



Assembly of States Parties

Distr.: Limited
2 June 2020

Original: English

Audit Committee

The Hague, 2-3 March 2020

**Report of the Audit Committee
on the work of its eleventh session**

Table of contents

Executive Summary	3
I. Introduction	5
II. Procedural matters related to the eleventh session	5
III. Consideration of issues on the agenda at the eleventh session	6
A. <i>Values and ethics</i>	6
1. Progress report by the Court on a harmonized and revised values and ethics framework and the development of a Court-wide Ethics Charter	6
B. <i>Oversight of internal audit matters</i>	7
1. Audit reports of the Office of Internal Audit.....	7
2. Annual activity report of the OIA for 2019 and implementation of the 2020 Internal Audit Plan, including discussion on the reduction of preparation time for audits	8
3. Amendments to the Charter of the OIA	10
4. Cost-benefit analysis by the Court on the possibility of a lump-sum option for travel entitlement for staff	10
C. <i>Oversight of external audit matters</i>	11
1. External auditing services.....	11
D. <i>Follow up on previous recommendations</i>	11
1. Follow-up on internal audit recommendations	12
2. Follow-up on recommendations of the External Auditor	13
3. Follow-up on recommendations of the Audit Committee	14
E. <i>Risk management</i>	14
1. Risk Management Coordinator	14
IV. Other matters	15
A. <i>Workshop with External Auditor on the review of the oversight bodies</i>	15
B. <i>Amendments to the Charter of the Audit Committee</i>	16
C. <i>Work plan for the twelfth session of the Audit Committee</i>	16
Annex I: List of documents	17

Executive Summary

1. This report provides a summary of the findings and recommendations of the eleventh session of the Audit Committee (“the AC”) of the International Criminal Court (“the Court”), which was held in The Hague on 2 and 3 March 2020. The AC focused at its eleventh session on: (a) values and ethics; (b) oversight of internal audit matters; (c) oversight of external audit matters; (d) follow-up on previous recommendations; and (e) risk management.

2. Under the topic of **values and ethics**, the AC considered the progress report provided by the Court and reiterated the importance of the Court developing a Court-wide Ethics Charter in the near future. The AC recommended that the Court continue its work on the various policies and instruments under development, as well as on the development of a Court-wide Ethics Charter, including in light of any recommendations arising from the Independent Expert Review of the Court, and report thereon to the AC at its fourteenth session in 2021.

3. As part of its **oversight of internal audit matters**, the AC reviewed the audit reports submitted by the Office of Internal Audit (OIA) as well as the annual activity report of the OIA for 2019. The AC recommended some improvements to the structure and content of the OIA reports in order to comply with international standards and best practices, particularly the International Standards for the Professional Practice of Internal Auditing (ISPPA) issued by the Institute of Internal Auditors. In addition, the AC recommended that a strategic approach should be introduced whenever possible when conducting audit assignments in order to add value to the operations of the Court. The AC approved the 2020 Audit Plan for the OIA, while also recommending some improvements and efficiencies in the operationalisation of the Plan. The AC reviewed some proposed amendments to the Charter of the OIA and recommended that the Director re-submit the proposed amendments at its thirteenth session, following the conclusion of the Independent Expert Review of the Court and the External Auditor’s evaluation of the oversight bodies. The AC received an update from the Court regarding the cost-benefit analysis of a lump-sum option for travel entitlement for staff, and recommended that the Court provide a further update on the progress made at its thirteenth session in 2021.

4. On the topic of **oversight of external audit matters**, the AC received an update on the procurement process for the next External Auditor of the Court. The AC considered an Expression of Interest which had been received and recommended that the Assembly appoint the Board of Audit and Inspection of the Republic of Korea as the External Auditor of the Court for the financial years 2021-2024. In addition, the Audit Committee recommended that the Committee on Budget and Finance authorize the Registrar to cooperate with the Government of the Republic of Korea in respect of the procurement.

5. As part of its **follow-up on previous audit recommendations**, the AC welcomed the progress made by the Court in the implementation of internal audit recommendations. At the same time, the AC noted that there were some long outstanding recommendations that the time limits for implementation of some outstanding recommendations had expired. Accordingly the AC recommended that the OIA liaise with the Court to decide on either implementing or closing the open recommendations dating from 2012 to 2015, and make all efforts to implement outstanding recommendations for which time limits had expired. The AC also recommended that the Court continue its efforts to implement all audit recommendations regarding information security, incident response and crisis management, and looked forward to receiving updates thereon at its thirteenth session. The AC also reviewed the status of implementation of audit recommendations from the External Auditor and from the AC itself.

6. As regards **risk management**, the AC welcomed the progress made by the Court, including the organization of Court-wide workshops which had led to the approval by the Coordination Council of a risk register containing a total of nine risks: three major ones and six significant ones. The Audit Committee recommended that the Court continue its efforts to ensure that the progress made in risk assessment is matched with progress in the area of risk management.

7. Under **other matters**, the AC considered the draft Terms of Reference prepared by the External Auditor in fulfilment of the request from the Assembly to conduct an evaluation of the oversight bodies of the Court and to recommend possible actions on their respective mandates and reporting lines. The AC looked forward to working with the External Auditor in the execution of this mandate.

8. The AC discussed the proposed amendments to its Charter with the Hague Working Group's Focal Point for Budget Management Oversight, and noted that there may be value in deferring the amendments until after the completion of the evaluation of the oversight bodies by the External Auditor and the Independent Expert Review of the Court.

9. The AC decided to focus at its twelfth session, to be held from 27 to 29 July 2020, on the following topics: the Court's governance structure; oversight of internal audit matters; oversight of external audit matters, including the consideration of the financial statements of the Court and the TFV; and follow-up on previous recommendations.

I. Introduction

1. The Audit Committee of the International Criminal Court (“the AC”) held its eleventh session from 2 to 3 March 2020 in The Hague.
2. This report summarizes the main outcomes and recommendations made by the AC at its eleventh session. The documentation considered by the AC is listed in annex I to this report.
3. Reports of the AC are shared with the management of the International Criminal Court (“the Court”), the Office of Internal Audit (“the OIA”), the External Auditor, and the Independent Oversight Mechanism (“the IOM”), for the purposes of information and follow-up on recommendations. The reports of the AC are publicly available on the AC webpage through the following link: https://asp.icc-cpi.int/en_menus/asp/AuditCommittee/Pages/default.aspx.

II. Procedural matters related to the eleventh session

4. The AC held four meetings during its eleventh session. The session was attended by the following members:
 - 1) Mr. Samir Abu Lughod (Jordan);
 - 2) Mr. Aiman Ibrahim Hija (Australia);
 - 3) Ms. Margaret Wambui Ngugi Shava (Kenya);
 - 4) Ms. Elena Sopková (Slovakia); and
 - 5) Ms. Clarissa Van Heerden (South Africa).

A. Election of officers

5. At its second session, the AC decided that the elections of the Chairperson and the Vice-Chairperson, as well as the appointment of the Rapporteur, would take place during the first AC session of each calendar year.
6. For 2020, the AC elected by consensus Ms. Margaret Wambui Ngugi Shava (Kenya) as Chairperson and Mr. Aiman Ibrahim Hija (Australia) as Vice-Chairperson, in accordance with Part F of its Charter. The AC further appointed Ms. Elena Sopková (Slovakia) as Rapporteur.
7. The Executive Secretary to the Committee on Budget and Finance, Mr. Fakhri Dajani, acted as the Secretary to the Audit Committee and, together with his team, provided substantive and logistical servicing and support.

B. Adoption of the agenda

8. The AC adopted the following agenda for its eleventh session:
 - 1) Opening of the session
 - (a) Election of officers
 - (b) Adoption of the agenda and organization of work
 - (c) Participation of observers
 - 2) Values and ethics
 - (a) Progress report on a harmonized and revised values and ethics framework and the development of a Court-wide Ethics Charter
 - 3) Oversight of internal audit matters
 - (a) Audit reports of the Office of Internal Audit

- (b) Annual activity report of the OIA for 2019 and implementation of the 2020 Internal Audit Plan, including discussion on the reduction of the preparation time for audits
 - (c) Amendments to the Charter of the OIA
 - (d) Cost-benefit analysis by the Court on the possibility of a lump-sum option for travel entitlement for staff
- 4) Oversight of external audit matters
 - (a) External auditing services
 - 5) Follow-up on previous recommendations
 - (a) Follow-up on internal audit recommendations, including implementation of recommendations related to the group health insurance plan
 - (b) Follow-up on recommendations of the External Auditor
 - (c) Follow-up on recommendations of the Audit Committee
 - 6) Risk management
 - 7) Other matters
 - (a) Workshop with External Auditor on the review of the oversight bodies
 - (b) Amendments to the Charter of the Audit Committee
 - (c) Work plan of the twelfth session of the Audit Committee

C. Participation of observers

9. The Vice-President of the Court, Judge Robert Fremr, delivered the welcoming remarks on behalf of the Court. The Registrar of the Court briefed the AC on a number of matters. The Director of the Division of Management Services provided updates on a range of topics, including the implementation of audit recommendations and the cost-benefit analysis of a lump-sum option for travel entitlement for staff. The Director of the Division of Management Services provided updates on several reports submitted to the AC.

10. The representatives of the External Auditor, Mr. Michel Camoin and Mr. Hervé-Adrien Metzger, briefed the AC on the implementation of recommendations made by the External Auditor, and answered questions in relation to other agenda items, as appropriate.

11. The focal point for Budget Management Oversight from the Hague Working Group of the Bureau of the Assembly of States Parties, Ambassador Annika Markovic (Sweden), had an exchange of views with the AC on several agenda items.

12. The Director of the Office of Internal Audit summarized the main findings and recommendations of the audit reports.

13. A representative of PriceWaterhouseCoopers, Mr. Marc de Pauw, briefed the AC on the topic of risk management at the request of the Court.

14. The Committee wished to thank all observers for their presentations.

III. Consideration of issues on the agenda at the eleventh session

A. Values and ethics

1. Progress report by the Court on a harmonized and revised values and ethics framework and the development of a Court-wide Ethics Charter

15. At its ninth session in March 2019, the AC reviewed the progress of the Court in relation to the creation of a Court-wide values and ethics framework, and recommended that the Court streamline its different efforts in accordance with the “One-Court Principle”, with the aim

of achieving a harmonized and revised values and ethics framework and developing a Court-wide Ethics Charter. The AC also noted that this framework should include, inter alia, a gap analysis and an update of the existing policies, such as the Administrative Instruction on Sexual and other Forms of Harassment.¹ The AC requested the Court to submit a progress report to the Committee at its eleventh session in 2020.

16. Accordingly, the Court submitted the “Progress report on a harmonized and revised values and ethics framework and the development of a Court-wide Ethics Charter”.²

FINDINGS AND RECOMMENDATIONS

17. The AC noted that as a result of the gap analysis undertaken by the Court, the Court had reached the conclusion that, in comparison with similar organizations, it has a comprehensive regulatory framework in place governing the conduct of its sitting officials and staff. However, the AC observed that various policies such as the Administrative Instruction on Sexual and other Forms of Harassment were currently being reviewed, and that a new Administrative Instruction against Sexual Exploitation had been proposed. The AC welcomed the Court’s intention to work towards the development of a high-level, organization-wide set of core values as a complement to the current Strategic Plan (2019-2021) taking into consideration the Independent Expert Review of the Court, which was currently underway and might lead to recommendations in the area of values and ethics.

18. **The Audit Committee recommended that the Court continue its work on the various policies and instruments, as well as on the development of a Court-wide Ethics Charter, including in light of any recommendations arising from the Independent Expert Review of the Court, and requested the Court to provide an update on this work to the Audit Committee at its fourteenth session in 2021.**

B. Oversight of internal audit matters

1. Audit reports of the Office of Internal Audit

19. The AC considered the audit reports submitted by the OIA, namely “Audit of trust funds - European Commission Grant”,³ “Audit on management of motor vehicles” and “Audit on administrative and financial controls in the Country Offices”.

20. The AC discussed some of the main findings and recommendations in the audit reports with the Director of the Office of Internal Audit.

FINDINGS AND RECOMMENDATIONS

21. The AC welcomed the audit reports submitted by the OIA. However, in light of the International Standards for the Professional Practice of Internal Auditing (ISPPPIA) issued by the Institute of Internal Auditors, the AC made some suggestions in order to improve the preparation and drafting of the audit reports. For example, the AC considered that it was important to include in the background or in the executive summary, to the extent possible, any implications (financial or otherwise) of the audit topic (ISPPPIA 2450).

22. **The Audit Committee recommended that the Office of Internal Audit critically review the structure and content of its audit reports in order to comply with international standards and best practices in internal audit. The Audit Committee also recommended that**

¹ ICC/AI/2005/005.

² AC/11/18.

³ AC/11/2.

the Office of Internal Audit explore greater use of diagrams and charts to aid the reader.

23. The AC noted that the reports of the OIA would be more useful for the Court if they included more strategic recommendations for the operations of the Court. As an example, the AC considered that the audit report on management of motor vehicles could have included a cost-benefit analysis of alternative approaches, such as leasing of vehicles or use of rental vehicles. The AC also noted that most of the recommendations made by the OIA in the audit on management of motor vehicles appeared to partly overlap with each other. In addition, the AC noted from the report that the Court lacked a comprehensive fleet management policy.

24. **The Audit Committee recommended that the Office of Internal Audit adopt a more strategic approach in preparing its recommendations, including by ensuring that they do not overlap or repeat, in order to provide the most benefit to the operations of the Court. In addition, the Audit Committee recommended that a strategic approach should be introduced whenever possible when conducting audit assignments in order to add value to the operations of the Court.**

25. **The Audit Committee also recommended that the Court work on a comprehensive fleet management policy, and report to the Committee thereon at its fourteenth session in 2022.**

26. The AC recalled the importance of the “Five Cs of internal audit reporting”,⁴ the use of which helps to ensure that audit reports are as useful and complete as possible.

27. **The Audit Committee recommended that the Office of Internal Audit seek to demonstrate the use of international audit standards and practices in its reports, including the adoption of the “Five Cs of internal audit reporting”.**

2. Annual activity report of the OIA for 2019 and implementation of the 2020 Internal Audit Plan, including discussion on the reduction of preparation time for audits

28. At its eighth session in August 2018, the AC recommended that the OIA produce annual reports on its activities ending 31 December for submission to the Committee at its first session each year, including a brief summary of the outcome of all its activities (audits and advisory services conducted), any major issue(s) that the Committee should be aware of, as well as tables comparing, for example, the approved vs. actual assignments conducted, and the planned vs. actual number of working days for each assignment.⁵

29. At its ninth session in March 2019, the AC looked forward to discussing with the OIA the impact of a series of internal measures taken to reduce the preparation time for audits on the efficiency of the work of the OIA.⁶

30. The AC received the “Report on the Audit Related Activities of the Office of Internal Audit in 2019”, as well as reports on the status of implementation of the 2019 Audit Plan as at 30 September 2019⁷ and as at 31 December 2019.⁸ The AC also considered the 2020 Audit Plan,⁹ including some proposed amendments,¹⁰ and the “Report of the Office of Internal Audit

⁴ The Five Cs of internal audit reporting are: Condition (What is the particular problem identified?), Criteria (What is the standard that was not met?), Cause (Why did the problem occur?), Consequence (What is the risk/negative outcome associated with the problem?), Corrective action (What should management do about the finding?).

⁵ ICC-ASP/17/15, para. 65.

⁶ AC/9/5, para. 43.

⁷ AC/11/3.

⁸ AC/11/8.

⁹ AC/11/4.

¹⁰ AC/11/15.

on measures to reduce the preparation time for audits”. In addition, the AC reviewed the “Statement on Independence and Objectivity of the Office of Internal Audit”.

FINDINGS AND RECOMMENDATIONS

31. The AC reviewed the annual activity report of the OIA for 2019 and the status of implementation of the 2019 Audit Plan. The AC considered that the reports could benefit from additional detailed information on the planning and execution time for each assignment. Furthermore the AC noted that some audit assignments appeared to have been spread over a long period, which had the potential to reduce the relevance of the outcomes for the units involved. While acknowledging that some delay was inevitable, the AC considered that better preparation and planning could reduce the impact to some extent.

32. **The Audit Committee recommended that the Office of Internal Audit include a breakdown of time used for each audit assignment in future reports, including how many days were used at the different stages of each assignment (planning, execution, reporting) and when the interim report was issued.**

33. **The Audit Committee also recommended that the Office of Internal Audit endeavour to reduce the amount of time between the beginning and end of each audit assignment, in order to ensure that the outcomes remain as relevant as possible.**

34. The AC reviewed the 2020 Audit Plan for the OIA, including the proposed amendments to the original draft arising from budget restrictions under non-staff costs which had led to the cancellation of all assignments requiring travel.

35. **The Audit Committee approved the 2020 Audit Plan for the Office of Internal Audit, as amended.** However, the Audit Committee observed that there was room for improvements and efficiencies in the proposed 2020 Audit Plan.

36. **The Audit Committee recommended that the Director of the Office review once more the amended 2020 Audit Plan and recommended that the Director and the Office of Internal Audit team critically assess the number of days assigned for each engagement to ensure that they were aligned with the level of risk involved and the complexity of the audit assignment (particularly in relation to the planned audit on asset management and the advisory services).**

37. The AC noted that there may be room for streamlining of planned audits, and in this regard noted that the topic of procurement was evident in a number of planned audits which might potentially lead to overlap. The Audit Committee invited the OIA to consider using any time savings arising from a critical review of the Audit Plan to provide training to the staff of the Office, including by utilizing the available online training and continuing professional development courses at the Court (ISPPA 1230), including training on report writing, and/or to undertake additional advisory services.

38. **While the Audit Committee was conscious of the budget constraints which had led to the cancellation of travel plans for the OIA in 2020, the Audit Committee reiterated the importance of regular audit contact with the Country Offices and hoped to see audits planned in 2021 in relation to the Country Offices, including the approval of appropriate budget to cover the travel expenses.**

39. The AC noted that the annual planning cycle followed by the OIA made it difficult to analyse the strategic benefits and implications of internal audit at the Court.

40. **The Audit Committee recommended that the Office of Internal Audit include in future audit plans a rolling plan, over three or five years, in order to provide a better picture of the audit universe at the Court.**

41. The Audit Committee also noted that the audit assignments of the OIA are conducted by a single auditor, which reduces the opportunities for on-the-job training and the exchange of knowledge within the team.

42. **The Audit Committee recommended that the Director of the Office of Internal Audit consider assigning more than one auditor to some engagements, in order to share experience and skills amongst the team.**

3. Amendments to the Charter of the OIA

43. At its tenth session in July 2019, the AC considered some proposed amendments to the Charter of the OIA, and discussed some modifications with the Director of the OIA. The AC was informed that the Director of the OIA would share the modifications with Court officials for their comments. Therefore, the AC decided that it would continue to consider the draft amendments to the Charter of the OIA at its eleventh session in March 2020.

FINDINGS AND RECOMMENDATIONS

44. The AC received the proposed amendments to the OIA Charter and decided to postpone its consideration and approval of the revised Charter until after the completion of the evaluation of the oversight bodies by the External Auditor and after the completion of the Independent Expert Review of the Court.

45. **The Audit Committee recommended that the Director of the Office of Internal Audit re-submit the proposed amendments to the Charter of the Office at its thirteenth session, after the completion of the two ongoing review exercises, including with information on the rationale for all proposed amendments.**

4. Cost-benefit analysis by the Court on the possibility of a lump-sum option for travel entitlement for staff

46. At its ninth session in March 2019, the AC noted that the audit report on travel management¹¹ did not include in its recommendations the option of a lump-sum payment for home leave travel, which was considered by other international organizations to be best practice as it aimed to reduce administrative costs and ensure the efficient use of resources. The AC recommended that the Court explore the possibility of a lump-sum option for travel entitlements for staff and submit a cost-benefit analysis to the eleventh session of the AC in 2020.

47. As a result, the AC received the “Report of the Court on a cost-benefit analysis of a lump-sum option for staff travel entitlements”,¹² which provided an overview of the Court’s engagement with other international organizations through the Inter-Agency Travel Network of the UN (IATN), as well as its review of the home leave travel statistics from 2017 and 2018.

FINDINGS AND RECOMMENDATIONS

48. The AC noted that the Court was not yet in a position to conclude whether it should adopt a lump-sum option for staff home leave travel entitlements. The Court explained that more time was required to complete the data collection from other organizations, and to analyse the data in order to reach the appropriate conclusion regarding the lump-sum option.

49. **The Audit Committee recommended that the Court provide an update on the progress made regarding the lump-sum option for travel entitlement for staff at its thirteenth session in 2021.**

¹¹ AC/9/2.

¹² AC/11/11.

C. Oversight of external audit matters

1. External auditing services

50. In accordance with its Charter,¹³ the AC is mandated to make recommendations to the Assembly concerning the appointment of the External Auditor. As the term of the External Auditor was due to expire, a detailed selection procedure for the procurement of an External Auditor had been undertaken in 2019. However, none of the companies which had responded to two separate Requests for Proposals had met the necessary requirements. Therefore the AC, at its tenth session, had recommended that the term of the current External Auditor be extended for one additional year.¹⁴ The Assembly approved this recommendation at its eighteenth session,¹⁵ and as a result the term of the External Auditor, the Cour des comptes, was extended to include the consideration of the financial statements of the Court and the TFV for the year ending 2020. The Assembly also noted that a selection procedure for procurement of an External Auditor would be completed in time for its nineteenth session in December 2020.¹⁶

51. At its tenth session, as well as recommending the extension which was subsequently approved by the Assembly, the AC also encouraged States Parties to liaise with their supreme national audit offices with a view to submitting an expression of interest for the position of the next External Auditor of the Court. The AC also recommended that the Court explore the duration and modalities for extending the term of the External Auditor in other international organisations, and submit its findings to the AC at its twelfth session in July 2020.

52. The AC received an update from the Executive Secretary and the Head of Procurement of the Court on the steps undertaken in 2020. The AC was informed that the supreme national audit office of the Republic of Korea, the Board of Audit and Inspection (BAI), had submitted an Expression of Interest.

FINDINGS AND RECOMMENDATIONS

53. The AC reviewed the Expression of Interest submitted by the BAI, and determined that it conformed to the requirements of the Assembly and the Court at an acceptable price. In addition, the AC recalled that the comprehensive procurement process undertaken in 2019 had not produced a satisfactory outcome, and therefore a further formal method of solicitation as set out in the Financial Regulations and Rules would not be in the best interest of the Court.¹⁷ The AC also noted that, under Rule 110.18(b) of the Financial Regulations and Rules, the Registrar may, to the extent authorized by the Committee on Budget and Finance, cooperate with the Government of a State Party in respect of procurement activities and, as appropriate, enter into agreements for such purposes.

54. The Audit Committee recommended that the Assembly appoint the Board of Audit and Inspection of the Republic of Korea as the External Auditor of the Court for the financial years 2021-2024. In addition, the Audit Committee recommended that the Committee on Budget and Finance authorize the Registrar to cooperate with the Government of the Republic of Korea in respect of the procurement.

D. Follow up on previous recommendations

¹³ AC Charter, para. 60.

¹⁴ AC/10/5, para. 62.

¹⁵ ICC-ASP/18/Res.1, section I, para. 2.

¹⁶ *Ibid.*, para. 3.

¹⁷ Financial Regulations and Rules, rule 110.17(a)(v).

1. Follow-up on internal audit recommendations

55. At its ninth session in March 2019, the AC noted that, despite all efforts made by the Court, the positive trend of the 2017 implementation rate for internal audit recommendations had not continued in 2018, as the implementation rate had declined to 23 per cent. This had resulted in an increase in outstanding recommendations at the end of 2018 (101 outstanding recommendations) compared to the end of 2017 (88 outstanding recommendations). The AC requested that the Court discuss with the OIA ways to speed up the implementation pace and report thereon at the Committee’s eleventh session in 2020.

56. Also at its ninth session, the AC decided to keep monitoring the implementation of recommendations related to the group health insurance plan as part of the general follow-up on internal audit recommendations.¹⁸ In addition, at the same session the AC had reviewed the implementation of information security-related recommendations and recommended that the Court, in consultation with the Information Management Governance Board, intensify its efforts to fully implement all information security-related recommendations, in particular those with a high risk rating, and report to the AC on the progress achieved.

57. The AC had before it the “Report of the Court on the implementation of internal audit recommendations as at 31 December 2019”¹⁹ and the “Annual Report of the OIA: Implementation of Audit Recommendations – Situation as at 31 December 2019.” The AC received an update from the Court and the OIA on the implementation of internal audit recommendations, including implementation of recommendations related to the group health insurance plan and information security-related recommendations.

58. The OIA indicated in its annual report that, as at 31 December 2019, 82 accepted recommendations were “in progress”. See Table 1 below:

Table 1: Outstanding recommendations since 2012

Year issued	No issued	Implemented within months:					Total impl.	Total closed	Total risk accepted	Total Not Accepted	Total in progress	% open
		1-6m	7-12m	13-24m	25-36m	>36m						
2012	76		10	15	7	32	64	7	3	0	2	3%
2013	18	0	0	1	0	5	6	5	7	0	0	0%
2014	45		13	5	5	6	29	11	4	0	1	2%
2015	47	2	0	14	8	1	25	6	6	0	10	21%
2016	18	3	3	4	2	1	13	0	1	2	2	11%
2017	67	5	11	14	8	0	38	0	8	9	12	18%
2018	54	3	9	3	0	0	15	2	3	1	33	61%
2019	28	0	0	0	0	0	0	0	0	6	22	79%
Total	353	13	46	56	30	45	190	31	32	18	82	23%
%	100%	4%	13%	16%	8%	13%	54%	9%	9%	5%	23%	
<i>X=10%</i>												

FINDINGS AND RECOMMENDATIONS

59. The AC welcomed the progress made by the Court in the implementation of internal audit recommendations. At the same time, the AC noted that there were some long outstanding recommendations, including some dating back to as far as 2012, that should either be implemented or closed (if the benefit of implementing them had been lost). Furthermore, the time limits for implementation for some outstanding recommendations from 2017 and 2018 had expired. **Therefore, the Audit Committee recommended that the OIA liaise with the Court**

¹⁸ AC/9/5, para. 49.

¹⁹ AC/11/10.

to decide on either implementing or closing the open recommendations dating from 2012 to 2015, and make all efforts to implement all outstanding recommendations for which time limits had expired.

60. The AC also noted that there were still some gaps in the implementation of recommendations from audits relating to information security. In combination with the open recommendations relating to crisis management and incident response, the AC considered that this was an area which warranted continued attention. **The Audit Committee recommended that the Court continue its efforts to implement all audit recommendations regarding information security, incident response and crisis management, and looked forward to receiving updates thereon at its thirteenth session.**

61. The AC noted that the Annual Report of the OIA on the implementation of audit recommendations (AC/11/12) related to the situation “as at 31 December 2019”, but that the statistics provided in the report were as at August 2019. **The Audit Committee recommended that the OIA endeavour to use a single time point when reporting on the implementation of audit recommendations (i.e. either end of August or end of December), in order to ensure the Committee has a clear understanding of the situation.**

62. The AC noted that the OIA has access to a software application called TeamMate, which has different capabilities, including in the area of internal audit follow-up, which are not currently used. In addition, the AC noted that TeamMate is an effective tool for line managers as well as senior management.

63. **The Audit Committee strongly recommended that the Office of Internal Audit and the Court explore the possibility of utilising TeamMate software capabilities in order to increase efficiency and transparency in the follow up of audit recommendations, including by placing more of the onus for control self-assessment on the audited units, and provide an update thereon to the Committee at its thirteenth session.**

2. Follow-up on recommendations of the External Auditor

64. The AC received a presentation from the External Auditor on the interim audit mission, conducted from 2 to 13 December 2019, including a summary of the follow-up of External Audit recommendations.

FINDINGS AND RECOMMENDATIONS

65. The AC noted that, at the time of the interim audit mission in December 2019, 25 recommendations from the External Auditor were still pending. Six of those recommendations related to previous financial audits, and 19 related to previous performance audits. Ten of the performance audit recommendations related to the performance audit on budget management, which had been completed too recently (July 2019) to allow for meaningful implementation. The AC noted that detailed information on implementation would be included in the External Auditor’s report on the financial statements.

66. The AC noted that there were no substantive issues relating to the implementation of the recommendations from the External Auditor, who followed up regularly with the Court.

67. **The Audit Committee recommended that the External Auditor continue its ongoing efforts to liaise with the Court in order to implement all outstanding external audit recommendations.**

3. Follow-up on recommendations of the Audit Committee

68. The AC received an updated Register of Recommendations,²⁰ containing a log of all the recommendations issued since the AC's re-establishment, which had been submitted by the Executive Secretary.

FINDINGS AND RECOMMENDATIONS

69. The AC noted that it had generated 126 recommendations since its re-establishment in 2014, covering all areas of its mandate, with a view to assisting the Court in improving its work. The Register of Recommendations specified the recommendation holder, the acceptance or rejection of a recommendation, the deadline for implementation and the implementation status for each recommendation. The purpose of the Register was to ensure full implementation and efficient follow-up.

70. The AC noted that, of the 124 accepted recommendations, 90 recommendations (or 73 per cent) had been implemented, whereas eight recommendations (or 6 per cent) had not been implemented or had only been partially implemented. The implementation of the remaining recommendations was pending, as the deadline for their implementation had not yet expired.

71. The Audit Committee decided to keep monitoring progress in relation to the implementation of its recommendations at future sessions.

E. Risk management

72. At its ninth session in March 2019, the AC noted with great concern that the Court was not in a position to provide an update of the risk register or an outline of the mitigating measures, as requested by the AC at its seventh session. Therefore, the AC was not in a position to review the Court's corporate risk profile. The AC recalled that the risk register is a "living document" and recommended that the Court ensure that it is reviewed regularly, preferably on an annual basis, and submitted to the AC during the first session of each year. Furthermore, the Audit Committee recommended that the risk register is updated on an ad hoc basis, whenever new risks are identified, such as damaging actions by non-States Parties, and claims for compensation and damages by acquitted persons.

73. Also at its ninth session, the AC noted with satisfaction the overall progress in the Court's integrated risk management process over the last year. However, the AC noted that the integration of risk management into business strategies and processes was still one of the Court's major challenges and therefore recommended that the Office of the Division on Management Services, in collaboration with the OIA, organize training sessions for staff at all levels with a view to adequately embedding risk management into operational procedures.

1. Risk Management Coordinator

74. At its second session, the AC encouraged the Court to establish the envisaged Risk Management Committee and to explore the appropriateness of entrusting a staff member from existing human resources as a Court-wide risk coordinator, who would be responsible for ensuring a harmonised approach of the Court in relation to the management of risks and their adequate monitoring across all organs, while giving room to organ-specific risk management initiatives, and to update the AC on the progress made at its fourth session. As an outcome of this process, at its eighteenth session in December 2019, the Assembly approved the reclassification of the post of the Administration Officer (P-3) in Registry to a (P-4) Administration Officer and Risk Management Coordinator.

²⁰ Audit Committee, "Register of Recommendations" (Third Edition, February 2020).

75. The AC received the “Seventh update report on risk management at the Court (AC/11/9)” and the “Report of the OIA on risk management by the International Criminal Court - January 2020 (AC/11/13)”.

FINDINGS AND RECOMMENDATIONS

76. The AC reviewed the reports of the OIA and the Court, including the updated risk register of the Court which was contained in an annex to the seventh update report. The AC considered the risk register and had an exchange of views with the Court and the external consultant thereon. The AC welcomed the progress made by the Court in relation to risk management, including the organization of Court-wide workshops under the guidance of the Risk Management Committee, in consultation with the OIA, and with the assistance of external consultants (PriceWaterhouseCoopers). The AC noted that as a result of those workshops a total of 195 risks had been identified, analyzed and evaluated by all organizational units of the Court. Those risks were then clustered and reduced, and the risk register which was ultimately approved by the Coordination Council contained a total of nine risks: three major ones and six significant ones.

77. While noting that significant progress had been made in the area of risk assessment, the AC considered that it would also be important to continue to make progress in terms of risk management.

78. The Audit Committee recommended that the Court continue its efforts to ensure that the progress made in risk assessment is matched with progress in the area of risk management.

79. The AC enquired about the status of the recruitment process to fill the post of Administration Officer and Risk Management Coordinator. The Court noted that it had prepared the vacancy announcement for publication in March 2020, and that the recruitment process would be finalized in the coming few months.

80. The Audit Committee recommended that the Court complete the recruitment process for the post of “Administration Officer and Risk Management Coordinator”, and inform the Committee of the outcome.

IV. Other matters

A. Workshop with External Auditor on the review of the oversight bodies

81. At its eighteenth session, the Assembly, via resolution ICC-ASP/18/Res.1, paragraph I.6, requested the External Auditor to conduct “an evaluation of the oversight bodies of the Court as part of its work in 2020, replacing the performance audit, and to recommend possible actions on their respective mandates and reporting lines, while fully respecting the independence of the Court as a whole”.

FINDINGS AND RECOMMENDATIONS

82. The AC reviewed the “Draft Terms of Reference on the assessment and proposals on the oversight organization of the ICC” and had an exchange of views with the representatives of the External Auditor thereon.

83. The AC noted that it had concerns about the current External Auditor conducting this evaluation, as the External Auditor is one of the oversight bodies of the Court. The AC considered that such an assignment should have been entrusted to an external assessor who did not have any business or connection with the Court. However, the External Auditor assured the Committee that this concern of conflict of interest would be managed, and stressed that all of the work and recommendations would be in accordance with international standards. The AC noted

that one of the objectives in the draft Terms of Reference was an assessment of the effectiveness and technical efficiency of the current supervisory framework. The AC noted that effectiveness would be difficult to measure in this context but looked forward to discussing these matters further in the workshop outlined by the External Auditor in the draft Terms of Reference. The AC looked forward to working with the External Auditor in the execution of the mandate provided by the Assembly.

84. **The Audit Committee recommended that the External Auditor share with the Audit Committee the amended Terms of Reference as soon as they are available.**

B. Amendments to the Charter of the Audit Committee

85. At its tenth session in July 2019, the AC discussed amendments to its Charter, which is a living document and requires regular review to ensure compliance with international standards and best practice. The AC accordingly submitted proposed amendments²¹ to the Charter for consideration by the CBF at its thirty-third session and for approval by the Assembly at its eighteenth session in December 2019. At its eighteenth session, the Assembly took note of the proposed amendments, requested the Audit Committee to provide more detailed background information on the proposed amendments, and decided to consider those amendments, including any additional information provided by the Committee and taking into consideration the outcome of the evaluation to be undertaken by the External Auditor, in order to take a decision as appropriate.

FINDINGS AND RECOMMENDATIONS

86. The AC had an exchange of views with the Focal Point on Budget Management Oversight for the Hague Working Group, and emphasized that the proposed amendments mainly sought to improve the format, terminology and the language that was used in the original Charter, and to ensure that it was in line with the processes adopted after the re-establishment of the Audit Committee. The AC emphasized that the only aspect where there was a substantive change to the original Charter was in the paragraphs relating to the selection procedure for new members, because the Committee considered it important to record that procedure in the Charter for transparency. Being mindful of its obligations to the Assembly, including the obligation to constantly keep the Charter under review, the Audit Committee deemed it proper to record the procedure in operation over the past years.

87. The Audit Committee noted that there may be value in deferring the amendments to the Charter until after the completion of the evaluation of the oversight bodies by the External Auditor and after the completion of the Independent Expert Review of the Court.

C. Work plan for the twelfth session of the Audit Committee

88. The AC decided to focus on the following matters during its twelfth session, to be held from 27 to 29 July 2020: the Court's governance structure; oversight of internal audit matters; oversight of external audit matters, including the consideration of the financial statements of the Court and the TFV; and follow-up on previous recommendations.

²¹ AC/10/5, paras 87-88 and annex II.

Annex I: List of documents

<i>Document symbol</i>	<i>Title</i>
AC/11/1/Rev.1	Provisional agenda of the eleventh session of the Audit Committee
AC/11/2	Office of Internal Audit: Audit of Trust Funds – European Commission Grant
AC/11/3	Office of Internal Audit: Status of Implementation of the 2019 Audit Plan as at 30 September 2019
AC/11/4	Office of Internal Audit: 2020 Internal Audit Plan
AC/11/8	Office of Internal Audit: Status of Implementation of the 2019 Audit Plan as at 31 December 2019
AC/11/10	Report of the Court on the implementation of internal audit recommendations as at 31 December 2019
AC/11/11	Report of the Court on a cost-benefit analysis of a lump-sum option for staff travel entitlements
AC/11/13	Office of Internal Audit: Report on risk management by the International Criminal Court
AC/11/15	Office of Internal Audit: Amendments to the 2020 Internal Audit Plan
AC/11/16	Amendments to the Charter of the Office of Internal Audit (November 2019)
AC/11/18	Update by the Court on a Court-wide values and ethics framework