

**International Criminal Court**

**ICC-ASP/6/5**

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**Assembly of States Parties**

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**Financial statements  
for the period 1 January to 31 December 2006**



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**Letter of transmittal**

29 March 2007

In accordance with Financial Regulation 11.1, I have the honour to submit the financial statements of the International Criminal Court for the financial period 1 January to 31 December 2006.

(Signed) Bruno Cathala  
Registrar

Sir John Bourn  
Comptroller and Auditor General  
National Audit Office  
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Victoria  
London SW1W 9SP  
United Kingdom

## **Financial Statements of the International Criminal Court for the year ended 31 December 2006**

### **Audit Opinion**

#### **To the Assembly of States Parties of the International Criminal Court**

I have audited the accompanying financial statements, comprising Statements I to IV, Schedules 1 to 7 and the supporting Notes 1-13 of the International Criminal Court for the financial period ended 31 December 2006.

#### **Respective responsibilities**

These financial statements are the responsibility of the Registrar as set out in Financial Regulation 11.1. My responsibility is to express an opinion on these financial statements based on my audit performed in accordance with Financial Regulation 12.

#### **Basis of opinion**

I conducted my audit in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency and conforming to International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Registrar, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for the audit opinion.

#### **Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2006 and the results of operations and cash flows for the period then ended in accordance with the International Criminal Court's stated accounting policies set out in Note 2 to the financial statements.

Further, in my opinion, the transactions of the International Criminal Court, which I have tested as part of my audit, have in all significant respects been in accordance with the Financial Regulations and legislative authority.

In accordance with Regulation 12 of the Financial Regulations, I have also issued a long-form report on my audit.

(Signed) Sir John Bourn  
Comptroller and Auditor General  
United Kingdom  
External Auditor

London, 9 July 2007



## External Auditor's Report 2006

### The audit of the financial statements of the International Criminal Court for 2006

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## Executive Summary

- An unqualified audit opinion on the 2006 financial statements.
- Financial results and other financial matters.
- Review of the SAP Enterprise Resource Management System.
- Recommendation to improve internal control.
- Further valuation of judges' pension scheme liabilities.
- Permanent premises for the Court.
- Procedures for procurement of goods and services for field offices.
- Follow up to 2005 audit recommendations.

### Overall results of the Audit

1. We have audited the financial statements of the International Criminal Court in accordance with the financial regulations and in conformity with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency and with International Auditing Standards.

**2. The audit examination revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and the validity of the financial statements as a whole and I have placed an unqualified audit opinion on the Court's financial statements for the year ended 31 December 2006.**

3. The scope and approach of the audit were communicated to management in a detailed audit strategy, key aspects of which are set out at Annex B to this report. Observations and recommendations arising from the audit are set out in summary below. A more detailed analysis of the audit issues is provided in the section of this report entitled Detailed Findings.

### Main Audit Findings and Recommendations

4. The detailed findings of this report provide a commentary on the Court's financial position. For the financial year ended 31 December 2006, the Court recorded a surplus of €17.5 million compared with a restated surplus of €5.9 million in 2005. The higher surplus recorded in 2006 is partly explained by the fact that the provision for the judge's pension scheme in respect of 2006 was funded from the surplus in 2005, in line with the Assembly of State Parties' resolution. The Court's income and expenditure continued to increase in line with the growth of its activities. Income increased as a result of a rise in assessed contributions from states parties and higher interest income. Expenditure increased primarily as a result of higher staff costs.

5. During 2006 we undertook a review of the SAP based Enterprise Resource Management System (ERMS) implemented by the Court in that year. As a part of our review we have examined the migration of data from the legacy system to the SAP ERMS, the project timeframe, security policy and access controls. Overall we obtained sufficient assurance that accounting data had been accurately migrated from the legacy system to SAP; and that by the end of the financial year reliable accounting information had been produced to support the disclosures in the Court's financial statements. However, at the end of our review in December 2006 we reported to management a number of areas where improvements could be made. These included:

- Closure of accounting ledgers at the end of each month;
- Implementation of the remaining SAP modules to ensure appropriate functionality;



- Finalisation, issue and wider publication of the IT Security Policy;
- Improvements in password security and allocation of user roles;
- Continued monitoring of the use of external IT consultants to provide support; and
- Appropriate controls over access to the live operating environment.

6. Following the implementation of the ERMS, we noted the weakening of one of the key internal financial controls where bank reconciliations had not been properly completed for the first eight months of 2006. Our examination showed that for this period the Court did not meet its target of reconciling all bank accounts within two weeks of the end of each month. The absence of this key control throughout the first eight months of the year exposed the Court to the risk of erroneous or fraudulent transactions not being detected on a timely basis. However, by the end of the year all reconciliations had been completed and brought up to date, and retrospectively we obtained assurance that no instances of material fraud or error had occurred during this period.

7. In December 2005, the Assembly of State Parties passed a resolution that the judges' pension scheme should be fully funded using the 2005 surplus. In 2005 based on an actuarial estimation provided by Ernst & Young, a provision of €8 million was made for the scheme. In 2006 Allianz were selected to administer the scheme and in preparation for the contract they provided an actuarial valuation for the scheme which calculated the liability in respect of the period March 2003 – December 2005 as €4.3 million and a liability in respect of 2006 amounting to €2 million. In total this valuation amounts to €6.3 million compared to a provision made by the Court in 2005 of €8 million. As the actuarial valuation provided by Allianz is materially different to the provision made in 2005, the prior year comparative figures in the 2006 accounts have been restated to reflect the lower valuation. Allianz have yet to be contracted as the scheme administrators and therefore the scheme liability remains a provision rather than an obligation.

8. The Assembly of States Parties at its fifth meeting recommended that the Court concentrate on investigating and planning for a move to permanent premises in a purpose built building on the site of the Alexanderkaserne. The Court has now begun to plan for the requirements of any new premises. Planning has included the production of a Court Capacity Model in August 2006 in order to gauge future human resource requirements, based on the future activity of the court (i.e. the number of simultaneous trials and appeals). There is a risk that a permanent location for the Court may not be sufficiently adaptable for the Court to downsize if there was a significant reduction in its activities. We encourage the Court to take this factor in to account in its deliberations for the design and build of the permanent location.

9. In our review of transactions relating to purchases carried out for each of the three field offices, we noted a significant duplication of effort for the procurement of goods and services for these offices. This is because the field offices do not have remote access to the SAP accounting system or sufficient resources to carry out purchases locally. While recognising the risks associated with delegation of authority for procurement to field office staff, we encourage the Court to consider the benefits of allowing remote access and local procurement of lower value goods and services, with appropriate mitigating controls being put in place to manage the risks associated with such delegation.

10. Annex A to this report records the recommendations made in our 2005 report; the Court's response to those recommendations; and our comments on the progress subsequently made. The Court has taken forward all nine of our recommendations made in the 2005 report and we welcome the action being taken in the areas of strengthening internal control, corporate governance and procurement. We carried out some further work on procurement and risk management in 2006. On procurement we note the improvements made in

developing procurement plans and we confirmed that there were legitimate reasons for a noticeable rise in expenditure at the year end. On risk management, we note that the Court has established a risk management project and we encourage best practice in the evaluation, recording and ongoing monitoring of risks through the use of a risk evaluation matrix and a risk register.

## **Detailed Findings for 2006**

### **Financial Results**

#### **Income and Expenditure**

11. The Financial Statements report that for 2006 income increased from €68 million to €82.2 million, an increase of some 21 percent. This significant increase is accounted for by a rise in assessed contributions from €66.9 million to €80.4 million and an increase in interest income from €1.1 million to €1.7 million. The level of assessed contributions is set by the Assembly of States Parties (ASP) based on the budgeted expenditure for the Court.

12. The Court incurred total expenditure of €64.7 million in 2006 compared to €62.1 million in 2005. The increase in disbursed expenditure is explained by an increase in staff costs from €41.8 million in 2005 to €43.5 million in 2006 as the Court continued to recruit staff to carry out its full range of functions. Staff costs in 2005 included a provision for the judges' pension scheme to the period ending 31 December 2006 and the actual increase in staff costs in 2006 was €8.7 million.

13. Travel and hospitality costs in 2006 remained constant at €2.8 million compared to 2005. Operating expenses increased by €2.3 million with the continued expansion of the Court. Costs for contractual services and acquisition costs fell by €2.7 million and €0.6 million respectively due to lower activity in these areas.

14. As part of our audit we examined all significant income and expenditure balances; and ensured that there was sufficient reliable evidence to support the receipts and disbursements recorded in the Court's financial statements, and to explain movements in income and expenditure between 2005 and 2006.

#### **Collection of Contributions**

15. The Court collected 91.3 percent of assessed contributions in 2006 compared with 82.3 percent in 2005. This is a significant improvement in the collection rate for assessed contributions and demonstrates the action taken by the Court to improve its performance in this regard. In addition the Court collected contributions arrears of €10.1 million or 67 percent of arrears outstanding at the start of 2006. The total value of arrears outstanding as at 31 December amounted to €12 million. We welcome the improved collection rates for arrears and for assessed contributions in respect of 2006; and continue to encourage the Court to reduce the level of contributions arrears.

#### **Other Financial Matters**

##### **Cases of Fraud or Presumptive Fraud**

16. Under the terms of reference governing the external audit, contained in the financial regulations, we are required to bring to the notice of the Assembly of States Parties any cases of fraud or presumptive fraud. Primary responsibility for the prevention and detection of fraud rests with management. The Court informed us that they had not recorded or investigated any cases of fraud or presumptive fraud during 2006. The Director of the Office of Internal Audit (OIA) also confirmed that no cases of fraud or presumptive fraud came to his attention during 2006. Our audit did not identify any cases of fraud or presumptive fraud during the year.

### **Losses, Write-Offs and Ex-Gratia Payments**

17. The Property Survey Board wrote off €12,758 of non-expendable property in 2006 and there was an amount of €1,200 written off as a loss of cash. No ex-gratia payments were made by the Court in 2006.

### **Financial Management Issues**

#### **Review of the SAP Enterprise Resource Management System**

##### **Scope of our examination**

18. During 2005 and 2006 the ICC moved from using a variety of IT systems for human resource management, payroll and financial management to a single integrated enterprise resource management system (ERMS), produced by SAP.

19. In December 2006 we undertook an IT review of the ERMS at the Court. The main focus of our work was to assess the ability of the new system to process and produce reliable financial information to support the Court's financial statements. We also looked at the accuracy of the migration of data from the previous computer system to SAP.

##### **Preparation of Financial Statements for Year Ending 31<sup>st</sup> December 2006**

20. We reviewed the implementation of SAP to assess the adequacy of management controls over the financial information generated for the preparation of the financial statements for 2006, on which we have provided an audit opinion.

21. We were pleased to see that parallel running of SAP alongside predecessor systems had allowed for the reconciliation of general ledger balances for 2005 produced by SAP to those previously produced by the SUN system; and the reconciliation of payroll reports from SAP to those produced by Progen. These reconciliations provided us with assurance that the opening account balances had been correctly brought into the SAP system and that the payroll was being correctly processed.

22. However, we noted that the automatic closure for transaction posting at the end of each month had not been activated as at December 2006. This increases the risk that transactions may be posted to earlier months, weakening key controls such as bank reconciliations which cannot be properly finalised without the closure of accounting ledgers. The ability to post back transactions to earlier accounting periods also reduces the accuracy of monthly financial reports which similarly cannot be finalised. The Court has activated this facility in SAP and that the accounting records are closed at the end of each month. We welcome the action taken by the Court to improve the quality of monthly reporting using transaction data which cannot be altered.

##### **Project Timeframe**

23. In December 2006 several SAP modules originally scheduled for implementation in 2006 remained outstanding. These included business warehousing, electronic recruitment, audit information system, legal aid concern, medical system, trust funds for victims support and the asset management module.

24. Other key SAP functionalities had not been set up as at the year end, including exception reporting in the payroll module and settlement of outstanding travel claims relating to 2006 after the year end, where SAP attempted to charge the incorrect year of account with

differences between travel advances and claims. The inability of the SAP payroll module to run monthly exception reports required the payroll department to perform manual recalculation and testing of payslips in order to gain comfort over staff costs. The inability of the travel module to settle 2006 travel claims after the year end led to a significant delay in staff receiving money owed to them and this was particularly problematic for translators, to whom payments are made using this module. The Court used procedures outside SAP to clear the backlog of outstanding travel claims.

25. We also noted that SAP consultants working on these developments had been transferred to the development of a Management Information Restructure (MIR), to enable improved budgeting for individual cases and oversight of field office expenditure. MIR required the addition of information to the transaction structure originally installed, the development of which had further delayed the operation of MIR until the end of May 2007.

26. The delay in the implementation of the planned modules, in particular the business warehousing, limits the provision of up-to-date management reports, which users informed us had been the main weakness of the new implementation. The specific delays in providing fully functional payroll reporting and solving issues with the year end travel module gave rise to the risk of errors remaining undetected in payroll and unacceptable delay in the payment of travel claims.

#### **Recommendation 1:**

We recommend that the Court ensure the effective operation of the travel claims module and review the implementation of outstanding SAP modules and functionalities to obtain business critical functionality as a matter of priority.

#### **Security Policy**

27. We reviewed a draft SAP Security Policy dated December 2006 which awaited Registry approval. This provided guidance on the security framework which controls system access, information security and departmental responsibility for security.

28. We found, however, that the Court did not confirm staff awareness of and compliance with the security policies; and the policy did not include action to be taken if staff or departments failed to comply with the policy, for example by sharing passwords.

#### **Recommendation 2:**

We recommend that the Security Policy be clarified to include enforcement procedures for breaches of the policy approved by Senior Management and publicised to all staff.

#### **Recommendation 3:**

We also recommend that, periodically, staff be required to confirm their awareness of and compliance with the IT security policy.

#### **Systems Access Controls**

29. As part of our IT review we looked at the way that initial network and SAP access was granted to new users. We found that new users were set up on both the ICC network and SAP using commonly known default passwords. The SAP password required immediate change, but we found instances where the SAP password had been set as the default network password. We were also informed of instances of password sharing for operational reasons. In addition we found that the number of log-in attempts had been unrestricted, to avoid

operational difficulties arising where court proceedings are in process. The use of default passwords, password sharing and tolerance of unlimited log-in attempts greatly increases the risk of unauthorised access to ICC systems.

30. User profiles are authorised by units to meet business needs. However, our examination revealed that no formal procedure was in place for periodic confirmation that the profile rights remained valid. This weakens management assurance that only valid and authorised transaction recording is allowed. We brought these weaknesses to the attention of the head of IT and the Registry by issuing a report to management on our IT review. We commend the Court for taking immediate action to rectify access control weaknesses and we will continue to check such controls as a part of our testing of internal control on an annual basis.

**Recommendation 4:**

We recommend that periodic changing of passwords is enforced and that, in the absence of log-in restrictions, the Court should consider monitoring exception reports on unsuccessful user access attempts.

**Recommendation 5:**

We also recommend that units provide periodic feedback to the IT department confirming the continuing business requirement for user access profiles.

**Consultant Support**

31. SAP supplies consultant support to ICC through an annually agreed contract detailing the levels of service to be provided and the time frame for response. This support provides up-to-date SAP awareness, but the extent of consultancy usage increases the risk of continuous dependency on external expertise rather than in-house system support, which may not be wholly cost effective.

32. Our examination also revealed that software consultants had retained access to the production system in which transactions are recorded, budgets established and the financial statements prepared. This increases the risk of unauthorised or untested code being entered into the SAP system.

**Recommendation 6:**

We recommend that the Court consider its approach to system support to ensure that adequate support systems are maintained in the most cost effective way.

**Recommendation 7:**

If the Court continues its reliance on external consultancy support we recommend that the contract for the support services be competitively tendered to provide assurance that best value is being achieved.

**Recommendation 8:**

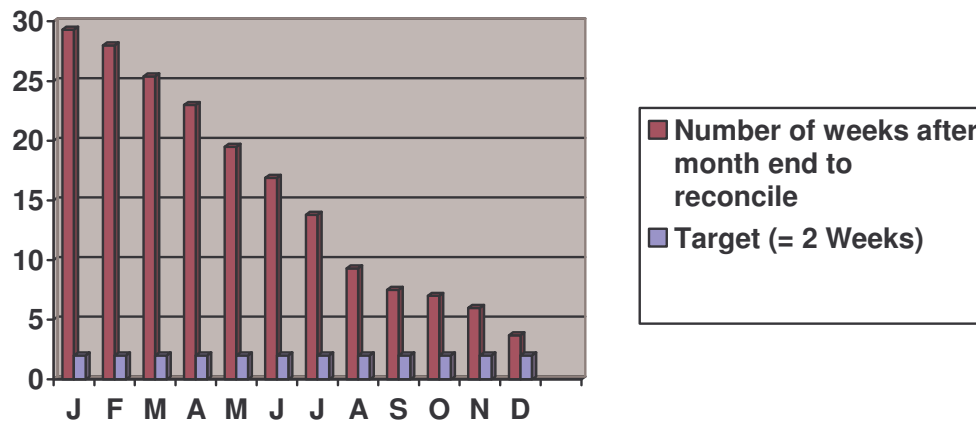
We also recommend that software consultant access to the production system should be strictly limited. In the event that access has to be provided, a system log of changes should be maintained and monitored to detect any unauthorised or improper actions.

**Bank Reconciliations and Internal Control**

33. Bank reconciliations are a fundamental control to validate the completeness and accuracy of the accounting records, and are an essential procedure to help management prevent and detect fraud or error. We found that following the upgrade of the financial information systems, ICC had not started to complete monthly bank reconciliations for the main bank accounts until August 2006. However we did note that these bank accounts were subsequently all reconciled for the year ending December 2006 and were sufficient to support our audit opinion at that time.

34. Figure 1 show the delays encountered in completing bank reconciliations against the target for completing such reconciliations two weeks after the month end. This demonstrates the weakening in this key internal control in the first eight months of the year.

Figure 1: Showing the time taken to complete bank reconciliations in 2006.



35. We consider that bank reconciliations should be performed for all bank accounts on a timely and regular basis to confirm that receipts and payments are matched to the financial records and to enable management to investigate any un-reconciled items. The delay in completing bank reconciliation procedures until August 2006 resulted in the absence of a key internal control for eight months of the reporting period. The absence of this control exposes the ICC to a risk of fraud or error remaining undetected for an unacceptably long period of time. We were unable to find other mitigating controls in place to counter this weakness. We recognise that the control was working effectively by the year end and we encourage the Court to ensure that the target for completing bank reconciliations is strictly adhered to.

**Recommendation 9:**

To ensure that this key control operates effectively throughout the reporting period, we recommend that ICC ensure regular and timely reconciliation of all bank accounts. In the absence of such a key control, ICC should ensure that alternative checking procedures are invoked to mitigate the risk of fraud or error.

## **Judges Pension Scheme**

### **Provision made for the judges pension scheme in 2005**

36. In the December 2005 the Assembly of State Parties passed a resolution such that the judges' pension scheme should be accounted for on an accruals basis and should be fully funded using the 2005 surplus.

37. In 2005 an actuarial estimation of the pension liability was calculated by Ernst & Young, which valued the accrued pension liability from the start of the scheme in March 2003 to 31 December 2005 at €5.6 million and the estimated liability for the year to 31 December 2006 at a further €2.4 million.

38. The charge of €5.6 million was made to the income statement in 2005 with a provision created in the balance sheet for the corresponding amount. The Assembly resolved that the estimated pension liability for 2006 should be funded by the surplus in 2005 and consequently, in line with the actuarial estimation of €2.4 million for 2006, that amount was also charged to the income statement in 2005, thereby using the available surplus in that year. A reserve was created in the balance sheet to allow this amount to be carried forward to 2006 where it would become a provision.

### **Developments in 2006**

39. In our 2005 report we recommended that the Court should seek to appoint a scheme administrator as soon as possible and that in doing so obtain a full actuarial valuation in order to finalise the actual cost of the scheme. The Committee on Budget and Finance asked the Court to find an insurer for the Judges Pension Scheme, which led to Ernst & Young conducting a procurement exercise on the Court's behalf and assisting the Court in identifying the most suitable solution. The report on the tender exercise was presented to the Committee on Budget & Finance in May 2006, outlining proposals from a variety of insurers.

40. Only one offer satisfied all of the Court's requirements, that of Allianz Nederland BV (Allianz). Allianz subsequently provided an up-to-date valuation of the pension liability of the Court for the period March 2003 – December 2006.

41. The valuation calculated the liability in respect of the period March 2003 – December 2005 as €4,252,814 and the liability in respect of 2006 as €2,038,475. The valuation amounts to €6,291,289 compared to a provision in 2005 of €8 million. We had advised the Court that if the actuarial valuation was materially different to the provision made in 2005 based on Ernst Young's actuarial estimation, the prior year comparative figures in the 2006 accounts would have to be adjusted to reflect this. The Court has accordingly restated the prior year comparative figures, reducing expenditure and increasing the surplus for that year. As at 30 June 2007, the Court has not yet formally contracted Allianz to insure the scheme and consequently the charge for the pension scheme remains a provision in the financial statements rather than an obligation. The provision is based on the most reliable information available provided by Allianz and we will examine the actual charge to the Court in our 2007 audit once the insurer has been contracted.

### **Recommendation 10:**

We continue to encourage the Court to finalise the arrangements for the Judges Pension Scheme so that it has suitable arrangements in place to administer the scheme when pension payments become due.



### **Scheme entitlements**

42. The judges are entitled to a half of their annual salary per year as a pension – a maximum of €90,000 per year after they have served their full nine year term. If they serve for less than nine years, then the pension is pro-rated based on the number of years served, provided they have served for at least three years. Based upon this, Allianz have calculated the accrued benefit as €10,000 for each completed year of service. Spouses and dependents of judges are also entitled to death benefits if the judge dies.

43. We have reviewed the liability for the period to 31 December 2006 and we are satisfied that this is materially correct based on the information available at the year end to support the provision in the financial statements. Our examination showed that a non-material amount (approximately €11,000) in respect of entitlements for dependents had not yet been included in Allianz's calculations, the absence of which is not critical for reporting the provision made. However, we encourage the Court to confirm that all aspects of scheme entitlements are covered when the contract is finalised.

### **Recommendation 11:**

We recommend that the Court confirms that all entitlements have been accounted for by Allianz in determining the premium payable for the administration of the Judges Pension Scheme prior to contracting them to insure the scheme.

44. The judges are also entitled to disability benefits if a judge is forced to stop working due to disability. In such an event, judges will immediately receive the full pension that they would have been entitled to if they had served a full nine year term. This benefit is without any age limit.

45. From 1 January 2007, Allianz will charge a disability risk premium each year. The amount of the premium will depend on the amount that the Court has already paid to Allianz as a lump sum for the pension of the judge. Allianz do not insure people against disability after they have reached retirement age. Hence, for the five judges who are over 65, Allianz have not included a disability premium as part of the 2007 premium calculation. Four judges will reach age 65 during their term at the ICC. For these judges, Allianz will charge a disability premium to the ICC until they reach 65 years of age.

46. For judges over 65, therefore, the ICC will have to manage the disability risk in the absence of insurance cover, and bear the cost of benefits if they need to be paid. In these circumstances, the Court may need to consider the extent of financial liability involved; and whether any provision for this liability would be appropriate.

### **Recommendation 12:**

We recommend that the Court considers the potential cost of disability payments that may have to be made for judges over 65 years of age if they were to become disabled, and whether any financial provision should be established for this liability.

### **Permanent Premises**

#### **Background**

47. When the Court was set up in 2002, it moved into temporary accommodation provided by the Dutch Government. This accommodation ('The Arc') was provided rent free until 2012.

48. Due to a rise in ICC staff numbers and the size constraints of The Arc, in late 2006 the Court moved its finance, procurement, Internal Audit and Trust Fund for Victims Secretariat functions to the Hoftoren building in the centre of The Hague. These extra temporary premises were also provided rent-free by the Dutch Government until 2012.

49. Since 2005, The Court has been considering several options for the eventual location of permanent premises with capacity to house the Court's three major organs. The three options considered by the Committee on Budget and Finance and the Assembly of States Parties were:

- Staying at the current premises and using spare capacity created by a possible move for Eurojust;
- Moving into the ICTY (International Criminal Tribunal for the Former Yugoslavia) building;
- A purpose built building on the site of the Alexanderkazerne.

50. At its fifth meeting, the Assembly of States Parties recommended that the Court concentrate on investigating and planning for the third option – a purpose built structure on the site of the Alexanderkazerne.

51. The Court has now begun to plan for the requirements of new premises. Planning has included the production of a Court Capacity Model in August 2006, to gauge future human resource requirements based on the future activity of the Court (such as the number of simultaneous trials and appeals). This planning also included the commissioning of a functional brief, produced by Drees & Sommer International GmbH in January 2007, to identify the optimal layout for future permanent premises.

### **Risks of Moving to Permanent Premises**

52. The ICC is an international Court of last resort. Cases are only referred to the Court when it is felt that the courts of countries to which the cases relate are not able to try the case. Because of this, it is very hard to estimate the long-term future level of Court activities. If, for some reason and for a period of time, the number of investigations that the Court was conducting were to decrease substantially, the Court would potentially have to downsize in line with the reduction in activities.

53. In the event of such circumstances, there would be a risk that the Court could incur unnecessary costs having moved to large, purpose-built, permanent premises which could not be readily adapted to a reduction in the work of the Court.

54. The Court should use the Court Capacity Model and the Functional Brief in its deliberations so that any permanent premises fit the future and changing needs of the ICC.

### **Recommendation 13:**

We recommend that any permanent premises into which the Court moves should be adaptable according to the level of Court activities, so that if the workload of the Court were to reduce, parts of the building could be easily separated in order to rent to third parties.

## **Field Offices**

### **The Current System for Procurement for Field Offices**

55. The ICC has a field office for each situation that it is currently investigating. Field offices are located in Kinshasa and Kampala, with one in Chad for the Sudan investigation. Each field office is run by a locally based field office manager (centrally recruited and professional members of staff). These field office managers are in turn managed by the Head of Field Offices, whose department is situated in The Hague. Currently, field office managers play very little part in the procurement of goods and services for field offices. The purchasing process is such that:

- The field office manager contacts the Field Office Unit in The Hague to request the raising of a requisition in SAP. They also send over quotes and pro-forma invoices to support the requisition request;
- The requisition is raised in SAP by one of the Head of Field Offices' assistants, and then approved by the Head of Field Offices (the certifying officer for the Field Office budget allocation);
- The Procurement department then put the contract out to tender and obtain quotes. Once a suitable supplier has been chosen, the Procurement department raise a purchase order in SAP;
- The Field Office unit in The Hague then contacts the Receipt & Inspection Unit to confirm receipt, having first contacted the Field Office Manager to confirm delivery of goods and services; and
- Lastly the field office manager provides the bank details of the vendor to The Hague, as well as the invoice when it is received.

### **Inefficiencies in the Current Arrangements**

56. Such a lack of delegation to the field may give rise to duplication of work in the raising of the requisition, especially when the Field office unit in The Hague attempts to confirm receipt of goods and services with the Field Office.

57. Currently, procurement staff find themselves involved in the purchasing of many locally-supplied small items for the field offices, in which they are not adding value to the procurement process.

### **Potential Solutions**

58. One option is for the field office managers to gain access to SAP, to raise the requisitions and fill in receipt and inspection reports directly. For requisitions, they would still need the Head of Field Office's approval as the certifying officer.

59. In addition, the field office petty cash balance could be increased, or the field office unit could be given a low level delegation to raise their own purchase orders in SAP – thus sparing Procurement section from getting involved in procurement where they cannot add any value.

60. The further delegation of responsibility to field offices would carry associated risks, as control was passed from headquarters to remote field offices. We encourage the Court to identify and assess the risks associated with the delegation of authority and manage these accordingly.

**Recommendation 14:**

We recommend that, before Field Offices are granted remote access to SAP, an extensive review be carried out of the risks to data security, with mitigating controls being put in place.

**Recommendation 15:**

We also recommend that where there is delegation of extra procurement authorities to the field, approval still needs to be sought from the Head of Field Office for each purchase.

**Follow up to previous audit recommendations**

61. At Annex A, we have set out a comprehensive review of the progress made by management in responding to the previous year's audit recommendations. The Court has progressed all nine of our recommendations made in the External Auditor's report for 2005 and we welcome this positive response to audit findings. We will continue to conduct follow up work to assess the effectiveness of the implementation of our recommendations. We note the Court's comments on recommendations which have not yet been fully implemented, particularly in regard to the establishment of an independent audit committee and the development of a detailed strategy for the adoption of IPSAS. We will continue to work with the Court on these issues as appropriate. In 2006 we carried out some further work on procurement and our observations on this work and on the risk management process are set out further below.

**Procurement**

62. We carried out a review of procurement in 2004 and conducted a follow up in our 2005 report, where we recommended that procurement plans be developed and submitted to the Procurement Department, so that procurement can be managed more effectively and evenly throughout the year. We noted that such plans should mitigate against a year end peak in procurement.

63. Figure 2 below shows that the number of procurement decisions and resulting requisitions are fairly evenly spread throughout the year, although there is a gradual increase in the number of requisitions in the final quarter of the year. However, Figure 3, which shows procurement by value, demonstrates that there is a peak in actual expenditure at the year end, suggesting that there is a risk of inefficient procurement at that time.

Figure 2: Showing the number of procurement requisitions raised each month between 2004 – 2006.

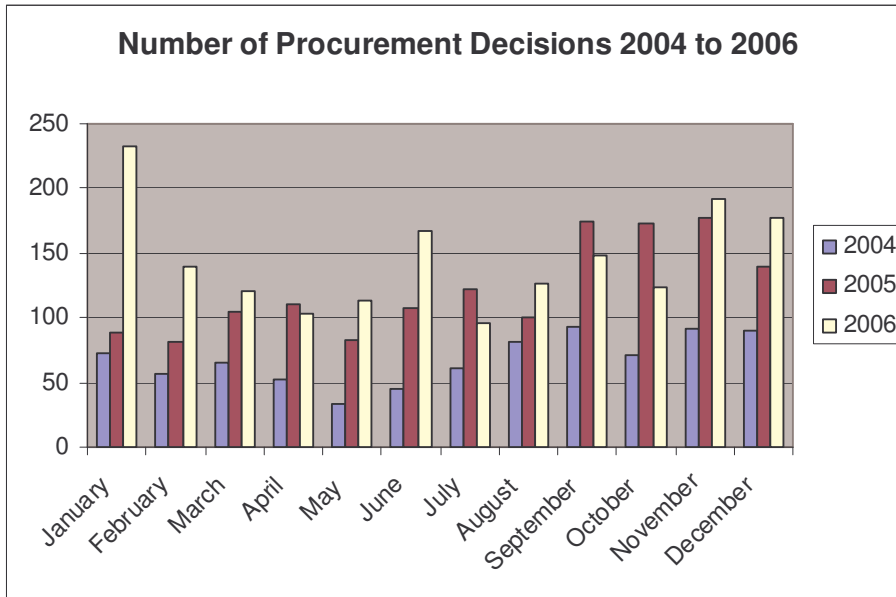
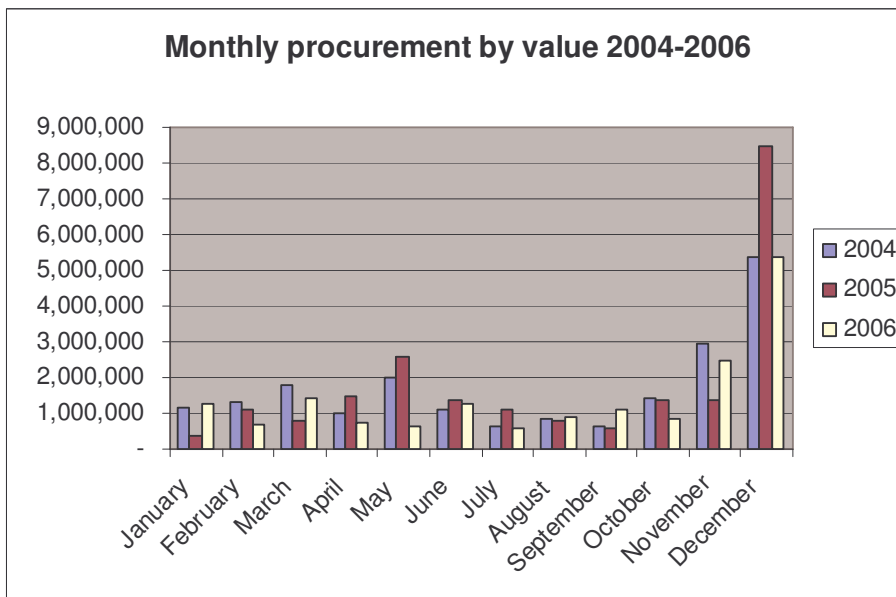


Figure 3: Showing the value of obligations raised each month between 2004 – 2006



64. We carried out a review of year end requisitions to examine why there was a peak in expenditure towards the year end. We examined some 25 unliquidated obligations raised towards the year end and found that there was no compelling evidence of a year end surge in decisions to spend funds. Our detailed examination showed that in many cases the process to procure goods and services started much earlier in the year and that it was only as a result of the time taken to complete procedures such as competitive tendering and finalising contracts that resulted in expenditure being obligated at the year end.

65. We are pleased to note that the Court has now started to produce procurement plans, and that these plans assist Registry staff in monitoring procurement more effectively. We encourage the Court to continue to develop the procurement planning; and continue to manage procurement to achieve best value for money through effective decision making throughout the year.

### **Risk Management**

66. We note that the Court has decided to appoint consultants to conduct a risk identification and risk assessment exercise; and that the Court is presently reviewing tender bids to appoint a suitable supplier to provide this service. We welcome the action that the Court is now taking to progress systematic risk identification and assessment in line with our audit recommendations in previous reports. Once this exercise has been undertaken and risks have been identified, the Court will need to ensure that it has appropriate risk management processes in place, such as:

- Prioritisation of risks identified through the consultancy exercise;
- Development of a risk register to record all risk;
- Development of an action plan, which includes milestones for planned action;
- Regular review and updating of the risk register;
- Making the risk register available to those charged with governance (which, in the context of the Court, is the Oversight Committee).

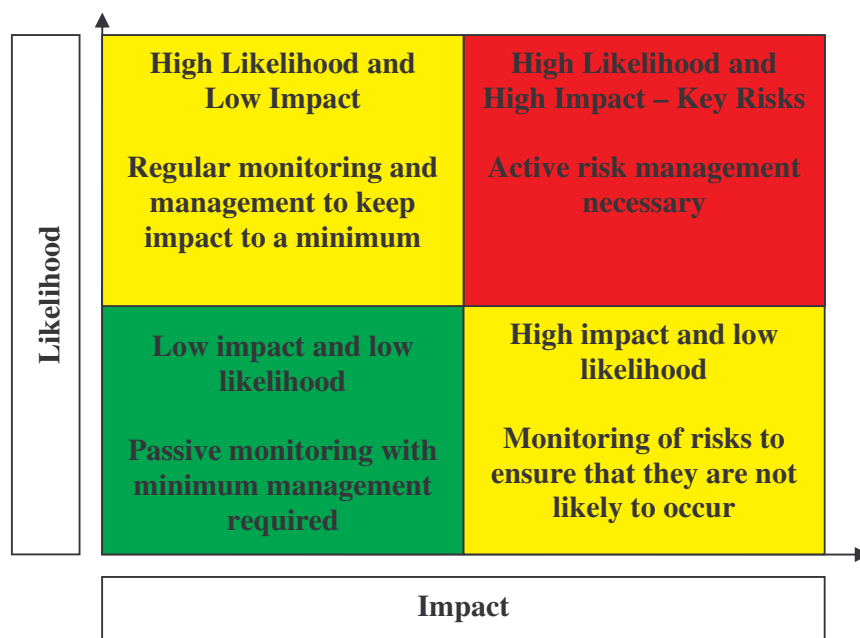
### **Risk Prioritisation**

67. The Court is in the process of selecting a suitable provider to undertake a risk assessment. In setting the terms of reference it is important that the Court ensure this review also provides risk evaluation, where risks are measured for their impact on the Court and in relation to the likelihood of these risks occurring. Such a risk evaluation will enable the Court to prioritise risks in the following categories:

- High impact and high likelihood – key risks which require active management;
- Low impact and high likelihood - risks that require active monitoring, as they are more certain to arise;
- High impact and low likelihood – risks which require some monitoring, but are less certain to arise;
- Low impact and low likelihood – risks which have minimal effect and are unlikely to arise.

68. Risks identified and evaluated in accordance with these criteria can be plotted on a risk rating matrix, an example of which is shown in Figure 4 below. Such a schematic diagram can be used effectively to highlight key risks to the Court.

Figure 4: Risk Evaluation Matrix showing risks based on their likelihood and impact



**Recommendation 16:**

We recommend that the appointed consultant, responsible for carrying out the risk assessment for the Court, provides a risk evaluation matrix demonstrating the key risks to the Court. The Court should use this information to prioritise risks and allocate resources to establish mitigating controls accordingly.

**Risk Register**

69. As a part of the risk assessment exercise, the Court should ensure that it develops a risk register which clearly identifies the following information:

- Risk category, for example financial risk, operational risk or risk to human resources;
- Risk description, which clearly identifies the nature and extent of the risk which has been identified;
- Risk evaluation, which indicates the likelihood and impact of the risk;
- Mitigating controls in place for each risk;
- A risk owner nominating an individual or department to actively monitor and manage the risk, and to undertake any action planned to establish mitigating controls;
- Action required to implement further mitigating controls, in order to reduce the risk to an acceptable level;
- Milestones for the completion of planned action;
- Progress on action taken.

**Recommendation 17:**

A risk register containing the information set out above should be used by the Court as an active diagnostic tool to manage risks on an ongoing basis. The risk register should be reviewed by the Oversight Committee and an annual submission should be made to the Court's governing body to bring key risks to their attention.

**Acknowledgement**

70. We are grateful for the continued assistance and co-operation provided by the Registrar and staff of the International Criminal Court during our audit.

(Signed) Sir John Bourn  
Comptroller and Auditor General, United Kingdom  
External Auditor



## Annex A

### Follow up to previous audit recommendations

Audit Recommendation	Management Response on progress	External Auditor's Comments
<p>Recommendation 1: Given the continuing passage of time, we recommend that the Court makes best efforts to finalise the arrangements for the administration of the Judges' pension scheme and to arrange for a full actuarial valuation when the scheme administrator is appointed</p>	<p>The insurer for the pension scheme of the judges has been selected and approved by the ASP in its last meeting of December 2006. A full actuarial valuation has been received from the insurer (Allianz NL) and the financial statements have been revised to reflect the new amounts.</p> <p>The final contract with Allianz is expected to be completed in July 2007.</p>	<p>We note the progress that has been made and we conducted further work on reviewing the actuarial valuation which supports the provision in the 2006 financial statements.</p>
<p>Recommendation 2: We recommend that a suite of management checks be implemented to verify the accuracy of data input to spreadsheets and other systems such as payroll on SAP</p>	<p>More regular reviews are conducted on data and formulae used in spreadsheets and the ICC is taking action to eliminate use of spreadsheets for staff payroll by extending these functions to SAP. SAP extension should be operational by end 2007.</p>	<p>We welcome the move to use SAP functionality for payroll information. We will continue to monitor the outputs from SAP as a part of our annual audit.</p>
<p>Recommendation 3: We recommend that the Court ensures that management routinely review exception reports to verify changes and confirm the accuracy of standing data</p>	<p>Exception reports to review payroll data have been planned as part of SAP projects. Current planning for implementation operational end 2007</p>	<p>We welcome the move to use SAP functionality for payroll information. We will continue to monitor the outputs from SAP as a part of our annual audit.</p>
<p>Recommendation 4: We encourage the Court to progress the development of the budget monitoring system quickly so that this functionality is available for budget managers before the end of 2006. This will help budget managers to use their resources more effectively through more detailed monitoring</p>	<p>Done: real-time budget reports are available on-line through the SAP system.</p>	<p>We welcome this achievement.</p>
<p>Recommendation 5: We recommend that the Registrar should develop an action plan for each review carried out by the Internal Auditor and that the action plan should be promulgated to the relevant parts of the Court to whom the findings relate</p>	<p>Internal and external recommendations are recorded in one document. Responsibilities, as understood by Registry's office of the Director of Administration are assigned to each recommendation, per Organ. When possible, descriptions of expected actions</p>	<p>We welcome the progress made in recording and monitoring all audit recommendations and will continue to use this information in our annual follow up of past recommendations.</p>

	and completion dates are attached to the recommendation. Implementation of review process on-going.	
Recommendation 6: We recommend the adoption of the independent IPSAS accounting standards to the Court as an appropriate financial reporting framework and recommend that the Court prepares a detailed strategy to provide for this development	The Court will conduct a review of the impact of changing its accounting standards to IPSAS including the impact on its budget as well as the SAP system. Administration Division Section heads (Finance and ICT) are part of a UN based knowledge-sharing network dedicated to this topic. Several meetings already took place.	We note the comments and the action planned and we will continue to monitor developments and offer advice as appropriate.
Recommendation 7: We recommend that the Court should establish an independent audit committee with a majority of external independent representatives. The audit committee should focus on promoting effective internal control; provide a focus to make best use of assurance resources; monitor internal and external audit outputs; and assess the effectiveness of risk management	Establishment of audit committee in process: interviews of potential external representatives will take place in May 2007.	We welcome the progress being made and will offer our advice and assistance is setting up an audit committee.
Recommendation 8: We recommend that as a part of the strategic planning process, the Court should identify risks and develop a risk register to form the basis for managing the likelihood of risks materialising and their impact. The Court should also assign risk owners to manage risk to an acceptable level. The risk register should be regularly reviewed and updated	The Strategic Plan process is reaching the phase where strategic objectives are defined, which includes risk assessment. In combination with strategic planning, a risk management project was launched in March 2006. The first phase consists of establishing a Risk Management structure. The second phase is the implementation of this structure. Regular reviews will take place in future stages.	We note the progress being made and we have provided further commentary on best practice in risk management in this report.
Recommendation 9: We recommend that procurement plans be developed and submitted to the Procurement Department, so that procurement can be managed more effectively and evenly throughout the year. Such plans should mitigate against a year end peak in procurement	A procurement plan has been created in 2006, monitoring most the Court's major accounts. This valuable experience brought to extend the scope of this procurement plan to a global Court financial forecast, including staffing costs. The implementation of this new structure is in process.	We welcome the progress that has been made and we have reviewed the procurement plan and welcome its usage.

## **Annex B**

### **Scope and audit approach**

#### **Audit Scope and objectives**

Our audit examined the financial statements of the International Criminal Court for the financial period ended 31 December 2006 in accordance with the Financial Regulations. The main purpose of the audit was to enable us to form an opinion on whether the financial statements fairly presented the Fund's financial position, its surplus, funds and cash flows for the year ended 31 December 2006; and whether they had been properly prepared in accordance with the Financial Regulations.

#### **Audit Standards**

Our audit was conducted in accordance with International Standards on Auditing as issued by the International Auditing and Assurance Standards Board. These standards required us to plan and carry out the audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. Management were responsible for preparing these financial statements and the External Auditor is responsible for expressing an opinion on them, based on evidence obtained during the audit.

#### **Audit Approach**

Our audit included a general review of the accounting systems and such tests of the accounting records and internal control procedures as we considered necessary in the circumstances. The audit procedures are designed primarily for the purpose of forming an opinion on the Court's financial statements. Consequently our work did not involve detailed review of all aspects of financial and budgetary systems from a management perspective, and the results should not be regarded as a comprehensive statement of all weaknesses that exist or all improvements that might be made.

Our audit also included focused work in which all material areas of the financial statements were subject to direct substantive testing. A final examination was carried out to ensure that the financial statements accurately reflected the Court's accounting records; that the transactions conformed to the relevant financial regulations and governing body directives; and that the audited accounts were fairly presented.

**International Criminal Court**  
**Statement of income and expenditure and changes in fund balances for the period ending 31 December 2006**  
*(in thousands of euros)*

	General Fund & Working Capital Fund			Trust Funds			Total	
	2006	2005 (restated)	Notes ref.	2006	2005 (restated)	Notes ref.	2006	2005 (restated)
<i>Income</i>								
Assessed contributions	80,417	66,891	4.1	-	-		80,417	66,891
Voluntary contributions	-	-		1,641	1,436	5.1	1,641	1,436
Interest income	1,662	1,074	4.2	41	22	5.2	1,703	1,096
Other/miscellaneous income	104	41	4.3	-	-		104	41
<b>Total income</b>	<b>82,183</b>	<b>68,006</b>		<b>1,682</b>	<b>1,458</b>		<b>83,865</b>	<b>69,464</b>
<i>Expenditure</i>								
Disbursed expenditures	52,831	42,597	4.4	1,615	1,304	5.7	54,446	43,901
Unliquidated obligations	11,721	13,232	4.4	138	223	5.7	11,859	13,455
Provision for pension liabilities	-	6,291	4.5	-	-		-	6,291
Provision for ILO cases	126	-	4.6	-	-		126	-
<b>Total expenditure</b>	<b>64,678</b>	<b>62,120</b>		<b>1,753</b>	<b>1,527</b>		<b>66,431</b>	<b>63,647</b>
<b>Excess/(shortfall) of income over expenditure</b>	<b>17,505</b>	<b>5,886</b>		<b>(71)</b>	<b>(69)</b>		<b>17,434</b>	<b>5,817</b>
Savings on, or cancellation of, prior periods' obligations	1,867	1,469	4.7	20	15		1,887	1,484
Credits to States Parties	(10,024)	-	4.8	-	-		(10,024)	-
Refund to donors	-	-		(125)	(1)	5.3	(125)	(1)
Net increase in Working Capital Fund	1,127	1,149	4.9	-	-		1,127	1,149
Reserve for pension of judges	(2,038)	2,038	4.5	-	-		(2,038)	2,038
Fund balances at beginning of financial period	36,341	25,799		629	685		36,970	26,484
<b>Fund balances as at 31 December 2006</b>	<b>44,778</b>	<b>36,341</b>		<b>453</b>	<b>630</b>		<b>45,231</b>	<b>36,971</b>

Signed (Marian Kashou')  
 Chief Finance Officer .....

**International Criminal Court**  
**Statement of assets, liabilities, reserves and fund balances as at 31 December 2006**  
*(in thousands of euros)*

	General Fund & Working Capital Fund		Notes ref.	Trust Funds		Notes ref.	Total	
	2006	2005 (restated)		2006	2005 (restated)		2006	2005 (restated)
<i>Assets</i>								
Cash and term deposits	56,265	40,865		708	1,851		56,973	42,716
Assessed contributions receivable from States Parties	11,969	15,146	4.10	-	-		11,969	15,146
Voluntary contributions receivable	-	-		156	4		156	4
Other contributions receivable	95	298	4.11	-	-		95	298
Interfund balances receivable	91	188	4.12	-	-		91	188
Other accounts receivable	4,051	2,356	4.13	7	7	5.4	4,058	2,363
Deferred charges – education grants	270	169	4.14	-	-		270	169
<b>Total assets</b>	<b>72,741</b>	<b>59,022</b>		<b>871</b>	<b>1,862</b>		<b>73,612</b>	<b>60,884</b>
<i>Liabilities</i>								
Contributions/payments received in advance	7,744	3,571	4.15	191	824	5.5	7,935	4,395
Unliquidated obligations	11,721	13,232		138	223		11,859	13,455
Interfund balances payable	-	-		88	185	5.6	88	185
Provision for accrued pension of judges	6,291	4,253	4.5	-	-		6,291	4,253
Provision for ILO cases	126	-	4.6	-	-		126	-
Other accounts payable	2,081	1,625	4.16	-	-		2,081	1,625
<b>Total liabilities</b>	<b>27,963</b>	<b>22,681</b>		<b>417</b>	<b>1,232</b>		<b>28,380</b>	<b>23,913</b>
<i>Reserves and fund balances</i>								
Working Capital Fund	6,701	5,574	4.9	-	-		6,701	5,574
Contingency Fund	9,169	9,169	4.17	-	-		9,169	9,169
Reserve for pension of judges	-	2,038	4.5	-	-		-	2,038
Reserve for unpaid contributions	5,078	3,651	4.18	-	-		5,078	3,651
Cumulative surplus	23,830	15,909	5.4	454	630		24,284	16,539
<b>Total reserves and fund balances</b>	<b>44,778</b>	<b>36,341</b>		<b>454</b>	<b>630</b>		<b>45,232</b>	<b>36,971</b>
<b>Total liabilities, reserves and fund balances</b>	<b>72,741</b>	<b>59,022</b>		<b>871</b>	<b>1,862</b>		<b>73,612</b>	<b>60,884</b>

Signed (Marian Kashou')  
Chief Finance Officer .....

**International Criminal Court**  
**Statement of cash flow as at 31 December 2006**  
*(in thousands of euros)*

	General Fund & Working Capital Fund		Trust Funds		Total	
	2006	2005 (restated)	2006	2005 (restated)	2006	2005 (restated)
<i>Cash flows from operating activities</i>						
Net excess/(shortfall) of income over expenditure (Statement I)	17,505	5,886	(71)	(69)	17,434	5,817
Contributions receivable (increase)/decrease	3,380	(4,968)	(152)	6	3,228	(4,962)
Interfund balances receivable (increase)/decrease	97	(183)	-	-	97	(183)
Other accounts receivable (increase)/decrease	(1,695)	(834)	-	(2)	(1,695)	(836)
Deferred charges (increase)/decrease	(101)	(63)	-	-	(101)	(63)
Contributions received in advance increase/(decrease)	4,173	(309)	(633)	659	3,540	350
Unliquidated obligations increase/(decrease)	(1,511)	1,436	(85)	175	(1,596)	1,611
Interfund balances payable increase/(decrease)	-	-	(97)	164	(97)	164
Provision for accrued pension of judges increase/(decrease)	2,038	4,253	-	-	2,038	4,253
Provision for ILO cases increase/(decrease)	126	-	-	-	126	-
Accounts payable increase/(decrease)	456	1,318	-	-	456	1,318
Less: interest income	(1,662)	(1,074)	(41)	(22)	(1,703)	(1,096)
<b>Net cash from operating activities</b>	<b>22,806</b>	<b>5,462</b>	<b>(1,079)</b>	<b>911</b>	<b>21,727</b>	<b>6,373</b>
<i>Cash flows from investing and financing activities</i>						
Plus: interest income	1,662	1,074	41	22	1,703	1,096
<b>Net cash from investing and financing activities</b>	<b>1,662</b>	<b>1,074</b>	<b>41</b>	<b>22</b>	<b>1,703</b>	<b>1,096</b>
<i>Cash flows from other sources</i>						
Net increase/(decrease) in Working Capital Fund	1,127	1,149	-	-	1,127	1,149
Savings on, or cancellation of, prior periods' obligations	1,867	1,469	20	15	1,887	1,484
Reserve for pension of judges	(2,038)	2,038	-	-	(2,038)	2,038
Credits to States Parties	(10,024)	-	-	-	(10,024)	-
Refund to donors	-	-	(125)	(1)	(125)	(1)
<b>Net cash from other resources</b>	<b>(9,068)</b>	<b>4,656</b>	<b>(105)</b>	<b>14</b>	<b>(9,173)</b>	<b>4,670</b>
Net increase/(decrease) in cash and term deposits	15,400	11,192	(1,143)	947	14,257	12,139
Cash and term deposits at beginning of financial period	40,865	29,673	1,851	904	42,716	30,577
<b>Cash and term deposits at 31 December 2006 (Statement II)</b>	<b>56,265</b>	<b>40,865</b>	<b>708</b>	<b>1,851</b>	<b>56,973</b>	<b>42,716</b>

**International Criminal Court**  
**Statement of appropriations for the period 1 January to 31 December 2006**  
*(in thousands of euros)*

Major Programme	Appropriation approved	Disbursements	Unliquidated obligations	Provisions	Total expenditures	Unencumbered balance
Judiciary	7,751	5,575	275	75	5,925	1,826
Office of the Prosecutor	20,876	14,750	1,550	-	16,300	4,576
Registry	46,608	30,082	8,419	51	38,552	8,056
Secretariat of the Assembly of States Parties	4,076	2,314	781	-	3,095	981
Investment in the Court's Premises	1,106	110	696	-	806	300
<b>Total</b>	<b>80,417</b>	<b>52,831</b>	<b>11,721</b>	<b>126</b>	<b>64,678</b>	<b>15,739</b>

**International Criminal Court**  
**Status of contributions as at 31 December 2006**  
(in euros)

States Parties	Outstanding as at 1 January 2006	Collections a/	Outstanding	Assessed	Credits from 2005	Collections b/	Outstanding	Total outstanding	Credit on 2006 receipts	Receipts relating to 2007
	Prior years			2006						
Afghanistan	-	-	-	3,198	2	378	2,818	2,818	-	-
Albania	6,914	6,914	-	7,996	-	7,996	-	-	-	-
Andorra	-	-	-	7,996	3	7,993	-	-	1,040	-
Antigua and Barbuda	8,677	8,677	-	4,798	-	4,798	-	-	792	-
Argentina	2,371,177	1,247,591	1,123,586	1,528,865	-	-	1,528,865	2,652,451	-	-
Australia	-	-	-	2,545,976	1,147	2,544,829	-	-	331,240	-
Austria	-	-	-	1,373,739	577	1,373,162	-	-	178,686	-
Barbados	-	-	-	15,992	8	15,984	-	-	2,081	-
Belgium	-	-	-	1,709,578	771	1,708,807	-	-	222,423	-
Belize c/	-	-	-	1,599	1,599	-	-	-	2,014	-
Benin	-	-	-	3,198	2	378	2,818	2,818	-	-
Bolivia	24,217	1,895	22,322	14,393	-	-	14,393	36,715	-	-
Bosnia and Herzegovina	-	-	-	4,798	2	4,796	-	-	2,274	-
Botswana	-	-	-	19,191	27	19,164	-	-	2,515	-
Brazil	3,789,533	336,557	3,452,976	2,435,629	-	-	2,435,629	5,888,605	-	-
Bulgaria	-	-	-	27,187	12	27,175	-	-	3,536	-
Burkina Faso	3,863	189	3,674	3,198	-	-	3,198	6,872	-	-
Burundi	1,383	-	1,383	1,599	-	-	1,599	2,982	-	-
Cambodia	598	598	-	3,198	-	3,014	184	184	-	-
Canada	-	-	-	4,498,638	2,032	4,496,606	-	-	105	-
Central African Republic	3,098	1,715	1,383	1,599	-	-	1,599	2,982	-	-
Colombia	-	-	-	247,881	10,219	237,662	-	-	36,427	100,391
Comoros	-	-	-	267	-	-	267	267	-	-
Congo	1,840	-	1,840	1,599	-	-	1,599	3,439	-	-
Costa Rica	72,853	43,578	29,275	47,977	-	1	47,976	77,251	-	-
Croatia	-	-	-	59,172	26	59,146	-	-	-	-
Cyprus	-	-	-	62,370	29	62,341	-	-	1	-
Democratic Republic of the Congo	7,887	498	7,389	4,798	-	-	4,798	12,187	-	-
Denmark	-	-	-	1,148,248	45,818	1,102,430	-	-	194,692	-
Djibouti	-	-	-	1,599	-	189	1,410	1,410	-	-
Dominica	3,098	3,098	-	1,599	-	75	1,524	1,524	-	-
Dominican Republic	20,165	-	20,165	55,973	-	-	55,973	76,138	-	-
Ecuador	28,319	28,319	-	30,385	-	25,816	4,569	4,569	-	-
Estonia	-	-	-	19,191	8	19,183	-	-	2,496	-



States Parties	Outstanding as at 1 January 2006	Collections a/	Outstanding	Assessed	Credits from 2005	Collections b/	Outstanding	Total outstanding	Credit on 2006 receipts	Receipts relating to 2007
	Prior years			2006						
Fiji	17	17	-	6,397	-	740	5,657	5,657	-	-
Finland	-	-	-	852,390	387	852,003	-	-	110,902	-
France	-	-	-	9,643,363	4,352	9,639,011	-	-	1,254,641	-
Gabon	5,625	1,866	3,759	14,393	-	-	14,393	18,152	-	-
Gambia	-	-	-	1,599	-	189	1,410	1,410	-	-
Georgia	7,632	7,632	-	4,798	-	510	4,288	4,288	-	-
Germany	-	-	-	13,852,540	5,824	13,846,716	-	-	322	-
Ghana	-	-	-	6,397	5,445	952	-	-	16,469	-
Greece	546,907	546,907	-	847,592	-	847,592	-	-	110,251	-
Guinea	8,589	509	8,080	4,798	-	-	4,798	12,878	-	-
Guyana	-	-	-	1,599	139	-	1,460	1,460	-	-
Honduras	14,522	8,891	5,631	7,996	-	-	7,996	13,627	-	-
Hungary	-	-	-	201,503	89	201,414	-	-	26,215	-
Iceland	-	-	-	54,374	26	54,348	-	-	7,076	-
Ireland	-	-	-	559,731	253	559,478	-	-	72,825	-
Italy	7,360,060	7,360,060	-	7,812,245	-	5,680,329	2,131,916	2,131,916	-	-
Jordan	-	-	-	17,592	7	17,585	-	-	-	-
Kenya	-	-	-	14,393	-	14,393	-	-	-	-
Latvia	-	-	-	23,988	11	23,977	-	-	3,120	-
Lesotho	-	-	-	1,599	-	1,599	-	-	1,716	-
Liberia	1,474	-	1,474	1,599	-	-	1,599	3,073	-	-
Liechtenstein	-	-	-	7,996	2	7,994	-	-	1,039	-
Lithuania	12,900	12,900	-	38,382	-	38,382	-	-	-	-
Luxembourg	-	-	-	123,141	55	123,086	-	-	3	-
Malawi	3,479	132	3,347	1,599	-	-	1,599	4,946	-	-
Mali	-	-	-	3,198	2	378	2,818	2,818	-	-
Malta	9,855	9,855	-	22,389	-	22,389	-	-	9	-
Marshall Islands	1,684	207	1,477	1,599	-	-	1,599	3,076	-	-
Mauritius	-	-	-	17,592	7	17,585	-	-	-	-
Mexico	-	-	-	3,011,352	-	3,011,352	-	-	70	-
Mongolia	-	-	-	1,599	-	1,599	-	-	-	-
Montenegro	-	-	-	933	-	933	-	-	-	-
Namibia	-	-	-	9,595	5	9,590	-	-	-	-
Nauru	2,480	1,281	1,199	1,599	-	-	1,599	2,798	-	-
Netherlands	-	-	-	2,702,700	1,221	2,701,479	-	-	351,634	1,954,481
New Zealand	-	-	-	353,430	161	353,269	-	-	45,984	-
Niger	3,098	169	2,929	1,599	-	-	1,599	4,528	-	-
Nigeria	57,898	8,707	49,191	67,168	-	-	67,168	116,359	-	-
Norway	-	-	-	1,085,878	491	1,085,387	-	-	27	-
Panama	17,778	17,778	-	30,385	-	23,645	6,740	6,740	-	-

States Parties	Outstanding as at 1 January 2006	Collections a/	Outstanding	Assessed	Credits from 2005	Collections b/	Outstanding	Total outstanding	Credit on 2006 receipts	Receipts relating to 2007
	Prior years			2006						
Paraguay	39,649	39,649	-	19,191	-	19,191	-	-	3,297	-
Peru	228,188	165,308	62,880	147,129	-	-	147,129	210,009	-	-
Poland	-	-	-	737,246	332	736,914	-	-	95,918	-
Portugal	-	-	-	751,639	340	751,299	-	-	97,792	-
Republic of Korea	-	-	-	2,872,219	1,207	2,871,012	-	-	373,598	-
Romania	-	-	-	95,954	40	95,914	-	-	12,480	-
Saint Kitts and Nevis	-	-	-	267	-	-	267	267	-	-
Saint Vincent and the Grenadines	1,683	207	1,476	1,599	-	-	1,599	3,075	-	-
Samoa	-	-	-	1,599	747	852	-	-	944	-
San Marino	-	-	-	4,798	2	4,796	-	-	-	-
Senegal	1,598	1,598	-	7,996	-	7,435	561	561	-	-
Serbia	26,272	26,272	-	30,385	-	30,385	-	-	12	-
Sierra Leone	2,480	1,513	967	1,599	-	-	1,599	2,566	-	-
Slovakia	-	-	-	81,561	34	81,527	-	-	10,608	-
Slovenia	-	-	-	131,137	60	131,078	-	-	3	-
South Africa	-	-	-	466,975	196	466,779	-	-	60,742	-
Spain	-	-	-	4,030,063	1,817	4,028,246	-	-	524,326	-
Sweden	-	-	-	1,596,033	721	1,595,312	-	-	207,651	-
Switzerland	-	-	-	1,914,280	803	1,913,477	-	-	43	-
Tajikistan	2,505	1,765	740	1,599	-	-	1,599	2,339	-	-
The Former Yugoslav Republic of Macedonia	6,238	6,238	-	9,595	-	1,139	8,456	8,456	-	-
Timor-Leste	2,482	2,482	-	1,599	-	189	1,410	1,410	-	-
Trinidad and Tobago	13,213	13,213	-	35,183	-	35,183	-	-	4,561	-
Uganda	14,270	1,244	13,026	9,595	-	-	9,595	22,621	-	-
United Kingdom	-	-	-	9,798,490	4,426	9,794,064	-	-	1,274,827	-
United Republic of Tanzania	14,882	14,882	-	9,595	-	9,521	74	74	-	-
Uruguay	158,863	101,308	57,555	76,763	-	-	76,763	134,318	-	-
Venezuela	232,558	35,450	197,108	273,469	-	-	273,469	470,577	-	-
Zambia	3,182	415	2,767	3,198	-	-	3,198	5,965	-	-
<b>Total (103 States Parties)</b>	<b>15,145,683</b>	<b>10,068,084</b>	<b>5,077,599</b>	<b>80,417,200</b>	<b>91,484</b>	<b>73,434,139</b>	<b>6,891,577</b>	<b>11,969,176</b>	<b>5,649,427</b>	<b>2,054,872</b>

a/ Collections for prior years include cash surplus credited to States Parties on 1 January 2006 in the total amount of €1,637,209.

b/ Collections for the year 2006 include cash surplus credited to States Parties on 1 January 2006 in the total amount of €7,398,846.

c/ In 2005, credit on 2005 receipts reported for Belize were €1,807. Only €1,599 is reported in 2006 as collections against 2006 assessed contributions. The remaining amount of €208 is included in the amount for credit on 2006 receipts to be applied against future years' contributions.

**Schedule 2**

**International Criminal Court**  
**Status of Working Capital Fund as at 31 December 2006**  
*(in euros)*

	2006	2005
<b>Balance at beginning of financial period</b>	5,276,783	4,207,170
<i>Receipts/(refunds)</i>		
Receipts from States Parties	1,329,393	1,069,613
<i>Withdrawals</i>		
	-	-
<b>Balance as at 31 December</b>	<b>6,606,176</b>	<b>5,276,783</b>
Established level	6,701,400	5,574,300
Less: due from States Parties (Schedule 3)	95,224	297,517
<b>Balance as at 31 December</b>	<b>6,606,176</b>	<b>5,276,783</b>

**International Criminal Court**  
**Status of advances to the Working Capital Fund as at 31 December 2006**  
*(in euros)*

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2007
Afghanistan	267	267	-	-
Albania	666	666	-	-
Andorra	666	666	-	-
Antigua and Barbuda	400	400	-	-
Argentina	127,400	110,102	17,298	-
Australia	212,156	212,156	-	-
Austria	114,475	114,475	-	-
Barbados	1,332	1,332	-	-
Belgium	142,459	142,459	-	-
Belize	133	133	-	-
Benin	267	267	-	-
Bolivia	1,199	311	888	-
Bosnia & Herzegovina	399	399	-	-
Botswana	1,600	1,600	-	-
Brazil	202,960	139,364	63,596	-
Bulgaria	2,265	2,265	-	-
Burkina Faso	267	183	84	-
Burundi	133	109	24	-
Cambodia	267	267	-	-
Canada	374,870	374,870	-	-
Central African Republic	133	110	23	-
Colombia	20,655	20,655	-	-
Comoros	133	-	133	-
Congo	133	86	47	-
Costa Rica	3,998	3,455	543	-
Croatia	4,930	4,930	-	-
Cyprus	5,197	5,197	-	-
Democratic Republic of the Congo	399	274	125	-
Denmark	95,684	95,684	-	-
Djibouti	133	133	-	-
Dominica	133	133	-	-
Dominican Republic	4,664	-	4,664	-
Ecuador	2,531	2,531	-	-
Estonia	1,600	1,600	-	-
Fiji	533	533	-	-
Finland	71,031	71,031	-	-
France	803,577	803,577	-	-
Gabon	1,199	1,036	163	-
Gambia	133	133	-	-
Georgia	399	399	-	-
Germany	1,154,325	1,154,325	-	-
Ghana	533	533	-	-
Greece	70,629	70,629	-	-
Guinea	399	113	286	-
Guyana	133	133	-	-
Honduras	665	575	90	-
Hungary	16,791	16,791	-	-
Iceland	4,532	4,532	-	-
Ireland	46,642	46,642	-	-
Italy	650,991	650,991	-	-
Jordan	1,465	1,465	-	-

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2007
Kenya	1,199	1,199	-	-
Latvia	1,999	1,999	-	-
Lesotho	133	133	-	-
Liberia	133	17	116	-
Liechtenstein	666	666	-	-
Lithuania	3,198	3,198	-	-
Luxembourg	10,262	10,262	-	-
Malawi	133	75	58	-
Mali	267	267	-	-
Malta	1,866	1,866	-	-
Marshall Islands	132	91	41	-
Mauritius	1,466	1,466	-	-
Mexico	250,934	250,934	-	-
Mongolia	133	133	-	-
Montenegro	133	133	-	-
Namibia	800	800	-	-
Nauru	132	114	18	-
Netherlands	225,216	225,216	-	39,547
New Zealand	29,451	29,451	-	-
Niger	133	38	95	-
Nigeria	5,598	4,838	760	-
Norway	90,487	90,487	-	-
Panama	2,532	2,532	-	-
Paraguay	1,599	1,599	-	-
Peru	12,260	10,595	1,665	-
Poland	61,434	61,434	-	-
Portugal	62,634	62,634	-	-
Republic of Korea	239,342	239,342	-	-
Romania	7,996	7,996	-	-
Saint Kitts and Nevis	133	-	133	-
Saint Vincent and the Grenadines	132	91	41	-
Samoa	133	133	-	-
San Marino	400	400	-	-
Senegal	666	666	-	-
Serbia	2,531	2,531	-	-
Sierra Leone	132	114	18	-
Slovakia	6,796	6,796	-	-
Slovenia	10,927	10,927	-	-
South Africa	38,913	38,913	-	-
Spain	335,824	335,824	-	-
Sweden	132,998	132,998	-	-
Switzerland	159,517	159,517	-	-
Tajikistan	132	114	18	-
The Former Yugoslav Republic of Macedonia	800	800	-	-
Timor-Leste	133	133	-	-
Trinidad and Tobago	2,932	2,932	-	-
Uganda	798	548	250	-
United Kingdom	816,503	816,503	-	-
United Republic of Tanzania	800	800	-	-
Uruguay	6,397	5,528	869	-
Venezuela	22,787	19,693	3,094	-
Zambia	267	183	84	-
<b>Total (103 States Parties)</b>	<b>6,701,400</b>	<b>6,606,176</b>	<b>95,224</b>	<b>39,547</b>

**International Criminal Court**  
**Status of cash surplus as at 31 December 2006**  
*(in euros)*

	2006	2005 (restated)
<b>Current year</b>		
<i>Credits</i>		
Receipts of assessed contributions	73,525,623	55,396,404
Miscellaneous income	1,766,020	1,114,839
	75,291,643	56,511,243
<i>Charges</i>		
Disbursed expenditures	52,831,394	42,597,280
Unliquidated obligations	11,721,338	13,232,406
Provision for pension liabilities	-	6,291,289
Provision for ILO cases	126,078	-
	64,678,810	62,120,975
<b>Provisional cash surplus/(deficit)</b>	<b>10,612,833</b>	<b>(5,609,732)</b>
Contributions receivable	6,891,577	11,494,796
<b>Excess/(shortfall) of income over expenditure (Statement I)</b>	<b>17,504,410</b>	<b>5,885,064</b>
<b>Disposition of prior year's provisional surplus/(deficit)</b>		
Prior year's provisional surplus/(deficit)	(5,609,732)	1,946,940
Plus: Receipt of prior periods' assessed contributions	10,068,084	6,607,454
Savings on, or cancellation of, prior periods' obligations	1,867,180	1,469,481
<b>Prior year's cash surplus/(deficit)</b>	<b>6,325,532</b>	<b>10,023,875</b>
<b>Total cash surplus (Statement II)</b>	<b>23,829,942</b>	<b>15,908,939</b>

Schedule 5

**International Criminal Court**  
**Shares of States Parties in the 2005 cash surplus**  
*(in euros)*

States Parties	2005 Scale of assessment	Surplus
Afghanistan	0.00413	261
Albania	0.01034	654
Andorra	0.01034	654
Antigua and Barbuda	0.00620	392
Argentina	1.97615	125,002
Australia	3.29083	208,162
Austria	1.77564	112,319
Barbados	0.02067	1,307
Belgium	2.20974	139,777
Belize	0.00207	131
Benin	0.00413	261
Bolivia	0.01860	1,177
Bosnia & Herzegovina	0.00620	392
Botswana	0.02481	1,569
Brazil	3.14820	199,140
Bulgaria	0.03514	2,223
Burkina Faso	0.00413	262
Burundi	0.00207	131
Cambodia	0.00413	262
Canada	5.81477	367,815
Central African Republic	0.00207	131
Colombia	0.32040	20,267
Congo	0.00207	131
Costa Rica	0.06201	3,923
Croatia	0.07648	4,838
Cyprus	0.08062	5,099
Democratic Republic of the Congo	0.00620	392
Denmark	1.48418	93,882
Djibouti	0.00207	131
Dominica	0.00207	131
Dominican Republic	0.03015	1,907
Ecuador	0.03927	2,484
Estonia	0.02481	1,569
Fiji	0.00827	523
Finland	1.10177	69,693
France	12.46464	788,455
Gabon	0.01860	1,177
Gambia	0.00207	131
Georgia	0.00620	392
Germany	17.90526	1,132,603
Ghana	0.00827	523
Greece	1.09557	69,300
Guinea	0.00620	392
Guyana	0.00207	131
Honduras	0.01034	654
Hungary	0.26046	16,475
Iceland	0.07028	4,446
Ireland	0.72349	45,763
Italy	10.09781	638,740

States Parties	2005 Scale of assessment	Surplus
Jordan	0.02274	1,438
Kenya	0.01085	686
Latvia	0.03101	1,961
Lesotho	0.00207	131
Liberia	0.00207	131
Liechtenstein	0.01034	654
Lithuania	0.04961	3,138
Luxembourg	0.15917	10,068
Malawi	0.00207	131
Mali	0.00413	261
Malta	0.02894	1,831
Marshall Islands	0.00207	131
Mauritius	0.02274	1,438
Mongolia	0.00207	131
Namibia	0.01240	785
Nauru	0.00207	131
Netherlands	3.49341	220,977
New Zealand	0.45683	28,897
Niger	0.00207	131
Nigeria	0.08682	5,492
Norway	1.40356	88,783
Panama	0.03927	2,484
Paraguay	0.02481	1,569
Peru	0.19017	12,029
Poland	0.95294	60,278
Portugal	0.97154	61,455
Republic of Korea	3.71252	234,837
Romania	0.12403	7,845
Saint Vincent and the Grenadines	0.00207	131
Samoa	0.00207	131
San Marino	0.00620	392
Senegal	0.01034	654
Serbia and Montenegro	0.03927	2,484
Sierra Leone	0.00207	131
Slovakia	0.10542	6,669
Slovenia	0.16950	10,722
South Africa	0.60359	38,181
Spain	5.20910	329,504
Sweden	2.06297	130,494
Switzerland	2.47432	156,514
Tajikistan	0.00207	131
The former Yugoslav Republic of Macedonia	0.01240	785
Timor-Leste	0.00207	131
Trinidad and Tobago	0.04548	2,877
Uganda	0.01240	785
United Kingdom	12.66515	801,138
United Republic of Tanzania	0.01240	785
Uruguay	0.09922	6,276
Venezuela	0.35347	22,358
Zambia	0.00413	262
<b>Total (99 States Parties)</b>	<b>100.00000</b>	<b>6,325,532</b>



**Schedule 6**

**International Criminal Court**  
**Status of voluntary contributions as at 31 December 2006**  
*(in euros)*

Project	Contributor	Pledges	Received	Outstanding	Receipts for future periods	Refund to donors
Internship and Visiting Professionals Programme	European Commission	769,701	615,177	154,524	123,208	-
	Norway	116,125	116,125	-	24,984	-
	Finland	19,955	19,955	-	-	(10,319)
	Switzerland	21,000	21,000	-	7,000	-
	The Netherlands	20,000	19,000	1,000	28,500	-
		946,781	791,257	155,524	183,692	(10,319)
Least Developed Countries	Norway	-	25,748	-	-	-
	United Kingdom	-	22,058	-	-	-
		-	47,806	-	-	-
Assistance for ICC Analysis and Investigation in Darfur, Sudan	Canada	162,822	162,822	-	-	25,378
Support to the Investigation in Darfur, Sudan	Denmark	267,739	267,739	-	-	-
Judicial Capacity Strengthening Programme (General Trust Fund)	The Netherlands	-	-	-	-	(204)
	MacArthur Foundation	62,240	62,240	-	-	-
		62,240	62,240	-	-	(204)
ICC Legal Tools Project (Case Matrix)	Finland	86,827	86,827	-	-	-
Educational Outreach Programme for First Prosecutions of ICC	MacArthur Foundation	59,304	59,304	-	-	(9,108)
Joint Appellate Training Programme	Foundation Open Society Institute	7,566	7,566	-	7,566	-
ICC Victims Awareness	European Commission	-	-	-	-	(59,170)
	Finland	-	-	-	-	(19,231)
		-	-	-	-	(78,401)
Victims & Witnesses Library	MacArthur Foundation	-	-	-	-	(1,413)
<b>Total voluntary contributions</b>		<b>1,593,279</b>	<b>1,485,561</b>	<b>155,524</b>	<b>191,258</b>	<b>(124,823)</b>

**International Criminal Court**  
**Status of trust funds as at 31 December 2006**  
*(in euros)*

Trust Fund	Balances brought forward as at 1 January a/	Receipts	Disbursements	Unliquidated obligations	Total expenditures	Interest Earned	Savings on, or cancellation of, prior periods' obligations	Refunds to donors	Unencumbered balances
General Trust Fund	30,609	-	30,814	-	30,814	205	-	-	-
Judicial Capacity Strengthening Programme	204	62,240	35,551	-	35,551	1,667	-	(204)	28,356
Internship and Visiting Professionals Programme	220,370	791,257	816,508	57,297	873,805	20,426	6,185	(10,319)	154,114
ICC Institutional Video	36,077	-	-	-	-	1,524	-	-	37,601
Victims and Witnesses Library	1,412	-	-	-	-	1	-	(1,413)	-
Victims Mandate Awareness Campaign	72,795	-	800	-	800	584	5,822	(78,401)	-
Least Developed Countries	134,094	47,806	74,743	72,011	146,754	4,906	1,121	-	41,173
Assistance for ICC Analysis and Investigation in Darfur, Sudan	(15,830)	162,822	123,781	-	123,781	358	1,809	(25,378)	-
Support to the Investigation in Darfur, Sudan	127,793	267,739	409,670	-	409,670	9,191	4,947	-	-
ICC Legal Tools Project (Case Matrix)	7,609	86,827	72,679	8,921	81,600	2,140	-	-	14,976
Educational Outreach Programme for First Prosecutions of ICC	-	59,304	50,196	-	50,196	-	-	(9,108)	-
Joint Appellate Training Programme	-	7,566	-	-	-	176	-	-	7,742
<b>Total</b>	<b>615,133</b>	<b>1,485,561</b>	<b>1,614,742</b>	<b>138,229</b>	<b>1,752,971</b>	<b>41,178</b>	<b>19,884</b>	<b>(124,823)</b>	<b>283,962</b>

*a/ Balances brought forward have been adjusted to reflect the revised amount of voluntary contributions received in 2005 for the Internship and Visiting Professionals Programme and the ICC Legal Tools Project.*

## Notes to the financial statements

### 1. The International Criminal Court and its objectives

1.1 The International Criminal Court (ICC) is a permanent institution with the power to exercise jurisdiction over perpetrators of the most serious crimes of international concern (genocide, crimes against humanity, war crimes and crimes of aggression once formally defined). The Court has four organs: the Presidency, Chambers (consisting of an Appeals Division, a Trial Division and a Pre-Trial Division), the Office of the Prosecutor and the Registry. In its resolution ICC-ASP/2/Res.3, adopted in September 2003, the Assembly of States Parties established the Secretariat of the Assembly of States Parties (the Secretariat), to begin its operations on 1 January 2004. In undertaking their tasks the organs of the Court are guided by the framework set out in the Rome Statute, the Rules of Procedure and Evidence, and other relevant instruments.

The objectives pursued by each organ of the Court are as follows:

#### a) Presidency

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

#### b) Chambers

- (i) To ensure the conduct of fair, effective and open proceedings, safeguarding the rights of all parties.

#### c) Office of the Prosecutor

- (i) To promote national efforts and international cooperation to prevent and punish genocide, crimes against humanity and war crimes;
- (ii) To investigate and prosecute genocide, crimes against humanity and war crimes;
- (iii) To build universal consensus on the principles and purposes of the Rome Statute.

#### d) Registry

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

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

- (i) To organise conferences of the Assembly and meetings of the subsidiary bodies of the Assembly including the Bureau and the Committee on Budget and Finance;
- (ii) To assist the Assembly, including its Bureau and subsidiary bodies in all matters relating to their work, with particular emphasis on the effective scheduling and procedurally correct conduct of meetings as well as consultations;
- (iii) To enable the Assembly and its subsidiary bodies to carry out their mandate more effectively by providing them with high quality substantive secretariat servicing and support, including technical secretariat services.

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

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

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

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

2.4 **Accrual basis:** with the exception of voluntary contributions, as defined in subparagraph 2.14 (b) below, income, expenditure, assets and liabilities are recognised on the modified accrual basis of accounting.

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

2.6 **Currency of accounts and treatment of exchange rate movements:** the accounts of the organisation are presented in euros. Accounting records kept in other currencies are converted into euros at the United Nations operational rate of exchange in effect at the date of the financial statement. Transactions in other currencies are converted into euros at the United Nations operational rate of exchange in effect at the date of transaction.

Exchange rate gains and losses are treated as follows:

- a) Realised gains and losses resulting from the purchase of other currencies are recorded as miscellaneous income;
- b) Realised losses on transactions are reflected in the expenditures of the main programme;

- c) Unrealised gains and losses resulting from the revaluation of cash and other assets and liabilities are recorded as a provision in the balance sheet. At year-end, a cumulative net gain is left as a provision in the balance sheet, whereas a net loss is specifically provided for and recorded as expenditure;
- d) Unrealised gains and losses relating to the revaluation of unliquidated obligations are recorded as expenditure and adjusted in the corresponding programme budgets.

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

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

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

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

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

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

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

2.11 **Assessed contributions:**

- a) In accordance with financial regulation 5.2, the appropriations are assessed to States Parties in accordance with the scale of assessments adopted by the United Nations for its regular budget, adjusted to reflect differences in membership between the United Nations and the Court;
- b) In accordance with financial regulation 5.8, payments made by a State Party are credited first to the Working Capital Fund and then to the contributions due to the

General Fund, and then to the Contingency Fund, in the order in which the State Party was assessed;

- c) Contributions paid in other currencies are converted into euros at the rate of exchange in effect at the date of payment;
- d) New States Parties to the Rome Statute are assessed for the year in which they became States Parties for the Working Capital Fund and the regular budget, in accordance with financial regulation 5.10.

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

- a) Unencumbered balances of appropriations;
- b) Savings on, or cancellation of prior periods' obligations;
- c) Contributions resulting from the assessment of new States Parties;
- d) Revisions to the scale of assessments taking effect during the financial year; and
- e) Miscellaneous income as defined in subparagraph 2.15(d) below.

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

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

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

2.15 **Income:** the organisation's income consists of:

- a) Assessed contributions: for the purposes of the financial statements, income is recognised when the assessments to the States Parties of the adopted programme budget have been approved by the Assembly of States Parties;
- b) Voluntary contributions are recorded as income on the basis of a written commitment to pay monetary contributions during the current financial year, except where contributions are not preceded by a pledge. For these funds, income is recorded at the time that the actual contributions are received from the donors;
- c) Funds provided by the United Nations in accordance with article 115, subparagraph (b), of the Rome Statute;

- d) Miscellaneous income includes:
- (i) Refunds of actual expenditures incurred in prior financial periods;
  - (ii) Interest income: includes all interest earned on deposits in interest-bearing bank accounts and time deposits;
  - (iii) Income derived from investments of the General Fund, the Working Capital Fund and the Contingency Fund;
  - (iv) At the end of the financial period, a net positive balance of the account for loss or gain on exchange resulting from currency exchange, or revaluation and devaluation of currency is credited to miscellaneous income. A net negative balance is charged to the relevant expenditure account;
  - (v) Proceeds from the sale of property;
  - (vi) Voluntary contributions for which no purpose is specified.

2.16 **Expenditure:**

- a) Expenditures are incurred against authorised allotments in accordance with financial rule 104.1. Total expenditures reported include disbursement expenditures and unliquidated obligations;
- b) Expenditures incurred for non-expendable property are charged to the budget of the period when acquired and are not capitalised. Inventory of such non-expendable property is maintained at the historical cost;
- c) Obligations pertaining to future financial periods are recorded against a deferred charge account, in accordance with financial rule 111.7.

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

2.18 **Provision for pension liabilities for judges:** a provision for the accrued amount of liabilities for the pension scheme of judges is recognised in the accounts and is shown in the income statement as expenditure.

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

2.20 **Deferred charges** comprise:

- a) Obligations established prior to the financial period to which they pertain, which are recorded as deferred charges to be charged against the relevant appropriations and funds when they become available;
- b) Expenditure items that are not properly chargeable in the current financial period and that will be charged as expenditure in a subsequent financial period;
- c) That portion of the education grant advance which is assumed to pertain to the scholastic year completed at the date of the financial statement, and which is reported as deferred charges for the purposes of the balance sheet statement only.

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

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

2.22 **Commitments** of the Court relating to prior and current financial periods are shown as unliquidated obligations. Current period obligations remain valid for 12 months following the end of the financial period to which they relate. Commitments against future financial periods are recorded as deferred charges.

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

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

The Pension Fund is a funded defined benefit plan. The financial obligation of the organisation to the Fund consists of its mandated contribution at the rate established by the United Nations General Assembly of 15.8 per cent of pensionable remuneration, together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date.

At the time of this report, the United Nations General Assembly has not invoked this provision.

### **3. The International Criminal Court (statements I-IV)**

3.1 The International Criminal 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 composed of the following organs:

- a) The Presidency, comprising the President and the First and Second Vice-Presidents.
- b) The Chambers, comprising an Appeals Division, a Trial Division and a Pre-Trial Division. The Appeals Division is composed of the President and four other judges; the Trial Division is composed of not less than six judges, as is the Pre-Trial Division.
- c) The Office of the Prosecutor, which acts independently as a separate organ of the Court, is responsible for the investigation and prosecution of crimes within the jurisdiction of the Court.
- d) The Registry, which is responsible for:



- (i) Non-judicial support and administrative services for the Court;
  - (ii) The provision of judicial support for court services;
  - (iii) Management of the internal security of the Court;
  - (iv) The implementation of mechanisms to assist and safeguard the rights of victims, witnesses and defence.
- e) The Secretariat, which provides the Assembly and its Bureau, the Credentials Committee, the Committee on Budget and Finance, the Special Group on the Crime of Aggression, as well as, upon explicit decision by the Assembly, any subsidiary body that may be established by the Assembly, with independent substantive servicing as well as administrative and technical assistance.

The seat of the Court has been established at The Hague in the Netherlands in accordance with article 3 of the Rome Statute. The Court has also established four field offices to enable it to conduct its field operations. These field offices are operational in Uganda, Democratic Republic of the Congo and Chad.

For the purposes of the 2006 financial period, the appropriations were divided into five Major Programmes: the Judiciary (Presidency and Chambers), the Office of the Prosecutor, the Registry, the Secretariat of the Assembly of States Parties, and Investment in the Court's Premises.

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

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

3.4 **Statement II** shows the assets, liabilities, reserves and fund balances as at 31 December 2006. The value of non-expendable property is excluded from the assets (see note 2.16(b)).

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

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

#### **4. General Fund, Working Capital Fund and Contingency Fund**

4.1 **Assessed contributions:** the Assembly of States Parties, in its resolution ICC-ASP/4/Res.8, approved the funding of the appropriations of the Court for the financial period 1 January to 31 December 2006 in the total amount of €80,417,200. As at 31 December 2006, there were 103 States Parties to the Rome Statute.

4.2 **Interest income:** interest in the amount of €1,662,013 represents interest earned on the Court's bank accounts for the General Fund, the Working Capital Fund and the Contingency Fund.

4.3 **Miscellaneous income:** the total miscellaneous income of €104,008 represents the following:

*Table 1: Details of miscellaneous income*

Miscellaneous income	Amount (euros)
Refund of expenditures incurred in prior financial periods	102,626
Miscellaneous income	1,382
<b>Total</b>	<b>104,008</b>

4.4 **Expenditures:** the total amount of expenditures, €64,631,210, comprises total disbursements of €52,831,394, outstanding obligations of €11,709,738, and provisions for liabilities of €90,078. The expenditures are detailed in table 2 below.

*Table 2: Details of expenditures (in euros)*

Category of expenditure	Appropriation amount	Disbursed expenditures	Unliquidated obligations	Provisions	Total expenditures
Salaries & other staff costs	54,786,100	41,912,702	1,472,023 <sup>a)</sup>	126,078 <sup>b)</sup>	43,510,803
Travel & hospitality	4,071,800	2,037,899	794,771	-	2,832,670
Contractual services	8,353,700	3,137,188	4,521,436	-	7,658,624
Operating expenses	10,058,300	3,980,952	2,052,822	-	6,033,774
Acquisitions	3,147,300	1,762,653	2,880,286	-	4,642,939
<b>Total</b>	<b>80,417,200</b>	<b>52,831,394</b>	<b>11,721,338</b>	<b>126,078</b>	<b>64,678,810</b>

a) The amount of €1,472,023 for unliquidated obligations under salaries and other staff costs contains the following two amounts:

- (i) €329,600 for the retroactive participation of the Prosecutor and Deputy Prosecutors to the United Nations Joint Staff Pension Fund (UNJSPF).

In its resolution ICC-ASP/5/Res.3, the Assembly of States Parties decided that the conditions of service and compensation of the Prosecutor and Deputy Prosecutors should be the same as those of Under-Secretary-General and Assistant Secretary-General in the United Nations common system, respectively, and thus in accordance with the contributory nature of the UNJSPF. The ASP further decided to invite the current Prosecutor and Deputy Prosecutors to consider joining the UNJSPF, and requested the Court to approach the UNJSPF for its agreement as to the retroactive participation of the current Prosecutor and Deputy Prosecutors. It also decided, should that be the case, to allow the Court to apply unspent funds from the 2006 budget, up to a total amount of €404,520, to meet the costs in full for the retroactive participation from the date of their entry on duty until 31 December 2006.

The Prosecutor and Deputy Prosecutors accepted to join the UNJSPF and began their contributory participation to the UNJSPF on 1 January 2007. Furthermore, upon the Court's request, the UNJSPF approved the retroactive participation of the Prosecutor and Deputy Prosecutors from their date of

entry on duty. The total amount of pension contributions plus interest payable to the UNJSPF on behalf of the three officials is €329,600 (€87,916 for 2006 and €241,684 for prior years). This amount is included in the accounts to be paid to the Fund in May 2007.

- (ii) €17,818 representing costs related to the decision of the International Labour Organization Administrative Tribunal (ILOAT) regarding the case brought forward by a former ICC staff against the ICC. The ILOAT decided in 2006 that the ICC should pay the complainant material damages equivalent to six months' net base salary less any income earned in the six months following the complainant's separation from the ICC, plus moral damages and costs in the total amount of €2,500. The total amount payable to the complainant is €6,218. The remaining amount of €11,600 is the ICC's share of administrative costs of the Tribunal itself for holding the session in which this case had been considered. The total amount is recorded in the accounts to be paid to the complainant and the Tribunal respectively, in 2007.

- b) The amount of €126,078 is recorded in the accounts as a provision for ILO cases as stated in note 4.6 below.

4.5 **Provision for pension liabilities:** in its resolution ICC-ASP/4/Res.9, the Assembly of States Parties decided that the pension scheme of the judges should be accounted for and funded on an accrual basis. In 2005, the ICC recorded in its accounts the actuarial estimated costs of the accrual for the period from 11 March 2003 to 31 December 2006 in the amount of €8,000,000, funded by applying the provisional savings of the 2005 budget as approved by the Assembly of States Parties. During 2006, in accordance with the Assembly of States Parties' request, the ICC conducted a procurement tender to identify a suitable provider for insuring and administering the judges' pension scheme. Only one tender met the ICC's requirements. The Assembly of States Parties decided to accept the proposal from Allianz Nederland BV to insure and administer the judges' pension scheme. The ICC is expected to enter into contract with the Allianz Nederland BV mid 2007.

In their proposal, Allianz Nederland BV included their estimate for the actuarial costs for the accrual of the judges' pension. The total amount estimated for the period 11 March 2003 to 31 December 2006 is €6,291,289. Since this amount represents a material difference from the amount reflected in the accounts and financial statements for the period ending 31 December 2005, the amount for the pension liability is restated in these financial statements to reflect the revised estimate.

The restating of the 2005 liability for judges' pension has resulted in a revision in the provisional cash deficit for the period ending 31 December 2005 from €7,318,444 to €5,609,732 (Schedule 4).

Since the contract with Allianz will only be finalised in mid-2007, payment of the accrued amount as well as the premium for 2007 will be delayed until such time as the contract is signed by both parties. The ICC will pay the total amount of premiums plus interest at 3 per cent per year for payment later than 1 January 2007.

**Reserve for pension of judges:** under the comparative column for the year 2005, the amount of €4,252,814 (restated from €5,600,000) representing the amount accrued for the pension liability up to 31 December 2005 is shown in the balance sheet as a liability. Whereas the remaining amount of €2,038,475 (restated from €2,400,000) representing the actuarial amount estimated to be accrued in 2006 is shown as a reserve deducted from the cumulative surplus.

In 2006, the total amount for the pension liability for €6,291,289 is reflected as a provision in the balance sheet as it reflects the actuarial estimated costs accrued till 31 December 2006.

4.6 **Provision for ILO cases:** during 2006, three complaints against the ICC have been presented to the ILOAT by (former) staff members. The decisions are expected in 2007. Considering the jurisprudence of the Tribunal and its favourable disposition to staff complaints, it is probable that the Tribunal would rule in favour of the complainants, in which case the Tribunal would award damages and costs to staff if their claims are successful. In addition, the ICC also has to contribute to the administrative costs for the holding of the sessions of the Tribunal during which ICC cases are considered. Based on previous awards in similar cases, the amount estimated for damages and costs is €90,078 and the amount estimated for ICC's share of administrative costs to the Tribunal is €36,000 for the three cases, resulting in a total provision of €126,078.

4.7 **Savings on, or cancellation of, prior periods' obligations:** actual disbursements of prior periods' obligations of €13,232,406 amounted to €11,365,226 due to savings on or cancellation of obligations in the amount of €1,867,180.

4.8 **Credits to States Parties:** cash surplus credited to eligible States Parties amounted to €10,023,875. This comprises cash surpluses from 2004 and had been apportioned to States Parties in accordance with their respective assessments for that financial period. €987,820 of this cash surplus had been returned to States Parties and the remaining amount of €9,036,055 was credited towards assessed contributions due and is included in the total amount of collections during 2006 (Schedule 1).

4.9 **Working Capital Fund:** the Assembly of States Parties, in its resolution ICC-ASP/4/Res.8, established the Working Capital Fund for the financial period 1 January to 31 December 2006 in the amount of €6,701,400 resulting in a net increase of €1,127,100 from the previous financial period.

4.10 **Assessed contributions receivable:** the outstanding balance of contributions of €11,969,176 comprises €5,077,599 due for prior financial periods and €6,891,577 due for 2006 (Schedule 1). Contributions received from States Parties in excess of contributions due in the amount of €5,649,427 are reported as contributions received in advance (see note 4.14(c) below).

4.11 **Other contributions receivable** refer to the outstanding balance due to the Working Capital Fund. The outstanding balance as at 31 December 2006 was €95,224 (Schedules 2 and 3).

4.12 **Interfund balances receivable** to the General Fund as at 31 December 2006 amount to €90,850, comprising €87,851 from the trust funds, and €2,999 from the Trust Fund for Victims for which there are separate accounts.

4.13 **Other accounts receivable** are detailed in table 3 below.

*Table 3: Details of other accounts receivable*

<b>Accounts receivable</b>	<b>Amount (euros)</b>
Governments (value added tax) <sup>a)</sup>	1,410,277
Staff	404,679
Vendors	151,563
Interest accrued	886,838
Travel advances (other than cash advances) <sup>b)</sup>	433,732
Advances to vendors for travel related expenses <sup>c)</sup>	637,944
Others	125,702
<b>Total</b>	<b>4,050,735</b>

- a) **Value added tax:** the amount of €1,410,277 recorded in the accounts as receivable from government for value added tax (VAT) paid on goods and services is an amount of €54,685 representing VAT for purchases in Uganda during 2005 and 2006. This amount is a receivable from the Ugandan government pending the completion of the agreement between the ICC and the Ugandan government on VAT refund. It is not certain whether the amount of €54,685 will be recoverable, as it may be that the agreement will only be effective from the date it is signed by both parties.
- b) **Travel advances (other than cash advances):** represents the amount of travel advances for which the travellers had not submitted travel expense claims to be recorded in the accounts as expenditure in 2006. This is the amount of travel advances with the exception of those paid in the form of cash. Cash advances are recorded as receivables from the travellers and are included in the total amounts for “Staff”, “Vendors”, or “Others” receivables.
- c) **Advances to vendors for travel related expenses:** represents the amounts paid to vendors for travel related expenses such as tickets and shipments for which the travel claims had not been submitted by the travellers to be recorded as expenditure in the accounts as at 31 December 2006.

4.14 **Education grant advances:** deferred charges contain the amount of €270,095 which is the portion of the education grant advance that is assumed to pertain to the scholastic years completed as at 31 December 2006.

4.15 **Contributions or payments received in advance:** a total of €7,743,846 was received from States Parties to be applied to the next financial period. This comprises:

- a) €2,054,872 received from States Parties in advance for 2007 assessed contributions (Schedule 1);
- b) €39,547 received from States Parties in advance to be applied to the Working Capital Fund (Schedule 3);

- c) €5,649,427 representing contributions received in excess of assessed contributions for 2006 resulting from assessment of new States Parties, overpayments or the distribution of 2004 cash surplus (Schedule 1).

4.16 **Other accounts payable** are detailed in table 4 below.

*Table 4: Details of other accounts payable*

<b>Accounts payable</b>	<b>Amount (euros)</b>
Staff	238,079
Vendors	78,471
Deferred payment from Special Court for Sierra Leone <sup>a)</sup>	476,729
Accrued repatriation grants <sup>b)</sup>	1,207,032
Others	81,027
<b>Total</b>	<b>2,081,338</b>

- a) **Deferred payment from the Special Court of Sierra Leone:** on 29 March 2006, the ICC received a request from the President of the Special Court of Sierra Leone (Special Court) to provide temporary assistance with regard to the provision of courtroom and detention services and facilities and support for the conduct of the trial of Charles Taylor. After consultations with the Bureau of the Assembly of States Parties, the ICC agreed to provide the services and facilities on condition that full payment in advance would be made before services are rendered. Based on this decision, the ICC and the Special Court signed a Memorandum of Understanding (MOU) on 13 April 2006 regarding the administrative arrangements between the two Courts.

Following this agreement, the Special Court made two advance payments to the ICC in the total amount of €577,648. The amount of €476,729 is the balance of the advance payments received from the Special Court less the expenditures incurred by the Special Court as at 31 December 2006.

- b) **Accrued repatriation grants:** internationally recruited staff members who separate from the Court are entitled to repatriation grants upon their relocation based on the number of years of service. The amount of €1,207,032 is the liability of the organisation for repatriation grants accrued as at 31 December 2006.

4.17 **Contingency Fund:** the amount of €9,168,567 representing the cash surplus for 2002-2003 financial period has been credited to establish the Contingency Fund in accordance with ICC-ASP/ICC/Res.4 (b). The fund had not been used in 2006.

4.18 **Reserve for unpaid assessed contributions:** an amount of €5,077,599, being the amount of outstanding assessed contributions for prior financial periods (Schedule 1), is deducted from the cumulative surplus to derive the cash surplus for 2005 for distribution to States Parties (Schedule 4).

## 5. Trust Funds

5.1 **Voluntary contributions:** contributions in the amount of €1,641,083 have been pledged and/or received for 2006 projects.

In the financial statements for the period ending 31 December 2005, the ICC erroneously reported €2,259,883 as voluntary contributions pledged and/or received for 2005 projects. €824,022 of those voluntary contributions had been received by the ICC in advance for projects in future years. This error has been adjusted in the accounts and the amount is being restated in these financial statements to €1,435,861 being the correct amount of voluntary contributions for 2005 projects.

5.2 **Interest income:** interest in the amount of €41,178 represents interest earned on the Court's bank account for the Trust Funds.

5.3 **Refund to donors:** the amount of €124,823 was refunded to donors, being the amount in excess of the requirements of the specific projects completed (Schedules 6 and 7).

5.4 **Other accounts receivable:** the amount of €7,059 is the interest earned but not received with regard to the bank account of the Trust Funds.

5.5 **Contributions or payments received in advance:** as stated in 5.1 above, the amount of €824,022 is the restated amount for voluntary contributions received in advance for future periods as at 31 December 2005. As at 31 December 2006, the ICC had received voluntary contributions in the total amount of €191,258 for projects starting after 31 December 2006 (Schedule 6).

5.6 **Interfund balances payable:** as at 31 December 2006, interfund balances between the Trust Fund and the General Fund was a payable of €87,851.

## 6. Non-expendable property

6.1 A summary of non-expendable property, at historical cost, as at 31 December 2006 is provided in table 5 below. In accordance with the current ICC accounting policies, non-expendable property is not included in the fixed assets of the organisation, but is directly charged to the budget upon acquisition.

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

Asset management category	Opening balance as at 1 Jan 2006	Acquisitions/ adjustments	Written-off items <sup>(a)</sup>	Closing balance as at 31 Dec 2006
Information, Technology and Communications equipment	4,099,167	788,418	(2,467)	4,885,118
Security and Safety equipment	625,875	110,819	-	736,694
General Services equipment	739,334	107,270	(8,708)	837,896
Vehicles and transportation equipment	806,761	(29,349)	-	777,412
Office of the Prosecutor equipment	359,183	886,524	-	1,245,707
Other equipment	92,182	67,488	(1,583)	158,087
<b>Total</b>	<b>6,722,502</b>	<b>1,931,170</b>	<b>(12,758)</b>	<b>8,640,914</b>



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

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

Asset management category	Opening balance as at 1 Jan 2006	Acquisitions/ adjustments	Closing balance as at 31 Dec 2006
Advance team budget	17,284	992	18,276
Host State contributions	148,960	-	148,960
Other donations	248	270,349	270,597
<b>Total</b>	<b>166,492</b>	<b>271,341</b>	<b>437,833</b>

a) During 2006, items valued at a total amount of €12,758 had been written off.

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

7.1 In addition to the items written off during 2006 as stated in 6.1(a) above, a total amount of €1,200 had been written off as loss of cash.

## 8. Ex-gratia payments

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

## 9. Gratis personnel

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

## 10. Contingent liabilities

10.1 Liabilities for end-of-service payments to staff as at 31 December 2006 in the total amount of €2,113,205 are the estimated costs of compensation for accrued annual leave for ICC staff members and elected officials.

10.2 In 2005, the ICC reported an estimated amount of €167,560 for damages and costs regarding a case against the ICC presented by a former staff member of the ICC to the International Labour Organisation Administrative Tribunal (ILOAT). In 2006, the ILOAT decided upon the case and an amount of €17,818 has been obligated in the accounts to be paid in 2007, as stated in note 4.4 above.

10.3 In 2006, a dispute arose between the ICC and the landlord of the ICC premises in the Kampala field office, in which the landlord is claiming from the ICC approximately €500,000 for alleged breach of contract and interest on delayed payments of invoices. In accordance with the ICC Terms of Contract the parties have decided to refer the matter to arbitration. Although the claim from the landlord is highly inflated and unreasonable, the ICC believes that the arbitration will determine some amounts to be due and payable. Pending the outcome of the arbitration, at this stage it is very difficult to provide a reliable estimate of the amount which may be due. ICC will also have to bear its own costs of the arbitration.



## **11. Service-incurred injury**

11.1 The ICC entered into agreement with an insurance company to offer coverage for service-incurred injuries for ICC staff, judges, consultants and temporary assistants. The insurance premium, calculated as a percentage of the pensionable remuneration for the staff members and a comparable percentage for judges, consultants and temporary assistants, is charged to the organisation's budget and is reflected in the accounts under expenditures. The total premium paid during 2006 for this insurance was €515,874.

## **12. Contributions in kind (unaudited)**

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

- a) As reported in the financial statements for the prior financial periods, the Court continues to receive the following contributions from the host State:
  - (i) Premises to the Court free of rent for a period of 10 years, starting 1 July 2002;
  - (ii) Costs associated with the interim premises of the Court to a maximum of €33 million, including the costs of building a courtroom.

## **13. Contributions to the Trust Fund for Victims**

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

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

The total staff costs incurred by the Court for administrative support to the Board and its meetings, and the administration of the Trust Fund for Victims during the financial period are estimated at €114,514.