



**Cour
Pénale
Internationale**
**International
Criminal
Court**

L'Assemblée des États Parties
The Assembly of States Parties

Nineteenth Session of the Assembly of States Parties
The Hague, 14-16 December 2020

Briefing by the Chairperson of the Audit Committee
Ms. Margaret Shava

World Forum, King Willem Alexander room
15 December 2020

Your Excellency, the President of the Assembly,
Distinguished representatives of the States Parties and of the Court,
Dear colleagues,

1. It is a great pleasure to address you today on behalf of the Audit Committee (the “Committee”), and to present to you the main outcomes of the eleventh and twelfth sessions of the Committee.
2. I avail myself also of this opportunity to acknowledge the dedication and commitment of my fellow colleagues from the Committee; the availability and open cooperation of the representatives of the Court, especially during these difficult times. I also extend my sincere appreciation to the Executive Secretary and his team for their outstanding support and professional work.

I. UPDATE ON THE WORK OF THE AUDIT COMMITTEE IN 2020

Mr. President

3. The Committee met in person at the seat of the Court for its eleventh session on 2 and 3 March 2020, but held its twelfth session remotely from 27 to 29 July 2020.
4. The Committee 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.
5. The Committee focused at its twelfth session on: (a) the governance structure of the Court; (b) oversight of internal audit matters; (c) oversight of external audit matters, including the consideration of the financial statements of the Court and the Trust Fund for Victims; and (d) follow-up on previous recommendations.

a. Values and ethics

6. The Committee 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. The Committee 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 pertaining to recommendations in the area of values and ethics.
7. The 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 that will be approved by the Assembly. It requested the Court to provide an update on this work to the Audit Committee at its fourteenth session in 2021.

b. Governance Structure of the Court

8. The Committee received an update on the development of the Organizational Manual. It was informed that the organizational manual would be a “living document,” which would be updated in response to changing circumstances including, for example, the impact of the

COVID-19 pandemic. The Committee looked forward to receiving the final version of the Court's organizational manual at its thirteenth session in March 2021.

c. Oversight of internal audit matters

9. The Committee recommended that the Office of Internal Audit ("OIA") should focus its audits on information that provide added value information to senior management that would assist to streamline operations and enhance the Court's efficiency and effectiveness. The Committee reiterated its recommendation that a strategic approach to audit assignments be adopted whenever possible in order to add value to the operations of the Court.

d. Oversight of external audit matters

10. The Committee was provided with a presentation by the External Auditor on the financial statements of the Court and the Trust Fund for Victims (TFV), as well as the status of implementation of the recommendations issued by the External Auditor.

11. The Committee recommended that the Assembly of States Parties approve:

- i. The Financial Statements of the Court for the year ended 31 December 2019; and
- ii. The Financial Statements of the TFV for the year ended 31 December 2019.

12. The Committee recommended also 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 (the "CBF") authorize the Registrar to cooperate with the Government of the Republic of Korea in respect of the procurement of these services. This recommendation was endorsed by the CBF at its thirty-fifth session.

e. Follow-up on previous audit recommendations

13. The Audit Committee recommended that the External Auditor update it on the implementation and status of the outstanding recommendations, and continue its ongoing efforts to liaise with the Court and prepare an action plan in order to implement all outstanding external audit recommendations. Such action plan would be part of a handover document to the new external auditor. The Audit Committee requested that the action plan be shared with the Audit Committee at its fourteenth session in July 2021.

f. Risk management

14. The Committee 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

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.

15. The 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.

g. Other matters

16. The Committee discussed the proposed amendments to its Charter with the Hague Working Group’s Focal Point for Budget Management Oversight in March 2020. It 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.

17. The Committee welcomed the report of the **Independent Expert Review** published on 30 September 2020, and took note of the recommendations contained therein. The Committee is ready to engage with States Parties and the Court in any discussion that will lead to enhancement the Court’s operation.

18. The Committee would like to flag its concern on the recommendation in the **IER report** that the Office of Internal Audit should report to the three principals of the Court as, in the opinion of the Committee, such a reporting line would constitute a blatant conflict of interest since it is the duty of the Internal Auditors to audit the Court’s operation including its staff and principals.

19. In addition, the Committee believes that there maybe a potential conflict of interest in having the current External Auditor – themselves constituting an element of the oversight mechanism of the Court – performed the **review of the oversight bodies of the Court**. In order to avoid any potential conflict of interest we are willing to assist the External Auditor during this review and at all of its stages.

II. COORDINATION WITH OTHER OVERSIGHT BODIES AND THE COURT

Mr. President,

20. Allow me now to address the matter of coordination with other oversight bodies.

21. On behalf of the Audit Committee, I reiterate the Committee’s belief in the added value derived from close consultation and coordination with other oversight bodies in dealing with the complex governance of the Court. Due to the COVID-19 pandemic, the interaction of the Committee and its members with the oversight bodies during 2020 was quite limited. However, the Committee was kept abreast of all developments and was able to react when required.

III. CONCLUSION

Mr. President,

22. Allow me to conclude by underlining that since its re-establishment, the Audit Committee has acted as a catalyst in triggering important improvements in many fields, such as through an enhanced risk management framework. The Audit Committee further established a more structured follow-up on recommendations, which contributed to reducing risks and identifying risk mitigating measures. Thus, the Audit Committee has not only provided an additional layer of accountability but also given an incentive to all actors to work more closely together to achieve tangible progress in many areas of its mandate.

23. The Audit Committee remains hopeful that in relation to areas of our mandate, where the Court is still lagging behind, such as in relation to the governance structure and the values and ethics framework, substantial improvements will soon materialize. The Audit Committee acknowledges that such change needs time and requires dedicated resources, as well as close inter-organ consultation. In the view of the Audit Committee improvements in this field would not only of added value for the Court but also foster the confidence of States Parties in the institution. At this juncture, this seems to be more critical than ever.

I thank you for your attention.
