	666	547
External translation	1,031	826
Training	761	742
Other contractual services	6,601	2,298
Total	9,059	4,413

19. Expenses for counsel fees

<i>In thousands of euros</i>	2015	2014
Counsel for defence	4,761	3,732
Counsel for victims	1,016	1,551
Total	5,777	5,283

20. Operating expenses

<i>In thousands of euros</i>	2015	2014
Rental, utility and maintenance	8,994	10,000
Communications and software maintenance	2,817	2,673
Witness-related expenses	2,889	2,591
Other operating expenses	2,357	1,842
Total	17,057	17,106

21. Supplies and materials expenses

<i>In thousands of euros</i>	2015	2014
Office supplies	385	369
Library books, magazines and subscriptions	140	203
Other supplies	534	286
Low value asset purchases	1,287	450
Total	2,346	1,308

21.1 *Low value asset purchases* represent furniture and fittings, ICT equipment and other assets with a value below €1,000 which is not capitalized.

22. Depreciation, amortization and impairment

<i>In thousands of euros</i>	2015	2014
Depreciation	2,894	926
Amortization	414	374
Impairment	-	61
Total	3,308	1,361

22.1 No material impairment losses were incurred in 2015.

23. Financial expenses

<i>In thousands of euros</i>	2015	2014
Bank charges	58	49
Net foreign exchange loss	77	73
Interest expense on the host State loan	2,861	518
Total	2,996	640

23.1 Interest expense on the host State loan amounting to €2,861 thousand is recognized on an effective interest rate basis. Nominal interest expense accrued for 2015 amounted to €2,186 thousand.

24. Statement of comparison of budget and actual amounts

24.1 The Court's budget and accounts are prepared on different bases. The Statement of financial position, Statement of financial performance, Statement of changes in net assets/equity and Statement of cash flows are prepared on a full accrual basis, whereas the Statement of comparison of budget and actual amounts (Statement V) is prepared on a modified cash basis of accounting.

24.2 As required under IPSAS 24, where the financial statements and the budget are not prepared on a comparable basis, the actual amounts presented on a comparable basis to the budget are reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. There are also differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

24.3 Differences in bases occur when the approved budget is prepared on a basis other than the accounting basis, as stated in paragraph 24.1 above.

24.4 Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Court for the purposes of comparison of the budget and the actual amounts.

24.5 Entity differences occur as the budget includes the Secretariat for the Trust Fund of Victims (note 1.2(g)) which is not part of the reporting entity for which the financial statements are prepared. On the other hand, the annual programme budget does not include the Permanent Premises Project funds (note 2.77) and trust funds segments (note 2.76), whereas the financial statements do.

24.6 Differences in presentation are due to differences in the format and classification schemes adopted for the presentation of the Statement of cash flows and Statement of comparison of budget and actual amounts.

24.7 Reconciliation between the actual amounts on a comparable basis in the Statement of comparison of budget and actual amounts (Statement V) and the actual amounts in the Statement of cash flows (Statement IV) for the period ended 31 December 2015 is presented below:

<i>In thousands of euros</i>	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
Actual amount on comparable basis (Statement V)	4,737	-	-	4,737
Basis differences	(14,663)	(2,342)	-	(17,005)
Presentation differences	-	165	(2,058)	(1,893)
Entity differences	27,822	(56,947)	9,622	(19,503)
Actual amount in the Statement of cash flows (Statement IV)	17,896	(59,124)	7,564	(33,664)

24.8 Open commitments including open purchase orders and net cash flows from operating, investing and financing activities are presented as basis differences. Revenue and other fund related expenses that do not form part of the Statement of Comparison of Budget and Actual Amounts are reflected as presentation differences. Under entity differences, the activities of the Secretariat of the Trust Fund for Victims are not reported in the financial statements, but are included in the budgetary process. The Permanent Premises Project and trust funds are included in the financial statements but are not part of the actual amounts on a comparable basis.

24.9 An explanation of material differences between the budget and actual amounts is included in the Report on activities and programme performance of the International Criminal Court for the year 2015.

25. Segment Reporting

Statement of financial position by segment as at 31 December 2015

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Permanent Premises Project Funds</i>	<i>Inter-segment</i>	<i>Total</i>
Assets					
Current assets					
Cash and cash equivalents	13,795	2,153	7,078	-	23,026
Accounts receivable (non-exchange transactions)	20,380	130	-	-	20,510
Other accounts receivable	2,892	7	1,062	(1,539)	2,422
Prepayments and other current assets	2,334	26	-	-	2,360
<i>Total current assets</i>	<i>39,401</i>	<i>2,316</i>	<i>8,140</i>	<i>(1,539)</i>	<i>48,318</i>
Non-current assets					
Property, plant and equipment	2,037	-	206,533	-	208,570
Intangible assets	1,290	-	63	-	1,353
Reimbursement right	23,235	-	-	-	23,235
<i>Total non-current assets</i>	<i>26,562</i>	<i>-</i>	<i>206,596</i>	<i>-</i>	<i>233,158</i>
Total assets	65,963	2,316	214,736	(1,539)	281,476
Liabilities					
Current liabilities					
Accounts payable	4,782	612	6,071	(1,539)	9,926
Employee benefit liabilities	9,304	9	9	-	9,322
Host State loan	-	-	891	-	891
Deferred revenue and accrued expenses	4,828	176	12,062	-	17,066
Provisions	2,255	-	-	-	2,255
<i>Total current liabilities</i>	<i>21,169</i>	<i>797</i>	<i>19,033</i>	<i>(1,539)</i>	<i>39,460</i>
Non-current liabilities					
Accounts payable	50	-	-	-	50
Employee benefit liabilities	37,372	-	-	-	37,372
Host State loan	-	-	77,120	-	77,120
Provisions	-	-	-	-	-
<i>Total non-current liabilities</i>	<i>37,422</i>	<i>-</i>	<i>77,120</i>	<i>-</i>	<i>114,542</i>
Total liabilities	58,591	797	96,153	(1,539)	154,002
Net assets/equity					
Contingency Fund	5,791	-	-	-	5,791
Working Capital Fund	1,616	-	-	-	1,616
Other fund balances	(35)	1,519	118,583	-	120,067
<i>Total net assets/equity</i>	<i>7,372</i>	<i>1,519</i>	<i>118,583</i>	<i>-</i>	<i>127,474</i>
Total liabilities and net assets/equity	65,963	2,316	214,736	(1,539)	281,476

Statement of financial position by segment as at 31 December 2014

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Permanent Premises Project Funds</i>	<i>Inter-segment</i>	<i>Total</i>
Assets					
Current assets					
Cash and cash equivalents	28,016	1,294	27,383	-	56,693
Accounts receivable (non-exchange transactions)	14,352	130	9	-	14,491
Other accounts receivable	1,346	-	375	(546)	1,175
Prepayments and other current assets	2,123	16	4	-	2,143
<i>Total current assets</i>	<i>45,837</i>	<i>1,440</i>	<i>27,771</i>	<i>(546)</i>	<i>74,502</i>
Non-current assets					
Property, plant and equipment	1,993	-	151,627	-	153,620
Intangible assets	1,326	-	-	-	1,326
Reimbursement right	23,423	-	-	-	23,423
<i>Total non-current assets</i>	<i>26,742</i>	<i>-</i>	<i>151,627</i>	<i>-</i>	<i>178,369</i>
Total assets	72,579	1,440	179,398	(546)	252,871
Liabilities					
Current liabilities					
Accounts payable	5,270	413	8,456	(546)	13,593
Employee benefit liabilities	8,871	11	-	-	8,882
Deferred revenue and accrued expenses	2,853	-	20,979	-	23,832
Provisions	972	-	-	-	972
<i>Total current liabilities</i>	<i>17,966</i>	<i>424</i>	<i>29,435</i>	<i>(546)</i>	<i>47,279</i>
Non-current liabilities					
Accounts payable	153	-	-	-	153
Employee benefit liabilities	36,788	-	-	-	36,788
Host State loan	-	-	84,607	-	84,607
Provisions	1,756	-	-	-	1,756
<i>Total non-current liabilities</i>	<i>38,697</i>	<i>-</i>	<i>84,607</i>	<i>-</i>	<i>123,304</i>
Total liabilities	56,663	424	114,042	(546)	170,583
Net assets/equity					
Contingency Fund	7,500	-	-	-	7,500
Working Capital Fund	7,406	-	-	-	7,406
Other fund balances	1,010	1,016	65,356	-	67,382
<i>Total net assets/equity</i>	<i>15,916</i>	<i>1,016</i>	<i>65,356</i>	<i>-</i>	<i>82,288</i>
Total liabilities and net assets/equity	72,579	1,440	179,398	(546)	252,871

Statement of financial performance by segment for the year ended 31 December 2015

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Permanent Premises Project Fund</i>	<i>Inter segment</i>	<i>Total</i>
Revenue					
Assessed contributions	124,685	-	42,434	-	167,119
Voluntary contributions	2,831	1,400	12	-	4,243
Financial revenue	157	3	19	-	179
Other revenue	542	-	21,463	(53)	21,952
<i>Total revenue</i>	<i>128,215</i>	<i>1,403</i>	<i>63,928</i>	<i>(53)</i>	<i>193,493</i>
Expenses					
Employee benefit expenses	98,809	157	297	-	99,263
Travel and hospitality	6,419	264	-	-	6,683
Contractual services	4,781	167	4,111	-	9,059
Counsel fees	5,777	-	-	-	5,777
Operating expenses	16,355	298	457	(53)	17,057
Supplies and materials	1,405	2	939	-	2,346
Depreciation and amortization	1,300	-	2,008	-	3,308
Financial expenses	105	2	2,889	-	2,996
<i>Total expenses</i>	<i>134,951</i>	<i>890</i>	<i>10,701</i>	<i>(53)</i>	<i>146,489</i>
Surplus/(deficit) for the period	(6,736)	513	53,227	-	47,004

Statement of financial performance by segment for the year ended 31 December 2014

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Permanent Premises Project Fund</i>	<i>Inter segment</i>	<i>Total</i>
Revenue					
Assessed contributions	116,840	-	35,659	-	152,499
Voluntary contributions	3,000	985	-	-	3,985
Financial revenue	241	10	17	-	268
Other revenue	2,533	-	-	(65)	2,468
<i>Total revenue</i>	<i>122,614</i>	<i>995</i>	<i>35,676</i>	<i>(65)</i>	<i>159,220</i>
Expenses					
Employee benefit expenses	86,299	166	-	-	86,465
Travel and hospitality	5,393	439	-	-	5,832
Contractual services	4,072	217	124	-	4,413
Counsel fees	5,283	-	-	-	5,283
Operating expenses	17,040	131	-	(65)	17,106
Supplies and materials	1,280	-	28	-	1,308
Depreciation and amortization	1,357	-	4	-	1,361
Financial expenses	121	1	518	-	640
<i>Total expenses</i>	<i>120,845</i>	<i>954</i>	<i>674</i>	<i>(65)</i>	<i>122,408</i>
Surplus/(deficit) for the period	1,769	41	35,002	-	36,812

26. Commitments

Operating leases

26.1 Operating costs include lease payments in an amount of €7,222 thousand, recognized as operating lease expenses during the year. The amount includes minimum lease payments. No sublease payments or contingent rent payments were made or received. Most lease agreements, except for lease agreements for the Headquarters building, are concluded for the calendar year and are cancellable. The total of future minimum lease payments under non-cancellable operating leases is as follows:

<i>In thousands of euros</i>	<i>Within 1 year</i>	<i>1-5 years</i>	<i>Total</i>
31 December 2015	1,753	-	1,753

Commitments

26.2 At 31 December 2015, the Court had no material contractual commitments for the acquisition of property plant and equipment contracted but not delivered.

27. Contingent liabilities

27.1 At the end of 2015, eight complaints filed by staff members of the Court with the ILOAT have been identified for a total of €2.2 million. It is not considered likely that an outflow of economic resources will be required as a result of these complaints.

28. Related party disclosures

28.1 Key management personnel are defined as the President, the Chef de Cabinet, the Registrar, the Prosecutor, the Deputy Prosecutor and Directors.

28.2 The aggregate remuneration paid to key management personnel includes net salaries, post adjustment, entitlements, assignment and other grants, rental subsidy, employer contributions to the pension plan and current health insurance contributions.

28.3 The amounts paid during the year and outstanding balances of receivables at year end are as follows:

<i>In thousands of euros</i>	<i>No. of individuals</i>	<i>Aggregate remuneration</i>	<i>Receivables</i>
Key management personnel	13	2,487	47

28.4 Key management personnel also qualify for post-employment benefits and other long-term benefits. At year end, accrued liabilities amounted to:

<i>In thousands of euros</i>	<i>Annual leave accrual</i>	<i>Other long-term benefits</i>	<i>Post-employment benefits</i>	<i>Total</i>
Current	206	12	1	219
Non-current	-	349	886	1,235
Total	206	361	887	1,454

28.5 In its resolution ICC-ASP/1/Res.6, the Assembly 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.

28.6 In the annex to that resolution, the Assembly established a Board of Directors, which is responsible for management of the Trust Fund, and decided that the Registrar of the Court shall be responsible for providing such assistance as is necessary for the proper functioning of the Board in carrying out its tasks and shall participate in the meetings of the Board in an advisory capacity.

28.7 In 2015, the Assembly approved an appropriation of €1,816 thousand for the Secretariat of the Trust Fund for Victims, which administers the Trust Fund and provides administrative support to the Board and its meetings. The unspent amount of appropriations for the current and prior period in an amount of €203 thousand is recognized as a liability towards the Trust Fund for Victims and is pending credit to States Parties. The Court provides various services to the Trust Fund for Victims, including office space, equipment and administrative services free of charge.

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

29.1 In addition to the items written off during 2015 as stated in note 7 above, a total amount of €3 thousand was written off as the value of receivables deemed to be irrecoverable.

30. Events after the reporting date

30.1 On the date of signing of these accounts, there were no material events, favourable or unfavourable, between the reporting date and the date on which the financial statements were authorised for issue that affected these statements.

Annex

Schedule 1

International Criminal Court
Status of contributions as at 31 December 2015 (in euros)

States Parties	Outstanding as at 31 December 2014				Credits from 2014			Receipts relating to 2016	
	Collections	Outstanding	Assessed		Collections	Outstanding	Total outstanding		
	Prior years				2015				
Afghanistan	-	-	-	9,965	-	9,965	-	-	-
Albania	-	-	-	19,858	-	19,813	45	45	-
Andorra	-	-	-	15,829	-	15,829	-	-	-
Antigua and Barbuda	3,798	-	3,798	4,018	-	-	4,018	7,816	-
Argentina	813,557	813,557	-	858,214	-	-	858,214	858,214	-
Australia	-	-	-	4,106,707	14,187	4,092,520	-	-	8
Austria	-	-	-	1,599,660	-	1,599,660	-	-	-
Bangladesh	-	-	-	12,614	-	12,614	-	-	-
Barbados	-	-	-	15,984	274	15,710	-	-	-
Belgium	-	-	-	2,000,521	-	2,000,521	-	-	-
Belize	-	-	-	2,018	-	2,018	-	-	-
Benin	15,530	-	15,530	6,054	-	-	6,054	21,584	-
Bolivia	-	-	-	17,895	-	17,895	-	-	-
Bosnia and Herzegovina	-	-	-	33,899	-	33,899	-	-	-
Botswana	-	-	-	32,064	-	32,064	-	-	-
Brazil	10,761,230	5,229,341	5,531,889	5,881,482	-	-	5,881,482	11,413,371	-
Bulgaria	-	-	-	94,224	1,610	92,614	-	-	6,719
Burkina Faso	-	-	-	6,007	3,146	2,861	-	-	1,545
Burundi	332	332	-	2,018	-	1,645	373	373	-
Cabo Verde	1,900	-	1,900	2,018	-	-	2,018	3,918	-
Cambodia	7,597	7,597	-	8,049	-	8,049	-	-	7,632
Canada	-	-	-	5,906,274	-	5,906,274	-	-	-
Central African Republic	-	-	-	2,018	1,223	-	795	795	-
Chad	4,020	4,020	-	4,015	-	3,318	697	697	-
Chile	-	-	-	665,720	-	665,720	-	-	-
Colombia	-	-	-	516,693	-	203,183	313,510	313,510	-
Comoros	12,420	-	12,420	2,018	-	-	2,018	14,438	-
Congo	23,063	-	23,063	9,965	-	-	9,965	33,028	-
Cook Islands	-	-	-	2,018	-	1,999	19	19	-
Costa Rica	-	-	-	75,419	7,383	68,036	-	-	18,254
Côte d'Ivoire	19,323	19,323	-	22,074	-	22,074	-	-	-
Croatia	-	-	-	252,525	-	252,525	-	-	9,849
Cyprus	-	-	-	94,224	1,610	92,614	-	-	-
Czech Republic	-	-	-	767,052	-	767,052	-	-	-
Democratic Republic of the Congo	-	-	-	5,983	-	5,983	-	-	-
Denmark	-	-	-	1,350,060	-	1,350,060	-	-	-
Djibouti	-	-	-	2,018	-	-	2,018	2,018	-
Dominica	6,840	3,140	3,700	2,018	-	-	2,018	5,718	-
Dominican Republic	232,731	67,036	165,695	90,187	-	-	90,187	255,882	-
Ecuador	217	217	-	87,565	-	87,565	-	-	-

States Parties	Outstanding as at 31 December 2014			Assessed	Credits from 2014			Total outstanding	Receipts relating to 2016
	Collections	Outstanding			Collections	Outstanding			
	Prior years			2015					
Estonia	-	-	-	79,859	-	79,859	-	-	-
Fiji	-	-	-	6,054	-	6,054	-	-	943
Finland	-	-	-	1,027,114	-	1,027,114	-	-	-
France	-	-	-	11,211,620	-	11,211,620	-	-	8
Gabon	37,744	-	37,744	39,937	-	-	39,937	77,681	-
Gambia	1,898	1,898	-	2,018	-	2,018	-	-	-
Georgia	-	-	-	13,840	-	13,840	-	-	-
Germany	-	-	-	14,314,824	-	14,314,824	-	-	15
Ghana	-	-	-	28,002	28,002	-	-	-	8,589
Greece	-	-	-	1,278,896	21,856	1,257,040	-	-	-
Grenada	5,944	1,777	4,167	2,018	-	-	2,018	6,185	-
Guatemala	53,314	53,314	-	54,113	-	3,458	50,655	50,655	-
Guinea	9,730	1,900	7,830	2,018	-	-	2,018	9,848	-
Guyana	-	-	-	2,018	2,018	-	-	-	3,683
Honduras	1,918	1,918	-	16,019	-	7,623	8,396	8,396	-
Hungary	-	-	-	527,389	1,347	526,042	-	-	1,363
Iceland	-	-	-	53,423	-	53,423	-	-	-
Ireland	-	-	-	836,078	14,320	821,758	-	-	-
Italy	-	-	-	8,802,823	-	8,802,823	-	-	8
Japan	-	-	-	21,711,758	-	21,711,758	-	-	4,244
Jordan	-	-	-	43,863	373	43,490	-	-	-
Kenya	-	-	-	26,110	-	26,110	-	-	1,008
Latvia	-	-	-	93,794	-	93,794	-	-	-
Lesotho	-	-	-	2,018	1,268	-	750	750	-
Liberia	5,228	5,228	-	2,018	-	230	1,788	1,788	-
Liechtenstein	-	-	-	17,808	-	17,808	-	-	-
Lithuania	-	-	-	145,583	-	145,583	-	-	169,166
Luxembourg	-	-	-	160,279	-	160,279	-	-	-
Madagascar	-	-	-	6,054	6,054	-	-	-	10,791
Malawi	8,995	-	8,995	4,036	-	-	4,036	13,031	-
Maldives	169	-	169	2,018	-	-	2,018	2,187	-
Mali	7,599	-	7,599	8,073	-	-	8,073	15,672	-
Malta	-	-	-	31,647	-	31,647	-	-	-
Marshall Islands	9,010	9,010	-	2,018	-	984	1,034	1,034	-
Mauritius	-	-	-	25,791	-	25,791	-	-	-
Mexico	-	-	-	3,645,459	-	8	3,645,451	3,645,451	-
Mongolia	-	-	-	6,024	103	5,921	-	-	-
Montenegro	-	-	-	9,906	-	9,906	-	-	-
Namibia	18,880	18,880	-	19,828	-	19,828	-	-	-
Nauru	1,985	1,985	-	2,018	-	2,018	-	-	-
Netherlands	-	-	-	3,273,367	-	3,273,367	-	-	8
New Zealand	-	-	-	507,194	-	507,194	-	-	-
Niger	17,889	-	17,889	4,036	-	-	4,036	21,925	-
Nigeria	98,051	-	98,051	180,375	-	-	180,375	278,426	-
Norway	-	-	-	1,705,867	-	1,705,867	-	-	-

States Parties	Outstanding as at 31 December 2014				Credits from 2014			Total outstanding	Receipts relating to 2016
	Collections	Outstanding	Assessed	Collections	Outstanding	Outstanding			
	Prior years				2015				
Panama	-	-	-	51,565	27	-	51,538	51,538	-
Paraguay	18,981	15,578	3,403	20,056	-	-	20,056	23,459	-
Peru	9,401	9,401	-	234,487	-	221,032	13,455	13,455	-
Philippines	-	-	-	306,810	-	306,810	-	-	26
Poland	-	-	-	1,846,257	-	1,846,257	-	-	-
Portugal	-	-	-	938,076	52,334	885,742	-	-	-
Republic of Korea	-	-	-	3,992,121	-	3,992,121	-	-	-
Republic of Moldova	-	-	-	6,041	-	6,041	-	-	-
Romania	-	-	-	453,082	-	453,082	-	-	-
Saint Kitts and Nevis	-	-	-	2,018	-	-	2,018	2,018	-
Saint Lucia	30	30	-	2,018	-	2,018	-	-	58
Saint Vincent and the Grenadines	5,303	-	5,303	2,018	-	-	2,018	7,321	-
Samoa	-	-	-	1,994	-	1,994	-	-	-
San Marino	-	-	-	5,983	-	5,983	-	-	-
Senegal	-	-	-	11,983	-	11,983	-	-	-
Serbia	-	-	-	79,724	-	79,724	-	-	711
Seychelles	-	-	-	2,018	-	2,018	-	-	-
Sierra Leone	5,913	5,913	-	2,018	-	2,018	-	-	6,609
Slovakia	-	-	-	341,348	-	341,348	-	-	-
Slovenia	-	-	-	200,430	-	85,372	115,058	115,058	-
South Africa	-	-	-	738,837	-	738,837	-	-	-
Spain	-	-	-	5,883,741	-	5,883,741	-	-	8
State of Palestine	-	-	-	7,970	-	7,970	-	-	-
Suriname	-	-	-	8,049	-	-	8,049	8,049	-
Sweden	-	-	-	1,899,937	-	1,899,937	-	-	7
Switzerland	-	-	-	2,072,036	-	2,072,036	-	-	-
Tajikistan	3,089	3,089	-	6,054	-	2,611	3,443	3,443	-
The former Yugoslav Republic of Macedonia	17,761	17,761	-	16,019	-	204	15,815	15,815	-
Timor-Leste	-	-	-	4,013	3,852	161	-	-	147
Trinidad and Tobago	-	-	-	87,446	-	87,446	-	-	-
Tunisia	-	-	-	72,150	-	71,986	164	164	-
Uganda	21,874	-	21,874	11,983	-	-	11,983	33,857	-
United Kingdom	-	-	-	10,379,778	177,424	10,202,354	-	-	28,134
United Republic of Tanzania	47,514	-	47,514	12,614	-	-	12,614	60,128	-
Uruguay	50,408	50,408	-	104,189	-	104,189	-	-	-
Vanuatu	5,173	-	5,173	2,018	-	-	2,018	7,191	-
Venezuela	2,122,901	-	2,122,901	1,256,822	-	-	1,256,822	3,379,723	-
Zambia	-	-	-	11,983	-	11,983	-	-	-
<i>Rounding difference</i>				5		5			
Total (123 States Parties)	14,489,260	6,342,653	8,146,607	125,597,640	338,411	112,620,162	12,639,067	20,785,674	279,533

Schedule 2

International Criminal Court Status of Working Capital Fund and Contingency Fund as at 31 December 2015 (in euros)

<i>Status of Working Capital Fund</i>	2015	2014
Balance at beginning of financial period	7,286,473	7,285,093
Refunds to States Parties	(581)	-
Receipts from States Parties	119,696	1,380
Withdrawals	(5,790,464)	-
Balance as at 31 December	1,615,124	7,286,473
Established level	7,405,983	7,405,983
Due from States Parties (Schedule 3)	(395)	119,510
Withdrawals	(5,790,464)	-
Balance as at 31 December	1,615,124	7,286,473
<i>Status of Contingency Fund</i>	2015	2014
Balance at beginning of financial period	7,468,427	7,462,950
Refunds to States Parties	-	-
Receipts from States Parties	25,450	5,477
Withdrawals	(1,708,954)	-
Balance as at 31 December	5,784,923	7,468,427
Established level	7,000,000	7,000,000
Due from States Parties (Schedule 4)	6,123	31,573

Schedule 3

International Criminal Court Status of advances to the Working Capital Fund as at 31 December 2015 (in euros)

<i>States Parties</i>	<i>2015 Scale of assessment</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>
Afghanistan	0.0079	585	585	-
Albania	0.0159	1,178	1,178	-
Andorra	0.0127	941	941	-
Antigua and Barbuda	0.0032	237	237	-
Argentina	0.6865	50,842	50,842	-
Australia	3.2960	244,101	244,101	-
Austria	1.2682	93,923	93,923	-
Bangladesh	0.0100	741	741	-
Barbados	0.0127	941	941	-
Belgium	1.5860	117,459	117,459	-
Belize	0.0016	118	118	-
Benin	0.0048	355	355	-
Bolivia	0.0143	1,059	1,059	-
Bosnia and Herzegovina	0.0270	2,000	2,000	-
Botswana	0.0254	1,881	1,881	-

<i>States Parties</i>	<i>2015 Scale of assessment</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>
Brazil	4.6627	345,319	345,319	-
Bulgaria	0.0747	5,532	5,532	-
Burkina Faso	0.0048	355	355	-
Burundi	0.0016	118	118	-
Cabo Verde	0.0016	118	118	-
Cambodia	0.0064	474	474	-
Canada	4.7422	351,207	351,207	-
Central African Republic	0.0016	118	118	-
Chad	0.0032	237	237	-
Chile	0.5308	39,311	39,311	-
Colombia	0.4116	30,483	30,483	-
Comoros	0.0016	118	118	-
Congo	0.0079	585	420	165
Cook Islands	0.0016	118	118	-
Costa Rica	0.0604	4,473	4,473	-
Côte d'Ivoire	0.0175	1,296	1,296	-
Croatia	0.2002	14,827	14,827	-
Cyprus	0.0747	5,532	5,532	-
Czech Republic	0.6134	45,428	45,428	-
Democratic Republic of the Congo	0.0048	355	355	-
Denmark	1.0727	79,444	79,444	-
Djibouti	0.0016	118	118	-
Dominica	0.0016	118	118	-
Dominican Republic	0.0715	5,295	5,295	-
Ecuador	0.0699	5,177	5,177	-
Estonia	0.0636	4,710	4,710	-
Fiji	0.0048	355	355	-
Finland	0.8248	61,085	61,085	-
France	8.8884	658,273	658,273	-
Gabon	0.0318	2,355	2,355	-
Gambia	0.0016	118	118	-
Georgia	0.0111	822	822	-
Germany	11.3485	840,468	840,468	-
Ghana	0.0222	1,644	1,644	-
Greece	1.0139	75,089	75,089	-
Grenada	0.0016	118	118	-
Guatemala	0.0429	3,177	3,177	-
Guinea	0.0016	118	118	-
Guyana	0.0016	118	118	-
Honduras	0.0127	941	941	-
Hungary	0.4227	31,305	31,305	-
Iceland	0.0429	3,177	3,177	-
Ireland	0.6643	49,198	49,198	-
Italy	7.0688	523,514	523,514	-
Japan	17.2126	1,274,762	1,274,762	-
Jordan	0.0350	2,592	2,592	-
Kenya	0.0207	1,533	1,533	-
Latvia	0.0747	5,532	5,532	-
Lesotho	0.0016	118	118	-
Liberia	0.0016	118	118	-
Liechtenstein	0.0143	1,059	1,059	-
Lithuania	0.1160	8,591	8,591	-
Luxembourg	0.1287	9,532	9,532	-
Madagascar	0.0048	355	355	-
Malawi	0.0032	237	140	97

<i>States Parties</i>	<i>2015 Scale of assessment</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>
Maldives	0.0016	118	118	-
Mali	0.0064	474	474	-
Malta	0.0254	1,881	1,881	-
Marshall Islands	0.0016	118	118	-
Mauritius	0.0207	1,533	1,533	-
Mexico	2.9273	216,795	216,795	-
Mongolia	0.0048	355	355	-
Montenegro	0.0079	585	585	-
Namibia	0.0159	1,178	1,178	-
Nauru	0.0016	118	118	-
Netherlands	2.6285	194,666	194,666	-
New Zealand	0.4021	29,779	29,779	-
Niger	0.0032	237	222	15
Nigeria	0.1430	10,591	10,591	-
Norway	1.3524	100,159	100,159	-
Panama	0.0413	3,059	3,059	-
Paraguay	0.0159	1,178	1,178	-
Peru	0.1859	13,768	13,768	-
Philippines	0.2447	18,122	18,122	-
Poland	1.4637	108,401	108,401	-
Portugal	0.7533	55,789	55,789	-
Republic of Korea	3.1689	234,688	234,688	-
Republic of Moldova	0.0048	355	355	-
Romania	0.3592	26,602	26,602	-
Saint Kitts and Nevis	0.0016	118	118	-
Saint Lucia	0.0016	118	118	-
Saint Vincent and the Grenadines	0.0016	118	118	-
Samoa	0.0016	118	118	-
San Marino	0.0048	355	355	-
Senegal	0.0095	704	704	-
Serbia	0.0636	4,710	4,710	-
Seychelles	0.0016	118	118	-
Sierra Leone	0.0016	118	118	-
Slovakia	0.2718	20,129	20,129	-
Slovenia	0.1589	11,768	11,768	-
South Africa	0.5912	43,784	43,784	-
Spain	4.7247	349,910	349,910	-
State of Palestine	0.0079	585	585	-
Suriname	0.0064	474	474	-
Sweden	1.5256	112,986	112,986	-
Switzerland	1.6639	123,228	123,228	-
Tajikistan	0.0048	355	355	-
The former Yugoslav Republic of Macedonia	0.0127	941	941	-
Timor-Leste	0.0032	237	237	-
Trinidad and Tobago	0.0699	5,177	5,177	-
Tunisia	0.0572	4,236	4,236	-
Uganda	0.0095	704	704	-
United Kingdom	8.2289	609,431	609,431	-
United Republic of Tanzania	0.0100	741	741	-
Uruguay	0.0826	6,117	6,117	-
Vanuatu	0.0016	118	-	118
Venezuela	0.9964	73,793	73,793	-
Zambia	0.0095	704	704	-
<i>Rounding difference</i>		8	8	-
Total (123 States Parties)	100.00	7,405,983	7,405,588	395

Schedule 4

International Criminal Court Status of contributions to the Contingency Fund for 2015 (in euros)

<i>States Parties</i>	<i>Outstanding as at 31 December 2014</i>	<i>Replenishment of Contingency Fund</i>	<i>Collections</i>	<i>Outstanding as at 31 December 2015</i>
Afghanistan	-	-	-	-
Albania	-	-	-	-
Andorra	-	-	-	-
Antigua and Barbuda	-	-	-	-
Argentina	-	-	-	-
Australia	-	-	-	-
Austria	-	-	-	-
Bangladesh	-	-	-	-
Barbados	-	-	-	-
Belgium	-	-	-	-
Belize	-	-	-	-
Benin	24	-	-	24
Bolivia	-	-	-	-
Bosnia and Herzegovina	-	-	-	-
Botswana	-	-	-	-
Brazil	23,316	-	23,316	-
Bulgaria	-	-	-	-
Burkina Faso	-	-	-	-
Burundi	-	-	-	-
Cabo Verde	-	-	-	-
Cambodia	-	-	-	-
Canada	-	-	-	-
Central African Republic	-	-	-	-
Chad	16	-	16	-
Chile	-	-	-	-
Colombia	-	-	-	-
Comoros	46	-	-	46
Congo	73	-	-	73
Cook Islands	-	-	-	-
Costa Rica	-	-	-	-
Côte d'Ivoire	-	-	-	-
Croatia	-	-	-	-
Cyprus	-	-	-	-
Czech Republic	-	-	-	-
Democratic Republic of the Congo	-	-	-	-
Denmark	-	-	-	-
Djibouti	-	-	-	-
Dominica	46	-	38	8
Dominican Republic	1,955	-	1,597	358
Ecuador	-	-	-	-
Estonia	-	-	-	-
Fiji	-	-	-	-
Finland	-	-	-	-
France	-	-	-	-
Gabon	-	-	-	-
Gambia	-	-	-	-
Georgia	-	-	-	-
Germany	-	-	-	-
Ghana	-	-	-	-
Greece	-	-	-	-
Grenada	24	-	16	8
Guatemala	215	-	215	-
Guinea	84	-	-	84
Guyana	-	-	-	-
Honduras	-	-	-	-
Hungary	-	-	-	-
Iceland	-	-	-	-
Ireland	-	-	-	-
Italy	-	-	-	-

<i>States Parties</i>	<i>Outstanding as at 31 December 2014</i>	<i>Replenishment of Contingency Fund</i>	<i>Collections</i>	<i>Outstanding as at 31 December 2015</i>
Japan	-	-	-	-
Jordan	-	-	-	-
Kenya	-	-	-	-
Latvia	-	-	-	-
Lesotho	-	-	-	-
Liberia	8	-	8	-
Liechtenstein	-	-	-	-
Lithuania	-	-	-	-
Luxembourg	-	-	-	-
Madagascar	-	-	-	-
Malawi	26	-	-	26
Maldives	-	-	-	-
Mali	-	-	-	-
Malta	-	-	-	-
Marshall Islands	46	-	46	-
Mauritius	-	-	-	-
Mexico	-	-	-	-
Mongolia	-	-	-	-
Montenegro	-	-	-	-
Namibia	-	-	-	-
Nauru	8	-	8	-
Netherlands	-	-	-	-
New Zealand	-	-	-	-
Niger	92	-	-	92
Nigeria	-	-	-	-
Norway	-	-	-	-
Panama	-	-	-	-
Paraguay	80	-	80	-
Peru	-	-	-	-
Philippines	-	-	-	-
Poland	-	-	-	-
Portugal	-	-	-	-
Republic of Korea	-	-	-	-
Republic of Moldova	-	-	-	-
Romania	-	-	-	-
Saint Kitts and Nevis	-	-	-	-
Saint Lucia	-	-	-	-
Saint Vincent and the Grenadines	11	-	-	11
Samoa	-	-	-	-
San Marino	-	-	-	-
Senegal	-	-	-	-
Serbia	-	-	-	-
Seychelles	-	-	-	-
Sierra Leone	46	-	46	-
Slovakia	-	-	-	-
Slovenia	-	-	-	-
South Africa	-	-	-	-
Spain	-	-	-	-
State of Palestine	-	-	-	-
Suriname	-	-	-	-
Sweden	-	-	-	-
Switzerland	-	-	-	-
Tajikistan	-	-	-	-
The former Yugoslav Republic of Macedonia	64	-	64	-
Timor-Leste	-	-	-	-
Trinidad and Tobago	-	-	-	-
Tunisia	-	-	-	-
Uganda	48	-	-	48
United Kingdom	-	-	-	-
United Republic of Tanzania	354	-	-	354
Uruguay	-	-	-	-
Vanuatu	8	-	-	8
Venezuela	4,983	-	-	4,983
Zambia	-	-	-	-
Total (123 States Parties)	31,573	-	25,450	6,123

Schedule 5

International Criminal Court¹ Status of cash surplus as at 31 December 2015 (in euros)

<i>Current year</i>	<i>2015</i>	<i>2014</i>
Credits		
Receipts of assessed contributions	112,958,573	110,671,643
Receipts of voluntary contributions	2,822,142	2,962,927
Receipts of miscellaneous income	593,278	2,609,652
Adjustment of 2015 Assessed Contributions (ICC-ASP/13/Res.1)	2,068,000	-
	118,441,993	116,244,222
Charges		
Disbursed expenditures	126,865,432	113,949,003
Unliquidated obligations	4,440,901	4,347,077
Provision for US Tax liability	122,996	28,000
Provision for doubtful debt	443,800	514,015
Provision for ILOAT cases	-	393,443
Provision for termination benefits	116,930	472,534
Accrual for annual leave and relocation allowance for Judges	203,000	65,869
	132,193,059	119,769,941
Prior year's cash deficit	-	(2,269,012)
Contingency Fund withdrawal (Schedule 2)	1,708,954	-
Provisional cash surplus/(deficit)	(12,042,112)	(5,794,731)
Disposition of prior year's provisional surplus/(deficit)		
Prior year's provisional surplus/(deficit)	(5,794,731)	(4,644,724)
Plus: receipt of prior period contributions and other income	6,432,115	1,038,315
Savings on, or cancellation of, prior period obligations	1,525,636	1,627,397
Disbursement of 2013 IPSAS surplus during 2014	-	(290,000)
Prior year's cash surplus/(deficit)	2,163,020	(2,269,012)
Adjustment of 2015 Assessed Contributions (ICC-ASP/13/Res.1)	(2,068,000)	-
Prior year's cash surplus/(deficit) after adjustment	95,020	(2,269,012)
Reconciliation of provisional surplus/(deficit) to budget surplus/(deficit)		
Provisional cash surplus/(deficit)	(12,042,112)	(3,525,719)
Assessed contributions receivables	12,639,067	8,034,207
Voluntary contributions	177,858	(12,577)
Miscellaneous income receipts	(593,278)	(2,609,652)
Increase in budget due to contingency fund notification	6,264,000	3,815,000
Contingency Fund Withdrawal	(1,708,954)	-
Budget surplus/(deficit) (Statement V)	4,736,581	5,701,259

¹ includes Major Program VI: Secretariat of the Trust Fund for Victims.

Schedule 6

International Criminal Court Status of voluntary contributions as at 31 December 2015 (in euros)

<i>Project</i>	<i>Contributor</i>	<i>Contributions Received</i>	<i>Refunds to donors</i>
General trust fund	Republic of Korea	39,496	-
<i>Sub-total</i>		39,496	-
Building legal expertise and fostering cooperation, 2013-2014	European Commission	(473)	-
<i>Sub-total</i>		(473)	-
Building legal expertise and fostering cooperation, 2015-2016	European Commission	850,000	-
	Norway	25,000	-
	Finland	3,412	-
	Organisation internationale de la Francophonie	16,000	-
	Netherlands	5,116	-
<i>Sub-total</i>		899,528	-
Special fund for relocations	Luxembourg	20,000	-
	Australia	205,890	-
	Netherlands	175,000	-
<i>Sub-total</i>		400,890	-
Focal Point Seminar, 2014	Finland	-	3,412.00
	Netherlands	-	5,116.00
<i>Sub-total</i>		-	8,528.00
Least developed countries	Finland	25,000	-
	Australia	25,445	-
	Poland	5,000	-
	Ireland	5,000	-
<i>Sub-total</i>		60,445	-
Total voluntary contributions		1,399,886	8,528

General description and purpose of 2015 trust funds disclosed in Schedules 6 and 7:

The *General trust fund* relates to various projects, implementation of which was on hold during 2015.

Contracts with the European Commission and other donors on *Building legal expertise and fostering cooperation* were used to organize High-Level Seminars for Fostering Cooperation in San José (Costa Rica), Gaborone (Botswana) and Bucharest (Romania) to increase cooperation with the Court by enhancing knowledge of the cooperation regime among invitees, clarify misconceptions about the Court, and reinforce high-level and technical-level contacts and partnerships between the Court and key interlocutors. The cooperation seminars cover a number of important issues, including witness protection, State cooperation during the Court's investigations, national capacity building, various types of voluntary agreements, implementing legislation, as well as the benefits of joining the Rome Statute system. Building on the many years of continuing dialogue between the Court and the legal profession, the Court also held its second sub-regional Seminar of Counsel and the Legal Profession in Arusha (Tanzania) in February 2016, with the overall

objective of strengthening cooperation with the Court, having an avenue for lawyers to network with their peers, and increasing the number of lawyers on the Lists or their capacity to swiftly intervene in proceedings at the opportune moment. An interactive Roundtable on the topic “freezing of assets” was organized at the seat of the Court in October 2015, allowing for a direct exchange between the Court and representatives from States and other entities with a focus on practitioners involved in financial investigations. The second Roundtable for Situation Country Focal Points was organized at the seat of the Court in November 2015, enabling a direct exchange of views and experiences between the relevant staff of the Court and primary cooperation interlocutors in the situation countries, building on the experiences of the first Roundtable held in 2014. The fourth Technical Joint Seminar between the Court and the African Union (AU), which took place in Addis Ababa (Ethiopia), offered an important opportunity to continue the momentum gained from the first three joint seminars in 2011, 2012 and 2014 and to renew dialogue with the AU.

The overall objective of the Legal Tools sub-project is to facilitate development of the capacity to investigate, prosecute and adjudicate core international crimes cases at the national level. The Legal Tools have therefore been designed to assist legal professionals to work more effectively and proficiently on core international crimes as enshrined in the Rome Statute and relevant national legislation, by providing (a) free access to legal information on international criminal law, legal digests of such information, and specialized software to work with such law; and (b) training, coaching and a help desk service. In the 2015 project period, (1) five sets of preparatory works were included in the ICC Legal Tools Database (including for the 1948 Genocide Convention, the 1949 Geneva Conventions and the 1977 Additional Protocols); (2) the Database grew to more than 102,700 documents; (3) there were 3,109,049 hits and 67,974 visits to the Database, with, for example, more than 800,000 hits from China (generally speaking, between 155,523 and 429,073 hits per month, from between 2,204 and 3,498 unique monthly visitors); (4) there were more than 650 registered users of the ICC Case Matrix; (5) Ain Shams University (Egypt), the Universities of Cape Town and KwaZulu-Natal (RSA), Aoyama Gakuin University (Japan), the National University of Singapore Faculty of Law, Stanford University WSD Handa Center for Human Rights and International Justice, and Peking University Law School joined as new external Project partners; and (6) five Project-related films were produced and made publicly available online (Introduction to the ICC Legal Tools (Emilie Hunter), How to use the ICC Legal Tools (Emilie Hunter), On Legal Tools Database Search (Ilia Utmelidze), On CLICC (Mark Klamberg), and an interview with Morten Bergsmo on open access.

The 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. This Special Fund receives voluntary contributions from States Parties.

The (East-Asian and Pacific) Regional Seminar, originally planned in Phnom Penh (Cambodia) was on hold during 2015 and might take place in another francophone country in the region.

The Family visit for indigent detainees fund was established within the Registry by the Assembly in its resolution ICC-ASP/8/Res.4. The purpose is to fund family visits for indigent detainees through voluntary contributions.

The Least Developed Countries trust fund was established by ICC-ASP/2/Res. 6 and amended by ICC-ASP/4/Res.4. It 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.

Schedule 7

International Criminal Court Status of trust funds as at 31 December 2015 (in euros)

<i>Trust Fund</i>	<i>Balances brought forward</i>	<i>Contributions</i>	<i>Expenditures</i>	<i>Interest</i>	<i>Refunds to donors</i>	<i>Transfer to General Fund</i>	<i>Balance carried forward</i>
General trust fund	61,812	39,496	1	188	-	825	100,670
Building legal expertise and fostering cooperation, 2013-2014	4,288	(473)	(5,779)	-	-	9,594	-
Building legal expertise and fostering cooperation, 2015-2016	-	899,528	553,014	-	-	-	346,514
Special fund for relocations	842,183	400,890	265,512	2,844	-	-	980,405
Regional seminar	62,256	-	-	189	-	-	62,445
Focal points seminar, 2014	10,889	-	-	-	8,528	-	2,361
Family visits for indigent detainees	19,439	-	9,625	59	-	-	9,873
Least developed countries	14,455	60,445	58,706	67	-	-	16,261
Total	1,015,322	1,399,886	881,079	3,347	8,528	10,419	1,518,529

Schedule 8

International Criminal Court One-time payments to the Permanent Premises Project from States Parties (in euros)

<i>States Parties</i>	<i>Prior years</i>	<i>2015</i>	<i>Total</i>
Albania	24,645	-	24,645
Andorra	18,305	1,380	19,685
Antigua and Barbuda	1,741	-	1,741
Argentina	743,641	325,194	1,068,835
Australia	5,108,955	-	5,108,955
Barbados	19,685	-	19,685
Bolivia	13,729	8,436	22,165
Bosnia and Herzegovina	41,850	-	41,850
Burkina Faso	4,576	-	4,576
Cambodia	2,288	-	2,288
Canada	7,350,410	-	7,350,410
Chad	2,281	-	2,281
Chile	822,740	-	822,740
Colombia	239,532	398,448	637,980
Costa Rica	73,989	19,631	93,620
Cyprus	-	115,785	115,785
Czech Republic	642,963	307,807	950,770
Democratic Republic of the Congo	6,864	-	6,864
Denmark	858,139	804,546	1,662,685
Ecuador	108,345	-	108,345

<i>States Parties</i>	<i>Prior years</i>	<i>2015</i>	<i>Total</i>
Estonia	67,540	31,040	98,580
Finland	1,290,503	-	1,290,503
Gabon	18,220	-	18,220
Georgia	17,205	-	17,205
Germany	9,500,000	8,090,485	17,590,485
Greece	-	1,571,545	1,571,545
Hungary	558,303	-	558,303
Iceland	84,661	-	84,661
Ireland	1,039,355	(9,690)	1,029,665
Italy	11,621,392	-	11,621,392
Jordan	54,250	-	54,250
Latvia	41,483	-	41,483
Liechtenstein	22,881	-	22,881
Lithuania	70,932	108,868	179,800
Luxembourg	199,485	-	199,485
Malta	39,370	-	39,370
Mauritius	32,085	-	32,085
Mexico	5,164,300	-	5,164,300
Mongolia	7,440	-	7,440
Montenegro	12,245	-	12,245
Namibia	24,645	-	24,645
Netherlands	4,272,802	3,500,000	7,772,802
Panama	51,038	-	51,038
Philippines	177,938	201,475	379,413
Poland	2,268,735	-	2,268,735
Portugal	1,205,842	-	1,205,842
Republic of Korea	675,567	238,000	913,567
Republic of Moldova	7,440	-	7,440
Romania	-	556,760	556,760
Samoa	2,288	192	2,480
San Marino	6,864	576	7,440
Serbia	48,051	7,000	55,051
Slovakia	143,804	277,486	421,290
Slovenia	-	246,295	246,295
South Africa	663,557	252,803	916,360
Spain	7,323,898	-	7,323,898
Suriname	2,281	-	2,281
Sweden	2,450,583	-	2,450,583
Switzerland	2,774,014	-	2,774,014
Timor-Leste	2,226	2,701	4,927
Trinidad and Tobago	108,345	-	108,345
United Kingdom	-	12,757,430	12,757,430
Total one-time payments received	68,136,246	29,814,193	97,950,439

Audit report on the financial statements of the International Criminal Court - Financial year ended 31 December 2015

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I. Audit objectives, scope, and approach

1. We have audited the financial statements of the International Criminal Court (ICC) in accordance with International Standards on Auditing (ISA) and in accordance with Regulation 12 of its Financial Regulations and Rules, including the additional terms of reference governing the audit.

2. The overall objective of an audit of financial statements is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with IPSASs.¹

3. The additional terms of reference governing the audit of the International Criminal Court, disclosed in the annex 6.(c) to the Financial Regulations and Rules lists other matters, which the Auditor considers that should be brought to the notice of the Assembly of States Parties, such as wasteful or improper expenditure of the Court's money and other assets, and expenditure not in accordance with the intention of the Assembly of States Parties.

4. The Financial Statements prepared in accordance with IPSAS standards include a statement of financial position, a statement of financial performance, a statement of changes in net assets/equity, a statement of cash flows, a statement of comparison of budget and actual amounts and other information and notes for the financial year ending at 31 December 2015.

¹ International Public Sector Accounting Standards .

5. A set of eight schedules presenting some additional information outside of the scope of this audit, have been added by the Organisation in an annex to the Financial Statements.
6. The audit engagement comprised two phases:
 - (a) An interim audit focusing on internal controls (from 11 to 22 January 2016);
 - (b) A final audit focusing on the financial statements and IPSAS disclosure requirements (from 23 May to 10 June 2016).
7. Findings and recommendations have been discussed with the Registrar and his team. The final meeting with the Registrar, the Director of the Division of Management Services, the Chief of Finance Section and all the Heads of units relating to technical points raised during the audit, took place on 10 June 2016.
8. We issue a **qualified opinion** on the financial statements of the International Criminal Court for the financial year ended 31 December 2015.

II. Summary of recommendations

Recommendation no. 1. The External Auditor recommends that the human resources section (i) set up a way to monitor the average workforce size to facilitate the comparison between the average workforce and the staffing tables of the budget and (ii) reconcile the various payroll files to determine the workforce number with certainty.

Recommendation no. 2. The External Auditor recommends reclassifying expenditures for individual contractors and consultants to “Expenses for contractual services” on the financial statements for easier reading.

Recommendation no. 3. In order to gain better visibility on capital replacement expenditures to be made and anticipate them in the budget, the External Auditor recommends that the ICC first finalize as soon as possible a reliable maintenance plan, and subsequently(ii) review the breakdown of components to align it with the projected maintenance and capital replacement plan and appropriately distinguish between the components.

Recommendation no. 4. In order to ensure regular monitoring of repayment of the loan, the External Auditor recommends that the ICC agree with the host State on a loan repayment schedule detailing the amortised principal, interest, and annuities payable, which will be validated by both parties.

Recommendation no. 5. In order to improve the budgetary monitoring of all the segment reporting of the ICC, the External Auditor recommends to revise the SAP Enterprise Resource Planning configuration by establishing an additional fund field mandatory which indicates for each entry recorded if the entry has a budgetary impact or an accounting impact.

Recommendation no. 6. In order to ensure effective and efficient internal control, the External Auditor recommends that the ICC complete the full deployment of the information system to prepare financial statements according to IPSASs and ensure the stability and reinforcement of the accounting function.

III. Follow-up on previous recommendations

9. The External Auditor reviewed the implementation of the recommendations made during audits of the financial statements of previous financial years but not yet implemented as at the date of the engagement.

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Implemented</i>	<i>Partially implemented</i>	<i>Not implemented</i>
2014/1	Repayment of cash surpluses to States Parties:	In order to improve the International Criminal Court's overall financial stability, the External Auditor recommends that articles 4.7 and 5.4 of the Financial Regulations and Rules concerning the financial management of cash surpluses be modified in order to align these with best practices among international organisations. Cash surpluses should no longer be systematically "surrendered" to States Parties and should rather be credited to a reserve account recorded as part of retained earnings.			X
2014/2	Reserving of funds for costs of legal assistance and replacement of fixed assets	In order to improve the International Criminal Court's budget predictability, the financial management of legal aid costs and capital replacement items and increase the overall financial stability, the External Auditor recommends that two reserves be created as part of retained earnings under the authority of the Assembly of States Parties, to cover for the un-predictableness of legal aid costs and the long-term nature of capital replacement costs for the permanent premises.			X
2013/1	Provision for doubtful debt and monies received from accused	In order to clarify the decision-making process over the treatment of monies received as part of seized assets, the External Auditor recommends that the Court set a formal guideline, which details the process for handling the funds received along the different phases of the judicial process, setting out roles and responsibilities within the Court system. This guideline will form the basis for an appropriate accounting and budgeting treatment.		X	
2013/4	Budgeting for temporary assistance of a long-term and short term nature	<p>To ensure that the budget is presented in a way that allows States Parties to approve temporary positions that have been renewed over long periods of time and that are therefore of a more long term nature, whilst respecting the flexibility required by the nature of the Court's operations, the External Auditor recommends modifying the way General Temporary Assistance (GTA) is budgeted, by establishing two separate budget headings, one related to temporary positions of a long-term nature (Long-term Assistance - LTAs); the other relating to short-term temporary assistance (STAs). The LTA budget heading would be estimated by listing the required positions detailed in the narrative of the approved budgets. The STA budget, of a highly flexible nature, would be estimated on a lump-sum basis, calculated as a percentage of staff costs, and compared to previous actual expenditure on an annual basis.</p> <p>Furthermore, the External Auditor recommends that the Court summarise in a table all long-term assistance (LTA) positions currently described narratively throughout the approved budget as it is done for the staff under established post. Thereby States Parties could approve a total of core staff members, made up of established posts and long-term assistance positions.</p> <p>Finally, given that Consultants are deemed not to carry out activities similar to that of a staff member, the External Auditor recommends removing the Consultants budget heading from the "other staff" category and include it within the "non-staff" category.</p>	X		
2013/5	Establishing rules for staff and individual contractors under contracts of a short-term nature	The External auditor recommends establishing a policy with a set of rules for all the short-term contracts. These should cover short-term appointments and individuals with Special services agreements (SSA) who carry out duties similar to a staff member. These rules should allow for minimal agreement by the Human Resources Section, in order to minimize the potential risk of nepotism and avoid any favouritism in the recruitment process.		X	
Total number of outstanding recommendations: 5			1	2	2

10. Recommendations 2014-1 and 2014-2 are considered dropped, as they were not adopted by the Assembly of States Parties on the advice of the Committee on Budget and Finance (CBF).

11. Recommendation 2013-1 is considered partially implemented, given the ongoing preparation of this directive by the ICC's legal departments. The legal departments should first identify the different cases in which the Court may receive funds by asset seizure within the legal framework of intervention. Thereafter, based on previous experience, it is envisaged to develop the current procedure for treating funds collected during the various phases of the judicial process and the definition of roles and responsibility within the Court.

12. Recommendation 2013-4 is considered implemented. In order to manage resources optimally, the ICC has created a new type of agreement – short-term appointment – through a new administrative instruction issued in January 2016. This instruction provides that these appointments must not be used for needs of more than one year. Any need exceeding one year is filled through General Temporary Assistance positions. The budget presentation was adapted to distinguish Long-Term Assistance functions on a line.

13. Recommendation 2013-5 is considered partially implemented following the new instruction on short-term appointments issued in January 2016. Regarding the new administrative instruction issued on consultants and individual contractors in 2016, the External Auditor will be able to analyse its effects in the next financial audit.

14. The follow-up on recommendations relating to the audit on cash reserves (ICC-2015-6) is appended to this report.

IV. Financial situation overview

15. Total assets represented €281,476 thousand in 2015 compared with €252,871 thousand in 2014, an increase of nearly €28,605 thousand (11.31 per cent). This increase is particularly due to the finalisation of the permanent premises project over the year, which also resulted in an overall decline in cash and cash equivalents of €33,667 thousand in connection with the payment of the project's service providers. The amounts in cash and cash equivalents correspond to immediately available funds or deposits.

16. Accounts receivables and other receivables totalled €2,932 thousand. They mainly relate to receivables from States Parties as well as receivables from the host State for the reimbursement of taxes paid. Receivables for contributions of States Parties totalled €20,786 thousand of which 89 per cent were for Brazil, Mexico and Venezuela. As at the date of this audit, most of the receivables had not been recovered. In accordance with IPSAS 19, receivables presenting a risk of non-payment were fully impaired.

17. Property, plant and equipment represented €208,570 thousand, or 74 per cent of assets. The permanent premises were capitalised for a total of €205,497 thousand, including the cost of the land and construction costs.

18. The land on which the permanent premises were built is the subject to a provision agreement by the host State without consideration, valued at €9,741 thousand. The new permanent premises were recognised on the balance sheet for a gross value of €195,756 thousand.

19. Reimbursement rights correspond to the Allianz fund contributed to by the Court in order to cover the after-service pensions of judges.

20. Liabilities are mainly debts to suppliers, employees, and the host State for the loan to finance the permanent premises. They also include identified risks as regards provisions for contingencies and losses (provisions).

21. The balances of accounts payable mainly consist of the amounts to be paid in relation to the permanent premises project for €6,071 thousand. Those relating to the Court's operation amounted to €4,782 thousand.

22. “Provisions for contingencies and losses” are divided between current liabilities and non-current liabilities. This distinction is based primarily on when the provisioned amounts² are due for payment. The provision for losses mainly consists of amounts (€1,756 thousand) to cover the rents of the interim premises for which the lease agreements will expire in 2016. The provision for contingencies primarily includes amounts (€251 thousand) covering disputes brought before the ILOAT³ as well as €17 thousand for termination compensation.

23. Employee benefits are also divided between current and non-current liabilities. The provision for paid leave and retirement compensation due within one year appear in current liabilities. The non-current portion corresponds to the Court’s long-term debts, such as judges’ pensions and after-service health insurance.

24. The loan from the host State is intended to finance the permanent premises project. The amount at the end of this year was €78,011 thousand (versus €84,607 thousand in 2014). The €6,596 thousand decrease in this item compared with the previous year is explained mainly by the discount granted by the host State.

25. Deferred revenue and accrued expenses totalling €17,066 thousand primarily consist of services related to the ICC’s operation as well as those relating to the permanent premises project for which the invoice was not yet received at the time of the closing of the accounts.

26. Net assets, amounting to €127,474 thousand (€82,288 thousand in 2014), constitute the ICC’s net position, the various components of which are detailed in Statement III - “Statement of exchange in net assets/equity”.

27. This table shows that the net assets are composed of:

(a) €7,407 thousand (5.7 per cent of net assets) for contributions from Member States to the Working Capital Fund and the Contingencies Fund. €5,790 thousand of the Working Capital Fund was used to meet short term liquidity issues at the end of the year, while €1,709 thousand of the contingencies fund were used to finance the ICC’s operation; and

(b) €120,102 thousand (or 94 per cent of net assets) for unavailable reserves from the permanent premises project in the amount of €18,583 thousand and for trust funds in the amount of €1,519 thousand.

28. The available reserves of the ICC’s general activity (general funds) were negative at -€35 thousand.

29. The statement of financial performance shows a positive result of €47,004 thousand, which includes the result of the Court’s operations, the result of the permanent premises project, and the result of trust funds.

30. The performance levels of these three segments were substantially unequal: much of the result came from the permanent premises project, which posted a profit of €3,227 thousand. In accordance with IPSASs, one-time payments from Member States constitute an income on the performance statement, whereas the permanent premises that they finance are considered an asset on the balance sheet. This situation generates a book profit reserved for the financing of the permanent premises, which cannot be considered a distributable profit. In 2015, the Court’s general activity resulted in a book loss of -€6,736 thousand (compared with +€1,769 thousand in 2014). This deterioration in the Court’s operating performance primarily came from the increase in staff costs for €12,510 thousand, an increase of 14.5 per cent. This loss reflects the Organisation’s financial weakness.

² Debts due in less than 12 months are considered current, while others are classified as non-current debts.

³ *International Labour Organization Administrative Tribunal*.

V. Main findings and recommendations on 2015 financial statements

1. Evolution of payroll and personnel expenses

(a) The ReVision plan

31. Following the approval of the plan by the Assembly of States Parties, the Registrar launched the “ReVision” project in January 2014 to improve the effectiveness and efficiency of the Registry’s organisation.⁴

32. The reasons to abolish a position as part of the project were limited to the following cases:

(a) Where the functions attached to a position are no longer necessary;

(b) Where structural changes cause a substantial change in the functions, tasks, and responsibilities attached to a position, or where a position is no longer necessary following the redeployment of its functions to another position; and

(c) Where a change occurs in programme requirements or operational requirements.

33. Financial year 2014 had ended with the elimination of five senior management positions. A provision of €473 thousand had been recognised on the 2014 financial statements, representing the estimated costs likely to be incurred. The ReVision plan significantly impacted the statement of financial position in 2015 for €4,974 thousand due to the cost of a new wave of lay-offs. This amount was consistent with the assumptions made by the Registry at 30 June 2015 (maximum of €5,771 thousand and minimum of €3,464 thousand) excluding the financial impact of potential litigation.

34. The job abolishments involved a total of 69 people in 2015, including two employees seconded to the Special Tribunal for Lebanon.

Table 1: Details of ReVision plan compensation paid in 2015 (in thousands of euros)

<i>Grades</i>	<i>Staff</i>	<i>End-of-contract compensation (A)</i>	<i>Additional Compensation 50 per cent (B)</i>	<i>Compensation in lieu of notice (C)</i>	<i>Net Base three months add. compensation (D)</i>	<i>Total (A+B+C+D)</i>	<i>Contributions to the United Nations pension fund</i>	<i>Health insurance</i>
G-2	13	229	64	15	44	353	10	3
G-3	1	9	4	6	10	29	0	0
G-4	5	115	57	53	53	279	26	6
G-5	8	193	87	46	66	392	16	5
G-6	10	368	170	95	124	758	22	6
G-7	4	191	95	40	53	379	16	3
P-2	10	255	127	114	186	682	38	10
P-3	8	321	109	63	77	570	38	3
P-4	8	476	226	146	166	1014	66	13
P-5	2	74	37	45	55	211	24	2
Total	69	2 229	977	625	835	4 667	255	52

Source: External Auditor based on information provided by the HR section

⁴ Source: Assembly of States Parties - ICC-ASP/14/19.

35. The overall cost of the ReVision plan, not yet quantified at this stage, could include, in addition to direct lay-off costs:

- (a) consulting fees relating to the project team incurred to manage the plan;
- (b) direct costs of hiring contractors and consultants because of the hiring freeze;
- (c) and wage increases brought about by hiring employees of a more qualified category.

(b) Increased staff costs

36. Overall, staff costs increased by €12,798 thousand in 2015 compared with financial year 2014, an increase of +15 per cent.

Table 2: Payroll evolution in 2015 (in thousands of euros)

	2015	2014	Var.	% Var.
Judges' salaries	2,971	3,131	- 160	-5%
Judges' entitlements and allowances	1,553	1,148	405	35%
Staff salaries	44,329	43,353	976	2%
Staff entitlements and allowances	25,076	20,597	4,479	22%
Temporary assistance and consultants	25,334	18,236	7,098	39%
Total	99,263	86,465	12,798	15%

Source: External Auditor, on the basis of note 16 to the financial statements

37. This increase in payroll is mainly explained by:

(a) The cost of lay-off compensation paid to 69 employees as part of the ReVision plan for a total of €1,974 thousand;

(b) Staff growth over 2015 despite the abolishment of 69 positions. The workforce decreased from 995 to 990 positions held.⁵ This change was accompanied by a significant increase in payroll because the hirings since the beginning of 2015 mainly involved the "professional" category;

Table 3: Recruitments in 2015

Grade	G-3	G-4	G-5	G-6	P-1	P-2	P-3	P-4	P-5	D-1	Total
Hires in 2015	13	13	15	2	4	23	15	6	5	1	97

Source: External Auditor, on the basis of statements sent by human resources section.

(c) The average number of staff was 860 in 2014 compared with 915 in 2015. There was an increase in wages paid and post-adjustments (€1,433 thousand), contributions to the UN Pension Fund (€1,160 thousand), and health insurance contributions (€154 thousand);⁶

(d) The increase in expenditures on individual contractors for €1,493 thousand has to be compared with the growth in activity of the Office of the Prosecutor (OTP) (ongoing trials and investigations). To that end, the External Auditor found that among the employees who benefited from the ReVision plan, five employees became individual contractors for the ICC; and

⁵ Given the difficulties in making the staff data transmitted by human resources more reliable, as they come from multiple sources, the External Auditor preferred to rely on wages paid.

⁶ These increases also included the employee seniority effect as well as the change in United Nations scales for which the impact is difficult to determine.

(e) €248 thousand in expenditures for consultants have been mainly used by the human resources section for assistance in the ReVision plan as well as advice to victims (27 consultants in 2015 compared with 22 consultants in 2014).

38. The External Auditor found that the various payroll files were not consistent, as they came from different payroll data, and that they show differences in the number of employees. Thus, the headcount presented in the staff movements file from human resources section showed a headcount of 908 people at the end of 2015, while the headcount from the payroll journal was 934 people. The headcount from the payment file provided by accounting was 990 people. Given these differences, the auditor preferred to rely on the headcount from the payment file. The budget approved in 2014 for financial year 2015 projected a headcount of 790 people.

Recommendation no.1. The External Auditor recommends that the human resources section (i) set up a way to monitor the average workforce size to facilitate the comparison between the average workforce and the staffing tables of the budget and (ii) reconcile the various payroll files to determine the workforce number with certainty.

39. Article 4.7 of the staff regulation⁷ prohibits individual contractors and consultants from being considered staff. They are also not monitored in the staffing file. During its work, the External Auditor found that individual contractors and consultants were properly classified in the payroll data, but were classified for accounting purposes in the payroll paid to employees when they should have been classified in expenses for contractual services.

Recommendation no.2. The External Auditor recommends reclassifying expenditures for individual contractors and consultants to “Expenses for contractual services” on the financial statements for easier reading.

2. Financial reserves

40. Net assets represent the Organisation’s net asset position at a given date and generally correspond to the capital provided by the Member States as well as the sum of reserves, surplus or deficit for the period, and retained earnings from book surpluses or deficits from previous years. The statement of net assets must therefore reflect all available reserves and the amount of distributions (not constituting the repayment of capital) proposed or declared after the closing date of the financial statements.

41. The External Auditor deemed that the first version of Statement III – “Net assets” of the financial statements did not allow the reader of the financial statements to view the items listed above.

Table 4: Statement of net assets at 31 December 2015 (in thousands of euros)

	<i>General Fund</i>	<i>Working Capital Fund</i>	<i>Contingency Fund</i>	<i>Permanent Premises Project Fund</i>	<i>Trust Fund</i>	<i>Total Net Assets/equity</i>
Opening balance as at 1 January 2014	3,500	7,406	7,500	26,029	975	45,476
Movement in net assets equity in 2014						
Surplus/(deficit)	1,769	-	-	35,002	41	36,812
Transfer to Permanent Premises Project Fund	(4,325)	-	-	4,325	-	-
<i>Total movements during the year</i>	<i>(2,556)</i>	<i>-</i>	<i>-</i>	<i>39,327</i>	<i>41</i>	<i>36,812</i>
Total net assets/equity as at 31 December 2014	1,010	7,406	7,500	65,356	1,016	82,288

⁷ “Consultants, individual contractors, interns and other personnel may be engaged under such terms and conditions as the Registrar or the Prosecutor, as appropriate, may determine and shall not be staff members for the purposes of the present Regulations.”

	<i>General Fund</i>	<i>Working Capital Fund</i>	<i>Contingency Fund</i>	<i>Permanent Premises Project Fund</i>	<i>Trust Fund</i>	<i>Total Net Assets/equity</i>
Movement in net assets/equity in 2015						
Surplus/(deficit)	(10,821)	-	-	56,811	513	46,503
Transfer to General Fund	217,132	(5,790)	(1,709)	(209,623)	(10)	-
2013 Trust Fund for Victims Secretariat's surplus	250	-	-	-	-	250
<i>Total movements during the year</i>	<i>206,561</i>	<i>(5,790)</i>	<i>(1,709)</i>	<i>(152,812)</i>	<i>503</i>	<i>46,753</i>
Total net assets/equity as at 31 December 2015	207,571	1,616	5,791	(87,456)	1,519	129,014

Source: Statement III - Statement of changes in assets / equity ended 31 December 2015 (first version of the financial statements transmitted to the External Auditor).

42. It therefore requested a change in presentation of Statement III - "Net assets" of the financial statements to show the cash reserves as well as the cash surplus or deficit equivalent to distributions of book surplus or deferred deficits.

43. These changes were made in the final version of the financial statements.

Table 5: Statement of net assets at 31 December 2015 (in thousands of euros)

	<i>General</i>							<i>Total Net Assets/equity</i>
	<i>General Fund</i>							
	<i>Working Capital Fund</i>	<i>Contingency Fund</i>	<i>Funds for Employee Benefit Liabilities</i>	<i>Cash Surplus/(Deficit)</i>	<i>Other General Fund Balances</i>	<i>Permanent Premises Project</i>	<i>Trust Funds</i>	
Total net assets/equity as at 31 December 2014	7,406	7,500	11,227	(2,269)	(7,948)	65,356	1,016	82,288
Movement in net assets/equity in 2015								
Surplus/(deficit)	-	-	-	-	(6,736)	53,227	513	47,004
Transfers	(5,790)	(1,709)	(4,832)	-	12,341	-	(10)	-
Prior year Cash Surplus/(Deficit)	-	-	-	4,432	(4,432)	-	-	-
Adjustment of 2015 Assessed Contributions (ICC-ASP/13/Res.1)	-	-	-	(2,068)	-	-	-	(2,068)
2013 Trust Fund for Victims Secretariat's surplus	-	-	-	-	250	-	-	250
<i>Total movements during the year</i>	<i>(5,790)</i>	<i>(1,709)</i>	<i>(4,832)</i>	<i>2,364</i>	<i>1,423</i>	<i>53,227</i>	<i>503</i>	<i>45,186</i>
Total net assets/equity as at 31 December 2015	1,616	5,791	6,395	95	(6,525)	118,583	1,519	127,474

Source: Corrected version of Statement III of the Financial Statements, Statement of changes in assets / equity ended 31 December 2015.

44. The ICC chose to present its equity under segment reporting (IPSAS 18), resulting in the identification of three business segments:

(a) General activities, including the General Fund, corresponding to the ICC's programme budget (major programmes);

(b) The permanent premises fund relating to the activity of construction of new buildings for the ICC, mainly buildings recognised in the books, the loan from the host State, as well as the project's remaining supplier debts;

(c) Special projects, including Trust funds, coming from the various activities financed entirely by voluntary contributions, by virtue of article 6.5 of the financial

regulation. In 2015, the projects were funded primarily through voluntary contributions from the EU, Australia, and the Dutch government.

45. The general activities segment includes three budget reserves:

(a) The Working Capital Fund amounting to €1,616 thousand in 2015 compared with €7,406 thousand in 2014. It was established by the Assembly of States Parties in accordance with Article 6.2 of the ICC's financial regulation "to ensure capital for the Court to meet short-term liquidity problems pending receipt of assessed contributions".

(b) The Contingency Fund amounting to €5,791 thousand in 2015 compared with €7,500 thousand in 2014. This fund responds to the principle of specification provided for in article 6.5 of the ICC's financial regulation. According to this article "The purposes and limits of each trust fund, reserve and special account shall be clearly defined by the appropriate authority". This immediately available cash reserve was established by the Assembly of States Parties (Resolution ICC/ASP/3/Res.4) to enable the Court to meet expenses that cannot be foreseen when the budget is adopted and that concern either a new situation created by a decision of the Prosecutor to open a case, a new development in an old case, or an unplanned meeting of the Assembly of States Parties.

(c) In particular, the General Fund includes "money set aside" to finance employee benefits liabilities amounting to €6,395 thousand in 2015 compared with €1,227 thousand in 2014, approximately €3.4 million of which is used to finance the ReVision plan and €1.4 million operation of the General Fund.

46. The General Fund also includes cash surpluses / deficits of prior financial years equivalent to distributions of profits as well as loss carry-overs of the year and prior years indicated in the "Other general fund balances" column.

47. Financial Regulation 4.6 defines cash surplus⁸ as the difference between credits (assessed contributions actually received and miscellaneous income received during the financial period) and charges (all disbursements against the appropriations for that financial period and provisions for unliquidated obligations), plus arrears of contributions of prior years and any savings from the provisions made for unliquidated obligations. This surplus is apportioned between the States Parties according to the scale of assessments at the end of each financial period. This surplus must be surrendered to the accounts of the States Parties during the next financial period (N+2), provided that they have paid all contributions owed. The "cash surplus" formula therefore corresponds to a hybrid budgetary-accounting notion on a multi-year basis: budgetary because the contributions are determined on the basis of cash and accounting because the expenditures are determined on the basis of expenses recognised and not only paid.

48. Net assets of the ICC increased from €2,288 thousand in 2014 to €27,474 thousand in 2015. This change is explained by the surplus of €7,004 thousand in 2015, partially offset by the amounts credited to the States during the period. The 2014 cash surplus of €4,432 thousand was used to absorb the cash deficit of €2,269 thousand of financial year 2013 and repay the legal assistance advances to the States Parties for

⁸ The provisional cash surplus for the financial period shall be determined by establishing the balance between credits (assessed contributions actually received for the financial period and miscellaneous income received during the financial period) and charges (all disbursements against the appropriations for that financial period). The cash surplus for the financial period shall be determined by crediting to the provisional cash surplus any arrears of prior periods' assessed contributions from States Parties received during this period and any savings from the provisions made for unliquidated obligations as mentioned above. Any remaining outstanding obligations shall be re-obligated against the appropriations of the current financial period. Subject to financial regulation 6.6, last paragraph, any cash surplus in the budget at the close of any financial period shall be apportioned among States Parties in proportion to the scale of assessments applicable to 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 so apportioned to a State Party shall be surrendered to such State Party if its contribution for that financial period has been paid in full and shall be applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of assessed contributions; and thirdly, assessed contributions for the calendar year following the year in which the audit is completed. While any cash surplus in the budget shall be apportioned among all States Parties, the amount so apportioned shall be surrendered only to those States Parties which have paid in full their contributions for that financial period. Amounts apportioned but not surrendered shall be retained by the Registrar until such time as the contribution for the relevant financial period is paid in full, at which time they shall be applied as set forth above. "

€2,068 thousand by reducing the amount of assessed contributions to be paid in 2015. Its balance was €95 thousand at the end of 2015.

49. The surpluses are generally composed of two components: distributable profits because of the realisation of a budget profit and non-distributable profits generated following purely accounting entries. A recovery on provision is income that does not contribute to the formation of a distributable profit, whereas, for example, income realised from a bank account attachment is a budgetary profit. The External Auditor found that €6,812 thousand of the 2014 surplus corresponded to the capitalization of the permanent premises of €35,002 thousand and in no way to any budgetary profit. The surplus thus does not necessarily reflect the Organisation's level of available cash. To finance its activity in 2015, the Organisation had to draw off €12,331 thousand from its financial reserves (the Working Capital Fund) for €5,790 thousand, the contingency fund for €1,709 thousand, and the fund to finance employee benefits liabilities for €4,832 thousand).

50. Crediting the accounts of the Member States for reimbursement of legal assistance advances for €2,068 thousand led the ICC to weaken its level of cash by the same amount due to lower contributions paid in 2015.

51. The External Auditor draws the attention of States Parties to the fact that the surplus formula defined by the ICC's financial regulations means distributing to the States a result of which the budget consideration is not always existent. In some cases, this can result in weaker financial health for the Organisation, as it forces it to slash budgetary resources that it does not have in reality.

The External Auditor stresses to the States Parties the importance to avoid the practice of distributing provisional cash surplus before the final cash surplus is available.

52. During its work, the External Auditor found that the ICC's level of available cash had been significantly reduced from €6,693 thousand in 2014 to €23,026 thousand at the end of 2015, breaking down as follows:

- (a) The Working Capital Fund amounting to €1,616 thousand;
- (b) The Contingency Fund amounting to €5,785 thousand;
- (c) The fund intended to finance employee benefits liabilities amounting to €6,395 thousand;
- (d) The permanent premises project fund amounting €7,078 thousand before interest payments on the loan from the host State in the amount of €2,186 thousand;
- (e) Cash related to Trust funds for €2,153 thousand.

53. The ICC's level of immediately available cash at the end of 2015 (the fund intended to finance employee benefits liabilities and the Working Capital Fund) is the equivalent of payroll expenditures for a month excluding consultants and individual contractors (€7 million).

As such, the External Auditor reiterates its finding of weak cash identified during the report ICC-2015-6 on cash reserves.

3. Arrears of assessed contributions

54. Receivables from contributions of States Parties amounted to €20,786 thousand at 31 December 2015. €8,146 thousand or 39 per cent of these receivables pertained to prior years.

Table 6: Receivables from contributions of States Parties (in thousands of euros)

<i>Contributing States</i>	<i>Total Receivables at 31 December 2015</i>	<i>2015 Receivables</i>	<i>Receivables related to prior years</i>
Brazil	11,413	5,881	5,532
Mexico	3,645	3,645	-

<i>Contributing States</i>	<i>Total Receivables at 31 December 2015</i>	<i>2015 Receivables</i>	<i>Receivables related to prior years</i>
Venezuela	3,380	1,257	2,123
Argentina	858	858	-
Colombia	313	313	-
Slovenia	115	115	-
<i>Total of top six receivables</i>	<i>19,724</i>	<i>12,069</i>	<i>7,655</i>
<i>Per cent of top six receivables</i>	<i>95%</i>	<i>95%</i>	<i>94%</i>
Total receivables	20,786	12,639	8,147

Source: External Auditor on the basis of the 2015 aged balance

55. Brazil and Venezuela represented 94 per cent of receivables outstanding more than one year, or €7,655 thousand. The receivable from Brazil amounted to €6,642 thousand in early 2015, including €10,761 thousand relating to the contributions for prior years. Of this amount, €5,229 thousand was paid in April 2015 related to 2013 contribution, bringing the outstanding amount to €1,413 thousand at the end of 2015. The receivable from Venezuela amounted to €3,380 thousand, of which €940 thousand remained unpaid since 2013. The 2013 assessed contribution of Venezuela amounted to €1,116 thousand, of which only €177 thousand was settled, i.e. only 15 per cent of the amount of the contribution.

56. Reminder letters, dated 8 April and 25 April 2016, were sent by the Registrar to the representatives of Brazil and Venezuela. No response had been received as at the date of the audit.

The External Auditor reiterates its warning⁹ to the States Parties on the risk of weakening Court's liquidity position posed by late payments of contributions to the Organisation.

57. The ICC establishes a provision for impairment of bad debts as regards to assessed contributions. It represents 90 per cent of the balances of accounts receivable from the States Parties that remain unpaid for more than two years. As of 31 December 2015 the amount of the impairment was €412 thousand and mainly concerned the debts of the Dominican Republic (€230 thousand), Tanzania (€55 thousand), and Congo (€30 thousand).

58. However, given the low amount paid by Venezuela for 2013, and the total absence of payments in 2014 and 2015, which resulted in 2016 in the suspension of voting rights for this state party, this State's receivable is doubtful.

4. Valuation of the permanent premises project

59. In 2005, the Assembly decided to provide the ICC with permanent premises. The contract to build the ICC's permanent premises was awarded to the Dutch consortium Courtys by the signature of a NEC3 type contract on 1 October 2012. The NEC3 contract provides for compensation events enabling the constructor to be compensated for any delays or additional works.

60. The construction work started in 2012 with preparation of the ground provided by the Dutch Government, the first stone of the premises were set up in April 2013, and the delivery occurred on 2 November 2015.

61. The initial budget was adopted by the Assembly at its 7th plenary meeting on 14 December 2007 (ICC-ASP/6/Res.1) for €190 million related solely to the construction costs. As the project was progressing, the budget of the permanent premises was successively increased in to expand the scope of the costs to finance (moving expenses,

⁹ The External Auditor had already alerted the States Parties to this risk in the chapter on the contribution recovery policy in its report on the 2015 cash reserves (ICC-2015-6).

equipment etc.). During its session on 17 December 2014, the Assembly increased the authorized budget from €195.7 million to a maximum of €200 million (ICC-ASP/13/2).

62. But this increase was not enough to finance the project. In a new resolution dated 25 June 2015 (ICC-ASP/13/Res.6), the ASP approved a new increase in the budget envelope up to €204 million with a maximum of €206 million.

63. The costs estimates as at 9 May 2016 totalled €205.7 million including €195 million dedicated to construction costs, thus indicating a probable overspend of €1.7 million compared to the stated budget of €204 million.

64. The final budget closure was supposed to take place by the signature of a settlement agreement between the ICC and Courtys to compromise on the last compensation events.

65. At the time of this report, the negotiation was still ongoing between the ICC and the Constructor, Courtys, in order to address the cost issues regarding the Permanent premises. No signed agreement is available in order to validate the final cost of the operation.

66. As of December 31, 2015, the Permanent premises have been capitalized at €195,756 thousand.

67. This situation creates a state of uncertainty and does not allow the External Auditor to provide a reasonable assurance of the valuation of the asset concerned. In such conditions lead him to express a modified opinion for limitation of scope in the audit opinion on the financial statements.

5. Accounting of the permanent premises project

68. The recording of the new permanent premises in assets took place on the date when the keys were provided, on 12 November 2015. The accounting treatment related to capitalisation must comply with IPSAS 17 “property, plant and equipment” applied by the Court, which provides that the components of an asset must be treated as separate components if they have different useful lives.

69. To do this, the new permanent premises were appraised by Brink, which specialises in real estate appraisals. That company conducted an accounting breakdown of the permanent premises by component, such as structure, façade, roof, ground, electrical installations, etc. It also elaborated a draft maintenance plan.

70. In support of this appraisal work, the External Auditor analysed the relevance of this breakdown. The definition of the various components did not take into account the predictive maintenance plan that lists the useful live of each component, the major maintenance replacements of certain installations.

71. Moreover, the costs of works and equipment related to the audio-visual system were not identified and individually counted. The work and equipment have different accounting natures: the first one is directly related to construction costs (wiring and arrangement costs), whereas the second one corresponds more to purchases of equipment that are distinct from the premises. Purchases of audio-visual equipment should thus be identified and separated from construction costs.

Recommendation no. 3. In order to gain visibility on capital replacement expenditures to be made and anticipate them in the budget, the External Auditor recommends that (i) the ICC first finalize as soon as possible a reliable maintenance plan, and subsequently; (ii) review the breakdown of components to align it with the projected maintenance and capital replacement plan and appropriately distinguish between the components.

72. The External Auditor also used sampling to verify the costs included in the evaluation of the construction. In compliance with the provisions of IPSAS 17, a reclassification to expenses of €1,576 thousand was done at the request of the External Auditor, since the architect selection costs, communication costs, and expert fees should not be capitalized.

6. Loan from the host State

73. The permanent premises project benefited from two external sources of funding totalling €190,000 thousand: One-Time Payments (OTP) from States Parties and the loan from the host State minus discounts granted by the host State on the basis of the OTPs received.

74. At 31 December 2015, OTPs received totalled €6,101 thousand; this amount includes additional voluntary contribution by the host State of €3,500 thousand. The total loan drawn as of 31st December 2015 was €5,893 thousand. The loan discount granted by the host State was estimated at €17,963 as of end of 2015. The balance of €77,930 thousand corresponds to the year-end estimate of the borrowed principal repayable over 30 years. The excess of the loan drawn of €2,037 thousand was calculated in the subsequent year and repaid on 30 May 2016. The final principal amount of the loan should be established as of 30 June 2016 after collection of OTPs is finalized.

75. The repayment of the loan should start on 1 July 2016. So far, no repayment schedule for the loan has been established, as the borrowed principal is not yet definitively fixed.¹⁰ The repayment schedule should show, for each due date, the amount of the repayment as well as the breakdown between principal and interest. This is an important part of the information for the States Parties, as it allows them to anticipate the annual repayment instalments falling due.

Recommendation no. 4. In order to ensure regular monitoring of repayment of the loan, the External Auditor recommends that the ICC agree with the host State on a loan repayment schedule detailing the amortised principal, interest, and annuities payable, which will be validated by both parties.

7. Internal financial control

76. Budget expenses are subject to budgetary control in SAP Funds Management module through allotments. The expenses authorized cannot exceed the allotment.

77. Usually, the accounting entries are linked either to a budgetary fund whose purpose is to finance the activity or to a “book” fund whose purpose is to identify all the IPSAS adjustments. This information is recorded through an additional field to fill for each entry. The management software packages such as SAP provide that a recognised expenditure must be directly linked to a budget fund in order to reserve credits for that purpose, whereas a doubtful provision allocation will be linked to an IPSAS technical fund, as it will not cause any future disbursement.

78. The implementation of this setting allows the External Auditor to reconcile the budget of each segment reporting namely the General fund, the Permanent Premises funds and the Trust funds with the accounting, and thus to detect any anomaly.

79. During its work, the External Auditor found that the ICC SAP setting did not allow distinguishing the entries recorded with a budgetary impact from the entries without any budgetary impact, because all the entries are recorded in only one general ledger.

80. The accounting unit performs a manual reconciliation only for the General fund segment, which is a less effective control than an automatic control from the External Auditor perspective.

Recommendation no. 5. In order to improve the budgetary monitoring of all the segments reporting of the ICC, the External Auditor recommends to revise the SAP module configuration by establishing an additional fund field mandatory which indicates for each entry recorded if the entry has a budgetary impact or an accounting impact.

¹⁰ The deadline for the outstanding one-time payments was the 29 June 2016.

8. Accounting internal control

81. By converting to IPSASs, the ICC chose to improve the transparency of its financial statements and its budget execution. The Organisation thus presented financial statements according to IPSAS for the second consecutive year.

82. The efforts of the ICC's finance section to apply these standards are to be recognised. However, the External Auditor's engagement for this year demonstrated that the preparation of the financial statements in compliance with IPSAS represents substantial, laborious work for the ICC.

83. One cause of these difficulties is that the information system is not entirely configured for full compliance with accrual accounting required by IPSASs (FI module) and that the financial statements are not automatically prepared by the computing system.

84. The closing controls are thus performed "manually": financial statements are still prepared in Excel. Many reports are prepared outside of the SAP information system (particularly the reconciliation of budget data with accounting data), thus avoiding the internal control inherent in this system.

85. In view of the large volume of data to be processed, the manual controls are not satisfactory and do not respect the ideals of an effective and efficient internal control environment.

86. It is thus expected that the ICC complete the full deployment of the computing system in all its components, including for the preparation of financial statements according to IPSASs.

87. In addition, the External Auditor noted the restructuring of the Finance Section and the resultant abolition of the IPSAS Unit. Treasury Unit was combined with Accounts Unit and Payroll Unit was transferred to the Human Resources Section. Consequently, the Finance Section was downsized from a section composed of five units in 2014, namely: Treasury Unit (three established posts); Payroll Unit (four established posts); Disbursements Unit (eight posts, seven of them established); Accounts Unit (five established posts); and IPSAS Unit (four posts, two of which were not filled because of budget constraints), to a section composed of only two units in 2016, with a Chief of Section and an Administrative and Finance Assistant. The current two units are: the Disbursements Unit (eight established posts), handling all disbursements in ICC, including some of the responsibilities of the former Payroll Unit (three posts transferred to Human Resources); and the Accounts and Treasury Unit (seven established posts), shouldering all the added responsibilities resulting from the complexity of IPSASs.

88. This reduction in the accounting teams is even more paradoxical given that the IPSASs require more highly technical resources capable of carrying out accounting tasks because of the complexity of standards, particularly for the accounting of fixed assets, employee benefit liabilities, trade payables, etc.

89. In addition, the ICC has seen a constant growth in activity in recent years, which has had the effect of proportionally increasing volumes of accounting transactions to be processed. The increase in these volumes was temporarily filled by short term positions, while stability in the accounting team makes it possible to preserve the memory of the accounts but also begin to establish the indispensable foundations of internal accounting control.

Recommendation no. 6. In order to ensure effective and efficient internal control, the External Auditor recommends that the ICC complete the full deployment of the information system to prepare financial statements according to IPSASs and ensure the stability and reinforcement of the accounting function.

VI. Acknowledgements

90. The External Auditor would like to thank the staff of the International Criminal Court, including members of the Registry, for the cooperation and general support given to the audit teams during for their engagement.

End of audit observations.

Appendix 1

Summary table presenting the changes affecting the result

<i>Adjustments list</i>	<i>Impact on the income statement</i>	<i>Impact on the balance sheet</i>				<i>Net position</i>
		<i>Short-term assets</i>	<i>Long-term assets</i>	<i>Short-Term liabilities</i>	<i>Long-Term liabilities</i>	
Audited totals						
Adjustment of called contributions	+ €2,068,000					
Corrections of non-capitalisable expenses	- €1,576,000					
Correction of allowances for amortisation and depreciation	+ €9,000					
Final totals	+ €501,000					
<i>Adjustments not recognised</i>						
Nil						
Totals with adjustments not recognised						

Appendix 2

Follow-up of previous recommendations from the 2015 report on cash reserves (ICC-2015-6)

1. The review of the status of implementation of the recommendations expressed as part of the 2015 cash reserves audit shows that out of a total of eight outstanding recommendations, one was implemented, and seven have been partially implemented.

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Implemented</i>	<i>Partially implemented</i>	<i>Not implemented</i>
1	Cash reserves:	Use the Working Capital Fund and the Contingency Fund in order to mitigate temporary situations of insufficiency of cash while awaiting the implementation of a more sustainable funding mechanism.	X		
2	Cash reserves:	In addition to the temporary use of the cash reserves, negotiate the opening of a credit line with the banks, in order to have an additional insurance in case of temporary difficulties resulting from delays in contributions, which cannot be covered by the Working Capital Fund any longer. Upon establishment of the credit line the contingency Fund could continue to be utilized as prescribed by the Financial Regulations and Rules.		X	
3	Cash reserves:	Adopt a plan for financing the employee benefits liabilities in order to smooth charges related to these liabilities, which are likely to increase in the future. Further work will have to be carried out to determine if the establishment of a reserve would be appropriate and what should be its level.		X	

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Implemented</i>	<i>Partially implemented</i>	<i>Not implemented</i>
4	Cash reserves:	Improve the predictability of the receipt of the contributions to be earned in the ongoing year, via recovery planning and by setting up a payment plan, negotiated with every State Party in arrears.	x		
5	Cash reserves:	Set up debt settlement plans in order to make States, which have been debtors for several years, more accountable.	x		
6	Cash reserves:	If there is no recovery of arrears, implement the sanctions given in the Financial Regulations and Rules.	X		
7	Cash reserves:	Examine how to better adapt the rhythm of disbursements according to the cash available with the ICC.		X	
8	Cash reserves:	Intensify the practice of revising the programme budget during the year, in order to control costs still to be engaged with respect to the cashed contributions, enable reprioritization of activities and absorb unforeseen expenditures.		X	
Total number of outstanding recommendations: 8			1	7	-

2. Recommendation no. 2 is considered partially implemented because the ICC has initiated negotiations with its banking partners. A proposed resolution of the ASP is in the planning stage in order to open a new line of credit in September 2016.

3. Recommendation no. 3 remains under consideration at the ICC level.

4. Recommendations no. 4, no. 5, and no. 6 are considered as being implemented because the ICC sent several verbal notes to the States Parties in April 2016 and organised various meetings intended to find solutions to settle late contributions. Article 112 of the Rome Statute provides that States in arrears for two full years of contributions must have their voting rights suspended.

5. Recommendations no. 7 and no. 8 remain under consideration.

Audit report on financial reporting and management of the permanent premises project - Financial year 2015

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I. Purpose and scope of the audit

1. A team of three external auditors conducted an examination of the financial reporting and management of the Permanent Premises Project of the International Criminal Court (“the Court”) for the 2015 financial year. The objective of this audit was to verify the appropriateness, validity and completeness of the financial reporting and to conduct an audit of the management of the project. The management audit focused on verifying the legal basis of decisions, financing arrangements, governance, operational conduct of the project, the scope of risks and disputes, and compliance with decisions of the States Parties.
2. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI), with Regulation 12 of the Financial Regulations and Rules of the International Criminal Court and with the letter of engagement dated 14 January 2013.
3. All observations and recommendations were discussed with the appropriate personnel. The audit closure meeting was held on 2 June 2016 with the project management. This report fully reflects their comments and responses.
4. This report brings to an end the yearly review of financial reporting and management of the Permanent Premises Project for the financial years 2012 to 2015, which was entrusted to the Cour des Comptes by the Assembly of States Parties (“the Assembly”) in its resolution ICC-ASP/13/Res.6 and set out in the letter of engagement dated 14 January 2013. The audited period was extended until the end of May 2016.

II. Background

5. In 2005, the Assembly decided to provide the Court with permanent premises, in view of the fact that it is a permanent judicial institution, unlike existing temporary international criminal tribunals which also have their headquarters located in or near The Hague.

6. The Assembly resolution on permanent premises adopted on 14 December 2007¹¹ estimated at €190 million the budget necessary for the permanent premises alone at 2014 price levels. This budget was confirmed by the Assembly on 21 December 2011,¹² but it was also to incorporate the integrated user equipment (“3GV”). In November 2013, the Assembly increased the budget of the construction project to €195.7 million, but this time its scope was broadened to include the management of the transition programme, including non-integrated user equipment (“2GV”).

7. With the two budgets joined together, the project management anticipated a budget overrun, in response to which, at its session on 17 December 2014, the Assembly¹³ increased the authorized budget from €195.7 million to a maximum of €200 million, and later, in its resolution of 25 June 2015,¹⁴ to a maximum of €206 million.

8. The permanent seat of the Court is built in the north of The Hague, near Scheveningen, 2 km from the sea alongside dunes and on land provided and owned by the Dutch State.

9. The project of the Danish practice *Schmidt Hammer Lassen* comprises six connected buildings with a total surface area of 52,450 m², including three courtrooms with the possibility of a fourth, and 1,200 workstations, which may be increased to 1,500. In response to the increase in staff of the Office of the Prosecutor, which was approved in 2014, the number of workstations was increased to 1,382 after the construction had started. The project does not include a detention centre. The Court uses the Dutch prison facilities situated 1 km from its seat.

10. The Assembly appointed a Project Director, who reports on a regular basis to the Oversight Committee, created in 2005 and composed of ten representatives of States Parties. The Court, the host State and other States Parties may sit on the Oversight Committee as observers. The Oversight Committee is a subsidiary organ of the Assembly of States Parties and provides progress reports to the Committee on Budget and Finance, status reports to the Bureau and draft resolutions or information to the Assembly through the Bureau.

11. The project management is under the responsibility of the Court which delegated it to a Project Director, who is assisted by a company specializing in project management (Brink Groep). The main contractor, in charge of carrying out the construction work, was selected on the basis of a tender in late 2011. The tender included the obligation for the selected contractor to make the design team of the winning project part of its organization. On 1 October 2012, the engineering and construction contract “NEC3” was signed.

12. The preliminary design for the permanent premises was approved in 2011. The construction phase began in 2012 with preparation of the ground provided by the Dutch Government. The first stone of the premises was laid on 16 April 2013. The buildings were completed on 30 October 2015, whereas the contract originally provided for completion on 17 July 2015, and were delivered on 2 November 2015. The key handover ceremony took place on 12 November 2015. The Court’s move took place between 30 November and 11 December 2015.

13. At the Assembly of States Parties’ request, the External Auditor carried out a special mission from 11 to 22 January 2016. The purpose of that audit was to review the permanent premises’ budget process, the regularity, efficacy and efficiency of its budget performance and the reasons for the overrun in the initial projected cost. The report was submitted in March 2016.¹⁵ This report does not reproduce the contents of that separate audit, but updates and supplements it.

14. The statements and analysis contained in this report are based not only on the various meetings with Court staff and service providers, but also on the documentation prepared by the Project Director’s Office.

¹¹ ICC-ASP/6/Res.1.

¹² ICC-ASP/10/Res.6.

¹³ Resolution ICC-ASP/13/20.

¹⁴ ICC-ASP/13/Res.6.

¹⁵ Report ICC-2015-4.

III. List of recommendations

Recommendation No. 1. The External Auditor recommends that, at its next session, or as soon as possible in 2017, the Assembly review cost estimates of capital replacements and implement a funding solution which does not jeopardize the prudential level of the working capital fund.

Recommendation No. 2. The External Auditor recommends that the Oversight Committee extend the contract of the Project Director until after the next session of the Assembly of States Parties.

Recommendation No. 3. The External Auditor recommends that the Project Director ensure, through the Project Manager, that the correction of all construction defects is verified.

Recommendation No. 4. The External Auditor recommends that the Assembly of States Parties terminate the mandate of the Oversight Committee, after discharging the Project Director's Office of its responsibility for management of the project, and entrust the oversight of the work of the Facilities Management Unit to the Committee on Budget and Finance.

Recommendation No. 5. The External Auditor recommends that the Court enter as soon as possible into the contractual addendum authorized by the Assembly in December 2014, entrusting Courtys with maintenance services additional to those under the construction contract, and up to 31 December 2017.

Recommendation No. 6. The External Auditor recommends that the Registrar issue a letter to the future Head of the Facilities Management Unit (FMU), setting out the new tasks and activities entrusted to the Unit since the transfer of ownership of the permanent premises.

Recommendation No. 7. The External Auditor recommends that the Safety and Security Section, in close cooperation with the host State police and emergency services, organize as soon as possible the evacuation exercises prescribed under the law of the host State.

Recommendation No. 8. The External Auditor recommends that the Registrar carry out a satisfaction survey among permanent premises users during the second half of 2016 and once a year subsequently.

Recommendation No. 9. The External Auditor recommends that the Registrar provide permanent premises users with learning tools appropriate to the premises functionalities and limitations.

IV. Follow-up on previous recommendations

15. The External Auditor reviewed the status of recommendations of former audits on financial reporting and management that have not yet been implemented. As at the date of the mission, six recommendations have been implemented, two have been partially implemented and two have yet to be implemented. In view of this situation, this report contains a new section on the real estate capital replacement and future oversight of facilities management.

<i>Recommendations</i>		<i>Implemented</i>	<i>Partially implemented</i>	<i>Abandoned</i>
2015 – Special Report	The External Auditor recommends that the Project Director ensures that the project manager (Brink) verifies the invoices submitted by Courtys, in accordance with articles 52.2 and 52.3 of the NEC 3 contract.	X		
2015-1	The External Auditor recommends to the project management team that the information for the Oversight Committee be supplemented with a summary presentation with supporting evidence of the budget approved by the Assembly of States Parties, commitments, payments and also estimated provisions.		X	

2015-2	The External Auditor recommends (i) that an adjustment to the calculation of one-time payments be made immediately and for calls for funds to be also issued immediately to States which formally adopted this option; (ii) that the deadline initially set for 15 June 2015 be extended by the Oversight Committee in agreement with the host State to allow this corrective measure to be implemented without penalising contributing States.	X		
2015-3	The External Auditor recommends that the ICC begins to build up reserves for the renewal of its real estate capital in the financial year following the delivery of the permanent premises.			X
2015-4	The External Auditor recommends that the necessary resources be provided for in the 2016 budget to manage the administrative follow-up of the construction project and transition programme to guarantee the successful completion of the project in the best interests of the States Parties and of the ICC.	X		
2015-5	The External Auditor recommends organising the transition of the current Oversight Committee to a future organ representative of the States Parties tasked with overseeing major issues, within the framework of strict guidelines so as not to create any ambiguity in terms of governance between the governing bodies and the executive management of the ICC.			X
2015-6	The External Auditor recommends that the project management team organizes the transfer of the construction project's document library and its management to the Registry's general services (Facilities Management Unit) from 1 September 2015 and facilitates access to the library for the Security and Safety Section, in collaborative mode.	X		
2014-1	The External Auditor recommends that the Court and Oversight Committee fix the reference date for the liquidation of States Parties' contributions as the day the Court takes possession of the premises, even if it is earlier than the date of final discharge of the construction project. The liquidation of these contributions can thus be based on the scale applicable for 2013, 2014 and 2015.	X		
2014-3	The External Auditor recommends to the ICC and to the Oversight Committee to examine by the end of 2014 the issue of outsourcing, either in full or in part, the management of the buildings of which it is due to take ownership, in order to budget for the expenditure associated with the final decision as set out in the 2015 budget and to prepare to implement this choice as of September 2015.			X
2014-7	The External Auditor recommends that the Court identifies and assesses the risks pertaining to recurrent operating costs and in particular known costs for the mirror pond, the green wall over the "architectural steel grid" and a potential future requirement for compliance with HEQ (high environmental quality) standards.	X		
Number of recommendations: 10		6	2	2

16. *Recommendation 2015-1.* From September 2015 to April 2016, the project management included a new table in its monthly reports to the Oversight Committee, showing the Assembly's approved budget, as well as commitments, payments and estimated future provisions. At the request of the Oversight Committee, the report submitted on 9 May 2016 did not present the information in the same manner as in the previous report. Thus, financial oversight of the project has not been dealt with in a consistent way. However, at the request of the Audit team the table was provided by the Project Director's Office for the 9 May report, and later for the 6 June report. In any case, this recommendation will become not applicable once the project is completed.

17. *Recommendation 2015-3.* In November 2015, the ASP decided that the cost estimates for capital replacements would be reviewed during the period 2017 to 2019; a study will be commissioned from a future committee responsible for oversight of the permanent premises. No allowance for capital replacement costs will be made for the first 10 years of operation, namely until 2026. A study of sustainable use of budgeted resources (assessed contributions) or other financial instruments (including loans), sufficient to provide the assets capital replacement will be conducted, in the period 2017-2019 (resolution ICC-ASP/14/Res.5, para. 67 (c) and (d)). The External Auditor will be revisiting this recommendation later in this report.

18. *Recommendation 2015-5.* In November 2015, the Assembly invited the Oversight Committee to continue discussions on the establishment of a new governance structure for the permanent premises, and to report thereon to the fifteenth session of the Assembly. It was agreed that if no decision is taken by the end of the fifteenth session, the mandate of the Oversight Committee would be extended (resolution ICC-ASP / 14 / Res.5, paras. 58 and 59). The recommendation made by the External Auditor in 2015 for transition of the current Oversight Committee to a future organ representative of the States Parties tasked with overseeing major issues had been interpreted in a way that changes its nature. Thus the Oversight Committee proposed to the Assembly that a new premises committee be established, comprising ten States Parties, in order to represent the owner's interests on behalf of the Assembly. It would be tasked with strategic monitoring and oversight, whereas the Court would take care of day-to-day management. The premises committee would meet every two months at the ambassadorial level. In addition, a new Project Director's Office would be created; it would be managed by a Project Director and report to the Assembly. The Auditor will revisit this recommendation later and expand on it.

19. *Recommendation 2014-3.* Following the proposal of the Working Group on the Total Cost of Ownership, initiated by the Oversight Committee in March 2013, and the recommendation of the Committee on Budget and Finance in December 2014, the Assembly authorized the Court to extend the maintenance contracts provided by the General Contractor during the first year after the delivery of the permanent premises, to a period ending on 31 December 2017. These extensions should enable the Court to prepare its future long-term maintenance strategy and contracts (Resolution ICC-ASP/13/Res.2, para. 14). However, the Court has yet to finalize the negotiation with Courtys on the scope of work and schedule of preventive and corrective maintenance requirements for the permanent premises.

V. Financial reporting of the permanent premises project

1. Evaluation of the total cost of the construction project

1.1. Estimated final cost

20. At the time of the audit, from 23 May to 3 June 2016, negotiations between the Court and Courtys were ongoing. The deadline for accounts closure envisaged by the Project Director's Office at the time of the budget performance audit in January, namely end March 2016, had been missed. On 7 June 2016, the External Auditor was informed that the Project Director and Courtys had reached a settlement, agreeing the total construction contract cost at €168.5 million, which translates into a final permanent premises project cost of €205.75 million. This final amount, which had yet not been embodied in a legal agreement at the date of the audit, has not been audited. The situation audited is the one up to 9 May 2016. However, the difference between the cost as at 9 May 2016 (€205.7 million) and the non-audited cost as at 7 June 2016 (€205.75 million), namely €0 000, is not considered significant.

21. The External Auditor recommended to the project management team that the information for the Oversight Committee be supplemented with a documented and synthetic presentation showing the budget as approved by the Assembly of States Parties, compared with commitments, payments and estimated provisions, in order to justify the cost at completion. The presentation to the Oversight Committee was submitted in that format as of August 2015. However, the format of the progress report of 9 May 2016 had changed again at the request of the Oversight Committee. The summary of budgetary expenses and the list of compensation events were not included in that report. Both pieces of information were provided to the audit team upon request. The manner in which information is reported is still evolving, despite the fact that the project is completed. During this audit the project management gave the External Auditor three different versions of the progress report prepared by the Project Manager. The information initially provided was not consistent with the figures presented to the Oversight Committee on 9 May, although it was later reconciled.

22. In our audit of the situation as at 31 December 2015, the final cost in the worst-case scenario amounted to €205 million (compared to €204 million in the best-case scenario). The cost estimates as at 9 May 2016 totalled €205.7 million, a probable overspend of €1.7 million compared to the stated budget of €204 million (resolution of 25 June 2015, ICC-ASP/13/Res.6).¹⁶

23. The increase in costs is essentially due to an increase in the number of compensation events during construction. The latter were subject to a special verification procedure described in the next section of this report.

Table 1. Cost breakdown at completion (in million euros)

<i>In million euro</i>	<i>31 December 2015 (worst-case)</i>	<i>9 May 2016</i>
Construction project	194.2	194.9
Transition project	10.8	10.8
Total unified project	205	205.7

Source : Project Director's Office-PDO/Brink

24. The transition project was completed on 31 December 2015. Its final cost remained at €10.8 million, namely €0.51 million under the €1.3 million budget.

25. The cost of the construction project as at 9 May 2016 amounted to €194.9 million (including savings of €2.44 million through the sharing mechanism¹⁷), which corresponds to a cost overrun of €2.2 million compared to the €192.6 million estimated on 25 June 2015 (ICC-ASP/13/Res.6).

26. As at 9 May 2016, the status of budget performance was as follows.

Table 2. Budget performance as at 9 May 2016 (in million euros)

	<i>Budget (A) (06/2015)</i>	<i>Implemented budget (B)</i>	<i>To be committed (C)</i>		<i>Estimated cost (D) = (B) + (C)</i>		<i>Budgetary variance (E) = (A) - (D)</i>	
			<i>Best-case scenario</i>	<i>Worst-case scenario</i>	<i>Best-case scenario</i>	<i>Worst-case scenario</i>	<i>Best-case scenario</i>	<i>Worst-case scenario</i>
Construction	194.7	197.5	-2.8	-2.61	194.7	194.87	0.0	-0.17
Transition	11.3	10.48	0.36	0.34	10.84	10.84	0.5	0.5
Unified budget	206	207.98	-2.4	-2.27	205.5	205.71	0.5	0.33

Source: PDO / Brink

27. The implemented budget comprises paid amounts and unpaid orders. It amounted to €207.98 million, comprising €198.75 million already paid and €9.23 million outstanding. Thus the implemented budget exceeded the authorized budget by €1.98 million.¹⁸ In other words, total costs to date exceeded the budget of €206 million allocated to the project. Balances due were negative, and essentially consisted of costs under negotiation and expected savings under the sharing mechanism, for a total of -€2.27 million.

28. The snagging period for the identification and rectification of defects runs for 52 weeks from the date of completion of the works, which was 30 October 2015, meaning that it terminates at the end of October 2016. An amount of €737,500¹⁹ will be retained from the balance owed to the construction company as security for the necessary works of

¹⁶ The Assembly stressed its firm intention that the unified construction and transition projects premises is delivered within the €206 million budget, of which €1,993,524 would not be disbursed if the sharing mechanism of the contract with the general contractor produces the expected results, as per resolution ICC-ASP/13/Res.6.

¹⁷ As at 9 May the cost of construction amounted to €197.5 million. The sharing mechanism is currently estimated to amount to €2.44 million, bringing the cost of construction down to €194.9 million.

¹⁸ €206 million + €1.98 million = €207.98 million.

¹⁹ Estimated amount as at the date of the audit.

correction. This retention, or the balance thereof in the case of unrectified defects, must be paid after October 2016 at the close of the snagging period.

Table 3. Variance between the budget and estimated cost as at 9 May 2016 (in million euros)^{20 21}

<i>Construction cost</i>	<i>Budget approved by ASP 13 and ASP RES1</i>	<i>9 May 2016</i>	<i>Budget variance</i>
Form of Agreement excluded AV	141.0	140.8	-0.24
AV	6.0	9.3	3.35
Construction others	0.7	1.4	0.68
Risk (Compensation events)	12.0	21.6	9.56
Permit and dues	2.5	2.6	0.01
Fees	20.5	20.1	-0.40
Other costs	1.5	1.5	-0.01
Additional budget remains	8.3	-	-8.30
<i>Subtotal construction</i>	<i>192.6</i>	<i>197.3</i>	<i>4.64</i>
Transition			
Construction costs transition	1.1	3.2	2.14
Fees	3.5	2.8	-0.66
Equipment	6.8	4.8	-1.99
Reserve	-	-	-
<i>Subtotal transition</i>	<i>11.4</i>	<i>10.8</i>	<i>-0.51</i>
Share part ICC NEC3		-2.4	-2.44
Total	204	205.7	1.69
Disputed amounts			
Delay damages			0.6
Negotiations with Courtys			0.3
Total budget variance			2.59

Source: PDO/Brink (the variance was calculated by the External Auditor)

1.2. New compensation events

29. The NEC3 construction contract between the Court and the constructor provides for a sharing mechanism. On completion of the project, the difference between the target cost and the actual cost, if lower, is shared between the two parties according to a distribution key provided in the contract. The gain share is settled as follows.

30. The overall gain share is calculated by deducting, from the target cost, the actual cost borne by Courtys, i.e., €164.7 million, which includes the contractual price as signed in 2012, i.e., €147 million, on the one hand, and the total agreed compensation events (€23.75 million), not including compensation events under negotiation during the audit (€0.7 million), on the other. The overall gain share was evaluated at €6.787 million.

31. The constructor's gain share is equal to 40 per cent of the difference between the target cost and the actual cost (once all sub-contractors have been paid) if the difference is

²⁰ As at 9 May 2016, the compensation events approved by the Project Manager (Brink) amounted to €23.75 million. They can be broken down as follows: €21.6 million (€23.6 million - €2.7 million for the MFA subsidy) in the budget entitled "Risk" + €3.6 million in the transition budget entitled "equipment", - €3.5 million in the budget entitled "AV". The compensation events under negotiation amount to €700,000, namely a total of €24.45 million.

²¹ The total budget variance under the agreement being negotiated with Courtys is €1.75 million; €0.75 million as a result of the negotiation, plus €1 million previously reported in the worst-case scenario since December 2015 as a result of additional compensation events.

less than 95 per cent of the target cost; 50 per cent if the difference is between 95 per cent and 97.5 per cent of the target cost; 60 per cent if the difference is between 97.5 per cent and 100 per cent of the target cost, up to a limit of €850,000; 100 per cent if the difference is less than €850,000 and 100 per cent if it exceeds it. It was assessed at €4.248 million. The Court's gain share can be calculated as the difference. It was assessed at €2.540 million. In light of this information, the amount to be paid to Courtys was €68.952 million, before the deduction of the amount corresponding to the delay penalty of €0.600 million was applied.

32. Compensation events are events engendering additional costs not attributable to fault on the part of the construction company, for which the latter may request compensation. If the Project Manager approves the request, the guaranteed maximum price is increased by the same amount.

33. Every time an unforeseen event appeared with regard to the construction works, the project manager and the constructor decided on the cost of the additional incident. This approach was provided for in the NEC 3 contract. All the risks associated with the construction project were allocated to the contingency reserve line and managed in accordance with the protocol for managing compensation events provided for in the NEC 3 contract.

34. The contractual definition of a compensation event (CE) is set out in clauses 61 to 65 of the NEC 3 2005 model contract, to which the contract signed by the ICC and Courtys refers. Compensation events are negative events which do not arise from the Contractor's fault. They entitle the Contractor to be compensated for any effect the event has on the Prices and the Completion Date. The compensation often takes the form of an additional payment and also an extension to the deadline for the completion of the work.

35. The chosen classification used in the Project Manager's working documents to monitor compensation events again lists additional categories compared to the classification initially decided upon when the Project Director's Office gave presentations to the Oversight Committee. It includes other categories such as "other budget", "provisional sum", "IT" and "security".

36. As at 9 May 2016, 540 applications for compensation had been submitted by Courtys, 504 of which had been accepted by the project manager, 35 had been rejected and one was awaiting resolution. A number of negotiations were underway with Courtys regarding two compensation events which were initially rejected and one event which was renegotiated. The CE approved by Brink therefore stood at €23.75 million²² and those under negotiation stood at €0.7 million.

Table 4: Variations in the number of compensation events between 31 December 2015 and 9 May 2016 (€thousand)

	31/12/2015	09/05/2016	Difference	
CE in existence as at 31/12/2015	23,011	23,011	0	(a)
Variations in CE	69	48	- 21	(b)
New CE	0	693	+ 693	(c)
CE under negotiation	0	700	+ 700	(d)
Total	23,080	24,452	+ 1,372	

Source: External Auditor based on data supplied by Brink

(a) 408 applications for compensation identified as at 31 December 2015, amounting to €23,011 thousand in total. These CE had not changed as at 9 May 2016.

²² The total amount of compensation events stands at €24.45 million (€23.75 million approved + €0.7 million under negotiation).

(b) Nine compensation events, with the amounts decreasing between 31 December 2015 and 9 May 2016, from €69 thousand to €48 thousand.

(c) Adjustments were required during the move in December 2015. This led to new CE. They involved AV-related work, fire safety arrangements and additional security installations. 31 new CE were recorded between 31 December 2015 and 9 May 2016. The total amount of these CE as at 9 May 2016 stood at €693 thousand.

(d) Total for the three compensation events currently under negotiation as at 9 May 2016 for an amount of €700 thousand.

1.2.1 Verification of the new compensation events

37. The Oversight Committee and the Project Director agreed on a new procedure for the management of the Project Reserve in June 2014. The Committee decided to establish a threshold of €150,000 for aspects requiring its approval, and that any issue involving costs associated with the States Parties' representational features and total cost of ownership investment would also require the Committee's approval regardless of cost.

38. The External Auditor carried out inspections to ensure that this procedure had been complied with. The sample checked represented over 78 per cent in terms of value. They found that the total amounts of the new compensation events selected were less than €150,000 and that therefore no application for approval from the Oversight Committee was required for these new CE.

39. The External Auditor observed no anomalies in terms of compliance with the decision-making process and concluded that the procedure for the new CE set by the project governance was being adhered to on the basis of these findings.

1.2.2 Verification of the inspections carried out by the Project Manager

40. In its report of 18 March 2016²³, the External Auditor recommended that the Project Manager should be more demanding with regard to expenditure control in future. In accordance with clauses 52.2 and 52.3 of the NEC 3 contract, the Project Manager should conduct an audit of the invoices issued by Courtys for the duration of the project, by carrying out sampling which is sufficiently broad and varied. This work is specifically provided for by those clauses of the contract which stipulate (52.2) that the constructor shall retain evidence of payments made and (52.3) that the Project Manager may inspect the accounts and records held by the constructor at any time..

41. The External Auditor examined the outcome of the inspection by Brink of the invoices submitted by Courtys for the current audit, which was carried out at Courtys' premises from 23 to 30 May by the Project Manager (Brink) in accordance with the stipulations of the NEC 3 contract, assisted by the financial controller of the Project Director's Office. The total cost of the project when the inspection was carried out stood at €161.7 million. The share for sub-contractors was estimated at €129.9 million. The inspection team led by the Project Manager inspected the records of eight sub-contractors. The sub-contractors represent approximately €85.1 million in contractual value, of which €4.2 million had already been invoiced to Courtys. The objective was to check whether 1,042 invoices out of a total of 3,976 invoices genuinely existed and that they were correctly recorded and paid. A sample of 613 invoices from the total of 1,042 invoices were checked.

42. The External Auditor did not note any anomalies and is of the view that the recommendation may be deemed to have been implemented.

²³ External auditors' report ICC-2015-4, § 110 and 111.

2. Funding the real estate transaction

43. The construction project is funded by the host State, the States Parties and the annual budget of the Court.²⁴

44. The host State funded the architecture competition, the preparatory works and decontamination involving the site made available to the Court, a subsidy on the loan and an additional contribution to bridge the gap created by the application of the formula for the calculation of one-time payments. The Member States could opt, by 31 December 2014, for one of two ways of making their contribution to the project: a) either to make a one-time payment (OTP), initially by 15 June 2015, a deadline which was pushed back until 29 June 2016 at the latest;²⁵ or b) to contribute to the repayment of a loan granted by the host State. The balance is funded by the surplus of the Court's 2012 annual budget and by a reduction in its approved reserve levels.

45. The host State loan is for a maximum amount of €200 million, over 30 years, at an annual interest rate of 2.5 per cent, with capital and interest repayable by the Court using contributions from States Parties. If the loan of €200 million is only partially used, the host State undertakes to reduce the amount of the loan to be repaid by an amount equal to 17.5 per cent of its unused part.

46. The conditions of the agreement for the loan from the host State stipulate that interest is payable annually, as of the time of the first utilization of the loan and that the repayment of the loan, by regular annual payments, will commence after expiration of the existing or future leases of the interim premises. In theory, they do not preclude the possibility of the loan being repaid in advance.

47. The loan was first utilized in 2013. Whilst awaiting the payment of one-time payments from States Parties that had opted to do so, the use of the loan enabled the necessary cash flow for payments to suppliers. As a result of one-time payments received, an early repayment of the host State loan for an amount of €2,003 thousand was made in May 2016. On 31 May 2016, the amount funded by the loan was estimated to be €2,426 thousand.

48. The States Parties were able to opt for the one-time payment option (OTP) until 31 December 2014. Following a recommendation by the External Auditor (report ICC-2015-2), payments were to be made no later than 29 June 2016. The States Parties which had opted for a one-time payment had paid €4,494,001 to the Court by the end of May 2016, €1,849,015 of which were overpayments. The overpayments would not be returned to the States Parties which had made them but would offset future contributions due by the same States Parties against the long-term capital replacement costs.²⁶ The net contribution of the States Parties which had opted for a one-time payment therefore stands at €6,111 thousand. Thirteen States Parties had yet to pay their contributions, a total amount of €338,419 by 29 June 2016. If the payments are not made within this deadline, the amounts in question will be funded by the loan from the host State and the States concerned will lose the benefit of the subsidy as a result.

49. A memorandum was signed on 15 December 2015 between the host State and the Court, pursuant to the ASP resolution adopted at its session in November 2015,²⁷ whereby the host State undertakes to pay €3.5 million to the Court to avoid that an error which was made when calculating the amounts owed by States Parties which had opted for one-time payments would result in efforts to recover an amount of €3,127,102 from States Parties. The balance of the additional host State contribution not used for this purpose would be used to subsidize States Parties which did not opt for a one-time payment.

50. Given this additional contribution by the host State, its contribution to the funding of the construction project would stand at €2,134,416 assuming that all States Parties would

²⁴ External auditors' report ICC-2015-4, paras. 20 and 21.

²⁵ ICC-ASP/14/Res.5, para. 43.

²⁶ ICC-ASP/14/Res.5.

²⁷ ICC-ASP/14/Res.5.

pay their full contributions by 29 June 2016. The evaluation made at the end of May 2016 will need to be adjusted if the above assumption fails to materialize.

51. The contribution of €2,134,416 is broken down into a subsidy of 17.5 per cent of the one-time payments, i.e., a total of €16,2715 million; a subsidy of 17.5 per cent of the €10 million unutilized loan, i.e., an amount of €1.750 million; an additional voluntary contribution of €3.5 million and an additional subsidy of 17.5 per cent on the additional contribution, i.e., €12,500, with €65,257 benefiting States Parties which did not opt for a one-time payment. This assessment of the host State's contribution to the funding of the construction project does not include either the cost of organizing the architecture competition or the cost of providing the decontaminated land, which it also funded.

52. These funding arrangements are only used to finance the €190 million budget initially approved by the ASP. Budget increases decided upon during the course of the project are financed under different arrangements, excluding any additional contributions from the States Parties.

53. The ASP approved the use of the budget surplus²⁸ for the Court's financial years 2012 to 2014 and the use of specific funds. As at 31 December 2015, only the surplus from 2012, i.e., €4.47 million, had materialized. The 2013 financial period did not generate a surplus and the surplus associated with the 2014 financial period, which amounts to €5 thousand, is negligible.

54. The budget increase of €4.3 million agreed by the ASP in December 2014 (Resolution ICC-ASP/13/Res.2) was not funded.²⁹ Then, the ASP decided in resolution ICC-ASP/13/Res.6, adopted in June 2015, that the €4.3 million approved in December 2014 would be funded through any additional surplus pertaining to the 2014 and following financial periods. The budget increase of €4 million decided upon by the ASP in June 2015 (ICC-ASP/13/Res.6) would be financed by the authorisation to use funds earmarked for Employee Benefit Liabilities (EBL), and also the Working Capital Fund (WCF). In practice, the EBL and the WCF are making up for the lack of surpluses in 2013 and 2014, and therefore providing the funding needed for the difference between €194.47 and €204 million.

The External Auditor has already had the opportunity to emphasize the fragile nature of the funding arrangements for the permanent premises project in its special report on cash reserves and we reiterate this point here.³⁰ Drawing on the reserves of the Court affects the Working Capital Fund and reduces it to a level which risks being lower than needed to fund its day-to-day operations.

55. As at 31 May 2016, the Employee Benefit Liabilities (EBL) fund had been used to partially fund budget increases but not yet the Working Capital Fund (WCF).

56. The difference between the final cost of the construction project, which was not known on completion of the audit but estimated at €205.75 million, and the budget agreed and funded under the arrangements set out above, i.e., €204 million, i.e. €1.75 million would be financed by the Court's ordinary budget for the 2016 financial period, of which no more than 98.5 per cent was likely to be used according to the implementation rates of previous years. The Registrar confirmed to the External Auditor that these funding arrangements were being considered, after the three Principals of the Court had received, on 9 March 2016, a letter from the Oversight Committee stating that the Court shall be responsible for absorbing the cost overrun above €204 million within its regular budget and agreed to it.

57. The loan and interest accrued will be repaid between 2017 and 2047. Only those States Parties which did not opt for a full one-time payment or which did not effect full

²⁸ ICC-ASP/14/Res.1.

²⁹ The previous year the ASP had decided to fund transition costs up to €5.7 million with the appropriation of the surplus pertaining to the financial years 2012 to 2014. The 2012 surplus was transferred to the project in an amount of €4.47 million, leaving €1.3 million in transition costs without financing as there was no surplus in 2013 and only 95 thousand in 2014.

³⁰ Report ICC-2015-6, paras. 52, 54 and 148.

payment by 29 June 2016 will be liable for payment. The final amount for these costs depends in particular on the total cost of the construction project, and the number of States Parties which opted for a one-time payment and had actually paid their contribution by 29 June 2016.

58. The loan agreement provides that the total amount of the loan will be determined jointly by the host State and the Court at the date on which the temporary housing of the Court at Maanweg 174 and/or Saturnusstraat 9 in The Hague expire, i.e., 30 June 2016.³¹ The External Auditor was therefore unable to verify the final amount of the loan.

3. General operating expenses, maintenance and capital replacement costs

59. The Court is responsible for the maintenance and renovation costs for the buildings (including all internal installations) and for the sites. The same applies to operational costs (catering, cleaning, security, etc.). Adequate provisions to cover these costs must be provided for in the Court's general budget.

60. On 21 November 2012, the ASP endorsed the decision of the Oversight Committee, to set up a working group chaired by the Project Director to further examine how the total cost of ownership of the permanent premises was met. The working group met 13 times between April 2013 and March 2015 and it produced studies outlining operational and maintenance costs and also the cost of capital replacements to operate the equipment and maintain its value.

61. The working group chaired by the Project Director had suggested establishing a specific fund for capital replacement. The Oversight Committee examined these proposals in light of the need to preserve the value of the premises and their functionality and also the financial resources that the States Parties might be prepared to approve to organize and fund long-term investment and maintenance processes. It proposed solutions to the ASP in this regard at its 14th session.

62. In November 2015, the ASP approved the use of a Main Contractor model for maintenance and decided that cost estimates for capital replacements would be examined during 2017 to 2019; to that end a study would be commissioned from the future committee to be set up to monitor the permanent premises.³²

63. The ASP also decided that no cost for capital replacement would be considered during the first ten years of operation, i.e., until 2026. An analysis of the budget resources (assessed contributions) or other financial instruments (including loans) to ensure the capital replacement would be carried out, for the period 2017 to 2019.³³ However the ASP decided that the funds corresponding to overpayments by the States Parties which had opted for a one-time payment, totalling €1,849,015, shall offset future contributions due by the same States Parties against the long-term capital replacement costs.

64. The External Auditor noted that postponing the scrutiny of cost estimates for capital replacement from 2017 to 2019 would not allow the ASP to benefit from the technical and financial expertise or feedback from the Project Manager which supported the Project Director during the construction phase of the permanent premises, unless hired back again. The Project Manager's contract ends in October 2016. Furthermore, the Project Director's Office (PDO) will have been discontinued by then and will no longer be available to present and put these estimates in context.

65. The decision which doesn't provide capital renewal for the first ten years of operation, until 2026, is unrealistic: it does not take into account the initial renewals already foreseen by the Project Director's Office, in years six (€1 million) and nine (€4.2 million) or any contingencies.

³¹ See Article 1(1.1) of the loan agreement of 20 March 2009 concluded by the host State and the Court: 'Expiry date: the date on which the present or future rental agreement of the Court concerning the present temporary housing at Maanweg 174 and/or Saturnusstraat 9 in The Hague expires.'

³² ICC-ASP/14/Res.5.

³³ ICC-ASP/14/ Res.5, paras. 67 (c) and (d).

66. In its previous reports,³⁴ the External Auditor drew the attention of the Court to the “unplanned” risks of the mirror pond, the green wall over the “architectural-steel grid” and a potential future requirement for compliance with HEQ (high environmental quality) standards, and the PDO carried out a risk analysis. It is highly likely that the costs associated with preventing these risks will need to be borne by the Court before 2026, as is already apparent with the problems associated with cleaning and maintaining the mirror pond.

67. If urgent repairs have to be made, the ASP plans to fund unplanned capital replacement with the reserves of the Court.³⁵ This is not a satisfactory solution in the present case since the Court’s Working Capital Fund has already been heavily utilized. *The working capital fund, which is already insufficient as it stands, cannot be used until it has been built up again to a satisfactory prudential level.*

68. The Court now owns its permanent premises and must therefore act in the same way as an owner who wishes to maintain his asset in a good condition, by wise and anticipatory management of its capital. The States Parties, having decided to become owners of the new permanent premises must now take on the responsibilities of ownership.

Recommendation No. 1. The External Auditor recommends that at its next session, or as soon as possible in 2017, the Assembly review the cost estimate of capital replacement and implement a funding solution which does not jeopardize the prudential level of the Working Capital Fund.

VI. Management of the permanent premises project

1. Project governance

69. Governance of the project is defined by various Assembly resolutions.³⁶ It rests primarily with the Oversight Committee, a subsidiary organ of the Assembly of States Parties and responsible for strategic oversight, and with the Project Director, who is responsible for the project’s day-to-day management.

1.1. Project Director’s Office

70. With responsibility for the project’s day-to-day management, the Project Director’s Office was established at the Sixth Session of the ASP in December 2007. Mr. Neil Bradley was appointed Project Director in June 2011. He resigned his post on 27 May 2015, with effect from 3 July 2015. The Oversight Committee organized a competitive recruitment procedure, and the new Project Director, Mr. Kenneth Jeavons, took up office on 11 August 2015, departing on 29 February 2016 and being replaced on a part-time basis, with effect from 21 March 2016, by Mr. Philip Dubbeling. Mr. Dubbeling’s contract runs to end September 2016.

71. After the conclusion of the construction project and of the transition programme, the project management’s staff have been re-assigned to administrative work relating to confirmation of the loan granted by the host State, to verification of payment of Member States’ contributions and of suppliers’ invoices, to the follow up on the correction of defects by Courtys, in particular in relation to security systems, to the finalization of negotiations on maintenance between Courtys and the Court, to the settlement of potential disputes with the contractors involved in the construction project and the transition programme, and to the project’s closure and formal discharge as well as to financial reporting to the Oversight Committee. In order to transfer the project’s operational memory to the Court’s permanent teams, weekly or special meetings were organized during the first half of 2016 between the Project Director’s Office and the sections and units responsible for management of the

³⁴ External auditors’ report ICC-2014-2.

³⁵ Resolution ICC-ASP/14/Res.5, para. 67 (e).

³⁶ ICC-ASP/6/Res.1.

various elements of the permanent premises: security, general services, facilities management, etc.³⁷

72. The Project Director's administrative assistant and the financial controller of the Project applied for and were successful, after interviews, in gaining new positions in other Court departments with effect from 1 and 10 June 2016 respectively. The Deputy Director's (Senior Legal and Policy Adviser) contract was extended until the end of November 2016.

73. In view of the fact that the Oversight Committee is required to submit a report to the Assembly, the External Auditor considers that the Project Director's part-time contract should be extended until the Assembly's next session, scheduled for November 2016. The Director's Office, which has already been marked by significant staff turnover, should then be in a position to provide the Oversight Committee with the necessary data to enable the Assembly to put an end to the project and the Project Director's Office, and grant the Project Director final discharge in respect of his management.

Recommendation No. 2. The External Auditor recommends that the Oversight Committee approve the extension of the Project Director's contract until after the next session of the Assembly of States Parties.

1.2. Project management

74. The Project Director's Office is responsible for the management of the project,³⁸ and is supported by a company specializing in project- management assistance (Brink Groep).

75. Under a series of amendments and addenda to the initial management contract, Brink Groep were given responsibilities greater than those normally accorded to an assistant project manager.³⁹ This has compensated in part the insufficient structure in the Project Director's Office and its high staff turnover and increased the original provision for the cost of project-management assistance. The initial fixed cost (€2.7 million) has been increased by a further fixed cost (€0.4 million), as well as by a variable item (€4.3 million). The total cost of Brink's services amounts to €7.4 Services delivered by Brink was further more a delegation of project owner to assistance to project ownership, justifying the cost.

76. Under the terms of the NEC3 contract, a Brink representative was appointed Project Manager, with formal sole responsibility for committal of expenses covering the original contract price (€147 million) and the final cost (€171 million) before deductions under the cost-sharing mechanism for compensation events.

77. The External Auditor's Special Report of 2016⁴⁰ noted that the decisional process in relation to expenditure commitments was insufficiently documented.

78. The Project Manager is also responsible for identifying defects in the premises and equipment ('snagging') and arranging for their rectification by end October. The period for the identification of defects ('snagging period') is 52 weeks from the date of completion of the works (30 October 2015), and thus terminates on 30 October 2016. An amount of €737,500 has been retained out of the payments due to the contractor as security for the rectification of all defects. This retention, or the relevant balance, is due to be paid to the contractor during the month of October 2016.

79. Under articles 52.2 et 52.3 of the NEC 3 contract, the project manager was required to audit the invoices presented by Courtys throughout the contract period, by means of extensive, broad-based sampling..

³⁷ SSS, GSS/FMU, IMSS, CMS and PIOS.

³⁸ The mandate of the Project Director's Office is to ensure that the permanent premises of the Court are built on time, within cost and to specifications and quality. The Project Director shall have the final responsibility for the overall management of the project and shall be responsible for meeting the project's goals, timelines and costs and quality requirements (ICC-ASP/6/Res.1).

³⁹ The task of an assistant project manager is to assist the project manager in defining, directing and administering the director's project. The assistant provides advice and makes proposals, power of decision remaining with the director. The project manager facilitates project coordination, and enables the project director to fulfill his management obligations by providing him with assistance.

⁴⁰ Special Report of the External Auditor, ICC-2015-4, paras.110 and 111.

80. The External Auditor has verified the inspection conducted by the Project Manager on the invoices presented by Courtys, and has detected no anomalies.⁴¹ However, he was unable to check the final settlement between the Court and Courtys, since, at the time of his mission, this had not yet been formally agreed; nor was he able to check whether all construction defects had been fully rectified since the defects correction period will finalize at the end of October 2016. The Project Director's Office will need to exercise vigilance in this regard before transferring the balance of the €737,500 retention to Courtys.

Recommendation No. 3. The External Auditor recommends that the Project Director's Office ensure, through the Project Manager, that the correction of all the construction defects is verified.

1.3. The Oversight Committee

81. The Permanent Premises Oversight Committee was established by a resolution adopted by the Assembly in December 2007 (ICC-ASP/6/Res.1) as a temporary subsidiary body of the ASP until the project's final completion. The Assembly elects the 10 members of the Committee from among States Parties for a renewable term of two years. The Committee's role is to exercise strategic control in the construction, on behalf of the Assembly of States Parties. While the project's day-to-day management is the responsibility of the Project Director.

82. While the Oversight Committee's mandate provides that it should meet at least four times a year, in reality it has met far more often: on average, more than once a month. Meeting so often has enabled the Committee to exercise regular oversight and supervision of the project. The Committee has not confined itself to strategic control. It has also intervened in operational matters which might also be regarded as falling within the Project Director's remit. Its Chair has carried out certain management activities, such as, for example, signing some of the Project Directors' employment contracts.

83. The permanent premises were completed on 30 October 2015, then handed over to the Court on 2 November 2015. The project's accounts are due to be closed during the financial year 2016. Once the Oversight Committee — which is a temporary body — has terminated its mission, its continued existence cannot be justified under the terms of the resolution adopted by the Assembly in December 2007 (ICC-ASP/6/Res.1).

84. In November 2015, the Assembly of States Parties invited the Oversight Committee to pursue discussions on the establishment of a new governance structure for the permanent premises, and to report back to the Assembly's fifteenth session. It was agreed that, if, by the close of the fifteenth session, no decision had been taken on the establishment of a new governance structure, the mandate of the Oversight Committee would be extended (resolution ICC-ASP / 14 / Res.5, paras. 58 and 59).

85. A possible solution would be to transfer oversight of management of the premises, in particular regarding capital replacements, to the Committee on Budget and Finance, or, possibly, to a specially created sub-committee of that Committee.

86. The Committee on Budget and Finance (CBF) was established by the Assembly of States Parties in 2002, under resolution ICC-ASP/1/Res.4. The CBF is composed of 12 members elected by the Assembly. Under the terms of its founding resolution, the Committee meets as often as needed, and at least once a year. In point of fact it has generally met twice a year, in April and August.

87. The CBF is responsible for technical examination of all proposals to the Assembly with potential financial or budgetary consequences, or of any other question of a financial, budgetary or administrative nature entrusted to it by the Assembly. These have included consideration of interim reports on the Permanent Premises Project submitted by the Oversight Committee, as well as advice to the Assembly on the Project's financial impact. Apart from the Oversight Committee, the CBF is best informed in regard to the operational and financial issues involved in the design and construction of the permanent premises. It

⁴¹ See above.

should therefore be well placed to oversee matters in relation to the premises with budgetary or financial impact for the Assembly, such as maintenance and capital replacements.

88. In light of the issues involved in the operation and maintenance of the permanent premises, the CBF might appreciate the opportunity of establishing a sub-committee responsible for the oversight of these matters. The creation of this sub-committee could be linked to the creation and funding of a capital replacement reserve.

Recommendation No. 4. The External Auditor recommends that the Assembly of States Parties terminate the mandate of the Oversight Committee, after discharging the Project Director's Office of its responsibility, and entrust oversight of the budgetary and financial aspects relating to the permanent premises' maintenance and capital replacements to the Committee on Budget and Finance.

2. Facilities management and safety and security

2.1. Facilities management

89. On handover of the permanent premises, the Facilities Management Unit (FMU) of the General Services Section (GSS) assumed full responsibility for their corrective and preventive maintenance.

90. The Assembly has decided that maintenance of the premises will, initially and for the first ten years from 2018, be organized on an outsourcing basis, with responsibility being entrusted to a single contractor (the 'main contractor').⁴² The Court must now assume its responsibilities as building owner, and be in a position to ensure effective maintenance, not only corrective, but also preventive, so as to achieve economies and efficiency gains.

91. An addendum has been proposed to the contract with Courtys, the construction company, which would make it responsible for maintenance services, both supplementing (from 1 September 2015 to 30 October 2016) and extending (from 1 November 2016 to 31 December 2017) its current maintenance services under the construction contract. This addendum, which had been authorized in by the Assembly of States Parties at its December 2014 session, had still not been signed at end May 2016, seven months after handover of the building due to priority having been given by Courtys and the Project Manager to other urgent matters such as solving a large amount of defects that frustrated the day-to-day operation of the Court. During the intervening period only the warranted maintenance was carried out as well as other critical maintenance works. Other necessary maintenance tasks were not performed in time. For instance, the maintenance of the mirror pond started only in May, even though the specific risks associated with that feature had been emphasized by the External Auditor.⁴³

92. The importance of cleaning and maintenance works on the pond, and hence of their respective costs, were under-estimated, for instance as regards the not foreseen presence of seagulls.⁴⁴

93. An alternative to the installation of sophisticated cleansing techniques, or the use of toxic chemicals, would be to treat the water in the pond by 'lagooning', that is by introducing bacteria, plankton, algae and aquatic plants, thus establishing a biological filter system for the water. This is a technique derived from purification processes for domestic and industrial water.

Recommendation No. 5. The External Auditor recommends that the Court enter as soon as possible into the contractual addendum authorized by the Assembly in December 2014,

⁴² ICC-ASP/14/Res.5.

⁴³ Report of the External Auditor, ICC-2014-2.

⁴⁴ The pond has proved very attractive to seagulls, which are protected under Dutch law, and they have become a major nuisance. The accumulation of droppings in the pond has rapidly caused saturation of the filter system and led to costly clean-up operations not provided for in the 2016 budget.

entrusting Courtys with maintenance services additional to those under the construction contract, and up to 31 December 2017.

94. A global maintenance contract needs to be signed during financial year 2017, to take effect on 1 January 2018. It should specifically focus on the results to be achieved, rather than on the activities to be performed. Drafting of this contract, with the assistance of the Project Manager (Brink Groep) had still not begun by end May 2016, but was due to commence in June 2016 and to be concluded before closure of Brink's mission, scheduled for end October 2016. In view of the contract's global nature, a more formal approach to maintenance requirements is needed, and hence to management of the contract. This requires a properly organized and methodical approach, downplaying corrective maintenance and focusing on preventive measures, with differential treatment being applied to the various zones of the permanent premises, according to their vulnerabilities in light of the Court's core mission.

95. Implementation of this contract will change the nature of the tasks and activities of the Facilities Management Unit (FMU). While an urgent intervention team can be maintained, the Unit's essential mission will be to manage the contract in such a way that the expected results are actually achieved. Systematic and random checks on the condition of the facilities must be organized, and their results may, where necessary, lead the Unit to demand that the contractor selected provide the requisite level of service. A monthly log should be kept, enabling checks and corrective measures to be tracked.

96. The FMU's new responsibilities will need not only a reorganization and the exercise of new professional skills, but also the transformation of today's 'action culture' into the 'control culture' required in order to operate a global maintenance contract.

Recommendation No. 6. The External Auditor recommends that the Registrar send a letter of engagement to the future Head of the Facilities Management Unit (FMU), setting set out the new tasks and activities entrusted to the Unit since the transfer of ownership of the permanent premises.

2.2. Safety and Security

97. The Safety and Security Section has full responsibility for security of the premises and access thereto. The Section was much in demand during the project (numerous changes were decided regarding safety and security of the premises) and during the transition.

98. Many construction defects, in particular, were related to inadequate integration of security systems. According to the Safety and Security Section, the defects thus identified were not remedied quickly enough by the Project Director's Office, the Project Manager (Brink Groep), or the contractor (Courtys). They monopolized the Section's attention and resources through the first half of the year. They must in any event be remedied by Courtys by end October 2016.

99. As a result, the Safety and Security Section has had no opportunity to organize evacuation exercises from the permanent premises. Over and above the requirements of Dutch legislation, there are a number of risks that may require the evacuation of staff and other building users: fire, leaks or spillage of hazardous material, or emission of a toxic gas, electrical power failure, threat or risk of explosion, armed attacks, natural events such as storms or earthquakes. It would have been a matter of good management to organize an evacuation exercise within three months from the move.

100. To provide staff with fire training and to check alarm systems, regular evacuation exercises must be organized on the initiative of the Court and carried out by the Safety and Security Section. Such exercises enable staff to familiarize themselves with alarm systems, emergency exits and assembly points. They enable the clarity and effectiveness of security procedures to be checked and highlight any existing problems (for example, locations where bottlenecks can occur in the event of evacuation, and those where alternative routes should be provided).

101. In light of the safety and security risks specific to the Court, these exercises should be conducted in close cooperation with the police and emergency services of the host State, and/or those of the local authorities.

Recommendation No. 7. The External Auditor recommends that the Safety and Security Section, in close cooperation with the host State police and emergency services, organize as soon as possible the evacuation exercises prescribed under the law of the host State.

3. User satisfaction

102. The building users interviewed by the external audit team expressed great satisfaction, both with the organization of the move and with the location, landscaping, aesthetics, functionalities and amenities of the permanent premises. They also noted a certain number of issues, attributable to: (1) constructional defects in process of rectification by the contractor; (2) minor incidents associated with the move; (3) building ‘teething troubles’; (4) necessary modifications to inadequately designed or defined programmes; (5) users’ new or existing desiderata not being taken into account in the building’s functional specification.

103. These issues need to be identified, analyzed and managed in such a way that they are either remedied, contained, or accepted as such. Solutions will be conditioned by budgetary constraints. Any corrective measures for which the Court is responsible should be programmed over several years, so as not to impose an excessive burden on the annual budget. They must not become a charge on the premises’ maintenance budget.

104. In order to determine objectively the level of satisfaction among the various categories of permanent premises users (visitors, journalists, counsels, parties to proceedings and Court staff), and to identify issues needing to be addressed and managed, the Court should organize a satisfaction survey during the second half of 2016, and once a year subsequently. The survey results will serve as a basis for an action plan, as well as allowing for the possible inclusion of corrective measures in future Court budgets.

Recommendation No. 8. The External Auditor recommends that the Registrar carry out a satisfaction survey among permanent premises users during the second half of 2016 and once a year subsequently.

105. Certain issues reported to the External Auditor require not so much remedial work on the items concerned as proper user training. This is the case for many electronic devices, or those operated by an electronic interface, such as access and air-conditioning systems for offices and meeting rooms, as well as audio-visual management and security systems. While not necessarily going so far as to organize formal ‘classroom’ training sessions on these various topics, the Safety and Security Section and the General Services Section might design learning tools, aimed at preventing problems of this sort, and post them on the Court’s Intranet site.

Recommendation No. 9. The External Auditor recommends that the Registrar provide permanent premises users with learning tools appropriate to the premises functionalities and limitations.

VII. Acknowledgements

106. The External Auditor and his team would like to express their special thanks to all of those at the International Criminal Court with whom they were in contact, starting with the institution’s most senior representatives. They are particularly grateful to the Director of the Permanent Premises Project, Mr. Philip Dubbeling, and to his deputy, Mr. Juan Escudero, for the warmth of their welcome, their readiness to give us their time, and the very effective mission support which they provided. The External Auditor likewise thanks the Registrar of the Court, Mr. Herman von Hebel, as well as Registry staff, for their cooperation and for their helpful responses to the team’s questions.

End of audit observations.