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Report of the Audit Committee on the work of its thirteenth session

* The session was originally scheduled to take place at the seat of the Court in The Hague, but was held via remote-link due to the COVID-19 pandemic.

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Executive Summary

1. This report provides a summary of the findings and recommendations of the thirteenth session of the Audit Committee (“AC”) of the International Criminal Court (“the Court”), which was held remotely from 8 to 10 March 2021. The AC focused at its thirteenth session on: a) the governance structure of the Court; b) oversight of internal audit matters; c) follow-up on previous recommendations; and d) risk management.
2. On the topic of **the governance structure of the Court**, the AC received the final version of the Organizational Manual and was informed that it was published on the Court’s Intranet at the end of the first quarter of 2021. In line with the discussions held at the twelfth session, the AC recalled that the Organizational Manual is a living document, which will be reviewed and updated as needed. With this in mind, the AC took the opportunity to bring to the Court’s attention various matters that needed to be adjusted as described in this report.
3. As part of its **oversight of internal audit matters**, the AC reviewed the Office of Internal Audit (“OIA”) reports, the annual activity report for 2020 and the implementation of the 2020 Internal Audit Plan, the joint report by the OIA and the Court, as well as the update on the possibility of utilizing TeamMate software capabilities. In the absence of the Director of OIA, the Senior Auditor provided the necessary answers to the questions raised by the AC during the session.
4. Although the AC noted improvements with regard to a few aspects of the OIA reports, the AC did, however, flag the following issues, which are recurring in most audit reports: an excessive number of days for each audit assignment and the lack of complete information regarding the audit assignments. The AC reiterated its recommendation that a strategic approach should be introduced whenever possible when conducting audit assignments in order to add value to the operations of the Court.
5. On the topic of **follow up on previous recommendations**, the out-going External Auditor gave a presentation to the AC on the work conducted and the way forward on both financial audit reports and the recommendations, as well as on the status of the evaluation of the oversight subsidiary bodies and the related workshop that is due to take place on 24-25 May 2021 at the seat of the Court. The AC was further informed that the outgoing External Auditor was assigned to conduct the pillar assessment as a performance audit in 2021.
6. As part of its **risk management**, the AC noted that while the Covid-19 pandemic might have posed a significant risk to and had an impact on the Court’s operation, it had not been included in the updated Court risk register. The Court mentioned that it had engaged with its consultant on risk management, who had advised that while some organizations had added the pandemic to their list of strategic risks, what is more common is for organizations to revisit their Business Continuity Management approach and plans. Accordingly, the Court had reached a conclusion that the risk to business continuity would not be a significant or major risk for the Court given the crisis readiness of the organization. The risk of business continuity was therefore not included in the Court’s strategic risk register. The Audit Committee looked forward to receiving a comprehensive review of the risk register, which is expected every three years in line with the Court’s strategic plan cycle.

I. Introduction

1. The Audit Committee (“AC”) held its thirteenth session from 8 to 10 March 2021. Due to the limitations imposed by COVID-19, the session was held via remote-link.
2. This report summarizes the main outcomes and the recommendations made by the AC at its thirteenth session. The documentation considered by the AC is listed in Annex I to this report.
3. Reports by the AC are shared with the management of the Court, the Office of Internal Audit (“OIA”), the out-going External Auditor (*Cour des comptes*), and the External Auditor (the Board of Audit and Inspection of the Republic of Korea (BAI)) for the purposes of information and follow-up on recommendations. In addition, the AC reports are shared with States Parties and with the Committee on Budget and Finance (“CBF”). The AC reports are publicly available on its webpage via the following link: https://asp.icc-cpi.int/en_menus/asp/AuditCommittee/Pages/default.aspx.

II. Procedural matters related to the thirteenth session

A. Election of officers

4. 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.
5. For 2021, the AC re-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 re-appointed Ms. Elena Sopková (Slovakia) as Rapporteur.

Attendance and services for the thirteenth session

6. The AC held three meetings during its thirteenth 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).
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 thirteenth session:
 - 1) Opening of the session
 - a. Election of officers
 - b. Adoption of the agenda and organization of work
 - c. Participation of observers
 - 2) Governance Structure
 - a. The Court’s organizational manual
 - 3) Oversight of internal audit matters
 - a. Audit reports of the Office of Internal Audit
 - b. Annual activity report of the OIA for 2020 and implementation of the 2020 Internal Audit Plan
 - c. Amendment to the Charter of the OIA with justification for the proposed amendments

- d. Joint report by the OIA and the Court on the implementation or elimination of recommendations by the OIA dating from 2012 to 2015
 - e. Update on the possibility of utilising TeamMate software capabilities
- 4) Follow-up on previous recommendations
- a. Follow-up on internal audit recommendations
 - Updates on recommendations regarding information security, incident response and crisis management
 - Cost-benefit analysis by the Court on the possibility of a lump-sum option for travel entitlement for staff
 - b. Follow-up on the recommendations of the External Auditor
 - c. Follow-up on the recommendations of the Audit Committee
- 5) Risk management
- a. Annual review of the Court’s corporate risk profile and update of the Court’s risk register
 - b. Update on the recruitment process for the post of “Administration Officer and Risk Management Coordinator”
- 6) Other matters
- a. Workshop with the External Auditor on the review of the oversight bodies
 - b. Update on the performance of the Director of the Office of Internal Audit
 - c. Work plan for the fourteenth session of the Audit Committee

C. Participation of observers

9. The Vice-President of the Court, Judge Robert Fremr, delivered the opening remarks on behalf of the Court. Representatives of the office of the Director of the Division of Management Services (DMS) briefed the AC on various matters. The representative of the out-going External Auditor, Mr. Michel Camoin, updated the AC on the status of his recommendations, and plans in place for the handover with the newly appointed External Auditor, the Board of Audit and Inspection of Korea (BAI). The Director of the Audit Team of the BAI, Mr. Young You, briefed the AC on the external audit plan for 2021. The Budget Management Oversight (BMO) focal point, H.E. Ms. Annika Markovic, Ambassador of Sweden, briefed the AC on the evaluation of the oversight bodies that will be conducted by the out-going External Auditor, and the Registrar of the Court briefed the AC on a variety of matters.

10. The Committee wished to thank all observers for their participation in the session.

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

A. Governance structure of the Court

1. Organizational manual of the Court

11. As part of its oversight of the governance structure of the Court, the AC had issued a series of recommendations regarding the preparation of an organizational manual by the Court. In particular, at its eighth session in 2018, the AC recommended that the Court identify the required internal resources and skills to prepare such an organizational manual, and provide a plan at its tenth session outlining the different phases of implementation.¹

¹*Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Seventeenth session, The Hague, 5-12 December 2018 (ICC-ASP/17/20), vol. II, part B. 2, Annex VI, section II, para. 7.*

12. In response to this recommendation, at the tenth session of the AC in July 2019, the Court provided a plan for the preparation of an organizational manual and presented a draft outline of the manual, as well as an example page for the consideration of the AC.²

13. At its thirteenth session, the AC reviewed the final version of the “Report of the Court on its Organizational Manual”³ and noted the efforts undertaken by the Court despite the various challenges which the Court had faced.

FINDINGS AND RECOMMENDATIONS

14. The AC noted several items of information in relation to governance structure that require correction as explained below.

15. While one of the main goals of the Manual was to provide information on the structure of the Court and also to clarify the functional and administrative reporting lines, that goal has not been fully reflected correctly in the document.

16. **Under section 3. Management oversight, page 8 of the Organizational Manual, the Chart included “the Judicial Remuneration Panel”. However, this Panel, which was established temporarily to look at Judges’ remuneration, has concluded its mandate. Therefore, the Audit Committee recommended that “the Judicial Remuneration Panel” be taken out of the Organizational Manual.**

17. **Under MPIV (Secretariat of the Assembly of States Parties): The Chart, on page 76 of the Organizational Manual, does not reflect the situation correctly, whereby the “Office of the President of the Assembly” Programme is under the Secretariat of the Assembly for administration and resource allocation purposes only. Therefore, the Audit Committee recommended that the following text be added to the second paragraph on page 76: “However, the ‘Office of the President of the Assembly’ Programme is located in the Secretariat of the Assembly of the States Parties for budget purposes and resource allocation only”.**

18. **In addition, under the Chart in page 80, the reporting line should be clarified, whereby the “Office of the President of the Assembly” Programme reports functionally to the President of the Assembly and administratively to the Secretariat of the Assembly. Therefore, the Audit Committee recommended that another box be added in ‘Black’ where the said Programme reports functionally to the Office of the President of the Assembly, and that the current solid line between the Programme and the Secretariat of the Assembly be changed to a dotted line.**

19. **Similarly, under the Chart in page 81, the reporting line should be clarified, whereby the “Committee on Budget and Finance” Programme reports functionally to the Committee on Budget and Finance and administratively to the Secretariat of the Assembly as stipulated in the Rules and Procedures approved by the Assembly. Therefore, the Audit Committee recommended that another box be added in ‘Black’ where the said Programme reports functionally to the Committee on Budget and Finance, and that the current solid line between the Programme and the Secretariat of the Assembly be changed to a dotted line.**

20. **The Audit Committee noted that the reporting line in the Chart included in certain major programmes did not correctly reflect the situation that was approved by the Assembly. In fact, those major programmes report functionally to the Assembly through its President and administratively to the Registry as is the case for MPIV (Secretariat of the Assembly of States Parties), and for MPVII-5 (Independent Oversight Mechanism), while MP VI: (Secretariat of the Trust Fund for Victims) reports functionally to the Board of the Directors of the Trust Fund for Victims and administratively to the Registry. Therefore, the Audit Committee recommended that a clarification note on the reporting line be added for each of those major programmes.**

²AC/10/6.

³AC/13/6.

21. The Audit Committee noted that the Field Offices that are an integral part of the Court were not included in the Organizational Manual. Therefore, the Audit Committee recommended that the basic structure of the Field Offices be added to the Organizational Manual that reflects clear reporting lines in the Field Office itself, and between some functions in the Field Office and the Headquarters. The Audit Committee recommended that the Court submit all these amendments at its fourteenth session.

B. Oversight of internal audit matters

1. Audit reports of the Office of Internal Audit

22. Since the twelfth session of the AC in July 2020, the OIA had finalized and submitted seven audit reports, namely: the “Final Audit Report on the Audit on Judicial Workflow Platform (JWP) - Procurement of IT Goods and Services”,⁴ the “Final Report for the Audit of the Judicial Workflow Platform (JWP) - Governance & Implementation”,⁵ the “Final Audit Report on the Audit of the Contract Management Process”,⁶ “Audit of the Lessons Learned process in the Office of the Prosecutor”,⁷ “Status of Implementation of the 2020 Audit Plan, 31 December, 2020” and Annex,⁸ “Report on risk management by the International Criminal Court, January 2021”,⁹ and “Audit of Technical Evaluation in the Procurement Process”.¹⁰ The AC discussed the main findings and recommendations set out in the audit reports with the Senior Auditor of the OIA.

FINDINGS AND RECOMMENDATIONS

23. Although the AC noted improvements regarding a few aspects of the reports, the AC did, however, flag the following issues, which recur in most audit reports: an excessive number of days for each audit assignment and a lack of complete information regarding the audit assignments. The AC reiterated its recommendation that a strategic approach should be introduced whenever possible when conducting audit assignments in order to add value to the operations of the Court.

24. The Audit Committee recommended that for each recommendation the following five elements of the internal audit reporting (5Cs) should be included:

1. **Condition:** What is the particular problem identified?
2. **Criteria:** What is the standard or policy that was not met?
3. **Cause:** Why did the problem occur?
4. **Consequence:** What is the risk/negative outcome or opportunity forgone because of the finding? and
5. **Corrective action:** Recommending what management should do in order to rectify the problem and by when.

25. The AC will give examples of such deficiencies under each internal audit report submitted by the OIA for consideration by the latter.

(i) Final Audit Report on the Audit on Judicial Workflow Platform (JWP) - Procurement of IT Goods and Services

26. This audit was included in the OIA audit plan based on a request from the CBF due to the high value of the project and in order to make sure that this project was executed in accordance with the respective rules and regulations. The audit’s objective was to assess the compliance and effectiveness of the IT processes within the

⁴ AC/13/2.

⁵ AC/13/4.

⁶ AC/13/8.

⁷ AC/13/9.

⁸ AC/13/10 and AC/13/10-ANX.

⁹ AC/13/14.

¹⁰ AC/13/17.

Registry. The report did not provide a comprehensive picture on the findings, risks, recommendations, etc. The information, even when provided, was fragmented and lacked coherence. For example, the total value of the JWP project considered by the CBF was €3,496,000 (€586,000 to build staff costs and €2,910,000 to build non-staff costs). The total amount to build non-staff costs mentioned in the internal audit report was as follows:¹¹

• The procurement of the Legal Workflow (LW) from the Special Tribunal for Lebanon (STL) that was sole sourced for	€250,000
• The procurement of Documentum Licences from Open Text that was sole sourced for	€664,455
• The procurement of Documentum Training from Informed that was tendered for	€107,500
• The procurement of professional services from multiple vendors that was tendered for	€1,910,000
• Total goods and services as shown in the internal audit report	€2,931,955

27. When adding up the different goods and services mentioned in the internal audit report for the JWP project, this gave a total of €2,931,955 (the staff cost was not part of this audit assignment). Moreover, the report did not provide any breakdown of the amount of €1,910,000, which represents the purchase of consulting services identified for various expert roles to augment staff capacity at the Court during the various stages of the JWP project implementation. In addition, the internal audit report did not provide any information on the overspend of €31,955 (difference between the actual total of €2,931,955 and the approved total of €2,900,000 for non-staff).

28. The procurement of Documentum Licences purchased from ‘Open Text Company’ was sole sourced for an amount of €664,455. However, the AC noted that this figure was different from the approved one as mentioned in paragraph 29 below. This was for the purchase of the LW software licences for the Court. The Court had managed to obtain a substantial one-time discount for a period of three years due to buying all licences upfront. The current contract with ‘Open Text Company’ is valid for three years and will be subject to renegotiation before its extension. The AC noted with concern that the OIA had not considered the risk for the Court if an agreement was not reached with ‘Open Text company’ on the renewal of the Documentum software licences after the three-year period and the necessary measures to mitigate the risk to the Court.

29. The internal audit report mentioned that the STL and the Kosovo Specialist Chambers & Specialist Prosecutor's Office (KSC) service contract appeared to meet 70 per cent of the functional requirements and about 50 per cent of the full scope. The AC questioned the effectiveness of such services that will meet up to 70 per cent of the Court's requirements.

30. However, the internal audit report did not consider whether the customization by the STL will bridge the gap to reach 100 per cent of the functional requirements and the full scope. The Court informed the AC when addressing this query put to it that the IMSS is the Senior Supplier for the JWP project, providing staff and non-staff resourcing for external consultants (via the IT/IM Strategy approved funding) under the direction of the eCourt Project Manager from the Court Management Services (“CMS”). The Project is in the requirement gathering with solution design phase. Progress has been impacted by COVID remote working, with a delay of eight months. The JWP Project Board, representing key stakeholders across the Court organs, will meet in April 2021 to review the status of the requirements and to endorse the updated project schedule to deliver the first release and second release for the Court. It is foreseen that the JWP project team will continue through 2022, after which further enhancements will be implemented by the IMSS staff.

(ii) Final Report for the Audit of the Judicial Workflow Platform - Governance & Implementation

31. This audit was included in the OIA audit plan based on a request from the CBF due to the high value of the project and in order to make sure that this project was executed in accordance with the respective rules and regulations. The AC noted the improvement made by the OIA in the sections entitled Executive Summary,

¹¹ AC/13/2.

Background Information, and Audit Scope and Methodology; however, the report lacks completeness and coherence in terms of the information provided, as illustrated below.

32. Although the Procurement of IT goods and services audit report and the Governance & Implementation audit report are both issued on JWP and cover the same project with a total budget of €3,496,000, the AC was unable to reconcile the makeup of the figures in both reports, e.g., the purchase of Documentum in the first report amounts to €664,455 while in the latter it amounts to €600,000.

33. The AC noted that based on the business case approved by the CMS, the project had three major sets of costs: 1) the cost to build -staff of €586,000, which is mainly for hiring a Project Manager at P-4 level for a number of years, which was not identified in the business plan; 2) the cost to build –non-staff of €2,910,000; and, 3) the annual operating cost (staff and non-staff) of €362,250.¹² However, the AC noted with concern that the two internal audit reports on JWP did not provide any information on the annual operating cost of €362,250 (staff OPEX costs of 2.5 GS-OL FTE for €182,250 and non-staff OPEX costs –Documentum licence maintenance core of €180,000).

(iii) Final Audit Report on the Audit of the Contract Management Process

34. The AC noted the improvement made by the OIA in the report. However, the AC questioned the risk rating of the findings, e.g., finding 1 and finding 2, and noted that OIA rated them as medium risk, whereas the AC believed that they should have been rated as high risk due to the high impact, potential financial loss and reputation risks associated with a lack of adequate procurement and project management policies and standards.

(iv) Audit of the Lessons Learned process in the Office of the Prosecutor

35. The AC noted with concern that the Internal Auditor was not given access to the Lessons Learned Portal, including the Lessons Learned Database, as access rights are restricted to OTP staff, an online walkthrough of the Lessons Learned Portal was organised instead. **Preventing the auditors accessing any information may limit the scope of the audit. In this regard, the Audit Committee recommended the Director of the Office of Internal Audit to inform the Committee on any limitation on the audit work at the stage of planning.**

(v) Status of Implementation of the 2020 Audit Plan, 31 December 2020 and its Annex

36. The AC took note of the OIA report on the Status of Implementation of the 2020 Audit Plan, 31 December 2020 and its Annex. The report showed that out of the eight approved audit assignments, six had been completed, one (Audit of Technical Evaluation in the Procurement Process) was at the field work stage, and one (Judicial Workflow Platform: identification of user requirements) had not started due to the gathering of business requirements, which was scheduled for the first quarter of 2021.

37. As for the Advisory services, the AC noted that two out of three assignments had been completed and one was still ongoing.

(vi) Report on risk management by the International Criminal Court; and

(vii) Audit of Technical Evaluation in the Procurement Process

38. The AC noted that in the absence of the participation of the Director of the OIA, her representative was not prepared to summarize the main findings of the above-referred reports and answer questions to be raised by the members of the AC during its thirteenth session.

2. Annual activity report of the OIA for 2020 and implementation of the 2020 Internal Audit Plan

39. At its eighth session in August 2018, the AC recommended that the OIA produce an annual report on its activities ending 31 December, for submission to the AC at its first session of each year. The annual reports

¹² AC/13/4, page 23.

should include a brief summary of the outcome of all its activities, i.e., audits and advisory services conducted; any major issue(s) that the AC should be aware of as well as comparative tables.

40. The AC took note of the status of implementation of the 2020 Internal Audit Plan based on the relevant documentation submitted by the OIA: the “Situation as at 31/12/2020;”¹³ the “Report on the Audit Related Activities of the Office of Internal Audit in 2020;”¹⁴ and other quarterly implementation reports.¹⁵ In addition, the OIA had submitted a “Statement on Independence and Objectivity of the Office of Internal Audit”.

41. The AC was expecting to be briefed verbally by the Director of the OIA on the status report of the plan for 2021. However, in the absence of the participation of the Director, her representative did not provide this update and informed the AC that this information was part of the quarterly report of 2021, which was expected to be issued in April 2021.

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42. The AC noted that figure 2 on page 3 of the Report on the Audit Related Activities of the Office of Internal Audit in 2020 displayed information about the aging of “in-progress” recommendations for ranges of years rather than referring to a specific number or recommendations for each year.

43. The Audit Committee considered that displaying information in this way was unclear and showed overlapping from the first range of years to the next. Therefore, the Audit Committee recommended that the Office of Internal Audit provide clearer aging of recommendations in its future reports.

3. Amendment to the Charter of the OIA with justification for the proposed amendments

44. 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.

45. At its eleventh session, 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 work of the Review Mechanism on the recommendations of the Independent Expert Review of the Court.

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46. The Audit Committee recommended that the Director of the Office of Internal Audit re-submit the proposed amendments to the Charter of the Office after the completion of the evaluation of the oversight bodies by the External Auditor and after the completion of the work of the Review Mechanism on the recommendations of the Independent Expert Review of the Court, and also include information on the rationale for all the proposed amendments.

4. Joint report by the OIA and the Court on the implementation or elimination of recommendations by the OIA dating from 2012 to 2015

47. In March 2020, the Court had 13 long outstanding audit recommendations that were issued by the OIA between 2012 and 2015. During the third quarter of 2020, the OIA liaised with the Court and, after careful consideration, decided to close 11 long outstanding recommendations and consider the remaining two recommendations as having been implemented.

¹³ AC/13/13.

¹⁴ AC/13/15.

¹⁵ AC/13/3-ANX.

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48. **The Audit Committee appreciated that the Court together with the Office of Internal Audit had agreed on the closure of long outstanding recommendations for the period 2012 to 2015. However, the Audit Committee would like to emphasize that this practice of closing a large number of long outstanding recommendations should not be repeated in the future and that the Court should instead implement all the recommendations issued by the Office of Internal Audit.**

49. The AC considered the “Report of the Court on the implementation of internal audit recommendations as at 31 December 2020.”¹⁶

50. At its twelfth session, the Audit Committee strongly recommended that the OIA and the Court explore the possibility of utilizing TeamMate software capabilities. This software will 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.

51. The AC took note of the update on the status of the implementation¹⁷ of the recommendation provided by the OIA and prepared in cooperation with the Court’s Division of Management Services (DMS).

C. Follow up on previous recommendations

1. Follow up on the internal audit recommendations

*a) Updates on recommendations regarding information security, incident response and crisis management*¹⁸

52. In March 2020, at its eleventh session, the Audit Committee considered matters relating to internal audit recommendations at the Court and noted that gaps remained 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. Consequently, the AC recommended that the Court continue its efforts to implement all audit recommendations regarding information security, incident response and crisis management.¹⁹

53. The AC took note of the “Annual report of the Office of Internal Audit Implementation of the audit recommendations: situation as at 31 December 2020.”²⁰

*b) Cost-benefit analysis by the Court on the possibility of a lump-sum option for travel entitlement for staff*²¹

54. In March 2019, at its ninth session, the AC noted that the audit report on travel management did not include in its recommendations the option of a lump-sum payment for Home Leave travel and requested that the Court, in line with the practice of some international organizations, explore the possibility of a lump-sum option for travel entitlement for staff by submitting a cost benefit analysis at the Committee’s eleventh session in 2020.

55. At its eleventh session in 2020, the Court was still in the process of collecting the necessary information on the lump-sum entitlement for Home Leave travel and requested that it be permitted to provide such information at the AC thirteenth session.

56. At its thirteenth session, the Committee considered the Report of the Court on the cost benefit analysis of a lump-sum option for staff travel entitlements.²²

¹⁶ AC/13/11, part V.

¹⁷ AC/13/16.

¹⁸ *Ibid.*, para. 60.

¹⁹ AC/11/5, para. 60.

²⁰ AC/13/13.

²¹ AC/11/5, para. 49.

²² AC/13/12.

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57. The AC noted that the level of the lump-sum and the principles for its calculation vary significantly between UN organizations, ranging from 55 per cent to 80 per cent of the fully flexible air fare, with further differentiation based on the nature of the trip. Following the complexities of the exercise, a cost benefit analysis was carried out, which concluded that the current system should be kept in place in order to avoid running two systems.

2. Follow-up on the recommendations of the External Auditor

58. During the session, the outgoing External Auditor provided a detailed presentation to the AC on the work conducted on the financial statements of the ICC and the TFV for the financial year 2020, and the follow-up work on the outstanding audit recommendations.

59. The AC was further informed that following the EU grant requirement, the outgoing External Auditor was assigned to conduct a pillar assessment for pillars seven, eight and nine.²³ The Court explained that the reason for assigning that assessment to the out-going External Auditor was due to the pandemic and that their expertise was the most appropriate to reduce interaction with people to a minimum.

60. The outgoing External Auditor briefed the AC on the first handover meeting with the BAI of Korea held on 8 March 2021.

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61. **The AC took note of the presentation provided by the outgoing External Auditor and looked forward to receiving the report on the pillars' assessment.**

62. The AC reiterated its recommendation from the previous session that the outgoing External Auditor share with the AC the handover document for the External Auditor (BAI).

3. Follow-up on the recommendations of the Audit Committee

63. The AC considered the fourth edition of the Register of Recommendations issued in November 2020 together with the updated status as at February 2021. The fourth edition provided an update on the recommendations of the AC, which had generated 110 recommendations, covering all areas of the AC's mandate, with a view to assisting the Court in improving its work.

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64. **The Audit Committee appreciated the work done on the recommendations and requested that the Executive Secretary provide an update on the implementation status of the recommendations at its fourteenth session.**

D. Risk management**1. Annual review of the Court's corporate risk profile and update of the Court's risk register**

65. Since the AC was re-established in 2015, the Court has provided it with seven updated reports on risk management.²⁴

66. Considering that the risk register is a living document and bearing in mind the potential impact of the strategic risks on the operations of the Court, risk owners were further requested to provide a status update of risk responses as at 31 October 2020. During the year, business strategies were developed, tested and adjusted, at both strategic and operational levels.

²³ The EU pillars are: (1) Internal Control; (2) Accounting System; (3) External Audit; (4) Grants; (5) Procurement; (6) Financial Instruments; (7) Exclusion from access to funding; (8) Publication of information on recipients; (9) Protection of Personal Data.

²⁴ AC/2/8, AC/4/18, AC/5/4, AC/7/8, AC/8/15, AC/9/9 and AC/11/9.

67. Giving due consideration to the challenges faced in 2020 by the Court and its staff with regard to the COVID-19 pandemic, the Risk Management Committee (“RMC”) developed training and awareness initiatives to suit current needs. This included electronic communication to all staff on developments in risk management at the Court (e.g., Appointment of risk owners, development of risk responses, role of managers), the update of the dedicated risk management intranet site and the placement of training videos on the Court’s learning platform. Furthermore, a dedicated email account for the RMC was created to facilitate its communication with staff members.

68. The AC noted that, while the Covid-19 pandemic might involve a significant risk to and impact on the Court’s operation, it had not been included in the updated Court risk register. The Court mentioned that it had engaged with its consultant on risk management who advised that while some organizations had added the pandemic to their list of strategic risks, what is more common is for organizations to revisit their Business Continuity Management approach and plans. Accordingly, the Court had reached the conclusion that the business continuity risk would not be a significant or major risk for the Court given the crisis readiness of the organization. The business continuity risk was therefore not included in the Court’s strategic risk register.

FINDINGS AND RECOMMENDATIONS

69. **The Audit Committee recommended that the External Auditor (BAI) consider how the Court has used the outcome of the Lessons Learned exercises in its operation which includes the impact of the Covid-19 pandemic on its operation.**

70. **The Audit Committee looked forward to receiving a comprehensive review of the risk register, which is expected every three years in line with the Court’s strategic plan cycle.**

2. Update on the recruitment process for the post of “Administration Officer and Risk Management Coordinator”²⁵

71. At its eleventh session, 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. Accordingly, in March 2020, the Court published the vacancy announcement for the post of Administration Officer and Risk Management Coordinator.

FINDINGS AND RECOMMENDATIONS

72. The AC was informed by the Court that the recruitment process for the post of “Administration Officer and Risk Management Coordinator” had reached its final stages.

E. Other matters

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

73. At its eighteenth session,²⁶ the Assembly requested that the out-going External Auditor 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”. The workshop was initially due to take place on 9 and 10 March 2020 and was postponed due to the Covid-19 outbreak to 1 and 2 February 2021. However, due to the ongoing Covid-19 restrictions, it was further postponed to 24 and 25 May 2021.

FINDINGS AND RECOMMENDATIONS

74. **The Audit Committee noted the postponement of the workshop on the evaluation of the oversight bodies to 24 and 25 May 2021 and looked forward to receiving an update of the outcome by the Chair of the Audit Committee at its fourteenth session.**

²⁵ AC/11/5, para. 80.

²⁶ ICC-ASP/18/Res.1, of 7 December 2019 paragraph I.6.

2. Update on the performance of the Director of the Office of Internal Audit

75. The purpose of internal audit is to provide an independent, objective assurance and consulting activity, designed to add value and improve the organization’s operations. Internal audit aims to help the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

76. The Charter of the Audit Committee provides that the AC shall have oversight of internal audit matters at the Court. In addition, the Charter specifies that the AC shall provide input to management on the annual performance evaluation of the Director of the OIA.

FINDINGS AND RECOMMENDATIONS

77. The Chair of the AC updated the Committee on the developments of the annual performance evaluation of the Director of the OIA.

78. The Audit Committee recommended that the Chair continue to work with the Director of the Office of Internal Audit and the relevant offices of the Court on the annual performance evaluation of the Director of the Office of Internal Audit and update the Committee at its fourteenth session.

3. Work plan of the fourteenth session of the Audit Committee

79. The AC considered the draft provisional agenda for its fourteenth session, which will be held from 27 to 29 July 2021, and discussed the thematic focus areas.

Annex I: List of documents

<i>Document symbol</i>	<i>Title</i>
AC/13/1	Provisional agenda of the thirteenth session of the Audit Committee
AC/13/2	Final Audit Report on the Audit on Judicial Workflow Platform (JWP) – Procurement of IT Goods and Services
AC/13/4	Final Report for the Audit of the Judicial Workflow Platform (JWP) - Governance & Implementation
AC/13/6	Report of the Court on its Organizational Manual
AC/13/8	Final Audit Report on the Audit of the Contract Management Process
AC/13/9	Final Report of the Audit of the Lessons Learned process in the Office of the Prosecutor
AC/13/10	Status of implementation of the 2020 Audit Plan 31st December, 2020
AC/13/11	Report of the Court on the implementation of internal audit recommendations as at 31 December 2020
AC/13/12	Report of the Court on a cost benefit analysis of a lump-sum option for staff travel entitlements
AC/13/13	Annual Report of the Office of Internal Audit Implementation of Audit Recommendations: situation as at 31/12/2020
AC/13/15	Report on the audit related activities of the Office of Internal Audit in 2020
AC/13/16	Implementation of TeamCentral - 18th December, 2020
AC/13/17	Audit of Technical Evaluation in the Procurement Process