

**Assembly of States Parties**

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**Fifth session**

The Hague

23 November to 1 December 2006

**Report on the reappointment of the External Auditor**

**Note by the Secretariat**

The Secretariat of the Assembly of States Parties has received the following report from the Court and has been requested to submit it to the Assembly, through the Committee on Budget and Finance.

## **A. Background**

1. Regulation 12.1 of the Financial Regulations and Rules of the Court provides that:

“The Assembly of States Parties shall appoint an Auditor, which may be an internationally recognized firm of auditors or an Auditor General or an official of a State Party with an equivalent title. The Auditor shall be appointed for a period of four years and its appointment may be renewed.”

2. The Assembly of States Parties (“Assembly”) at its first session, in 2002, delegated the appointment of an External Auditor to the Bureau of the Assembly (“Bureau”) and requested that it report to the Assembly at the resumed first session in February 2003. Subsequently, in November 2002, the Office of the Director of Common Services of the Court circulated to missions of States Parties at The Hague and Brussels a request for proposals for the position of Auditor.

3. At the second resumption of its first session, the Assembly was informed that the Bureau, at its meeting on 21 April 2003, acting under the delegated authority of the Assembly, had appointed the National Audit Office of the United Kingdom of Great Britain and Northern Ireland (NAO) as Auditor for the Court for a period of four years. This appointment was based on the results of the bidding process and was communicated to the NAO by way of a letter from the President of the Assembly. The appointment lapses following the NAO’s audit of the financial period ending 31 December 2006.

4. At its fourth session, in 2005, the Assembly indicated that it was in principle inclined to renew the appointment of the NAO as Auditor for a second four-year period and requested the Court to submit a report to the Assembly, through the Committee on Budget and Finance, on the terms and conditions for the renewal.<sup>1</sup>

## **B. Terms and conditions for the renewal**

5. The Court has brought to the NAO’s attention the Assembly’s indication as to its inclination to renew the appointment and has discussed with the NAO the terms and conditions on which such renewal would be made. The following is based upon those discussions.

6. The NAO’s fees for its audit of the Court for the period ending 31 December 2003 were in the sum of €40,000. Since that time, the fees charged have increased to €52,000 in respect of the 2005 audit of the Court and €3,000 in respect of the audit of the Victims Trust Fund for the same period. The NAO has indicated to the Court that this increase reflects the increased workload involved in auditing the Court in light of the growth in the size of the Court and in the range of its activities since 2002. The NAO has also indicated that it anticipates that its fees for the period 2007-2010 would be limited to no more than an annual increase of 3.5 per cent.<sup>2</sup> A profile of fees for the period 2007-2010 submitted to the Court by the NAO appears in the annex.

7. The Court is of the view that the current arrangements have worked well and strike the right balance between predictability of the costs of the audit and flexibility to add additional components to the scope of the work of the NAO should the need arise.

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<sup>1</sup> *Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Fourth session, The Hague, 28 November to 3 December 2005* (International Criminal Court publication, ICC-ASP/4/32) part II, B.3, para. 45.

<sup>2</sup> The NAO has confirmed this in writing, in a letter dated 23 May 2006.

8. Accordingly, if the Assembly decides at its fifth session to renew the appointment of the NAO as Auditor, it is proposed that the appointment should once again be communicated to the NAO by way of a letter from the President of the Assembly to the Auditor General of the United Kingdom of Great Britain and Northern Ireland, making reference to the NAO's communication regarding their expected fee schedule for the audits during the period of the reappointment. Additionally, the Court is in discussions with the External Auditor with a view to drafting and executing a formal audit contract, which will reflect the requirements of the Assembly and will incorporate the agreed anticipated fees referred to above.

## Annex

### Profile of audit fees 2003 to 2010

(in euros)

Account year	2003 (actual)	2004 (actual)	2005 (agreed)	2006	2007	2008	2009	2010
ICC	40,000	45,500	52,000	53,000	54,500	56,000	57,500	59,000
Trust Fund for Victims	2,000	3,000	3,000	4,000	4,500	5,000	5,500	6,000
<b>Total fee</b>	<b>42,000</b>	<b>48,500</b>	<b>55,000</b>	<b>57,000</b>	<b>59,000</b>	<b>61,000</b>	<b>63,000</b>	<b>65,000</b>
<b>Increase %</b>		14.3	14.6	3.6	3.5	3.4	3.3	3.2

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