

C. Related documents

1. Financial statements for the period 1 January to 31 December 2008*

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* Previously issued as ICC-ASP/8/14.

Letter of transmittal

30 March 2009

In accordance with Financial Regulation 11.1, I have the honour to submit the financial statements of the International Criminal Court for the financial period 1 January to 31 December 2008.

(Signed) Silvana Arbia
Registrar

Mr Graham Miller
Director
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
United Kingdom

Statement of Internal Control and Confirmation of Compliance with the Financial Rules and Regulations of the International Criminal Court*

The Registrar's Responsibilities

In accordance with Financial Rule 101.1, in my capacity as the principle administrative officer of the Court, I am responsible and accountable for ensuring that the Financial Rules and Regulations are administered in a coherent manner by all organs of the Court. Under Rule 111.1 responsibility for the financial statements is assigned to me and I have prescribed and maintained financial and subsidiary records; established appropriate accounting procedures for the Court; and designated officials responsible for performing the accounting functions.

Statement on Internal Control

As Registrar I have responsibility for maintaining a sound system of internal control that supports the achievement of Registry and Court objectives, and operates as one component of the Court's developing wider governance and audit environment.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of strategic objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Key components of the Court's control system established to date include an Audit Committee, chaired by the President and an independent and professional internal audit office working and reporting to international best practice standards. In addition, the Court is in the process of introducing a Court wide enterprise risk management system; further developing the remit of the Oversight Committee to include external members; and expanding the role, reporting arrangements and capacity of the internal audit function.

My review of the effectiveness of the system of internal control and of compliance with the Court's Financial Rules and Regulations is informed by the work of the internal auditors to date; the work of the operational managers within the Registry who have responsibility for the maintenance of the internal control framework; and comments made to date by the external auditors in their management letter and other reports.

Confirmation of compliance of the Financial Statements with Financial Rules and Regulations

I hereby confirm that the following appended financial statements comprising Statements I to IV, schedules 1 to 7 and supporting notes, were properly prepared in accordance with Regulation 11 of the Financial Rules and Regulations, with due regard to the United Nations System Accounting Standards.

(Signed) Ms Silvana Arbia
Registrar

* As of request of the Court the Statement of Internal Control and Confirmation of Compliance has not been edited by the Secretariat of the Assembly of States Parties.

Report on the 2008 Financial Control Environment of the International Criminal Court*

Introduction

According to the Financial Rules and Regulations, the Registrar is responsible for the management of the ICC finances and therefore the Registrar signs each year the financial statements issued by the Court.

In June 2009, the Registrar will sign, in addition to the financial statements, a statement on the financial internal controls. This document will state that the Court have implemented effective financial internal controls. It will give also to the External Auditors a reasonable assurance that all key elements that contribute to the issuance of financial statements are well controlled by the organisation.

The Statement will be signed each year as this process is directly linked with the Court financial statements issuance.

Approach

The Court must conduct an evaluation of its internal control framework to identify (and demonstrate) where internal controls have been set up and are effective and where there are areas for improvement.

The following approach was therefore adopted:

- The effectiveness of internal controls was evaluated through a self assessment questionnaire. This standard questionnaire on control environment was provided by the National Audit Office of United Kingdom and was customized by the Office of Internal Audit to fit the particular environment of the Court.
- The scope of the evaluation was limited to the Budget and Finance section and the Procurement section which manage the most significant part of resources of the Court. These sections were sent the questionnaire at the end of January 2009.
- Questions related to governance, audit activities and senior management attitude related to financial internal controls were addressed by the Director of Internal Audit and then validated by the Registrar.
- A first analysis of the answers provided to the questionnaire was made by the OIA and on this basis a sample of questions was selected to be tested. This information was communicated to the External Auditors.
- The testing of the accuracy of the answers provided was performed at the end of February 2009.
- Analysis of the testing results was made and communicated to the different sections involved in March.
- This report will be attached to the statement of internal control signed by the Registrar as an addendum.
- The extension of the self assessment on internal controls could be contemplated for other sections of the Court in a near future but it will require the setting of specific questionnaires.

* As of request of the Court the Report on the 2008 Financial Control Environment has not been edited by the Secretariat of the Assembly of States Parties.

Evaluation of the Financial Internal Control Environment

The questionnaire includes around 60 questions and 40 of them were tested after a risk analysis has been performed by OIA team.

The key controls checked are listed hereafter. An explanation of the controls objectives is given in each paragraph before the analysis of the testing results.

Controls objectives

- Senior management attitude towards financial internal controls and governance topics,
- Governance,
- Ethics-Conflict of Interest,
- Organisation-Segregation of duties- Delegations of power and signature,
- Policies, Procedures, Practises,
- Human Resources management,
- Fraud prevention,
- Risk evaluation,
- Information security.

Summary

The overall conclusion is that the financial control environment within ICC is effective.

The evaluation has shown that ICC senior management regularly examines the effectiveness of internal controls through its communication with external and internal auditors. However there is no systematic approach to documenting and to self testing of internal controls by sections and units.

The governance structure of the Court appears to be effective. The ICC reports on its activities to the CBF and ASP. In addition the CoCo weekly organized by ICC enables a proper balance between decision bodies. Other governance entities have been also set up such as an Audit Committee and an Investment Committee. The activities of this latter are not satisfying and should be reviewed.

Staffs are aware that expected ethical behaviour is mentioned in the staff and financial rules and regulations. There is however no specific code of conduct either for the whole Court or for specific functions (accountability, procurement).

Organisation with reporting lines, segregation of duties and delegations of power and signature are effectively and clearly set up and controlled across the Court with the exception of some operational issues between HR and Finance.

Policies, procedures practises are usually formalized and documented. These procedures and internal controls related could be improved by being more detailed. Practises are nevertheless not always compliant with these practises especially the management of leave data management or the disbursement of travels. The monitoring of policies e.g. budget spending could get better by developing KPIs and following them at section/unit level.

Staffs in the evaluated sections have the required skills and experience to perform their jobs properly. They have been recruited through a transparent process and their credentials are systematically vetted. Concerns were nevertheless raised regarding the improvement of technical skills. Outside ICC training programs are rarely followed especially in Procurement area.

The risk of fraud with assets is covered by restricting access to ICC's information systems and physical locations. However the Court has not developed any specific fraud prevention policy.

Court risks identification has been initiated in 2008 with a dedicated project. Results are mainly focused on strategic risks and their declination in operational risks is still to be developed.

Information security is ensured by a Business Continuity Plan but the completion of this plan is still pending the Business Impact Analysis. Regarding the financial information provided by systems especially SAP, the quality and completeness of information could be improved to better meet the needs of Budget & Finance section.

1. Senior management attitude towards financial internal controls

To ensure that the organisation implement with effectiveness the strategy it has designed, senior management must verify that effective internal controls are set up. The appropriate and regular follow up of internal control issues by senior management demonstrates that the organisation monitors well its activities.

The evaluation has shown that ICC senior management follows up on internal and external audits and consults internal and external auditors on financial and control issues. Both the Registrar and DASD meet with the external auditors to discuss preliminary and final audit findings in order to promote continuous improvement of financial controls. Examples are consultations on ULOs after the 2007 audit results which have resulted in significant reduction in 2008 ULOs.

Senior management meets periodically with internal auditors to discuss audit findings and agree on management action plans. Internal audit has also been consulted on operational issues related to controls on disbursements.

In addition, senior management makes also recommendations for the internal yearly audit plan that includes financial related audits.

It always takes disciplinary actions following breaches of codes of conduct and law even if it does not communicate the disciplinary actions taken against staff throughout the Court.

Nevertheless some areas could benefit from improvements.

- Even if a self assessment questionnaire was designed for 2009 by OIA for financial internal controls to highlight areas that require improvement in Budget and Finance, and Procurement, there is no systematic approach to documenting and self testing internal controls by sections and units. Some issues related to the leave management were observed which could progress by proper internal controls self-testing.

2. Governance

Controls to be tested:

- Existence of appropriate checks and balances within senior management structure.
- Existence of an Internal Audit and Risk management Committee. One of the members should have financial expertise and experience.
- Existence of an "Investment Committee" to examine investment plans and controls.
- Suitable and adequate information given to Senior Management to enable them understand and approve the accounting choices and the information integrated into the financial statements.
- Communications between the Heads of Organs and the internal and external auditors compliant with recommended practices.

Controls analysis

Management structure

The governance structure of the Court and its administrative functioning enable a proper balance between decision bodies. There is a decision board, COCO, which includes members from the different

Organs and therefore ensuring that decisions are taken after each Organ has been consulted. In addition, ICC reports twice per year to the CBF on budget & finance matters.

Audit Committee

An Audit Committee has been implemented by the heads of Organs: terms of reference were established in 08/08. This document defines the object and rules of the AC.

Risk management is a new concept within the Court and it has been addressed through a specific project on strategic risks. Operational risks and deficiencies in internal controls are communicated to the Audit Committee but also along the year according to the audits performed

Investment process

There is an Investment Committee that was set up through Administrative Instruction but this Committee is not operational and has therefore never taken any decision. Procurement actions above 50,000 Euro are nevertheless reviewed by the Procurement Review Committee and recommendations provided to the Registrar.

Communication

Senior management is correctly briefed when accounting questions arise. For example when external auditors raised the issue of booking ULO's to expenditure the issue was discussed at length with DASD and the Registrar prior to changes being made to the accounting records.

External Auditors have meetings with the Registrar about the results of their financial auditing.

Regular meetings are also held between the Heads of Organs and Internal Audit about internal control deficiencies or projects set up to ensure effectiveness of controls (this is done also through the Audit Committee).

Areas for improvement

- Improve Investment Committee operational activity by amending its current terms of reference: The B&F section chief has already presented a paper to CBF on this issue.
- Until now, External auditors have not attended the Audit Committee but this point should be addressed in a near future.

3. Ethics-Conflict of Interest

Controls to be tested

Behaviours expected from staff in their professional practises must be clearly established and communicated to prevent initiatives which could go against the organisation's objectives. Ethics rules or codes of conduct are part of an effective internal control framework.

Controls analysis

The answers provided to the self assessment questionnaire show that staff are aware that the Staff Rules and Regulations define Duties, Obligations and Privileges (including rules on Gift and Hospitality) of all staff members.

All staff members acknowledge the receipt of Staff Rules and Regulations through sign off at the beginning of their engagements.

Areas for improvement

The Court has not yet developed an overall code of ethics/conduct or specific code of conduct for some business areas such as accountability or procurement.

There are no requirements in the Staff Rules and Regulations pertaining to Procurement section.

Penalties for breaching Staff Rules and Regulations on these specific issues are not defined and communicated throughout the Court.

However mitigating controls in procurement activities are achieved through:

- International tendering of vendors
- Technical and commercial evaluation are performed by staff members independent of Procurement functions
- All large contracts are reviewed and approved by an independent Committee with none of the members from the Procurement Section

4. Organisation-Segregation of duties-Delegations of power and signature.

Controls to be tested

Roles and responsibilities of staff must be clearly defined through a structured and transparent organisation of the sections/functions.

Controls being only effective when functions are not performed by the same organisation or people, an appropriate segregation of duties should also be set up.

Delegations of power and signatures must be formalized, updated and changes communicated when needed.

Controls analysis

Organisation

Budget and Finance section, Procurement section, Audit section are well organized with clear reporting lines.

Areas for improvement

Job descriptions are either not maintained or not updated when a staff member is assigned with new responsibilities

Segregation of duties:

Procurement Section is part of General Services Section but is independent from other functional Sections like Budget and Finance. There are clearly segregated duties / access rights in SAP for Finance Section and Procurement.

Only procurement section can create a PO but they cannot create a PR

Budget and Finance section only reports to the CASD and the Registrar and is not involved in operations. Segregation of duties is effective either through SAP access rights (Payroll Unit) or through the organisation of tasks (Disbursement Unit).

The Director of OIA reports to the Audit Committee whose membership includes the Heads of Organs and not to Section/Unit heads. The Director reports only administratively to the Registrar.

Areas for improvement

The HR action to create a Personnel Action takes effect into the Payroll even before being approved by the Payroll Unit. Payroll is concerned that there could instances where errors are committed in the process but cannot be detected. The issue is still pending after being reported to SAP Support due to financial constraints. However, Payroll performs a number of checks during every monthly payroll run that are geared towards identifying any such errors.

Delegation of powers and signature

The delegation of authority with spending thresholds is defined in an Administrative Instruction. Certifying Officers are appointed by the Registrar. The list of Certifying Officers is communicated to all staff when updated. The status of Certifying Officer gives access rights to SAP for spending operations. Segregation of duties is built into SAP access rights granted to staff members to ensure a transaction initiation, modification and approval are carried out by separate staff members/units/sections.

5. Policies, Procedures, Practises**Controls to be tested**

Policies, procedures and practises have to be formalized to ensure that they are applied with consistency by staff. Documenting policies and procedures enables also new staff to learn and understand rules and regulations easily.

Controls analysis

Staff members of Budget and Finance section and Procurement section are well informed of the operating rules in the Financial Rules and Regulations.

In addition each section operates according to Standard Operating Procedures or Administrative Instructions.

Procurement Section

The Procurement SOP is very elaborate on financial procedures

There is an Administrative Instruction and a Memo on approved financial obligations / limits of staff members in Procurement Section and they are all in compliance with the new changes.

Budget and Finance Section:

Budget process

The Section has devised procedures with key steps to follow for the budget setting and these instructions are properly communicated to budget managers.

Budget monitoring

The Section has KPI's that are somewhat relevant and reliable. They can be improved, but in order to improve the quality of KPI's relevancy and reliability, dedicated resource/s need to be in place for Performance Measurement Tracking. The Senior Management reviews KPI's performance once a year through a report to CBF (global level). However, the section chief didn't know to what extent, Divisions, Sections and Units use KPI 's for performance management.

Account Unit

Financial rules and regulations define the key processes. Additional guidelines are found in presidential directive, ASP Resolution, approved budget document and task list.

Treasury Unit

In addition to FRR, there are defined process covering Treasury and disbursement Units. This information is documented on the Intranet and consolidated in a binder. Field Office staff is regularly updated on relevant procedural change.

Payroll Unit

A number of processes/procedures have not been documented. However some standards have been defined which are known to Payroll Staff members and other user department Units/Sections. These include the cut off date to process payroll changes & salary payment.

Disbursement Unit

Disbursement procedure manuals, as well as Travel Unit manual, are used for daily operations and posted on the Intranet. An Info Pack jointly prepared with other units in B&F is given to new staff members.

Areas for improvement

- Improve internal controls related to leave data in SAP as the data input process is not well controlled.
- Review the process and preparation of the Year End Inventory Report
- Improve disbursement process for travels: this problem does not stem from Disbursement Unit but from management which should stress to travellers the need for presenting boarding passes. This would mitigate risks of errors in calculating correct DSA rates, would not create bottlenecks in the disbursement process and would limit ULOs due to travel.
- Develop Key Performance Indicators (KPI) to ensure reliable performance measurement tracking on a monthly or quarterly basis. These KPI should be used by managers of sections/units to monitor their budgets. This should be a long term project, set up in cooperation with each section to select limited but appropriate KPIs.
- Review and update some SOPs which could be more precise e.g. budget setting and control procedures (periodical budget review) and monthly closing process (to include a list of specific reconciliation statements required and their deadline).

6. Human Resources Management

Controls to be tested

The organisation's strategy and objectives are properly implemented only if the organisation's staffs have the right skills to perform tasks efficiently and effectively. These skills can have been developed through previous professional experience or through training.

Units/sections have also to be correctly staffed.

Controls analysis

Qualifications, experience and recruitment process

Staff members in the B&F, Procurement, and Audit sections have the required qualifications and experience to perform their jobs adequately.

Staffs have been recruited according to a transparent process in compliance with HR policies.

All staff members have the requisite years of experience.

Technical questions were asked during job interviews to verify that the potential staff member had the relevant experience and skills.

A vetting is made of staff members credentials (required qualifications and experience)

Recruited staffs are provided with reasonable length of contracts.

Areas for improvement

- A 3 year contract is not applied to all Heads of Units in Budget and Finance Section.
- Operations in B&F are currently affected by low staffing levels (Head of Budget Unit & Deputy Section Chief positions are currently under recruitment. Staffing levels in Procurement will be completed with the recruitment of a buyer. Senior auditor position in Audit Section has been vacant for almost one year. Recruitment is in progress.

Performance appraisal

Performance appraisal is done once or twice a year. In addition there is ongoing feedback provided to staff members. SMART objectives are set usually for one year.

Training

Long term career training/developmental needs are identified during performance appraisals.

There are in-house training opportunities e.g. in languages within the Court.

In B&F section, Units have developed cross training to ensure that knowledge is shared within or across Units and key tasks can be performed when some staff members are not present. There is no documented training program for new staff, but new staffs are trained on the job. In addition there is a general 3 day SAP training but it does not cover specific financial modules.

In Procurement, every staff member gets orientation / training from the Chief of Section / Procurement Coordinator.

In Audit, one staff member prepares examination for professional certification and a training program for each staff has been discussed during performance appraisal included training outside the Court.

Areas for improvement

- Limitation on time and financial resources is a general constraint for the staff to attend training provided outside the Court. Nevertheless training delivered outside of the Court should be encouraged as a way to get access to new approaches in professional practises, additional or more specialised skills and benchmarks with other organisations.
- Induction training programs should also be developed as a way to speed up the understanding of the rules of the section/unit.

7. Fraud prevention

Controls to be tested

Any organisation can be exposed to a risk of fraud. The type of fraud will differ from one organisation to another and should be address through customized fraud prevention programs.

Controls analysis

ICC's assets are secured through restricted access to ICC's information systems and physical locations.

In addition advice is sought from in house legal advisor for specific project such as the permanent premises project. The legal advisor is a member of the implementation team. His advice is sought as the project framework and management mechanisms are put in place.

Areas for improvement:

The Court has not developed any specific fraud prevention program.

Staffs are supposed to abide by SRR and FRR which define the behaviour expected from ICC staff members and address indirectly the risk of fraud.

8. Risk evaluation

Controls to be tested

The risks of the organisation should be identified in order to ensure that proper internal controls have been implemented to mitigate them. Strategic risks must be declined in operational risks to enable managers to take actions in their areas of responsibilities to reduce or control risks.

Controls analysis

The Board (Coco) has undertaken a risk management project in 2008. Strategic risks have been identified with a limited number of operational risks.

The preparation of the Audit Plan includes also a risk analysis on finance issues.

Actions on financial risks are addressed through budget and finance reviews in the related section.

Areas for improvement

- There is no risk map of the potential operational financial risks
- Apart of the project mentioned here above there are no periodic reviews of the risks which could affect the organisation

9. Information security

A Business Continuity Plan has already been developed but the completion is pending the Business Impact Analysis.

Systems privileges and access are periodically tested by IT Security.

Every two weeks different users of SAP in Budget and Finance Section meet with IT through FACTS group to discuss any SAP reporting /functionality issues.

Areas for improvement

Management information and reports provided by SAP should be improved by ICT:

Balance sheet and income statement is directly available for ICC globally but should also be directly available by Funds code in SAP (General Fund, Trust Funds and Victim Trust Funds). Trial balance presentation in SAP could be improved to separate by fund code. Budget and performance reports need improvement and expansion to limit amount of excel reports required. Contributions reports from SAP are also not adequate and require extensive excel usage and manipulation to provide adequate management information. No action has been taken yet by ICT.

Financial statements of the International Criminal Court for the year ended 31 December 2008

External auditor's report

To the Assembly of States Parties of the International Criminal Court

I have audited the accompanying financial statements of the International Criminal Court for the financial period ended 31 December 2008. These comprise Statement I, Income and Expenditure and Changes in Fund Balances; Statement II, Statement of Assets, Liabilities, Reserves and Fund Balances; Statement III, Statement of Cash Flow; Statement IV, Statement of Appropriations for the period; Schedules 1 to 7 and the supporting Notes 1-12. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Registrar and Auditor

The Registrar is responsible for the preparation and fair presentation of the financial statements, in accordance with requirements of the Financial Regulations as authorised by the Assembly of States Parties. This responsibility includes: designing, implementing and maintaining internal control; the fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

My responsibility is to issue a report on the audit of the financial statements, in accordance with Financial Regulation 12 and the additional terms of reference governing external audit. I am required to express an opinion as to whether the financial statements present fairly the financial position at the end of the period and the results of the operations for the period; and that the financial statements were prepared in accordance with the stated accounting policies. I also report to you whether, in all material respects, the transactions have been made in accordance with the financial regulations.

I read the other information attached to the financial statements and consider whether it is consistent with the audited financial statements. This other information consists of the Statement on Internal Control. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. I am not required to consider whether the statement covers all risks and controls, or form an opinion on the effectiveness of the International Criminal Court's corporate governance procedures or its risk and control procedures. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Registrar in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the International Criminal Court circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the transactions have been made in accordance with the Financial Regulations and applied to the purposes intended by the Assembly of States Parties. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2008 and the results of operations and cash flows for the period then ended in accordance with the International Criminal Court's stated accounting policies.

Opinion on Regularity

In my opinion, in all material respects, the transactions have been made in accordance with the Financial Regulations and applied to the purposes intended by the Assembly of States Parties.

Long Form Report

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

(Signed) Amyas C E Morse
Comptroller and Auditor General
United Kingdom
External Auditor

National Audit Office
London, July 2009

External Auditor's Report 2008

The audit of the financial statements of the International Criminal Court for 2008

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Executive Summary

- An unqualified audit opinion on the 2008 financial statements.
- Total income increased by 3 percent over 2007 to €95.3 million, while expenditure rose 8 per cent to €83.7 million. The increased income is accounted for by both a rise in assessed contributions and interest income of €1.5 and €1.4 million respectively.
- Collected contributions increased to 99.6 percent and the value of contributions outstanding at the year end declined to €0.3 million.
- In 2008 the Court implemented measures to ensure that unliquidated obligations in the accounts represented valid obligations in accordance with the Court's financial rules and regulations – confirmed by audit testing.
- On treasury management a number of measures have been taken to assess the level of risk to the Court's investments in the current economic climate. We have recommended that the Investment Committee engages with these ad hoc measures as part of ongoing treasury management.
- On corporate governance we are engaging with the heads of organs to ensure good practice in the arrangements for the Audit Committee. The Office of Internal Audit carried out a review of the Court's internal control environment preparatory to the development of a Statement of Internal Control to accompany the financial statements, and we have provided advice on the evidence needed to support and report this important reinforcement to good accountability.
- The Office of Internal Audit has been operating at less than full complement, which has limited the extent of oversight coverage provided and we have recommended that this should be addressed as a matter of priority.
- We reviewed the risk assessment produced by the Court and encourage the adoption of a risk register reflecting a smaller number of more strategic and prioritised risks which include both internal and external risks.
- We note the progress made with establishing the Permanent Premises Project, its Oversight Committee and the loan arrangements. We have highlighted the risks of the absence of effective accountability arrangements over the use and financial reporting of the loan at present.
- We note the functionality of the accounting system to report expenditure by situation, but encourage the Court to improve this further to be able to monitor and report costs for each trial.
- We recommend that the Assembly of States Parties takes a decision in principle on the adoption of International Public Sector Accounting Standards at its earliest opportunity to allow sufficient time for changes to be made to systems and financial regulations.
- The Court has made some progress in implementing external audit recommendations and we have presented a follow up commentary as part of this present report.

Detailed findings

Overall results of the audit

1. We have audited the financial statements of the International Criminal Court in accordance with Regulation 12.1 of the Court's Financial Rules and in conformity with International Standards on Auditing issued by the International Auditing and Assurance Standards Board.
2. The audit examination revealed no weaknesses or errors which we considered material to the accuracy, completeness and validity of the financial statements as a whole; and the audit opinion confirms that these financial statements present fairly, in all material respects, the financial position as at 31 December 2008 and the results of operations and cash flows for the period then ended, in accordance with United Nations System Accounting Standards and the International Criminal Court's stated accounting policies.
3. The main observations and recommendations from our audit are set out below. Our recommendations are summarised in **Annex A**. Action taken by management in response to our previous year's recommendations, for 2007, is set out at **Annex B**. The scope and approach of the audit, which were communicated to the Registrar in a detailed audit strategy, is summarised at **Annex C**.

Financial Results

Overall Financial Performance

4. An analysis of income and expenditure for the Court and how this compares to prior years is shown at Figure 1, covering the General Fund, the Working Capital Fund and Trust Funds.

Figure 1: Analysis of income and expenditure (in Euro)

	2008	2007	2006
Assessed Contributions	90,382	88,872	80,417
Voluntary Contributions	1,216	1,339	1,641
Interest Income	4,582	3,128	1,703
Miscellaneous Income	338	204	104
<i>Total Income</i>	<i>96,518</i>	<i>93,543</i>	<i>83,865</i>
Total Expenditure	(84,854)	(78,738)	(66,431)
Excess/(shortfall) of income over Expenditure	11,664	14,805	17,434

5. Income for the year increased by 3 percent on 2007, partly accounted for by a rise in assessed contributions from €88.9 million to €90.4 million and by an increase in interest income from €3.1 million to €4.6 million. Expenditure increased by nearly 8 percent on the previous year, primarily due to an increase in staff costs of €5.6 million (from €54.4 million in 2007 to €60 million in 2008) as the Court continues to increase the number of permanent staff to carry out its full range of functions. Contractual services costs increased by €1.8 million due to greater activity in trial preparations and additional costs relating to the temporary premises.

6. The Court's net assets declined from €90.2 million in 2007 to €73.5 million, as result of a reduction in accounts receivable (from €8.3 million in 2007 to €0.5 million for 2008), and a decline in cash and term deposits from €77.2 million to €66.8 million following the payment of the premium to Allianz in respect of the judges pension scheme which was previously included in these cash balances.

7. As part of our audit we examined all significant income and expenditure balances; and ensured that there was sufficient reliable evidence to support the receipts and disbursements recorded in the Court's financial statements, and to explain movements in income and expenditure between 2007 and 2008. We are also satisfied that the Court's ample cash balances provide sufficient working capital for operational purposes.

Collection of contributions

8. The court collected 99.6 percent of assessed contributions in 2008 in comparison with 93.4 percent in 2007. This is a continued improvement in the collection rate for assessed contributions and demonstrates the ongoing action taken by the Court to improve its performance in this regard. Total accumulated arrears in contributions have fallen from €8.1 million in 2007 to €0.3 million in 2008. We commend the improved collection rate for older arrears and for assessed contributions in respect of 2008, particularly in collecting virtually all contributions due at a time of difficult economic conditions worldwide.

Cash Flow Forecasting

9. States Parties have approved budget expenditure of €101 million for 2009, but plan to raise only €96 million in assessed contributions. The Court has been encouraged to find efficiency savings to bridge the gap where possible. In the event that the Court requires further funding to deliver its programmes, it has been authorised to draw up to €5 million from the Working Capital Fund to meet any shortfall, following notification by the Registrar to the President of the Assembly and the Chair of the Committee on Budget and Finance. This arrangement was put in place in the knowledge that the Court has in each year since its inception, spent less than the full amount of annual appropriations.

10. However, the commencement of trials within the Court in early 2009 and the accompanying levels of activity mean the pattern of significant underspend against budget is less likely going forward; and if the Court is unable to meet the expected level of efficiency savings, there is a risk that it will have to draw on the full €5 million advance from the Working Capital Fund during 2009. This would leave a Working Capital Fund balance of approximately €2 million. The Working Capital Fund is designed to provide short term funding in the event that the payment of contributions from member states are delayed. The Court will need to monitor closely whether the balance held in the Working Capital Fund following any draw down for regular budget expenditure is sufficient for this purpose.

11. We believe, therefore, that robust cash management will become increasingly important for the Court and management should consider whether the necessary tools and systems are in place to monitor and forecast the cash position on an ongoing basis. Appropriate arrangements would allow the Court to predict when it may need to draw down funds from the Working Capital Fund and enable a timely request to their governing body for approval for such a draw down.

Recommendation 1:

We recommend that the Court take a view on the financial consequences and risks of drawing funds from the Working Capital Fund to fund budgeted expenditure rather than short term operational requirements. In doing so the Court should ensure that cash flow forecasting procedures are adequate to identify when and for how long advances from the Working Capital Fund will be needed.

We further recommend that the Court extend cash flow forecasting to the medium and long term, to inform the funding strategy for future years, where the level of assessed contributions may be lower than approved budgets and alternative sources of funding required to meet higher budget implementation rates.

Procurement

12. In previous audit reports we have noted peaks in procurement towards the year end. In 2007 we queried some €3 million of financial commitments (unliquidated obligations) in the accounts resulting from purchase orders raised in the last month of the year, which did not meet the criteria set down in the financial rules and regulations, and which subsequently required an audit adjustment to the financial statements.

13. In 2008, the Court made considerable efforts to ensure that obligations at the year end were valid in line with the financial rules and regulations. Management undertook an exercise to assess the validity of unliquidated obligations at year end to exclude charges without valid obligations from the year end balance. We reviewed this exercise and carried out our own detailed testing to confirm that in material respects the unliquidated obligations reported at the year end constituted valid obligations.

14. This closer management of obligations has been supported by earlier and more consistent procurement planning, to reduce the risk that we previously identified of peaks in procurement close to the end of the financial period which can reduce the time available for reviewing procurement requests effectively. This has reduced by half the number of Procurement Review Committee (PRC) meetings required at the end of the year.

Cases of Fraud or Presumptive Fraud

15. Under the terms of reference governing the external audit contained in the financial regulations, we are required to bring to the notice of the Assembly of States Parties any cases of fraud or presumptive fraud identified during the year. Primary responsibility for the prevention and detection of fraud rests with management. The Court informed us there had been two minor cases of fraud reported in the Court's field offices, with a value of approximately €1,200. Both cases were investigated and the employees concerned were summarily dismissed.

Losses, Write Offs and Ex-gratia Payments

16. The Property Survey Board authorised the write off of €141,001 of non expendable property and an amount of €3,811 was written off as a cash loss. We noted assets valued at €21,436 which had been identified for write off but on which action was pending at the time of our audit. These assets are disclosed in the Notes to the accounts. The Court reported no ex-gratia payments made in 2008.

Treasury Management

17. As at 31 December 2008 the Court held cash balances of €67 million, compared with €77 million in 2007. Currently the Court invests its short term funds through time deposits and current accounts spread across four of the largest Dutch banking institutions. During the year the Court generated €4.5 million in interest income which equates to a yield of 6.3 percent based on the average cash balance during the year. This compares with €3.1 million interest earned in 2007, a yield of 4.6 percent. The increase in interest income is due to better use of time deposit accounts and obtaining favorable interest rates, and higher levels of surplus cash.

18. The Court does not anticipate maintaining the same interest yield for 2009, due to greater volatility in the market and less favorable rates of interest, which have reduced significantly since late 2008. Recent trends in global and financial markets have highlighted the need for strong treasury management practices. The Court needs to manage funds with due regard to managing an appropriate balance between security, liquidity and yield.

19. The Court has taken several steps to manage investment risk and combat the volatility of the financial markets. In accordance with the financial rules and regulations, the Court has concentrated its efforts on ensuring security of capital. To this end, as time deposits mature the Court has placed them in high yield deposit accounts which allow immediate access to funds if there were concerns over a bank's stability (although in 2008 the Court did not need to make any significant transfer of funds between banking institutions).

20. In December 2008, following an internal review of investment risk by the Budget and Finance Section, a consultancy firm was engaged to provide recommendations to meet the Court's primary investment objective of ensuring the security of principal sums invested. The consultants were also asked to consider liquidity and yield. The consultants recommended increased risk diversification using risk indicators and banks with a higher creditworthiness than had previously been the case.

21. The Treasury section now produces a weekly treasury framework matrix which summarizes internationally accepted ratings (Fitch ratings) for short and long term credit worthiness of the banks used by the Court. We reviewed these arrangements and confirmed that the Court was using banks rated at the highest level of safety for the next 13 months to 3 years (F1or F1+), and for the long term (range A+ to AA+).

22. Expert strategic advice on investment is important to ensure the safety of the Court's funds and to optimise investment income. The Court has an internal Investment Committee which meets when changes in investment guidelines are required, but the Committee has not been active and did not meet in 2008. The Court has been investigating the possibility of alternative arrangements to improve the oversight of investments and make recommendations on investment strategy.

Recommendation 2:

We recommend that an investment committee, meeting regularly, should be used to provide continuous oversight of the status and strategy of the Court's financial investments. Discussions in the meetings should be documented to support any strategic decisions that need to be made. We also recommend that the Committee should include external members with relevant experience and expertise.

Corporate Governance

23. In previous years we have made recommendations in our reports that deal specifically with the improvement of corporate governance arrangements. We have now revisited the Court's arrangements and reviewed the progress that has been made to strengthen oversight and governance. The Court recognises the importance of effective and efficient oversight and governance arrangements and during our audit we conducted meetings with senior staff and the heads of organs, all of whom are keen to improve corporate governance as the Court extends its operational activity.

24. The Court operates under a structure defined by the Rome Statute which is designed to safeguard the fundamental principles of fairness of proceedings and independence of the organs but which also, as we have previously reported, gives rise to a lack of clarity in the Court's accountability arrangements. While the Court has developed arrangements within this structure through the Co-ordination Council, the Committee on Budget and Finance and the development of a Strategic Plan, further progress is needed to achieve effective accountability in keeping with modern good governance practice.

25. For reasons of integrity and sound financial management, it is important for the Court to demonstrate best practice in transparency, accountability and the administration of funds, and we have identified three areas where the Court can make immediate progress to strengthen its governance arrangements:

- Running the Audit Committee in line with best practice;
- Embedding risk management procedures in business processes; and
- Further strengthening of the Office of Internal Audit.

Audit Committee

26. An effective Audit Committee forms a part of effective good governance arrangements and can offer judgements and advise on the adequacy of internal controls from which States and other stakeholders will be able to take assurance. The Audit Committee can also perform a useful function in adding value to key strategic and operational issues in an advisory capacity, by providing an independent view and expert guidance across a range of areas, focussing on financial and administrative issues.

27. The Court has had an Internal Oversight Committee composed of the President, the Prosecutor and the Registrar, which has focussed on internal audit activity. During 2008-2009, the Court has made some progress in evolving its Internal Oversight Committee into a more conventional Audit Committee model which addresses both internal and external audit oversight coverage; and the Audit Committee Terms of Reference have been revised in preliminary form to align the role and remit of the Committee more closely with good practice. One independent member has been appointed and the Court is making considerable effort to appoint further independent members. Now the Court needs to progress this evolution further to achieve an effective audit committee operating in accordance with international best practice.

28. We are providing guidance and comments on the revised terms of reference and good audit committee practice to the President, the Prosecutor and the Registrar; and since May 2009 we attend, by invitation, the Audit Committee meetings. To inform further development, we make the following recommendation for the Court's consideration.

Recommendation 3:

To reflect best practice in the operation of audit committees, we recommend that the Court give consideration to:

- A membership for the committee which consists mainly of independent non-executive members, with the heads of Organs in attendance at each meeting in line with their executive responsibilities;
- The chairing of the Audit Committee by a non-executive independent member of the Committee, without prejudice to the authority of the President and Prosecutor;
- At least two meetings a year are held for the audit committee to consider the draft financial statements of the Court and to receive the audit plans and results of the External Auditor and the Office of Internal Oversight;
- The Chairperson of the audit committee should report annually to the Court's governing body level on the work of the audit committee, and bring to attention any significant issues arising from the Audit Committee's deliberations.

Risk Management

29. In our previous reports we have outlined the benefits of systematic risk management and the importance of an early consideration of risk so that important governance processes can become embedded within the Court's management and organisational culture. The need for systematic assessment and management of risk is now of even greater importance to the Court as a result of the growth in activity on investigations and trials.

30. We noted in 2007 that the Court was in the process of developing a Risk Management system and had appointed consultants to engage in a risk identification process. The risk assessment has now been completed and we have received a copy of the consultants' report. The risk assessment has been detailed and reflects a thorough process to identify key risks. However, the risk assessment is inwardly focussed and has not brought out key external risks facing the Court. A balanced and comprehensive risk assessment needs to cover risks presented by both internal and external factors.

31. While the consultants have produced a risk register, this needs further refinement into a prioritised set of risks based on the likelihood and impact of each risk. In so doing, the risk register should focus on risks with the highest impact and likelihood of occurring. Such a risk register should become the focus of regular review by the newly-established Audit Committee; and the Court should also bring the most significant risks to the attention of what is considered to be the governing body level.

Recommendation 4:

We recommend that improved risk assessment and risk management arrangements be taken forward as a matter of priority, to ensure that the Court maintains momentum on this important aspect of governance and is able to actively manage significant risks, ensuring that both external and internal risks are recognised and prioritised.

This should lead to the production of a risk register with prioritised risks, the identification of risk owners, and actions to mitigate key risks; reviewed and updated regularly by senior management and submitted to the Audit Committee for review and further action as necessary.

Office of Internal Audit

32. We are satisfied that the Court now has an internal audit function in place which has conducted work successfully in a number of areas over the course of 2008.

33. One of the most significant areas of work has been the development and completion of a structured assessment of internal control processes, covering a number of key controls in the operational environments of budget and finance, human resources and procurement. The results of the testing have been used to provide some formal assurance to the Registrar on the effective operation of controls; and have enabled the Court to include for the first time a Statement on Internal Control with the financial statements. We encourage the Court to continue this progress and establish a system where heads of divisions provide annual assurance that the documented controls are operating effectively within their area of responsibility.

34. However, we noted that in 2008 the Office of Internal Audit had had to operate at less than full complement. Essential work was carried out but activities were limited by the lack of resources in the department. There was a change in director mid way through the year and all three approved support posts were vacant until the appointment of an auditor half way through the year. The senior auditor and support staff positions were still vacant at the end of 2008.

35. We reviewed Internal Audit's risk assessment matrix and note that a number of risks identified as high priority relate to areas in the Court's Information Technology division. The Office of Internal Audit does not currently employ an IT audit specialist but we believe that, in view of the IT audit expertise required to address the risks identified and carry out planned work in the IT division, the Court needs to ensure that it is able to access appropriate IT audit expertise for computer-based projects planned in the coming year.

Recommendation 5:

We recommend that the Court recruit a senior auditor as a matter of priority to enable the Office of Internal Audit to function at full capacity and deliver all planned reports.

We also recommend that the Court consider the need for IT audit expertise to ensure effective coverage in this specialised area.

Other Management Issues

Permanent Premises Project

36. The ASP resolution passed in December 2007 confirmed the arrangements for the permanent premises. We note the following progress towards the objectives of the resolution in 2008:

- A project-focussed Oversight Committee has been established; held its first meeting on 30 January 2008; and met twice monthly during 2008. These early meetings focussed on the options for financing the construction of the permanent premises and the establishment of arrangements for the functioning of the project, such as assembling the required team of experts to manage the project;
- A project board with a tripartite structure has been established consisting of a Host State Project Director, ASP Project Director (with support staff) and ICC Project Director;
- The Oversight Committee appointed the ASP Project Director who took up position on 1 October, following a comprehensive recruitment process involving an international executive recruitment firm. The Project Director is now established in role and reports monthly to the Oversight Committee;
- The Host State Project Director and the ICC Project Director have been in position since the beginning of 2008 and were involved in the recruitment of the ASP Project Director; and
- A Project Office for the Permanent Premises was established in 2008, comprising the ASP Director position plus two support staff posts. All posts remained vacant until the appointment of the ASP Project Director in October 2008. One post was still vacant at 31st December 2008.

Expenditure on the Permanent Premises Project

37. Expenditure incurred for the Project Office for the Permanent Premises during 2008 reached 40 percent of the approved budget of €208,500. In line with the ASP resolution passed in December 2007, the Project Director is required to report to the States Parties once yearly. There are presently no formal arrangements in place for monthly financial reporting to the Oversight Committee or to the Registrar.

38. At the end of 2008 the procurement process was begun to appoint an external project management firm who will be responsible for the day-to-day management of the project, and will report to the project board. Responsibilities will include the creation of a manual to set out internal and external working procedures; producing monthly progress reports including financial forecasts; and verifying invoices for work completed.

39. The loan agreement between the State of the Netherlands (Ministry of Foreign Affairs) and the International Criminal Court was signed on the 23rd March 2009. The loan available is a maximum of €200 million and each calendar month the Court must make available in writing to the State its financing requirements under the loan agreement for the following calendar month.

40. Installments of the loan are to be received monthly throughout 2009 and we note that €6 million is forecast as expenditure for 2009, covering the first year of the design and tendering stage.

Recommendation 6:

We recommend that the Court's decision to appoint a project management firm be implemented as early as practical, so that the procedures for monthly financial reporting can be established promptly. As the loan for this project is now being drawn down, it is important that accountability arrangements for the use of these funds are in place as quickly as possible.

Reporting of Trial Costs

41. The judicial activity of the Court continued to increase in 2008 and the ICC was engaged in investigations into four situations. (A situation is the term used to describe referrals to the Court for investigations into a particular wrongdoing. A situation can lead to the arrest of several accused and therefore separate trials may need to be held, depending on the specific details relating to the individuals detained.) Four persons were in the custody of the Court in 2008 with their cases at different stages of proceedings. Three persons were in custody in relation to the Congo situation; and one person in relation to the Central African Republic situation.

42. Preparations for the first trial relating to the Congo situation continued throughout 2008 and the trial commenced on 26 January 2009. This marks an important stage in the Court's effort to achieve its mandate to try crimes against humanity and genocide. The other cases for the Congo situation and the Central African Republic are at pre-trial stages.

43. The Court's accounting system, SAP, contains a work breakdown structure that allows expenditure to be recorded in relation to a particular situation, in addition to the usual assignment in the accounting system which specifies the nature of the expenditure, the accounting year and the budget to which the expenditure is charged. The current structure for recording expenditure in the accounting system also allows for the distinction between direct costs, such as court time, and indirect costs, such as general expenses at situation level. Due to the way expenditure is recorded in the accounting system, this enables costs per situation to be calculated by extracting data from the accounting system.

44. Although information identifying costs by situation is available in the accounting system, there can be more than one trial in relation to each situation. Expenditure is only recorded against the situation it relates to and not the specific trial, because the current structure in the Court's accounting system does not allow expenditure to be recorded by trial.

45. The Court would benefit from reports on financial information by trial to support key operational decisions. This is particularly important to enable the Court to assess the current and future costs of each individual trial, so it can ensure that sufficient funding is in place. We have commented separately in this report on the need for the Court to forecast cash flows in the light of the potential need to draw on the Working Capital Fund in 2009.

46. We further believe that the short and long term financial and operational performance implications need to be understood for each trial in order to identify potential risks - such as areas susceptible to cost overruns - and enable management to address and mitigate these in a timely manner. This will be particularly important as the Court progresses further in its pre-trial procedures and makes the decision to begin another trial. Such risks should also be incorporated as appropriate in to the Court's risk register.

47. The Court feels that the magnitude and complexity of the task to identify the cost of individual trials must not be understated. The Court has identified the following issues that will need to be addressed to be able to identify the cost of a trial:

- a common Court wide definition of what will constitute a trial should be established;
- defendants and or cases are sometimes either combined or separated during the trial process and a way to account for this will need to be developed; and
- staff split their time between different trials, situations, cases and general support and again a way to accurately allocate such cost will need to be developed.

48. The Court will need to address these issues in considering how improvements in management reporting can be achieved.

Recommendation 7:

We recommend that the Court further develop SAP system capability so as to be able to report on the cost of each trial. Such information would help to better inform the Court, both for the purposes of future budgeting and also to assess the cash flow implications of each trial. This would facilitate the identification of risks (such as areas susceptible to cost overruns) and help support efficient and effective financial management.

Follow up to Previous Audit Recommendations**Adopting International Public Sector Accounting Standards (IPSAS)**

49. In 2007, we reported on the move by the United Nations system to adopt International Public Sector Accounting Standards as its accounting and financial reporting framework in substitution for the existing UN System Accounting Standards, which have also been used by many non-UN bodies. We are encouraged by the progress staff have made to consider the requirements of IPSAS. Internal meetings have been held involving heads of division across the Court. External training has been organized for a number of key staff members who would be involved in the process of converting to IPSAS. We note that a formal plan outlining the projected timeframe and costs associated with IPSAS, such as changes to the accounting system, staff resources and training has been submitted for approval.

50. We recommended in 2007 that the Court should take a formal decision on adopting IPSAS. We understand that the Court do not plan to take any decision on the date of implementation until 2010, and at present the Court is considering an implementation date of 2011 or 2012. We reiterate our view that once the UN system has adopted IPSAS, the UNSAS standards will cease to represent the United Nations system's accounting standards; will no longer be maintained; and will cease to represent an accounting framework against which it will remain appropriate for international organisations to report their financial results or against which it would be appropriate for external auditors to express an opinion.

51. In our discussions with the Court on the adoption of these standards the Court has identified a number of issues that will need to be addressed for successful adoption as follows:

- The SAP accounting software package will require customization to ensure that relevant aspects of accounting data required for IPSAS can be successfully generated;
- Staff in the Court's finance function and more widely will require an appropriate level of training on the use and implementation of these new accounting standards; and
- Some staff may need full time deployment on this project – although the Court will need to identify the extent to which this will be necessary as a part of the project plan.

52. While there is inevitably a cost associated with the adoption of IPSAS, we believe that since the Court upgraded its financial accounting systems to SAP in 2006, it should be well placed to adapt its system to accommodate IPSAS without the need for a replacement package. We encourage the Court to use the benefits of SAP to help inform a decision on when IPSAS will be adopted; and to ensure that the Court's preparations are sufficiently timely to avoid the risk of having insufficient time to make the necessary changes to systems and financial regulations before UNSAS becomes defunct.

Recommendation 8:

We reiterate our recommendation that the Assembly of States Parties takes a decision in principle at the earliest opportunity for the adoption of IPSAS, to support the establishment of an overall time frame for adoption and to allow sufficient time for changes to systems and financial regulations to be made.

53. Our detailed report on the progress made with previous audit recommendations is at Annex B.

54. The Court has addressed each of our recommendations made in 2007 and we welcome the positive progress made in a number of areas. The Court has successfully implemented recommendations as follows:

- Unliquidated obligations are being properly reviewed to ensure that they are supported by legitimate obligating documents and procurement requests are submitted to the Committee on Contracts in sufficient time;
- Budget transfers are being made fully in accordance with the rules on such transfers which were reviewed and further updated by the Committee on Budget and Finance in 2008;
- A Statement of Internal Control has been developed and will be signed by the Registrar in 2008;
- The report from the Office of Internal Audit on staff annual leave has been reviewed and its findings and recommendations have been implemented; and
- Recommendations in respect of the SAP system are being progressed.

55. There are a number of areas where the Court is considering further what appropriate action should be taken and we have also provided some further commentary and advice in this report. These include:

- Functioning of the Permanent Premises project board;
- Risk management; and
- Adoption of IPSAS;

56. The Court has demonstrated that they are actively taking forward our recommendations and have provided a very detailed analysis of progress in Annex B. We welcome this positive approach and will continue to work with the Court on a number of areas to further advance progress in 2009.

Acknowledgement

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

(Signed) Amyas C E Morse
Comptroller and Auditor General, United Kingdom
External Auditor

Annex A

Summary of Audit Recommendations for 2008

On Cash Flow Forecasting

Recommendation 1:

We recommend that the Court take a view on the financial consequences and risks of drawing funds from the Working Capital Fund to fund budgeted expenditure rather than short term operational requirements. In doing so the Court should ensure that cash flow forecasting procedures are adequate to identify when and for how long advances from the Working Capital Fund will be needed.

We further recommend that the Court extend cash flow forecasting to the medium and long term, to inform the funding strategy for future years, where the level of assessed contributions may be lower than approved budgets and alternative sources of funding required to meet higher budget implementation rates.

On Treasury Management

Recommendation 2:

We recommend that an investment committee, meeting regularly, should be used to provide continuous oversight of the status and strategy of the Court's financial investments. Discussions in the meetings should be documented to support any strategic decisions that need to be made. We also recommend that the Committee should include external members with relevant experience and expertise.

On Audit Committees

Recommendation 3:

To reflect best practice in the operation of audit committees, we recommend that the Court give consideration to:

- A membership for the committee which consists mainly of independent non-executive members, with the heads of Organs in attendance at each meeting in line with their executive responsibilities;
- The chairing of the Audit Committee by a non-executive independent member of the Committee, without prejudice to the authority of the President and Prosecutor;
- At least two meetings a year are held for the audit committee to consider the draft financial statements of the Court and to receive the audit plans and results of the External Auditor and the Office of Internal Oversight;
- The Chairperson of the audit committee should report annually to the Court's governing body level on the work of the audit committee, and bring to attention any significant issues arising from the Audit Committee's deliberations.

On Risk Management

Recommendation 4:

We recommend that improved risk assessment and risk management arrangements be taken forward as a matter of priority, to ensure that the Court maintains momentum on this important aspect of governance and is able to actively manage significant risks, ensuring that both external and internal risks are recognised and prioritised.

This should lead to the production of a risk register with prioritised risks, the identification of risk owners, and actions to mitigate key risks; reviewed and updated regularly by senior management and submitted to the Audit Committee for review and further action as necessary.

On the Office of Internal Audit

Recommendation 5:

We recommend that the Court recruit a senior auditor as a matter of priority to enable the Office of Internal Audit to function at full capacity and deliver all planned reports.

We also recommend that the Court consider the need for IT audit expertise to ensure effective coverage in this specialised area.

On Financial Management Aspects of the Permanent Premises Project

Recommendation 6:

We recommend that the Court's decision to appoint a project management firm be implemented as early as practical, so that the procedures for monthly financial reporting can be established promptly. As the loan for this project is now being drawn down, it is important that accountability arrangements for the use of these funds are in place as quickly as possible.

On Identifying the costs of Individual Trials

Recommendation 7:

We recommend that the Court further develop SAP system capability so as to be able to report on the cost of each trial. Such information would help to better inform the Court, both for the purposes of future budgeting and also to assess the cash flow implications of each trial. This would facilitate the identification of risks (such as areas susceptible to cost overruns) and help support efficient and effective financial management.

On the Adoption of International Public Sector Accounting Standards

Recommendation 8:

We reiterate our recommendation that the Assembly of States Parties takes a decision in principle at the earliest opportunity for the adoption of IPSAS, to support the establishment of an overall time frame for adoption and to allow sufficient time for changes to systems and financial regulations to be made.

Annex B

Follow up to previous audit recommendations

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
1	We recommended that periodically, staff be required to confirm awareness and compliance with the IT security policy.	Registry	Staff are briefed on controls like passwords etc during the introduction training. A pilot will be undertaken to address this recommendation further. Users may be required to accept the terms of the policy during the password change regime.	Project Ongoing: Will be implemented as Network Hardening project (NERO) during 2Q 2009.	We note the comments and planned action. We will continue to monitor as part of our IT audit review each year.
2	We recommend that the Court consider the potential cost of disability payments that may have to be made for judges over 65 years of age if they were to become disabled, and whether any financial provision should be established for this liability.	Registry	The Court has obtained the estimated actuary valuation from Ernst & Young Actuaries, and will include this either as a provision in the budget, or in the accounts on a yearly basis.	The Court is seeking estimates during 2009 in order to determine a course of action.	We note the comments and will examine any provision that is made for disability payments in the future.
3	We recommend that any permanent premises into which the Court moves should be adaptable according to the level of Court activities, so that if the workload of the Court were to reduce, parts of the building could be easily separated from the court in order to rent to third parties.	POPP	Completed. The functional brief and the first prize winning design takes into account flexibility and scalability. However, renting to third parties may be difficult due to security requirements.	Complete.	We welcome the action taken.
4	A risk register containing the information set out above should be used by the Court as an active diagnostic tool to manage risks on an ongoing basis. The risk register should be reviewed by the Oversight Committee and an annual submission should be made to the Court's governing body to bring key risks to their attention.	Court	The Court is grateful for the recommendation, which will be taking into careful consideration when implementing the risk management plan. The pros and cons of the recommendation will be weighted against industry best practices in order to ensure maximum efficiency for the Court.	Risk Register finalised. Analysis and risk mitigation strategy in process (planned finalisation Q3, Q4 2009, including presentation to the Court's governing body).	We have made some further comments on the completed risk assessment in paragraphs 33-36 of this report.

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
5	<p>We recommend that the Court ensure that all procurement requests relating to current year appropriations are submitted in good time for approval by the Procurement Review Committee (PRC). We further recommend that in accordance with the Court's financial rules and regulations purchase orders must be placed with a vendor for a legal obligation to be created and that the goods and services must be due for delivery or started in the financial year.</p>	<p>Registry</p>	<p>A procurement plan has been created. It is also intended to include a clause in the ICC contracts standard terms and conditions that will automatically cancel any Purchase Order or Contract for which a legally binding obligation does not exist at the end of the year in which the obligation is to be made.</p>	<p>Complete.</p>	<p>We welcome the positive action taken to implement our recommendation and we can confirm from our audit testing for 2008 that unliquidated obligations are being properly managed.</p>
6	<p>We recommend that year end procurement requests for goods and services due for delivery or use in the following accounting period should be charged against the following year's appropriation for that activity</p>	<p>Registry</p>	<p>Procurement: A procurement plan has been prepared and is being implemented in such a way that obligations will be made in time for delivery of goods or services to be effected or started within the budget year concerned. Unfulfilled obligations will be either cancelled or re-obligated in the subsequent year. Accounting: Instructions and clarifications were sent out to all certifying officers in September with regards to year end procurement requests. Specifically, the issue of charging goods and services to the appropriate period was addressed. This of course has to followed-up by checks which I will address in the next recommendation.</p>	<p>Complete.</p>	<p>We welcome the positive action taken to implement our recommendation and we can confirm from our audit testing for 2008 that unliquidated obligations are being properly managed.</p>

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
7	<p>We recommend that the Court introduce a year end ULO review exercise. This review process should identify year end purchase requests that either do not constitute a valid legal obligation of the Court or obligations that do not relate to the current year. Obligating documents not meeting this requirement should be excluded from the year end ULO balance.</p>	Registry	<p>As part of the audit preparation ULOs are screened in SAP by Budget & Finance staff for any indications of improper charging. In particular any transactions taking place in November and December</p>	<p>Complete: A review of ULO took place in December 2008.</p>	<p>We welcome the positive action taken to implement our recommendation and we can confirm from our audit testing for 2008 that unliquidated obligations are being properly managed.</p>
8	<p>We recommend that the ICT division implement the recommendations of the external investigations into the SAP crash as a matter of urgency and in particular ensure that contingency plans for a similar systems failure are in place to ensure business continuity. Such plans may help to mitigate the risk that key financial information may be lost through system failure.</p>	Registry	<p>The recommendations contain a series of technical issues but can be categorised as follows:</p> <ol style="list-style-type: none"> 1) Improve the SAP infrastructure (Status : Complete. A new SAP cluster has been installed and signed off); and 2) Improve the backup infrastructure (Status :Partly complete. The backup software has been upgraded and the hardware improved. Recovery has been tested from disk and it is successful. A more complete test environment is required to execute a more extensive and regular restore test. This is the incomplete portion and work is on-going to provide this. Work plan involves finalise the MER2 (November 2008), Create Test Server Infrastructure (Q1 2009), Execute recovery tests (March 2009). 	<p>Ongoing. Full implementation is expected by Q3 2009.</p>	<p>We note the progress that is being made and we will continue to review implementation in future audits.</p>

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
9	<p>We also recommend that the Court ensure that its IT strategy reflects the arrangements set down in the IT disaster recovery plan once it has been developed. The IT strategy should show how contingency arrangements are to be achieved and maintained.</p>	<p>Registry</p>	<p>The ICT Section has a strategic plan approved by its governing body (ITSB). Currently the organisation is undergoing a review of its strategic goals and objectives. Once complete the organisations objectives will be mapped onto the ICT strategic plan and the plan updated accordingly. It is envisioned that the plan will be presented to the ITSB Q1 2009.</p>	<p>Plan was presented and accepted by ITSB Q1 2009. Implementation ongoing.</p>	<p>We note the progress that is being made and we will continue to review implementation in future audits.</p>
10	<p>We recommend that the Court ensures that all staff involved in the preparation and modification of the annual budget:</p> <ul style="list-style-type: none"> • Ensure that all future budget requests adequately reflect current funding needs for the year, thus minimising the need for transfers. • In line with the guidance issued by the Committee on Budget and Finance, implement a clear and organisation wide set of guidelines for delegated authority for approval of budget transfers and limits. • Ensure that budget transfer requests are submitted well in advance of the year end, thus ensuring that any purchases dependant upon a re-allocation of funds can be approved by PRC, communicated to the vendor and recorded against current year appropriations. 	<p>Registry</p>	<p>The first point about ensuring budget requests adequately reflect funding needs will be addressed by the Budget & Finance unit by holding budget preparation training for the 2010 budget during January and February. The approval of budget transfers is clear as all transfers must adhere to specific guidelines and signature authority. The issue of submitting requests before year end has been addressed in recommendation number 2. There will be transfers though near year end every year to cover payroll by virtue of the fact we have mandated staff vacancy rates of 10-15% built into the budget.</p>	<p>Complete</p>	<p>We welcome the positive action that has been taken and we have confirmed from our audit testing of budget transfers in 2008 that such transfers are compliant with the rules and regulations set down.</p>

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
11	<p>We recommend that the Court formally take the decision to adopt IPSAS and develop a strategy for the adoption of these accounting standards. We further recommend that a project team are established for IPSAS implementation and that they report on a regular basis to the Registrar, Committee on Budget and Finance and ASP.</p>	<p>Registry</p>	<p>After its eleventh session, the Committee on Budget and Finance (CBF) recommended that the Court should work towards implementation of IPSAS in the medium term and the approval of funding for a project plan in 2009 (€20,000) as a first step. It further recommended that the Court report to the Assembly at its eighth session, through the Committee, on the project plan and next steps towards implementing IPSAS, including the financial implications and necessary amendments to the Financial Regulations and Rules. The Committee advised to move steadily rather than rapidly towards implementation of IPSAS and to take advantage of the lessons learned during implementation of IPSAS in other international organizations and to prepare the Court's SAP-ERP system for the change in accounting standards. The Committee suggested that implementation in 2011 or 2012 might be targets for the Court, and asked the Court to recommend an implementation date in its report next year.</p>	<p>IPSAS organisational meeting held. Training scheduled for 6-8 July 2009. Project plan to be reviewed by CBF in August 2009.</p>	<p>We note the comments and the progress made and we have included some further commentary in this report at paragraphs 51 to 53.</p>
			<p>At its seventh meeting, the ASP endorsed this recommendation.</p>		

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
12	<p>We recommend that the Court ensure that it review carefully the upcoming OIA report on annual leave and ensure that recommended improvements are implemented to ensure that annual leave balances for all staff are accurately recorded, complete and available at the year end. These figures should be collated, reviewed and available for audit ensuring that this figure is fully supported when it becomes a balance sheet liability on the adoption of IPSAS accounting standards.</p>	<p>Registry</p>	<p>As of 27 October 2008, the Court implemented time management in SAP. The goal was to provide an application, integrated within the HR system and Payroll that did not require users to expend much effort in monitoring the recording of leave, overtime and compensatory time off, and would at the same time facilitate the information flow and/or payment process between any section, HR and Payroll.</p> <p>The advantages of the SAP Time Management tool in comparison with the current system are:</p> <p>All sections will use a standard common recording tool for all types of leave and OT/CTO instead of several excel documents.</p> <p>The entitlements and payments are calculated automatically.</p> <p>Managers can retrieve historical and current reports from SAP for an overview of the attendance for their staff.</p> <p>Operating rules and guidelines avoid data entry mistakes.</p> <p>Payroll and HR are integrated within this application, avoiding duplication of work.</p>	<p>Training sessions were held. Section chiefs submitted systems generated vacation balances signed by staff members as correct.</p>	<p>We welcome the positive action taken to implement this recommendation.</p>

Rec	Recommendation	Responsibility	Action Plan	Expected Completion Date	External Auditor's Comments
13	<p>We recommend that in their deliberations to set up the project office, oversight committee for the project and appoint the project director, they ensure that as responsibility for the project rests with the Registrar as the administrative organ of the Court the project office and project director come within the Registrar's sphere of control for day to day decision making and accountability. In turn the Registrar can then report to the Oversight Committee on the progress being made with the project. This ensures that the administrative organ of the Court has overall responsibility and accountability for the permanent premises project.</p>	Court	<p>Waiting for reply by the States. Also see new resolution (2008). (It must be recalled that it is not the Court who sets up the Oversight Committee, but the States. (see resolution 2007) As decided by the States, the ASP project director (according to the resolution) reports directly to the Oversight Committee, and is only for administrative reasons a staff member of the Court. The ICC project director, who reports to the Registrar, is part of the project board.)</p>	Resolution adopted.	<p>We note the comments made and we have included some further commentary on developments in this project at paragraphs 41 to 44 of this report.</p>
14	<p>We recommend that the Court endeavour to introduce a Statement of Control into the 2008 financial statements in line with current corporate governance best practice. We further recommend that the Court establishes a system where heads of division provide an annual assurance statement confirming that the internal controls operating in their sphere of controls are working effectively or where necessary such a statement should report on control failures.</p>	Registry	<p>The Budget & Finance section is assisting the Office of Internal Audit in the preparation of a statement of internal control questionnaire which will be used as a basis upon which to introduce a statement of internal control with the 2008 financial statements.</p>	<p>Complete. Questionnaire in December with a finalizing and completed by Finance staff in Q1 2009. It was reviewed and accepted by OIA.</p>	<p>The Court have provided a draft Statement of Internal Control for signature by the Registrar in respect of 2008.</p>
15	<p>We recommend that the new Audit Committee mandate be implemented fully and that the modified committee endeavour to meet adequately throughout 2008 with the aim of providing adequate financial audit oversight.</p>	Court	<p>The Audit Committee is already assuming its full mandate. The first external member will take part in the upcoming meeting of the Audit Committee scheduled for 27 May 2009. The Coordination Council has to appoint a second external member.</p>	<p>With respect to the second external member of the Audit Committee, upon review of the terms of reference of the Audit Committee (ongoing), a selection process of the second member will start.</p>	<p>We are working closely with the Heads of Organs to assist them with operating the audit committee in line with best practice internationally. Further commentary is included in this report at paragraphs 30-32.</p>

Annex C

Scope and audit approach

Audit Scope and Objectives

Our audit examined the financial statements of the International Criminal Court for the financial period ended 31 December 2008 in accordance with the Financial Regulations. The main purpose of the audit was to enable us to form an opinion on whether the financial statements fairly presented the Fund's financial position, its surplus, funds and cash flows for the year ended 31 December 2008; and whether they had been properly prepared in accordance with the Financial Regulations.

Audit Standards

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

Audit Approach

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

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

Statement I

International Criminal Court
Statement of income and expenditure and changes in fund balances for the period ending 31 December 2008
(in thousands of euros)

	General Fund & Working Capital Fund		Trust Funds		Total	
	2008	(re-stated) 2007	2008	(re-stated) 2007	2008	(re-stated) 2007
Income						
Assessed contributions	90,382	88,872	-	-	90,382	88,872
Voluntary contributions	-	-	1,216	1,339	1,216	1,339
Interest income	4,537	3,104	45	24	4,582	3,128
Other/miscellaneous income	338	204	-	-	338	204
Total income	95,257	92,180	1,261	1,363	96,518	93,543
Expenditure						
Disbursed expenditures	73,713	61,608	994	1,081	74,707	62,689
Unliquidated obligations	9,000	10,914	200	193	9,200	11,107
Provision for pension liabilities	-	3,424	-	-	-	3,424
Provision for US tax liability	74	-	-	-	74	-
Provision for ILO cases	35	74	-	-	35	74
Provision for Repatriation Grant Accrual	838	1444	-	-	838	1444
Total expenditure	83,660	77,464	1,194	1,274	84,854	78,738
Excess/(shortfall) of income over expenditure	11,597	14,716	67	89	11,664	14,805
Savings on, or cancellation of, prior periods' obligations	2,433	2,933	24	15	2,457	2,948
Credits to States Parties	(23,217)	(6,326)	-	-	(23,217)	(6,326)
Refund to donors	-	-	(73)	(93)	(73)	(93)
Net increase in Working Capital Fund	-	705	-	-	-	705
Reserve for pension of judges	-	-	-	-	-	-
Fund balances at beginning of financial period	56,806	44,778	464	453	57,270	45,231
Fund balances as at 31 December	47,619	56,806	482	464	48,101	57,270

Signed (Bruce Neese) Chief of Finance and Budget Section.....

International Criminal Court
Statement of assets, liabilities, reserves and fund balances as at 31 December 2008
(in thousands of euros)

	General Fund & Working Capital Fund		Trust Funds		Total	
	2008	(re-stated) 2007	2008	(re-stated) 2007	2008	(re-stated) 2007
<i>Assets</i>						
Cash and term deposits	66,977	77,236	835	687	67,812	77,923
Assessed contributions receivable from States Parties	557	8,149	-	-	557	8,149
Voluntary contributions receivable	-	-	286	207	286	207
Other contributions receivable	1	19	-	-	1	19
Interfund balances receivable	561	26	-	-	561	26
Other accounts receivable	4,938	4,426	8	8	4,946	4,434
Deferred charges – education grants	433	330	-	-	433	330
Total assets	73,467	90,186	1,129	902	74,596	91,088
<i>Liabilities</i>						
Contributions/payments received in advance	13,090	9,161	299	223	13,389	9,384
Unliquidated obligations	9,000	10,914	200	193	9,200	11,107
Interfund balances payable	14	-	148	22	162	22
Provision for accrued pension of judges	-	9,715	-	-	-	9,715
Provision for US Tax Liability	74	-	-	-	74	-
Provision for ILO cases	35	74	-	-	35	74
Provision for Repatriation Grant Accrual	2,844	2,312	-	-	2,844	2,312
Other accounts payable	791	1,204	-	-	791	1,204
Total liabilities	25,848	33,380	647	438	26,495	33,818
<i>Reserves and fund balances</i>						
Working Capital Fund	7,406	7,406	-	-	7,406	7,406
Contingency Fund	9,169	9,169	-	-	9,169	9,169
Reserve for unpaid contributions	252	2,298	-	-	252	2,298
Cumulative surplus	30,792	37,933	482	464	31,274	38,397
Total reserves and fund balances	47,619	56,806	482	464	48,101	57,270
Total liabilities, reserves and fund balances	73,467	90,186	1,129	902	74,596	91,088

Signed (Bruce Neese) Chief of Finance and Budget Section.....

International Criminal Court
Statement of cash flow as at 31 December 2008
(in thousands of euros)

	General Fund & Working Capital Fund		Trust Funds		Total	
	2008	2007	2008	2007	2008	2007
<i>Cash flows from operating activities</i>						
Net excess/(shortfall) of income over expenditure (Statement I)	11,597	14,716	67	89	11,664	14,805
Contributions receivable (increase)/decrease	7,610	3,896	(79)	(51)	7,531	3,845
Interfund balances receivable (increase)/decrease	(535)	65	-	-	(535)	65
Other accounts receivable (increase)/decrease	(512)	(375)	-	(1)	(512)	(376)
Deferred charges (increase)/decrease	(103)	(60)	-	-	(103)	(60)
Contributions received in advance increase/(decrease)	3,929	1,417	76	31	4,005	1,448
Unliquidated obligations increase/(decrease)	(1,914)	(807)	7	55	(1,907)	(752)
Interfund balances payable increase/(decrease)	14	-	126	(66)	140	(66)
Provision for accrued pension of judges increase/(decrease)	(9,715)	3,424	-	-	(9,715)	3,424
Provision for US Tax liability increase/(decrease)	74	-	-	-	74	-
Provision for ILO cases increase/(decrease)	(39)	(52)	-	-	(39)	(52)
Provision for Repatriation Grant Accrual increase / (decrease)	532	2,312	-	-	532	2,312
Accounts payable increase/(decrease)	(413)	(877)	-	-	(413)	(877)
Less: interest income	(4,537)	(3,104)	(45)	(24)	(4,582)	(3,128)
Net cash from operating activities	5,988	20,555	152	33	6,140	20,588
<i>Cash flows from investing and financing activities</i>						
Plus: interest income	4,537	3,104	45	24	4,582	3,128
Net cash from investing and financing activities	4,537	3,104	45	24	4,582	3,128
<i>Cash flows from other sources</i>						
Net increase/(decrease) in Working Capital Fund	-	705	-	-	-	705
Savings on, or cancellation of, prior periods' obligations	2,433	2,933	24	15	2,457	2,948
Reserve for pension of judges	-	-	-	-	-	-
Credits to States Parties	(23,217)	(6,326)	-	-	(23,217)	(6,326)
Refund to donors	-	-	(73)	(93)	(73)	(93)
Net cash from other resources	(20,784)	(2,688)	(49)	(78)	(20,833)	(2,766)
Net increase/(decrease) in cash and term deposits	(10,259)	20,971	148	(21)	(10,111)	20,950
Cash and term deposits at beginning of financial period	77,236	56,265	687	708	77,923	56,973
Cash and term deposits at 31 December (Statement II)	66,977	77,236	835	687	67,812	77,923

Statement IV

International Criminal Court
Statement of appropriations for the period 1 January to 31 December 2008
(in thousands of euros)

Major Programme	Appropriation approved	Disbursements	Unliquidated obligations	Provisions	Total expenditures	Unencumbered balance
Judiciary	10,426	9,126	192	252	9,570	856
Office of the Prosecutor	23,201	19,954	1,032	266	21,252	1,949
Registry	51,512	41,364	6,996	407	48,767	2,745
Secretariat of the Assembly of States Parties	4,029	2,313	687	7	3,007	1,022
Secretariat of the Trust Fund for Victims	1,006	872	93	15	980	26
Permanent Premises Project Office	208	84	0	0	84	124
Total	90,382	73,713	9,000	947	83,660	6,722

Schedule 1

International Criminal Court
Status of contributions as at 31 December 2008
(in euros)

States Parties	Outstanding as at 1 January 2008	Prior years		2008					Total outstanding	Credit on 2008 receipts	Receipts relating to 2009
		Collections	Outstanding	Assessed	Credits from 2007	Collections	Outstanding				
								Collections			
Afghanistan	4,004	923	3,081	1,346	-	-	1,346	4,427	-	-	
Albania	-	-	-	8,073	1,401	6,672	-	-	-	2,304	
Andorra	-	-	-	10,764	1,006	9,758	-	-	2,310	-	
Antigua and Barbuda	-	-	-	2,691	2,659	32	-	-	1,353	-	
Argentina	2,487,022	2,487,022	-	437,302	-	437,302	-	-	90,830	-	
Australia	-	-	-	2,404,488	225,398	2,179,090	-	-	-	735,133	
Austria	-	-	-	1,193,497	110,337	1,083,160	-	-	45	-	
Barbados	10,699	10,699	-	12,110	-	12,110	-	-	-	-	
Belgium	-	-	-	1,482,790	276,860	1,205,930	-	-	8,059	-	
Belize	-	-	-	1,346	565	781	-	-	462	-	
Benin *	-	-	-	1,346	1,346	-	-	-	6,301	-	
Bolivia	45,131	21,504	23,627	8,074	-	-	8,074	31,701	-	-	
Bosnia & Herzegovina	-	-	-	8,073	1,139	6,934	-	-	-	1,385	
Botswana	-	-	-	18,838	1,764	17,074	-	-	91	-	
Brazil	1,133,033	1,133,033	-	1,178,697	-	1,107,631	71,066	71,066	-	-	
Bulgaria	-	-	-	26,911	4,711	22,200	-	-	128	-	
Burkina Faso	-	-	-	2,691	513	923	1,255	1,255	-	-	
Burundi	4,437	1,250	3,187	1,346	-	-	1,346	4,533	-	-	
Cambodia	1,369	1,369	-	1,346	-	1,346	-	-	14	-	
Canada	-	-	-	4,005,687	738,136	3,267,551	-	-	1,298,942	-	
Central African Republic	4,437	462	3,975	1,346	-	-	1,346	5,321	-	-	
Chad	1,603	-	1,603	1,346	-	-	1,346	2,949	-	-	
Colombia	-	-	-	141,282	116,751	24,531	-	-	-	72,236	
Comoros	1,870	-	1,870	1,346	-	-	1,346	3,216	-	-	
Congo	-	-	-	1,346	-	462	884	884	-	-	

States Parties	Outstanding as at 1 January 2008							Credits from 2007	Collections	Outstanding	Total outstanding	Credit on 2008 receipts	Receipts relating to 2009
	Prior years			2008									
	Outstanding	Collections	Outstanding	Assessed	Credits from 2007	Collections	Outstanding						
Cook Islands	-	-	-	336	-	-	-	336	-	336	-	-	
Costa Rica	20,907	20,907	-	43,057	-	43,057	-	-	2,714	-	-	-	
Croatia	-	-	-	67,277	11,058	56,219	-	-	-	-	-	17,085	
Cyprus	-	-	-	59,204	10,572	48,632	-	-	295	-	-	-	
Democratic Republic of the Congo	16,535	16,535	-	4,037	-	4,037	-	-	1,688	-	-	-	
Denmark	-	-	-	994,358	93,328	901,030	-	-	-	-	-	331,545	
Djibouti	2,859	462	2,397	1,346	-	-	-	1,346	-	3,743	-	-	
Dominica	2,973	462	2,511	1,346	-	-	-	1,346	-	3,857	-	-	
Dominican Republic	114,610	76,400	38,210	32,293	-	-	-	32,293	-	70,503	-	-	
Ecuador	-	-	-	28,256	2,816	25,440	-	-	-	-	-	-	
Estonia	-	-	-	21,529	3,560	17,969	-	-	5,541	-	-	-	
Fiji	4,113	1,847	2,266	4,037	-	-	-	4,037	-	6,303	-	-	
Finland	-	-	-	758,887	70,159	688,728	-	-	30	-	-	-	
France	-	-	-	8,478,278	1,572,265	6,906,013	-	-	-	-	-	1,378,151	
Gabon	16,142	4,155	11,987	10,764	-	-	-	10,764	-	22,751	-	-	
Gambia	2,859	2,859	-	1,346	-	1,346	-	-	8	-	-	-	
Georgia	-	-	-	4,037	373	3,664	-	-	1,385	-	-	-	
Germany	-	-	-	11,540,739	1,083,828	10,456,911	-	-	439	-	-	-	
Ghana *	-	-	-	5,382	5,382	-	-	-	-	-	-	7,136	
Greece	-	-	-	801,945	74,139	727,806	-	-	3,998	-	-	-	
Guinea	13,842	2,611	11,231	1,346	-	-	-	1,346	-	12,577	-	-	
Guyana	83	83	-	1,346	-	1,346	-	-	-	-	-	2,954	
Honduras	20,872	12,979	7,893	6,728	-	-	-	6,728	-	14,621	-	-	
Hungary	-	-	-	328,313	30,598	297,715	-	-	-	-	-	58,187	
Iceland	-	-	-	49,785	9,049	40,736	-	-	15,700	-	-	-	
Ireland	-	-	-	598,768	101,119	497,649	-	-	-	-	-	161,621	
Italy	-	-	-	6,834,022	1,270,723	5,563,299	-	-	-	-	-	2,255,714	
Japan	-	-	-	19,884,061	-	19,884,061	-	-	-	-	-	-	
Jordan	-	-	-	16,147	1,514	14,633	-	-	1	-	-	-	

States Parties	Outstanding as at 1 January 2008							Total outstanding	Credit on 2008 receipts	Receipts relating to 2009
	Prior years			2008						
	Outstanding	Collections	Assessed	Credits from 2007	Collections	Outstanding	Outstanding			
Kenya	-	-	13,455	3,186	10,269	-	-	-	67	
Latvia	-	-	24,220	2,944	21,276	-	-	-	6,927	
Lesotho	-	-	1,346	266	462	618	618	-	-	
Liberia	-	-	1,346	-	462	884	884	-	-	
Liechtenstein	-	-	13,455	1,898	11,557	-	-	2,309	-	
Lithuania	-	-	41,712	-	41,712	-	-	11,082	-	
Luxembourg	-	-	114,371	10,723	103,648	-	-	-	35,557	
Madagascar	-	-	1,570	-	1,527	43	43	-	-	
Malawi	6,395	6,395	1,346	-	462	884	884	-	-	
Mali *	-	-	1,346	1,346	-	-	-	-	7,673	
Malta	-	-	22,874	3,946	18,928	-	-	-	6,465	
Marshall Islands	4,548	462	1,346	-	-	1,346	5,432	-	-	
Mauritius	-	-	14,801	2,806	11,995	-	-	-	-	
Mexico	-	-	3,036,894	280,758	2,756,136	-	-	-	869,516	
Mongolia	-	-	1,346	255	1,091	-	-	-	462	
Montenegro	-	-	1,346	124	1,222	-	-	-	269	
Namibia	-	-	8,073	761	7,312	-	-	2,771	-	
Nauru	4,247	462	1,346	-	-	1,346	5,131	-	-	
Netherlands	-	-	2,520,205	232,991	2,287,214	-	-	96	-	
New Zealand	-	-	344,460	60,742	283,718	-	-	-	102,050	
Niger	5,977	408	1,346	-	-	1,346	6,915	-	-	
Nigeria	-	-	64,586	5,126	19,393	40,067	40,067	-	-	
Norway	-	-	1,052,216	97,276	954,940	-	-	-	313,541	
Panama	9,216	9,216	30,948	-	30,948	-	-	918	-	
Paraguay	2,101	2,101	6,728	-	6,310	418	418	-	-	
Peru	269,571	150,597	104,953	-	2	104,951	223,925	-	-	
Poland	-	-	674,118	62,321	611,797	-	-	26	-	
Portugal	-	-	709,102	66,474	642,628	-	-	-	217,031	
Republic of Korea	-	-	2,923,868	270,309	2,653,559	-	-	829,342	-	
Romania	-	-	94,188	16,553	77,635	-	-	-	453	

States Parties	Outstanding as at 1 January 2008										Receipts relating to 2009
	Prior years					2008					
	Outstanding	Collections	Outstanding	Assessed	Credits from 2007	Collections	Outstanding	Total outstanding	Credit on 2008 receipts		
Saint Kitts and Nevis	-	-	-	1,346	124	1,222	-	-	-	-	-
Saint Vincent and the Grenadines	4,547	4,547	-	1,346	-	428	918	918	-	-	-
Samoa	-	-	-	1,346	246	1,098	2	2	-	-	-
San Marino	-	-	-	4,037	765	3,272	-	-	-	1,385	-
Senegal	-	-	-	5,382	590	2,309	2,483	2,483	-	-	-
Serbia	-	-	-	28,256	2,649	25,607	-	-	-	142	-
Sierra Leone	4,015	462	3,553	1,346	-	-	1,346	4,899	-	-	-
Slovakia	-	-	-	84,769	14,506	70,263	-	-	-	23,551	-
Slovenia	-	-	-	129,172	12,100	117,072	-	-	-	617	-
South Africa	-	-	-	390,208	74,256	315,952	-	-	-	134,833	-
Spain	3,895,268	3,895,268	-	3,993,577	-	3,993,577	-	-	-	-	1,163,661
Suriname	-	-	-	336	-	-	336	336	-	-	-
Sweden	-	-	-	1,441,079	263,721	1,177,358	-	-	-	7,527	-
Switzerland	-	-	-	1,636,182	151,264	1,484,918	-	-	-	62	-
Tajikistan	2,507	2,507	-	1,346	-	888	458	458	-	-	-
The Former Yugoslav Rep. of Macedonia	-	-	-	6,728	-	6,728	-	-	-	4,003	-
Timor-Leste	-	-	-	1,346	126	1,220	-	-	-	577	-
Trinidad and Tobago	-	-	-	36,330	6,236	30,094	-	-	-	166	-
Uganda	3,555	3,555	-	4,037	-	4,037	-	-	-	-	232
United Kingdom	-	-	-	8,937,110	1,627,366	7,309,744	-	-	-	-	2,829,237
United Republic of Tanzania	-	-	-	8,073	1,651	6,422	-	-	-	21	-
Uruguay	23,600	23,600	-	36,330	-	36,330	-	-	-	41,782	-
Venezuela	-	-	-	269,109	47,402	221,707	-	-	-	11,515	-
Zambia	3,582	923	2,659	1,346	-	-	1,346	4,005	-	-	-
Total (108 States Parties)	8,148,529	7,896,065	252,464	90,382,100	9,146,876	80,930,227	304,997	557,461	2,513,057	10,576,594	

* In 2008, credit on 2007 receipts reported for Benin, Ghana and Mali were respectively €3,362, €10,671 and €8,096. Only €1,346, €5,382 and €1,346 were reported in 2008 as collections against 2008 assessed contributions. The remaining amounts of respectively €2,016, €5,289 and €6,750 are included in the amounts for credit on 2008 receipts to be applied against future years' contributions.

Schedule 2

International Criminal Court
Status of Working Capital Fund as at 31 December 2008
(in euros)

	2008	2007
Balance at beginning of financial period	7,386,629	6,606,176
<i>Receipts/(refunds)</i>		
Receipts from States Parties	18,753	780,453
<i>Withdrawals</i>		
	-	-
Balance as at 31 December	7,405,382	7,386,629
Established level	7,405,983	7,405,983
Less: due from States Parties (Schedule 3)	601	19,354
Balance as at 31 December	7,405,382	7,386,629

International Criminal Court
Status of advances to the Working Capital Fund as at 31 December 2008
(in euros)

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2008
Afghanistan	110	110	-	-
Albania	661	661	-	-
Andorra	882	882	-	-
Antigua and Barbuda	221	221	-	-
Argentina	35,832	35,832	-	-
Australia	197,018	197,018	-	-
Austria	97,794	97,794	-	-
Barbados	992	992	-	-
Belgium	121,496	121,496	-	-
Belize	110	110	-	-
Benin	111	111	-	-
Bolivia	661	661	-	-
Bosnia & Herzegovina	661	661	-	-
Botswana	1,544	1,544	-	-
Brazil	96,580	96,580	-	-
Bulgaria	2,204	2,204	-	-
Burkina Faso	221	221	-	-
Burundi	110	110	-	-
Cambodia	111	111	-	-
Canada	328,216	328,216	-	-
Central African Republic	110	92	18	-
Chad	110	0	110	-
Colombia	11,575	11,575	-	-
Comoros	110	77	33	-
Congo	110	110	-	-
Cook Islands	110	0	110	-
Costa Rica	3,528	3,528	-	-
Croatia	5,513	5,513	-	-
Cyprus	4,851	4,851	-	-
Democratic Republic of the Congo	330	330	-	-
Denmark	81,476	81,476	-	-
Djibouti	110	110	-	-
Dominica	110	110	-	-
Dominican Republic	2,646	2,646	-	-
Ecuador	2,315	2,315	-	-
Estonia	1,765	1,765	-	-
Fiji	331	331	-	-
Finland	62,182	62,182	-	-
France	694,686	694,686	-	-

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2008
Gabon	882	882	-	-
Gambia	110	110	-	-
Georgia	330	330	-	-
Germany	945,614	945,614	-	-
Ghana	441	441	-	-
Greece	65,709	65,709	-	-
Guinea *	110	-15	125	-
Guyana	110	110	-	-
Honduras	551	551	-	-
Hungary	26,901	26,901	-	-
Iceland	4,080	4,080	-	-
Ireland	49,061	49,061	-	-
Italy	559,960	559,960	-	-
Japan	1,629,316	1,629,316	-	-
Jordan	1,323	1,323	-	-
Kenya	1,103	1,103	-	-
Latvia	1,985	1,985	-	-
Lesotho	110	110	-	-
Liberia	110	110	-	-
Liechtenstein	1,103	1,103	-	-
Lithuania	3,418	3,418	-	-
Luxembourg	9,371	9,371	-	-
Madagascar	221	221	-	-
Malawi	110	110	-	-
Mali	111	111	-	-
Malta	1,875	1,875	-	-
Marshall Islands	110	92	18	-
Mauritius	1,213	1,213	-	-
Mexico	248,835	248,835	-	-
Mongolia	110	110	-	-
Montenegro	110	110	-	-
Namibia	662	662	-	-
Nauru	110	92	18	-
Netherlands	206,499	206,499	-	-
New Zealand	28,224	28,224	-	-
Niger	110	69	41	-
Nigeria	5,293	5,293	-	-
Norway	86,216	86,216	-	-
Panama	2,536	2,536	-	-
Paraguay	551	551	-	-
Peru	8,599	8,599	-	-
Poland	55,235	55,235	-	-
Portugal	58,103	58,103	-	-

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2008
Republic of Korea	239,576	239,576	-	-
Romania	7,717	7,717	-	-
Saint Kitts and Nevis	110	110	-	-
Saint Vincent and the Grenadines	110	110	-	-
Samoa	110	110	-	-
San Marino	331	331	-	-
Senegal	440	440	-	-
Serbia	2,315	2,315	-	-
Sierra Leone	110	92	18	-
Slovakia	6,945	6,945	-	-
Slovenia	10,583	10,583	-	-
South Africa	31,973	31,973	-	-
Spain	327,223	327,223	-	-
Suriname	110	0	110	-
Sweden	118,079	118,079	-	-
Switzerland	134,065	134,065	-	-
Tajikistan	110	110	-	-
The Former Yugoslav Rep. of Macedonia	552	552	-	-
Timor-Leste	110	110	-	-
Trinidad and Tobago	2,977	2,977	-	-
Uganda	331	331	-	-
United Kingdom	732,282	732,282	-	-
United Republic of Tanzania	662	662	-	-
Uruguay	2,977	2,977	-	-
Venezuela	22,050	22,050	-	-
Zambia	111	111	-	-
Total (108 States Parties)	7,405,983	7,405,382	601	-

* The negative amount for the cumulative payments for Guinea is caused by the refund of the WCF portion of the cash surplus for 2005, being €290; this decreased the total assessed WCF for Guinea from €400 to €110.

Schedule 4

International Criminal Court
Status of cash surplus as at 31 December 2008
(in euros)

	2008	(re-stated) 2007
Current year		
<i>Credits</i>		
Receipts of assessed contributions	90,077,103	83,020,863
Miscellaneous income	4,875,171	3,308,350
	94,952,274	86,329,213
<i>Charges</i>		
Disbursed expenditures	73,712,446	61,608,565
Unliquidated obligations	8,999,929	10,913,607
Provision for pension liabilities	-	3,423,734
Provision for US Tax liability	73,945	-
Provision for ILO cases	34,947	73,711
Provision for Repatriation Grant Accrual	838,414	1,443,966
	83,659,681	77,463,583
Provisional cash surplus / (deficit)	11,292,593	8,865,630
Contributions receivable	304,997	5,850,937
Excess / (shortfall) of income over expenditure (Statement I)	11,597,590	14,716,567
Disposition of prior year's provisional surplus/(deficit)		
Prior year's provisional surplus/(deficit)	8,865,630	10,612,832
Plus: Receipt of prior periods' assessed contributions	7,896,065	9,671,584
Savings on, or cancellation of, prior periods' obligations	2,433,169	2,932,636
Prior year's cash surplus/(deficit)	19,194,864	23,217,052
Total cash surplus (Statement II)	30,792,454	37,933,619

International Criminal Court
Shares of States Parties in the 2007 cash surplus
(in euros)

States Parties	States Parties to the Rome Statute since	2007 Scale of assessment	Surplus
Afghanistan	May-03	0.00180	346
Albania	Apr-03	0.01082	2,077
Andorra	Dec-02	0.01443	2,770
Antigua and Barbuda	Dec-02	0.00361	693
Argentina	Dec-02	0.58621	112,522
Australia	Dec-02	3.22323	618,695
Austria	Dec-02	1.59989	307,097
Barbados	Mar-03	0.01623	3,116
Belgium	Dec-02	1.98769	381,534
Belize	Dec-02	0.00180	346
Benin	Dec-02	0.00180	346
Bolivia	Dec-02	0.01082	2,077
Bosnia & Herzegovina	Dec-02	0.01082	2,077
Botswana	Dec-02	0.02525	4,847
Brazil	Dec-02	1.58005	303,289
Bulgaria	Dec-02	0.03607	6,924
Burkina Faso	Jul-04	0.00361	693
Burundi	Dec-04	0.00180	346
Cambodia	Dec-02	0.00180	346
Canada	Dec-02	5.36965	1,030,696
Central African Republic	Dec-02	0.00180	346
Chad	Jan-07	0.00180	346
Colombia	Dec-02	0.18939	36,353
Comoros	Nov-06	0.00180	346
Congo	Aug-04	0.00180	346
Costa Rica	Dec-02	0.05772	11,079
Croatia	Dec-02	0.09019	17,311
Cyprus	Dec-02	0.07936	15,234
Democratic Republic of the Congo	Dec-02	0.00541	1,039
Denmark	Dec-02	1.33294	255,857
Djibouti	Feb-03	0.00180	346
Dominica	Dec-02	0.00180	346
Dominican Republic	Aug-05	0.04329	8,309
Ecuador	Dec-02	0.03788	7,271
Estonia	Dec-02	0.02886	5,540
Fiji	Dec-02	0.00541	1,039
Finland	Dec-02	1.01729	195,268
France	Dec-02	11.36518	2,181,531

States Parties	States Parties to the Rome Statute since	2007 Scale of assessment	Surplus
Gabon	Dec-02	0.01443	2,770
Gambia	Dec-02	0.00180	346
Georgia	Dec-02	0.00541	1,039
Germany	Dec-02	15.47042	2,969,527
Ghana	Dec-02	0.00721	1,385
Greece	Dec-02	1.07501	206,347
Guinea	Dec-02	0.00180	346
Guyana	Dec-04	0.00180	346
Honduras	Dec-02	0.00902	1,731
Hungary	Dec-02	0.44011	84,478
Iceland	Dec-02	0.06674	12,810
Ireland	Dec-02	0.80265	154,068
Italy	Dec-02	9.16105	1,758,450
Japan	Oct-07	5.50000	1,055,718
Jordan	Dec-02	0.02164	4,155
Kenya	Jun-05	0.01804	3,462
Latvia	Dec-02	0.03247	6,232
Lesotho	Dec-02	0.00180	346
Liberia	Dec-04	0.00180	346
Liechtenstein	Dec-02	0.01804	3,462
Lithuania	Dec-02	0.05592	10,733
Luxembourg	Dec-02	0.15332	29,429
Malawi	Dec-02	0.00180	346
Mali	Dec-02	0.00180	346
Malta	Dec-02	0.03066	5,886
Marshall Islands	Dec-02	0.00180	346
Mauritius	Dec-02	0.01984	3,809
Mexico	Jan-06	4.07097	781,418
Mongolia	Dec-02	0.00180	346
Montenegro	Jun-06	0.00180	346
Namibia	Dec-02	0.01082	2,077
Nauru	Dec-02	0.00180	346
Netherlands	Dec-02	3.37835	648,470
New Zealand	Dec-02	0.46175	88,632
Niger	Dec-02	0.00180	346
Nigeria	Dec-02	0.08658	16,619
Norway	Dec-02	1.41050	270,744
Panama	Dec-02	0.04149	7,963
Paraguay	Dec-02	0.00902	1,731
Peru	Dec-02	0.14069	27,005
Poland	Dec-02	0.90366	173,456
Portugal	Dec-02	0.95056	182,458
Republic of Korea	Dec-02	3.91946	752,336

States Parties	States Parties to the Rome Statute since	2007 Scale of assessment	Surplus
Romania	Dec-02	0.12626	24,235
Saint Kitts and Nevis	Nov-06	0.00180	346
Saint Vincent and the Grenadines	Dec-02	0.00180	346
Samoa	Dec-02	0.00180	346
San Marino	Dec-02	0.00541	1,039
Senegal	Dec-02	0.00721	1,385
Serbia	Dec-02	0.03788	7,271
Sierra Leone	Dec-02	0.00180	346
Slovakia	Dec-02	0.11363	21,812
Slovenia	Dec-02	0.17316	33,237
South Africa	Dec-02	0.52308	100,404
Spain	Dec-02	5.35341	1,027,580
Sweden	Dec-02	1.93177	370,801
Switzerland	Dec-02	2.19331	421,003
Tajikistan	Dec-02	0.00180	346
The Former Yugoslav Rep. of Macedonia	Dec-02	0.00902	1,731
Timor-Leste	Dec-02	0.00180	346
Trinidad and Tobago	Dec-02	0.04870	9,348
Uganda	Dec-02	0.00541	1,039
United Kingdom	Dec-02	11.98025	2,299,592
United Republic of Tanzania	Dec-02	0.01082	2,077
Uruguay	Dec-02	0.04870	9,348
Venezuela	Dec-02	0.36074	69,244
Zambia	Dec-02	0.00180	346
Total (105 States Parties)		100.0000	19,194,864

Schedule 6

International Criminal Court
Status of voluntary contributions as at 31 December 2008
(in euros)

Project	Contributor	Pledges	Received	Outstanding	Receipts for future periods	Refund to donors
Internship and Visiting Professionals Programme	European Commission	885,792	600,040	285,752	209,325	5,691
	MacArthur Foundation	22,427	22,427	-	-	-
	Finland	45,000	45,000	-	15,000	-
	Foundation Open Society Institute	20,974	20,974	-	-	17,438
	Germany	40,000	40,000	-	-	-
	Switzerland	18,750	18,750	-	6,250	-
			1,032,943	747,191	285,752	230,575
Least Developed Countries	Austria	-	10,000	-	-	-
	Bulgaria	-	7,722	-	-	-
	Finland	-	20,000	-	-	-
	Greece	-	20,000	-	-	-
	Poland	-	10,000	-	-	-
	The Netherlands	-	20,428	-	-	-
	Germany	-	-	-	-	-
			88,150			9,359
Judicial Capacity Strengthening Programme	MacArthur Foundation	-	-	-	-	-
		-	-	-	-	-
ICC Legal Tools Project (Case Matrix)	The Netherlands	20,000	20,000	-	-	-
	Germany	39,500	39,500	-	-	-
	Finland	35,000	35,000	-	35,000	-
		94,500	94,500		35,000	
Joint Appellate Training Programme	Foundation Open Society Institute	-	-	-	-	221
Defence Counsel Seminar	Finland	-	-	-	33,000	
Institutional Video	Norway	-				40,000
General Trust Fund	Austria	-				256
Total voluntary contributions		1,127,443	929,841	285,752	298,575	72,965

Schedule 7

International Criminal Court
Status of trust funds as at 31 December 2008
(in euros)

Trust Fund	Balances brought forward as at 1 January	Receipts	Disbursements	Unliquidated obligations	Total expenditures	Interest Earned	Savings on, or cancellation of, prior periods' obligations	Refunds to donors	Unencumbered balances
General Trust Fund	5,057	-	5,000	-	5,000	198	-	(256)	-
Internship and Visiting Professionals Programme	(152,279)	747,191	801,358	97,058	898,416	32,070	17,054	(23,129)	(277,509)
ICC Institutional Video	38,810	-	-	-	-	1,192	-	(40,000)	2
Least Developed Countries	147,647	88,150	86,150	66,866	153,016	7,028	3,396	(9,359)	83,846
ICC Legal Tools Project (Case Matrix)	6,930	94,500	94,972	-	94,972	1,848	780	-	9,086
Judicial Capacity Strengthening Programme	42,542	-	6,594	35,949	42,543	2,120	-	-	2,119
Joint Appellate Training Programme	221	-	-	-	-	-	-	(221)	-
Defence Counsel Seminar	3,517	-	-	-	-	792	2,596	-	6,905
Total	92,445	929,841	994,074	199,873	1,193,947	45,248	23,826	(72,965)	(175,552)

Notes to the financial statements

1. The International Criminal Court and its objectives

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

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

- a) **Presidency**
 - i) To ensure the proper administration of the Court through means of managerial oversight, coordination and cooperation;
 - ii) To oversee and support the fair, open and effective conduct of proceedings and to fulfil all exclusive judicial functions assigned to the Presidency;
 - iii) To broaden global understanding of and support for the work of the Court by representing it in the international arena.
- b) **Chambers**
 - i) To ensure the conduct of fair, effective and open proceedings, safeguarding the rights of all parties.
- c) **Office of the Prosecutor**
 - i) To promote national efforts and international cooperation to prevent and punish genocide, crimes against humanity and war crimes;
 - ii) To investigate and prosecute genocide, crimes against humanity and war crimes;
 - iii) To build universal consensus on the principles and purposes of the Rome Statute.
- d) **Registry**
 - i) To provide efficient, effective and high-quality judicial and administrative support services to the Presidency and Chambers, the Office of the Prosecutor, the defence, and victims and witnesses.
- e) **Secretariat of the Assembly of States Parties**
 - i) To organize conferences of the Assembly and meetings of the subsidiary bodies of the Assembly, including the Bureau and the Committee on Budget and Finance;
 - ii) To assist the Assembly, including its Bureau and subsidiary bodies in all matters relating to their work, with particular emphasis on the effective scheduling and procedurally correct conduct of meetings as well as consultations;
 - iii) To enable the Assembly and its subsidiary bodies to carry out their mandate more effectively by providing them with high-quality substantive Secretariat servicing and support, including technical Secretariat services.

2. Summary of significant accounting and financial reporting policies

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

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

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

2.4. **Accrual basis:** with the exception of voluntary contributions, as defined in subparagraph 2.15 (b) below, income, expenditure, assets and liabilities are recognized on the modified accrual basis of accounting.

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

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

- a) Realized gains and losses resulting from the purchase of other currencies are recorded as miscellaneous income;
- b) Realized losses on transactions are reflected in the expenditures of the main programmes;
- c) Unrealized gains and losses resulting from the revaluation of cash and other assets and liabilities are recorded as a provision in the balance sheet. At year-end, a cumulative net gain is left as a provision in the balance sheet, whereas a net loss is specifically provided for and recorded as expenditure;
- d) Unrealized gains and losses relating to the revaluation of unliquidated obligations are recorded as expenditure and adjusted in the corresponding programme budgets.

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

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

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

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

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

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

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

2.11. **Assessed contributions:**

- a) In accordance with financial regulation 5.2, the appropriations are assessed to States Parties in accordance with the scale of assessments adopted by the United Nations for its regular budget, adjusted to reflect differences in membership between the United Nations and the Court;
- b) In accordance with financial regulation 5.8, payments made by a State Party are credited first to the Working Capital Fund and then to the contributions due to the General Fund, and then to the Contingency Fund, in the order in which the State Party was assessed;
- c) Contributions paid in other currencies are converted into euros at the rate of exchange in effect at the date of payment;
- d) New States Parties to the Rome Statute are assessed for the year in which they became States Parties for the Working Capital Fund and the regular budget, in accordance with financial regulation 5.10.

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

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

Unless otherwise determined by the Assembly of States Parties, surpluses at the end of the financial period, after deducting there from any assessed contributions for that financial period which remain unpaid, are apportioned to the States Parties based on the scale of assessments applicable for the financial period to which the surplus relates. As of 1 January following the year in which the audit of the accounts of the financial period is completed, the amount of surplus apportioned to a State

Party is surrendered if its contribution for that financial period has been paid in full. In such cases, the credit is used to offset, in whole or in part, contributions due to the Working Capital Fund and assessed contributions due for the calendar year following the financial period to which the surplus relates.

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

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

2.15. **Income:** the organization's income consists of:

- a) Assessed contributions: for the purposes of the financial statements, income is recognized when the assessments to the States Parties of the adopted programme budget have been approved by the Assembly of States Parties;
- b) Voluntary contributions are recorded as income on the basis of a written commitment to pay monetary contributions during the current financial year, except where contributions are not preceded by a pledge. For these funds, income is recorded at the time that the actual contributions are received from the donors;
- c) Funds provided by the United Nations in accordance with article 115, subparagraph (b), of the Rome Statute;
- d) Miscellaneous income includes:
 - i) Refunds of actual expenditures incurred in prior financial periods;
 - ii) Interest income: includes all interest earned on deposits in interest-bearing bank accounts and time deposits;
 - iii) Income derived from investments of the General Fund, the Working Capital Fund and the Contingency Fund;
 - iv) At the end of the financial period, a net positive balance of the account for loss or gain on exchange resulting from currency exchange, or revaluation and devaluation of currency is credited to miscellaneous income. A net negative balance is charged to the relevant expenditure account;
 - v) Proceeds from the sale of property;
 - vi) Voluntary contributions for which no purpose is specified.

2.16. **Expenditure:**

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

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

2.18. **Provision for pension liabilities for judges:** During its seventh session, held from 9 to 13 October 2006, the CBF recommended that the Court should accept the tender of Allianz/NL to insure the judges' pension scheme. The CBF recommendation followed the earlier ASP request to the CBF (ICC-ASP/4/Res.9) for the latter to advise on the most cost-effective option of administering the judges' pension scheme. The CBF recommendation was accepted by the ASP during its fifth session (See ICC-ASP/5/32, Page 16, paragraph 31). The Commencement Date for the contract is 31 December 2008.

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

2.20. **Deferred charges** comprise:

- a) Obligations established prior to the financial period to which they pertain, which are recorded as deferred charges to be charged against the relevant appropriations and funds when they become available;
- b) Expenditure items that are not properly chargeable in the current financial period and that will be charged as expenditure in a subsequent financial period;
- c) That portion of the education grant advance which is assumed to pertain to the scholastic year completed at the date of the financial statement is reported as deferred charges for the purposes of the balance sheet statement only. The full amount of the advance is maintained in the accounts receivable of staff members and officials of the Court until the required evidence of entitlement is produced, at which time the budgetary account is charged and the advance settled.

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

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

2.23. **Repatriation grant liability:** internationally recruited staff members who separate become entitled to repatriation grants after one year of service. Similarly, judges become entitled to receive a relocation allowance after five years of service, upon termination of duty.

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

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

The Pension Fund is a funded defined benefit plan. The financial obligation of the organization to the Fund consists of its mandated contribution at the rate established by the United Nations General Assembly of 15.8 per cent of pensionable remuneration, together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are

only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date.

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

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

3.1. **The International Criminal Court** was established by the Rome Statute of the International Criminal Court on 17 July 1998, when 120 States participating in the "United Nations Diplomatic Conference of Plenipotentiaries on the Establishment of an International Criminal Court" adopted the Statute. The Court is an independent permanent judicial institution composed of the following organs:

- a) The Presidency, comprising the President and the First and Second Vice-Presidents;
- b) The Chambers, comprising an Appeals Division, a Trial Division and a Pre-Trial Division. The Appeals Division is composed of the President and four other judges; the Trial Division is composed of not less than six judges, as is the Pre-Trial Division;
- c) The Office of the Prosecutor, which acts independently as a separate organ of the Court, is responsible for the investigation and prosecution of crimes within the jurisdiction of the Court;
- d) The Registry, which is responsible for:
 - i) Non-judicial support and administrative services for the Court;
 - ii) The provision of judicial support for court services;
 - iii) Management of the internal security of the Court;
 - iv) The implementation of mechanisms to assist and safeguard the rights of victims, witnesses and defence;
- e) The Secretariat, which provides the Assembly and its Bureau, the Credentials Committee, the Committee on Budget and Finance, the Special Group on the Crime of Aggression, as well as, upon explicit decision by the Assembly, any subsidiary body that may be established by the Assembly, with independent substantive servicing as well as administrative and technical assistance.

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

For the purposes of the 2008 financial period, the appropriations were divided into six major programmes: the Judiciary (Presidency and Chambers), the Office of the Prosecutor, the Registry, the Secretariat of the Assembly of States Parties, the Secretariat of the Trust Fund for Victims and the Permanent Premises Project Office.

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

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

3.4. **Statement II** shows the assets, liabilities, reserves and fund balances as at 31 December 2008. The value of non-expendable property is excluded from the assets (see note 2.16 (b)).

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

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

4. General Fund, Working Capital Fund and Contingency Fund

4.1. **Assessed contributions:** the Assembly of States Parties, in its resolution ICC-ASP/6/Res.4, approved the funding of the appropriations of the Court for the financial period 1 January to 31 December 2008 in the total amount of €90,382,100. As at 31 December 2008, there were 108 States Parties to the Rome Statute.

4.2. **Interest income:** interest in the amount of €4,537,438 represents interest earned on the Court's bank accounts for the General Fund, the Working Capital Fund and the Contingency Fund.

4.3. **Miscellaneous income:** the total miscellaneous income of €337,733 represents the following:

Table 1: Details of miscellaneous income

Miscellaneous income	Amount (euros)
Refund of expenditures incurred in prior financial periods	148,258
Miscellaneous income	189,475
Total	337,733

4.4. **Expenditures:** the total amount of expenditures, €83,659,681, comprises total disbursements of €73,712,446, outstanding obligations of €8,999,929 and provisions for liabilities of €947,306. The expenditures are detailed in table 2 below.

Table 2: Details of expenditures (in euros)

Category of expenditure	Appropriation amount	Disbursed expenditures	Unliquidated obligations	Provisions*	Total expenditures
Salaries & other staff costs	64,349,100	58,146,465	967,155	912,359	60,025,979
Travel & hospitality	4,530,000	2,680,516	950,979		3,631,495
Contractual services	7,406,100	4,690,038	2,906,447	34,947	7,631,432
Operating expenses	11,703,500	6,452,115	3,056,636		9,508,751
Acquisitions	2,393,400	1,743,312	1,118,712		2,862,024
Total	90,382,100	73,712,446	8,999,929	947,306	83,659,681

* The amount of €947,306 is recorded in the accounts as a provision for US Tax Liability for staff of €73,945, a provision for Repatriation Grant Accrual of €838,414 and a provision for ILO cases of €34,947 as stated in notes 4.5 and 4.6 below.

4.5. Provisions

- a) **Pension expenditures:** During its seventh session, held from 9 to 13 October 2006, the CBF recommended that the Court should accept the tender of Allianz/NL to insure the judges' pension scheme. The CBF recommendation followed the earlier ASP request to the CBF (ICC-ASP/4/Res.9) for the latter to advise on the most cost-effective option of administering the judges' pension scheme. The CBF recommendation was accepted by the ASP during its fifth session (see ICC-ASP/5/32, page 16, paragraph 31). The Commencement Date for the contract between ICC and Allianz/NL is 31 December 2008.

The pension scheme of the judges' pension will change from an accrual basis system to the payment of an annual premium to Allianz. The accrued amount of the provision of €9,715,023 was settled by the payment made to Allianz/NL and the accrual amount premium for 2008 was paid to Allianz and recorded as expenditure for €2,438,901.

- b) **Provision for US Tax Liability:** According to the practice and fundamental principles of the International Civil Service, as adjudicated upon by the International Labour Organization Administrative Tribunal (ILOAT), all employees of the Court are entitled to exemption from taxation on Court salaries, emoluments and allowances paid by the Court. The calculated tax liability is €73,945 as estimated for the years 2007 and 2008 for 14 United States taxpayers on the payroll of the Court during this period.
- c) **Provision for Repatriation Grant Accrual:** The accounting for repatriation grants has been adjusted in 2008 to increase financial statement transparency. The Repatriation Grant Liability has been subdivided into Provision for Repatriation Grant Accrual of €2,844,505 and Repatriation Grant Liability of €197,433 under Other Accounts Payable. The distinction being that the Repatriation Grant Liability refers to amounts owed to staff as of 31 December 2008 who have already left the Court and the amounts are therefore due and payable. The Repatriation Grant Accrual refers to amounts earned by eligible employees as at 31 December 2008 but are not payable as at 31 December as the staff are still employed by the Court. The amount charged to the budget in 2008 for Provision for Repatriation Grant was €838,414 which was split between the different organs of the ICC. The same subdivision is made for 2007 (as restated) into Provision for Repatriation Grant Accrual of €2,312,677 and Repatriation Grant Liability of €151,890 under other Accounts Payable. The amount charged to the budget in 2007 for Provision for Repatriation Grant was €1,443,966.

4.6. **Provision for ILO cases:** In 2007, the ICC reported a provision of €38,332 for damages and costs regarding a case against the ICC presented by a former staff member of the ICC to the International Labour Organization Administrative Tribunal (ILOAT). In its Judgment of 30 July 2008, case no. AT 2757, the Administrative Tribunal of the International Labour Organization (ILOAT) ordered the ICC to pay the former staff member salary and damages for a total sum of €248,709. This amount was paid on 25 August 2008 to the staff member partially from the provision. The remaining amount of €210,377 has been charged to the regular budget of the ICC.

The Court also recorded as a provision the amount of administrative costs of the Tribunal for 2008 in the amount of €34,947. At the closing of 2008 there were no ICC cases pending before the International Labour Organization Administrative Tribunal (ILOAT) which could result in a judgment during 2008. Therefore, no provision for ILOAT judgments was included in the 2008 financial statements of the Court.

4.7. **Savings on, or cancellation of, prior periods' obligations:** actual disbursements of prior periods' obligations of €10,913,607 amounted to €8,480,438 due to savings on or cancellation of obligations in the amount of €2,433,169.

4.8. **Credits to States Parties:** cash surplus credited to eligible States Parties amounted to €23,217,052. This comprises cash surpluses from 2006 and had been apportioned to States Parties in accordance with their respective assessments for that financial period. The sum of €6,187,837 of this cash surplus had been returned to States Parties and the remaining amount of €17,029,215 was credited towards assessed contributions due and is included in the total amount of collections during 2008 (Schedule 1).

4.9. **Working Capital Fund:** the Assembly of States Parties, in its resolution ICC-ASP/6/Res.4, established the Working Capital Fund for the financial period 1 January to 31 December 2008 in the amount of €7,405,983, at the same level as the previous financial period.

4.10. **Assessed contributions receivable:** the outstanding balance of contributions of €557,461 comprises €252,464 due for prior financial periods and €304,997 due for 2008 (Schedule 1). Contributions received from States Parties in excess of contributions due in the amount of €2,513,057 are reported as contributions received in advance (see note 4.15 (b) below).

4.11. **Other contributions receivable** refer to the outstanding balance due to the Working Capital Fund. The outstanding balance as at 31 December 2008 was €601 (Schedules 2 and 3).

4.12. **Interfund balances receivable** to the General Fund as at 31 December 2008 amount to €561,120, comprising €147,952 from the Trust Funds and €413,168 from the Trust Fund for Victims for which there are separate accounts.

4.13. **Other accounts receivable** in the total amount of €4,937,747 are detailed in table 3 below.

Table 3: Details of other accounts receivable

Accounts receivable	Amount (euros)
Governments (value-added tax) ^{a)}	989,495
Staff	1,019,509
Vendors	77,871
Interest accrued	1,715,624
Travel advances (other than cash advances) ^{b)}	495,306
Advances to vendors for travel-related expenses ^{c)}	507,269
Others	132,673
Total	4,937,747

^{a)} **Value-added tax:** the amount of €989,495 recorded in the accounts as receivable from government for value-added tax (VAT) paid on goods and services includes an amount of €165,046 representing VAT for purchases in Uganda during 2005, 2006, 2007 and 2008. This amount is a receivable from the Ugandan Government. It is not certain whether the amount of €165,046 will be fully recoverable, as the law granting VAT exemption status to the ICC in Uganda was signed on 18 October 2008 and entered into force on 1 July 2008. Efforts will be made for retroactive VAT reimbursement on the basis that the ICC was entitled to VAT exemption status from the beginning of its operations in Uganda and that the delays in formally recognizing that status were not caused by the ICC.

^{b)} **Travel advances (other than cash advances):** represent the amount of travel advances for which the travellers had not submitted travel expense claims to be recorded in the accounts as expenditure in 2008. This is the amount of travel advances with the exception of those paid in the form of cash. Cash advances are recorded as receivables from the travellers and are included in the total amounts for “Staff”, “Vendors”, or “Others” receivables.

^{c)} **Advances to vendors for travel-related expenses:** represent the amounts paid to vendors for travel-related expenses such as tickets and shipments for which the travel claims had not been submitted by the travellers to be recorded as expenditure in the accounts as at 31 December 2008.

4.14. **Education grant advances:** deferred charges contain the amount of €433,234 which is the portion of the education grant advance that is assumed to pertain to the scholastic years completed as at 31 December 2008.

4.15. **Contributions or payments received in advance:** a total of €13,089,651 was received from States Parties to be applied to the next financial period. This comprises:

- a) €10,576,594 received from States Parties in advance for 2009 assessed contributions (Schedule 1);
- b) €2,513,057 representing contributions received in excess of assessed contributions for 2008 resulting from assessment of new States Parties, overpayments or the distribution of 2006 cash surplus (Schedule 1).

4.16. **Other accounts payable** in the total amount of €790,983 are detailed in table 4 below.

Table 4: Details of other accounts payable

Accounts payable	Amount (euros)
Staff	41,780
Vendors	130,304
Deferred payment from Special Court for Sierra Leone ^{a)}	356,870
Repatriation grant liability ^{b)}	197,433
Others	64,596
Total	790,983

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

Following this agreement, the Special Court made advance payments to the ICC to cover its expenditures. The amount of €356,870 is the balance of the advance payments received from the Special Court less the expenditures incurred by the Special Court as at 31 December 2008.

- ^{b)} **Repatriation grant liability:** The accounting for repatriation grants has been adjusted in 2008 to increase financial statement transparency. The Repatriation Grant Liability has been subdivided into Provision for Repatriation Grant Accrual of €2,844,505 and Repatriation Grant Liability of €197,433 under Other Accounts Payable. The distinction being that the Repatriation Grant Liability refers to amounts owed to staff as of 31 December 2008 who have already left the Court and the amounts are therefore due and payable. The Repatriation Grant Accrual refers to amounts earned by eligible employees as at 31 December 2008 but are not payable as at 31 December as the staff are still employed by the Court. The same subdivision is made for 2007 (as restated) into Provision for Repatriation Grant Accrual of €2,312,677 and Repatriation Grant Liability of €151,890 under other Accounts Payable.

4.17. **Contingency Fund:** the amount of €9,168,567, representing the cash surplus for the 2002-2003 financial period, had been credited to establish the Contingency Fund in accordance with part B of resolution ICC-ASP/3/Res.4. The fund had not been used in 2008.

4.18. **Reserve for unpaid assessed contributions:** an amount of €252,464, being the amount of outstanding assessed contributions for prior financial periods (Schedule 1), is deducted from the cumulative surplus to derive the cash surplus for 2007 for distribution to States Parties (Schedule 4).

5. Trust Funds

5.1. **Voluntary contributions:** contributions in the amount of €1,215,593 have been pledged and/or received for 2008 projects.

5.2. **Interest income:** interest in the amount of €45,248 represents interest earned on the Court's bank account for the Trust Funds.

5.3. **Refund to donors:** the amount of €72,965 was refunded to donors, being the amount in excess of the requirements of the specific projects completed (Schedules 6 and 7).

5.4. **Other accounts receivable:** the amount of €7,854 is the interest earned but not received with regard to the bank account of the Trust Funds.

5.5. **Contributions or payments received in advance:** the ICC received voluntary contributions in the total amount of €298,575 for projects starting after 31 December 2008 (Schedule 6).

5.6. **Interfund balances payable:** as at 31 December 2008, interfund balances between the Trust Fund and the General Fund amounted to a payable of €147,952.

6. Non-expendable property

6.1 A summary of non-expendable property, at historical cost, as at 31 December 2008 is provided in table 6 below. In accordance with the current ICC accounting policies, non-expendable property is not included in the fixed assets of the organization, but is directly charged to the budget upon acquisition.

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

Asset management category	Opening balance as at 1 January 2008	Acquisitions/ adjustments	Written-off items ^{a)}	Closing balance as at 31 December 2008
Information, technology and communications equipment	5,920,281	976,055	(86,589)	6,809,747
Security and safety equipment	801,853	27,047	(14,035)	814,865
General services equipment	925,066	108,360	(3,988)	1,029,438
Vehicles and transportation equipment	777,412	33,694	-	811,106
Office of the Prosecutor equipment	1,292,225	78,341	(36,389)	1,334,177
Other equipment	647,193	528,431	-	1,175,624
Courtrooms and Pre-Trial Chamber ^{b)}	1,362,918			1,362,918
Total	11,726,948	1,751,928	(141,001)	13,337,875

^{a)} During 2008, items valued at a total amount of €141,001 had been written off.

^{b)} Courtrooms and Pre-Trial chamber – Courtroom elements constituting an integral part of the installation.

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

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

Asset management category	Opening balance as at 1 January 2008	Acquisitions/ adjustments	Closing balance as at 31 December 2008
Advance team budget	18,277	-	18,277
Host State contributions	148,960	-	148,960
Other donations	270,597	-	270,597
Total	437,834	-	437,834

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

7.1 In addition to the items written off during 2008 as stated in 6.1 above, a total amount of €3,811 had been written off as loss of cash.

8. Ex gratia payments

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

9. Gratis personnel

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

10. Contingent liabilities

10.1 Liabilities for end-of-service payments to staff as at 31 December 2008 in the total amount of €3.1 million are the estimated costs of compensation for accrued annual leave for ICC staff members and elected officials.

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

11. Service-incurred injury

11.1 The ICC entered into an agreement with an insurance company to offer coverage for service-incurred injuries for ICC staff, judges, consultants and temporary assistants. The insurance premium, calculated as a percentage of the pensionable remuneration for the staff members and a comparable percentage for judges, consultants and temporary assistants, is charged to the organization's budget and is reflected in the accounts under expenditures. The total premium paid during 2008 for this insurance was €704,701.

12. Contributions in kind

12.1 As reported in the financial statements for the prior financial periods, the Court continues to receive the following contributions from the host State. They are the only significant (higher than €25,000) contributions in kind received by the Court during the financial period:

- a) Premises to the Court free of rent for a period of 10 years, starting 1 July 2002;
- b) Costs associated with the interim premises of the Court to a maximum of €33 million, including the costs of building a courtroom.

2. Trust Fund for Victims financial statements for the period 1 January to 31 December 2008*

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* Previously issued as ICC-ASP/8/16.

Letter of transmittal

30 March 2009

In accordance with Financial Regulation 11.1, I have the honour to submit the financial statements of the Trust Fund for Victims for the financial period 1 January to 31 December 2008.

(Signed) Silvana Arbia
Registrar

Mr. Graham Miller
Director
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
United Kingdom

Financial Statements of the Trust Fund for Victims for the year ended 31 December 2008

External Auditor's Report

To the Board of Directors of the Trust Fund for Victims and the Assembly of States Parties

I have audited the accompanying financial statements of the Trust Fund for Victims for the financial period ended 31 December 2008. These comprise Statement I, Income and Expenditure and changes in fund balances; Statement II, Statement of Assets, Liabilities, Reserves and Fund Balances; Statement III, Statement of Cash Flow and the supporting Notes 1-3. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Registrar and Auditor

The Registrar is responsible for the preparation and fair presentation of the financial statements, as set out in Resolution 6, reference ICC-ASP/1/Res.6, Annex, para 5. This responsibility includes: designing, implementing and maintaining internal control; the fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

My responsibility is to issue a report on the audit of the financial statements. I am required to express an opinion as to whether the financial statements present fairly the financial position at the end of the period and the results of the operations for the period; and that the financial statements were prepared in accordance with the stated accounting policies. I also report to you whether, in all material respects, the transactions have been made in accordance with the financial regulations.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Registrar in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Trust Fund for Victims' circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the transactions have been made in accordance with the Financial Regulations and applied to the purposes intended by the Board of Directors for the Trust Fund for Victims. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2008 and the results of operations and cash flows for the period then ended in accordance with the Trust Fund for Victims' stated accounting policies.

Opinion on Regularity

In my opinion, in all material respects, the transactions have been made in accordance with the Financial Regulations and applied to the purposes intended by the Board of Directors for the Trust Fund for Victims.

Long Form Report

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

(Signed) Amyas C E Morse
Comptroller and Auditor General
United Kingdom
External Auditor

National Audit Office
London, July 2009

External Auditor's Report 2008

The audit of the financial statements of the Trust Fund for Victims for 2008

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Executive Summary

- An unqualified audit opinion, confirming the reliability of financial reporting.
- A significant increase of 61 percent in voluntary contributions, and expenditure rising to €1.1 million as many of the 34 approved projects in field offices started.
- Voluntary contributions for specific purposes – receipt of the first earmarked contribution, raising the immediate need for arrangements to provide accountability to donors.
- On administrative expenses - the need to set targets and report achievements to demonstrate value for money to States Parties.
- The need to review funding arrangements to assess whether administration expenses should be funded from voluntary contributions.
- The disclosure of contributions in kind in the financial statements.
- Vetting donations over €5,000 and the need to re-evaluate whether this is an appropriate threshold once online donations are introduced.
- Progress on prior year audit recommendations.

Detailed report findings

Overall results of the Audit

1. We have audited the financial statements of the Trust Fund for Victims in accordance with the Financial Regulations and in conformity with International Standards on Auditing issued by the International Auditing and Assurance Standards Board.
2. The audit examination revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and validity of the financial statements; and the audit opinion confirms that these financial statements present fairly, in all material respects, the financial position as at 31 December 2008 and the results of operations and cash flows for the period then ended, in accordance with United Nations System Accounting Standards and the stated accounting policies of the Trust Fund for Victims.
3. The main observations and recommendations from our audit are set out below. Our recommendations are summarised in **Annex A**. Action taken by management in response to our previous year's recommendations, for 2007, is set out at **Annex B**; and the scope and approach of the audit, which were communicated to the Registrar in a detailed audit strategy, is summarised at **Annex C**.

Financial Results

4. The key aspects of the Trust Fund's financial performance in 2008 are as follows:
- Income for the Trust Fund increased substantially, with voluntary contributions increasing by 61 percent, from €578,584 in 2007 to €928,716 in 2008;
 - Income from interest increased by 31 percent, from €103,599 to €135,927 in the period. Total expenditure rose substantially from €81,180 in 2007 to €1,128,528 in 2008;
 - Expenditure increased to €1.1 million, primarily as the 34 approved victim support projects in field offices in the Democratic Republic of Congo and Uganda started in the year; and
 - The overall Fund balance decreased from €3,051,711 in 2007 to €3,005,905. This decrease was due to the significant increase in activity in November and December 2008; and for the first time, the Fund's expenditure was greater than its income.

Voluntary Contributions for Specific Use

5. Last year we commented on the fact that the Trust Fund for Victims legislation had been amended in December 2007 to allow for ear-marked funding to be received by the Fund; and we noted the need to ensure that the accounting structure was capable of monitoring all funding nominated for a particular use, and ensuring that this can be separately identified. We also noted that the Secretariat should be able to segregate and report on all income and expenditure relating to a donation for a specific purpose, as this information will now be of particular interest to donors.
6. The approved budget for the Fund for 2008 included new temporary positions for a Reporting Officer and a Computer Applications Specialist (SAP). The Reporting Officer position was aimed at helping to implement reporting mechanisms, to allow reporting by source of donation, activity, target group and location. The Computer Specialist's post was approved to configure the software to the specific reporting requirements needed.
7. In 2008 the Fund received the first ear-marked donation of €191,000 with a letter stating that the donor would like to receive audited accounts on the costs associated with the contribution. However, we identified that there was still no means of separately identifying expenditure relating to a specific donation, although a mechanism to provide such information had been intended to be in place before the first ear-marked donation was received. It is now imperative that a system is put in place as a matter of priority to monitor the costs attributed to all ear marked contributions. Without this, there may be a risk of damage to the reputation of the Trust Fund for Victims, if the Fund is unable to adequately account for the expenditure relating to specific donations. This could then have a detrimental affect on the receipt of any further donations. The Trust For Victims may also need to consider appropriate verification or audit arrangements for such donations, and identify how the Fund should report back to donors.

Recommendation 1:

We strongly recommend that, as a matter of priority, the necessary changes are made to the accounting and reporting systems to ensure that expenditure relating to ear-marked funding is separately identifiable, so as to meet the accountability requirements of donors.

We further recommend that the Trust Find for Victims considers appropriate verification or oversight arrangements for such donations, to satisfy the requirements set down by donors for audited information on how their funds are used.

Administration Expenditure

8. Administration expenses for the Trust Fund for Victims are financed from the International Criminal Court budget line for Major Programme VI: Secretariat of the Trust Fund for Victims. This funding is provided to support staff resources and non staff resources such as travel, hospitality, contractual services, general operating expenses and basic supplies and materials. The budget for administration expenses for the Secretariat in 2008 was €1 million in comparison with €0.7 million in 2007. This represents an increase of 40 percent for 2008 over 2007. This is a significant increase compared with the ICC's other Major Programme budget lines.
9. We note that the approved budget for 2008 included some performance indicators and targets set for the Victim's Trust Fund. These included targets such as doubling the amount of voluntary contributions received and ensuring all approved vacant posts are filled. We note, however, that there are a number of objectives for which targets were not set, since the Fund is considered to be in the start-up phase and management feel that it is not yet possible realistically to estimate the level of activities. The main areas where targets were not set related largely to direct participation with victims, expanding the network of partners, and promotion for the Fund through various forums. Of 16 defined performance indicators, only six had established targets, with the rest declared as being not possible to estimate.
10. It is important that the Trust Fund for Victims continues to be transparent and accountable for administration expenditure, as this is financed from Member States' assessed contributions. As a result, it is important to have an adequate range of targets set to monitor performance; and for there to be formal reporting of achievement against these targets. This will provide assurance to Member States that the activities of the Fund have provided value for money.

Recommendation 2:

We recommend that Court management assess whether additional performance targets can now be set in order to evaluate the effectiveness of the Fund, given the increased level of resources provided by Member States and the increased level of activity being undertaken by the Fund.

We also recommend that formal reporting of performance against these set targets be taken forward so that this information can be presented to States Parties. Such reporting could be in the form of a management commentary included as a Director's report and submitted with the annual financial statements of the Fund.

11. We have revisited the current financing arrangements for the Fund which arose from ASP resolution - ICC-ASP/3/Res.7, Paragraph 4, which states that:

“The Assembly of States Parties, decides that, pending further evaluation by the Assembly of States Parties in accordance with paragraph 6 of resolution ICC-ASP/1/Res. 6, the Secretariat shall be funded by the regular budget.”

and Paragraph 6 of ICC-ASP/1/Res.6, which provides that:

“The Assembly of States Parties may, as and when the workload of the Trust Fund increases, consider, on the recommendation of the Board and after consulting with the Registrar as required, the creation of an expanded capacity, including the appointment of an Executive Director, either within or outside the Registry as appropriate, to provide further assistance with the proper and effective functioning of the Trust Fund. The Assembly of States Parties shall, as part of such consideration, after consulting with the Board and the Registrar, consider the payment of expenses of the Trust Fund from the voluntary contributions accruing to it.”

12. There has been no subsequent review of these Resolutions since 2004. During our audit we were unable to find sufficient evidence to determine whether all costs could now be financed from the voluntary contributions the Fund has received.
13. There is a risk that the Court will continue to fund the administration expenses of the Trust Fund for Victims longer than it is appropriate or necessary, due to having not fully re-evaluated the Fund's position in relation to these resolutions.

Recommendation 3:

We recommend that an evaluation of the level of activity of the Trust Fund be undertaken in relation to the original ASP resolutions, so that the Court can determine whether it is appropriate and viable for the expenses of the Secretariat of the Fund to be paid from voluntary contributions rather than from the major programme budget of the ICC.

14. Our review of the ASP resolutions covering administration support for the Fund also led us to consider the level of additional services provided free of charge by the Court to the Trust Fund for Victims. The Fund is currently not charged for any programme support costs, unlike the Court's other Trust Funds. Therefore the Trust Fund for Victims is not charged for the use of shared services such as premises, maintenance costs, the IT network, accounting and procurement systems.
15. During our audit we also found evidence to suggest that as the Trust Fund has expanded its activities into programmatic areas, the Fund has received other services and support free of charge from various external parties, in addition to the support provided by the Court, as described above. In line with best practice we have requested that the Fund's financial statements, for the first time, include an additional disclosure note listing Contributions in Kind. This will provide improved transparency to readers of the financial statements, by enabling greater visibility of the level of resources required for the Fund to operate during the period.

Vetting Donations

16. During our audit we observed that staff only carry out a verification of the sources of contributions for donations over €5,000. We noted that most of the donations received in excess of €5,000 were from Governments and therefore were considered entirely acceptable. In contrast, we noted that items under €5,000 were mainly received from individuals and as such there could be some risk of irregular donations being received from inappropriate sources. Consequently there may be a risk that voluntary contributions received are not consistent with the goals and activities of the Fund, or could affect the independence of the Fund.
17. We reported a number of potential risks associated with online donations in our 2007 report. The potential increase in donations under €5000 once online donations become possible will require greater scrutiny to ensure that the Fund accepts legitimate donations from appropriate sources.

Recommendation 4:

We recommend that the current threshold for vetting donors be re-evaluated once the online donation system has been introduced and the Fund has some data on the volume and value of donations received through this system.

Follow up to Prior Year Audit Recommendations

18. In our 2007 report we made recommendations relating to voluntary contributions for specific purposes, online donations and the use of General Temporary Assistants. We have followed up on these recommendations and the Secretariat's response to our recommendations are summarised in this report at Annex A. We will continue to monitor progress on audit recommendations as part of our routine work.

Acknowledgement

19. We are grateful for the assistance and co-operation received from the International Criminal Court's Trust Fund for Victims and, in particular, from the Registrar and her staff during the course of our audit.

(Signed) Amyas C E Morse
Comptroller and Auditor General, United Kingdom
External Auditor

Annex A

Summary of audit recommendations for 2008

Recommendation 1:

We strongly recommend that, as a matter of priority, the necessary changes are made to the accounting and reporting systems to ensure that expenditure relating to ear-marked funding is separately identifiable, so as to meet the accountability requirements of the donors.

We further recommend that the Trust Fund for Victims considers appropriate verification or oversight arrangements for such donations, to satisfy the requirements set down by donors for audited information on how their funds are used.

Recommendation 2:

We recommend that Court management assess whether additional performance targets can now be set in order to evaluate the effectiveness of the Fund, given the increased level of resources provided by Member States and the increased level of activity being undertaken by the Fund.

We also recommend that formal reporting of performance against these set targets be taken forward so that this information can be presented to States Parties. Such reporting could be in the form of a management commentary included as a Director's report submitted with the annual financial statements of the Fund.

Recommendation 3:

We recommend that an evaluation of the level of activity of the Trust Fund be undertaken in relation to the original ASP resolutions, so that the Court can determine whether it is appropriate and viable for the expenses of the Secretariat of the Fund to be paid from voluntary contributions rather than from the major programme budget of the ICC.

Recommendation 4:

We recommend that the current threshold for vetting donors be re-evaluated once the online donation system has been introduced and the Fund has some data on the volume and value of donations received through this system.

Annex B

Follow up to prior year recommendations

Rec	Recommendations from 2007 Audit	Management Response on Progress	Expected completion date	Audit Comment
1	<p>We recommend that the Secretariat ensure that there is an appropriate system in place to identify, monitor and report on all income and expenditure relating to donations for specific purposes. This will enable the Secretariat to provide accurate reports to donors on the use of these funds, and provide transparency and accountability for funds provided for specific purposes.</p>	<p>The Secretariat has been addressing this issue and proposed a solution to ICT and Budget and Finance, to which both Sections agreed. This proposal will provide an accounting systems solution. Until such a solution is implemented in the Court's SAP system, the Senior Administration / Liaison Officer of the Secretariat is controlling the earmarked, specific purposes contributions and relating expenditure outside the SAP system.</p>	<p>If ICT makes sufficient funding available for the implementation of the complete SAP Grants Management system, the basic set-up of the SAP Grants Management system could be operational by the end of 2009, and the complete SAP Grants Management system by 2010.</p>	<p>In the light of an earmarked donation having been received in 2008, we have made some further comments on this area in our 2008 report.</p>
2	<p>We recommend that the Secretariat ensure that it has adequate administrative resources in place to effectively manage the introduction of an on-line donation facility prior to its induction. We also recommend careful consideration of the level at which the donation vetting threshold is set. This should be low enough to provide adequate protection to the Fund to vet significant donations, but high enough to prevent the cost of vetting becoming prohibitively expensive and materially reducing the value of donations being made on-line.</p>	<p>The Secretariat is currently setting-up an on-line contributions system for the TFV, taking into consideration the recommendations made by the External Auditor. Following the 2007 recommendation of the External Auditor and the 2008 recommendation of the Internal Auditor, the post of Senior Administration / Liaison Officer was provided to the Secretariat to manage the introduction of the on-line contributions system. The on-line contributions system for Euro contributions should be operational in the latter part of 2009. For US-based contributions, the Secretariat has asked for the cooperation of the United Nations Foundation and is awaiting its answer. The threshold for the acceptance of private contributions without vetting has been set by the Board of Directors of the TFV to be USD 5,000 or its equivalent in Euros. This low vetting threshold should eliminate the risk of money laundering. In order for this control to be maintained it is critical that the senior administrative capacity/post be maintained at the current level within the Secretariat.</p>	<p>It is expected that the on-line contributions system for Euros will be operational in the second half of 2009.</p>	<p>We note the progress made in respect of this recommendation and have further recommended that the threshold be re-evaluated once some data on the volume and value of online donations is available.</p>

Rec	Recommendations from 2007 Audit	Management Response on Progress	Expected completion date	Audit Comment
3	<p>We also recommend that the Secretariat endeavour to secure established posts for key roles within the Secretariat to reduce the risk of high turnover of key staff. The Secretariat should ensure that administrative procedures are documented in a usable form as this will ensure that key information is not lost through temporary staff turnover.</p>	<p>From 2009, the Secretariat received an additional professional post of a Senior Administration /Liaison Officer responsible for general administration; policy and planning; budget; and human resources management.</p> <p>Until May 2009, the Secretariat has filled all key posts; currently vacant are only two posts – one G-6 and one P-3 (the former Executive Assistant, a G-6, had resigned in January 2009, her successor is expected to report on duty in June 2009; the second vacant post, a P-3 Monitoring and Evaluation Officer, has been approved in the 2009 budget for 6 work months only and can, therefore, only be filled later in the year).</p>	<p>All key posts have been filled in the first half of 2009</p>	<p>We note the positive progress made on this recommendation.</p>
Rec	Recommendations from 2006 Audit	Management Response on Progress (given after 2007 audit)	Expected Completion Date	Update on progress after 2008 Audit
1	<p>We recommend that the Fund consider improving the coding structure for its activities in the SAP accounting system, to ensure better financial reporting and the security of the Fund's data related to victims.</p>	<p>It is the intention of the Fund to view the SAP coding structure utilized by the World Food Programme (WFP), given their extensive financial reporting, as a basis to improve the coding structure at the Court. Moreover, it is also planned to review how the security of victims' data is being treated by the Court. If deemed necessary the Fund will extend its review to include other entities dealing with victims.</p>	<p>Ongoing</p>	<p>The issue is pending as the coding structure is linked to the setting up of an appropriate monitoring and control system in SAP. If funding is made available for the implementation of a basic SAP Grants Management system, this basic system could be operational by the end of 2009. However, to fully meet the requirements of the TFV and of donors, a complete SAP Grants Management has to be implemented. Similarly, it is also important that the current level of administrative support within the Secretariat be maintained to meet the needs of all concerned.</p>

Rec	Recommendations from 2006 Audit	Management Response on Progress (given after 2007 audit)	Expected Completion Date	Update on progress after 2008 Audit
2	<p>We further recommend that the Fund review the administrative support requirement to discharge its functions and ensure that an appropriate level of support is available.</p>	<p>The Fund has included provision for a new post as part of its 2009 proposed budget to ensure an appropriate level of support is available as the Fund's activity expands.</p>	<p>December 2008</p>	<p>From 2009, the Secretariat has a Senior Administrative / Liaison Officer responsible for general administration; policy and planning; budget; and human resources management.</p>
3	<p>We also recommend that the Fund consider the issues presented by working with several different currencies to make payments to victims; and the way in which exposure to exchange rate fluctuations will be managed.</p>	<p>Given the Fund's recent commencement with project activity the Fund plans to monitor its activity over the next two years to enable the Fund to take a decision which is based on actual experience.</p>	<p>Ongoing</p>	<p>The Court applies the operational rate of exchange established by the United Nations, as stated in Financial Rule 111.5 on the accounting for exchange rate fluctuations. The Secretariat wants to raise the issue of exchange rate fluctuations with the members of the Investment Review Committee and discuss whether forward purchasing or other means would be available to protect the Fund against adverse fluctuations.</p>

Annex C

Scope and Audit Approach

Audit Scope and Objectives

Our audit examined the financial statements of the Trust Fund for Victims for the financial period ended 31 December 2008 in accordance with the Financial Regulations. The main purpose of the audit was to enable us to form an opinion on whether the financial statements fairly presented the Fund's financial position, its surplus, funds and cash flows for the year ended 31 December 2008; and whether they had been properly prepared in accordance with the Financial Regulations.

Audit Standards

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

Audit Approach

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

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

Trust Fund for Victims
Statement of income and expenditure and changes in fund balances
for the period ending 31 December 2008
(in euros)

	2008	<i>Notes Ref.</i>	2007
<i>Income</i>			
Voluntary contributions	928,716	3.4	578,584
Interest income	135,927		103,599
Other/miscellaneous income	-		-
Total income	1,064,643		682,183
<i>Expenditure</i>			
Expenditures	464,538	3.5	43,061
Unliquidated obligations	663,990	3.5	38,119
Total expenditure	1,128,528		81,180
Excess/(shortfall) of income over expenditure	(63,885)		601,003
Savings on, or cancellation of, prior periods obligations	18,078	3.6	
Fund balances at beginning of financial period	3,051,711		2,450,708
Fund balances as at 31 December 2008	3,005,904		3,051,711

Signed (Bruce Neese)
Chief of Finance and Budget Section

Statement II

Trust Fund for Victims
Statement of assets, liabilities, reserves and fund balances
as at 31 December 2008
(in euros)

	2008	<i>Notes Ref.</i>	2007
<i>Assets</i>			
Cash and term deposits	4,009,926		3,037,161
Other accounts receivable	73,136	3.7	56,669
Total assets	4,083,062		3,093,830
<i>Liabilities</i>			
Unliquidated obligations	663,990		38,119
Interfund balances payable	413,168	3.8	4,000
Total liabilities	1,077,158		42,119
<i>Reserves and fund balances</i>			
Cumulative surplus	3,005,904		3,051,711
Total reserves and fund balances	3,005,904		3,051,711
Total liabilities, reserves and fund balances	4,083,062		3,093,830

Signed (Bruce Neese)
Chief of Finance and Budget Section

Statement III

Trust Fund for Victims
Statement of cash flow as at 31 December 2008
(in euros)

	2008	2007
<i>Cash flows from operating activities</i>		
Net excess/(shortfall) of income over expenditure (Statement I)	(63,885)	601,003
Other accounts receivable (increase)/decrease	(16,467)	(43,554)
Unliquidated obligations increase/(decrease)	625,871	34,119
Interfund balances payable increase/(decrease)	409,168	1,001
Less: interest income	(135,927)	(103,599)
Net cash from operating activities	818,760	488,970
<i>Cash flows from investing and financing activities</i>		
Plus: interest income	135,927	103,599
Net cash from investing and financing activities	135,927	103,599
<i>Cash flows from other sources</i>		
Net increase/(decrease)	18,078	-
Net cash from other sources	18,078	-
Net increase/(decrease) in cash and term deposits	972,765	592,569
Cash and term deposits at beginning of period	3,037,161	2,444,592
Cash and term deposits at 31 December 2008 (Statement II)	4,009,926	3,037,161

Notes to the financial statements of the Trust Fund for Victims

1. The Trust Fund for Victims and its objectives

1.1 The Trust Fund for Victims was established by the Assembly of States Parties (ASP), in its resolution ICC-ASP/1/Res.6, for the benefit of victims of crimes within the jurisdiction of the International Criminal Court (ICC), and the families of such victims.

In the annex to that resolution, the Assembly of States Parties established a Board of Directors, which is responsible for the management of the Trust Fund.

2. Summary of significant accounting and financial reporting policies

2.1. The accounts of the Trust Fund for Victims are maintained in accordance with the Financial Regulations and Rules of the ICC, as established by the Assembly of States Parties in the annex to resolution ICC-ASP/1/Res.6. Therefore, the accounts of the Trust Fund are currently in conformity with the United Nations system accounting standards. These notes form an integral part of the Trust Fund's financial statements.

2.2. **Fund accounting:** the Trust Fund's accounts are maintained on a fund accounting basis.

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

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

2.5. **Currency of accounts:** the accounts of the Trust Fund are presented in euros. Accounting records kept in other currencies are converted into euros at the United Nations operational rate of exchange in effect at the date of the financial statement. Transactions in other currencies are converted into euros at the United Nations operational rate of exchange in effect at the date of transaction.

2.6. **Funding:** the Trust Fund for Victims is funded by:

- a) Voluntary contributions from governments, international organizations, individuals, corporations and other entities, in accordance with relevant criteria adopted by the Assembly of States Parties;
- b) Money and other property collected through fines or forfeiture transferred to the Trust Fund if ordered by the ICC pursuant to article 79, paragraph 2, of the Statute;
- c) Resources collected through awards for reparations, if ordered by the ICC pursuant to rule 98 of the Rules of Procedure and Evidence;
- d) Resources as the Assembly of States Parties may decide to allocate.

2.7. **Income:** voluntary contributions are recorded as income on the basis of a written commitment to pay monetary contributions during the current financial year, except where contributions are not preceded by a pledge. For these funds, income is recorded at the time that the actual contributions are received from the donors.

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

3. The Trust Fund for Victims (statements I-III)

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

3.2. **Statement II** shows the assets, liabilities, reserves and fund balances as at 31 December 2008.

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

3.4. **Voluntary contributions** in the total amount of €928,716 were received from governments, individuals, organizations and other entities.

3.5. **Expenditures:** the total amount of expenditures of €1,128,528 comprises disbursed expenditures of €464,538 and outstanding obligations of €663,990.

3.6. **Savings on, or cancellation of, prior periods' obligations:** actual disbursements of prior periods' obligations of €38,119 amounted to €20,041 due to savings on or cancellation of obligations in the amount of €18,078.

3.7. **Other accounts receivable** in the amount of €73,136 represent interest earned but not yet received as at 31 December 2008.

3.8. **Interfund balances payable** represents a payable of €413,168 to the ICC General Fund.

3.9. **Contributions from the ICC:** in annex 6 of resolution ICC-ASP/1/Res.6, the Assembly of States Parties decided that the Registrar of the Court should be responsible for providing such assistance as is necessary for the proper functioning of the Board of Directors of the Trust Fund in carrying out its tasks, and should participate in the meetings of the Board in an advisory capacity.

In 2008, the ASP approved an appropriation of €1,006,000 for the Secretariat of the Trust Fund for Victims which administers the Trust Fund and offers administrative support to the Board and its meetings. Expenditures recorded in the accounts for the Secretariat during the financial period are €979,140.

3.10. Contributions in kind

The following are the significant contributions in kind received by the Trust Fund for Victims during the financial period:

- a) Administrative Services are provided by ICC sections, mainly by the Budget and Finance Section (accounts preparation, bank reconciliations, recording and payment of invoices) and the General Services Section for Procurement (preparation of Purchase Orders).
 - b) Other Contributions in kind: the Trust Fund for Victims received around €23,000 as in-kind matching contributions from partner organizations in 2008.
-