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Financial statements of the International Criminal Court for the year ended 31 December 2017

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Letter of transmittal

29 June 2018

In accordance with financial regulation 11.1 the Registrar shall submit to the Auditor accounts for the financial period. I have the honour of submitting the financial statements of the International Criminal Court for the financial period 1 January to 31 December 2017.

Gela Abesadze
Chief of Finance Section

Peter Lewis
Registrar

Michel Camoin
External Audit Director
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13 rue Cambon,
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Statement on Internal Financial Control

Scope of responsibilities

1. In accordance with financial rule 101.1(b), the Registrar in his capacity as principal administrative officer of the Court is “responsible and accountable for ensuring that these Rules are administered in a coherent manner by all organs of the Court, including through appropriate institutional arrangements with the Office of the Prosecutor with regard to management and administrative functions falling under the authority of that Office by virtue of article 42, paragraph 2, of the Rome Statute”. Financial regulation 11 and, *inter alia*, rule 111.1, assign responsibility for the accounts to me. In accordance with this financial regulation and rule, I have prescribed and maintained financial and subsidiary records, established the accounting procedures of the Court and designated the officials responsible for performing accounting functions.

2. In line with the Court’s financial regulation 1.4, these “Regulations shall be implemented in a manner consistent with the responsibilities of the Prosecutor and the Registrar as set out in articles 42, paragraph 2, and 43, paragraph 1, of the Rome Statute. The Prosecutor and the Registrar shall cooperate, taking into account the independent exercise by the Prosecutor of his or her functions under the Statute”.

3. Furthermore, in accordance with financial regulation 10.1, as Registrar I have responsibility for maintaining “an internal financial control which shall provide for effective current examination and/or review of financial transactions in order to ensure:

(a) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Court;

(b) The conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Assembly of States Parties, or with the purposes and rules relating to trust funds and special accounts; and

(c) The economic use of resources of the Court”.

4. Having made appropriate institutional arrangements in cooperation with the Office of the Prosecutor as provided for in rule 101.1(b), I am satisfied that appropriate systems of internal financial control were in place throughout the financial period of 2017.

Review of effectiveness of the system of internal financial control

5. The effectiveness of the system of internal financial control and compliance with the Court’s Financial Regulations and Rules relies on operational managers (certifying officers) within the Court.

6. My review of the effectiveness of the system of internal control and compliance with the Court’s Financial Regulations and Rules is informed by the work of the internal auditors, the work of the operational managers within the Registry who have responsibility for the maintenance of the internal control framework and comments made by the external auditors in their reports.

7. I am satisfied that I have received the necessary assurances to confirm that an appropriate framework of internal financial control was in place during 2017.

Peter Lewis
Registrar

29 June 2018

Independent auditor’s opinion

Opinion

1. We have audited the Financial Statements of the International Criminal Court (“the Court”), for the 12 month period ended 31 December 2017. These Financial Statements include a Statement of Financial Position as at 31 December 2017, a Statement of Financial Performance, a Statement of Changes in Net Assets/Equity, a Statement of Cash Flow, a Statement of Comparison of Budget and Actual Amounts and notes, including a summary of the accounting policies and other information. A set of seven schedules presenting some additional information under United Nations System Accounting Standards (UNSAS), outside the scope of this audit, have also been added in an annex to the Financial Statements.

2. Based on our audit, the Financial Statements give a fair view of the financial position of the International Criminal Court as at 31 December 2017, as well as the financial performance, the cash flow and the comparison of budget and actual amounts for the 12 month period ended 31 December 2017 in conformity with the International Public Sector Accounting Standards (IPSAS).

Material Uncertainty Related to Going Concern

3. We draw your attention specifically to the matter set forth in notes 2.4 (“Basis of preparation”) and 2.19 (“Liquidity risks”) to the Financial Statements, regarding the going concern principle. Our opinion is not modified in respect of this matter, but our comments and recommendations are presented in paragraphs 47 to 76 of our report in order to emphasize the risk of insufficient cash flow faced by the Court.

Basis for Opinion

4. We have conducted our audit in accordance with the International Standards on Auditing (ISA) and in accordance with the additional terms of reference defined in regulation 12 of the Financial Regulations and Rules of the Court. These Standards require us to comply with the ethical rules and to plan and perform our audit in order to obtain a reasonable assurance that the financial statements are free from material misstatements. As required by the Charter of Ethics of the *Cour des comptes*, we guarantee the independence, the fairness, the neutrality, the integrity and the professional discretion of the auditors. Furthermore, we also fulfilled our other ethical obligations in compliance with the Code of Ethics of the International Organization of Supreme Audit Institutions (INTOSAI). The responsibilities of the Auditor are more extensively described in the section “Auditor’s Responsibilities for the Audit of the Financial Statements”.

5. We believe that the audit evidence collected is sufficient and appropriate to constitute a reasonable basis for our opinion.

Management’s Responsibilities for the Financial Statements

6. By virtue of regulation 11 of the Financial Regulations and Rules, the Registrar of the Court is responsible for preparing and presenting the financial statements. These statements are in conformity with the IPSAS. This responsibility includes the design, implementation and monitoring of internal control procedures to ensure the preparation and the fair presentation of financial statements, free of significant misstatements, resulting either from frauds or errors. This responsibility also includes the determination of fair accounting estimates adapted to the circumstances.

Auditor's Responsibilities for the Audit of the Financial Statements

7. The goal of the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. An audit therefore consists in implementing audit procedures in order to collect audit evidence regarding the amounts and the information presented in the financial statements. The External Auditor takes into account the internal control in effect in the entity, relative to the establishment and preparation of financial statements, so as to define appropriate audit procedures in the circumstances, and not with the aim of expressing an opinion on the effectiveness of this control. The choice of the audit procedures is based on the External Auditor's professional judgment, as is the case for the risk evaluation of the financial statements, for the assessment of the appropriateness of the accounting policies and of the accounting estimates, and for the overall presentation of the financial statements.

(Signed)
Didier Migaud

Statement I

International Criminal Court - Statement of financial position as at 31 December 2017 (in thousands of euros)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
Assets			
<i>Current assets</i>			
Cash and cash equivalents	3	7,082	20,404
Accounts receivable (non-exchange transactions)	4	24,432	13,932
Other accounts receivable	5	1,128	3,206
Prepayments and other current assets	6	2,321	2,905
<i>Total current assets</i>		<i>34,963</i>	<i>40,447</i>
<i>Non-current assets</i>			
Accounts receivable (non-exchange transactions)	4	36	41
Property, plant and equipment	7	189,286	199,728
Intangible assets	8	1,109	1,342
Reimbursement right	10	27,330	25,529
<i>Total non-current assets</i>		<i>217,761</i>	<i>226,640</i>
Total assets		252,724	267,087
Liabilities			
<i>Current liabilities</i>			
Accounts payable	9	5,715	5,696
Employee benefit liabilities	10	10,542	9,728
Host State loan	11	1,801	1,759
Deferred revenue and accrued expenses	12	8,872	11,229
Provisions	13	2,380	2,257
<i>Total current liabilities</i>		<i>29,310</i>	<i>30,669</i>
<i>Non-current liabilities</i>			
Accounts payable	9	505	586
Employee benefit liabilities	10	53,376	47,471
Host State loan	11	70,708	72,509
<i>Total non-current liabilities</i>		<i>124,589</i>	<i>120,566</i>
Total liabilities		153,899	151,235
Net assets/equity			
Contingency Fund	14	3,764	5,791
Working Capital Fund	14	17	3,664
Other fund balances	14	95,044	106,397
Total net assets/equity		98,825	115,852
Total liabilities and net assets/equity		252,724	267,087

The accompanying notes form an integral part of these financial statements.

Statement II

International Criminal Court - Statement of financial performance for the year ended 31 December 2017 (in thousands of euros)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
Revenue			
Assessed contributions	15	140,060	133,061
Voluntary contributions	15	1,662	1,789
Financial revenue	15	161	45
Other revenue	15	219	1,488
Total revenue		142,102	136,383
Expenses			
Employee benefit expenses	16	106,865	100,433
Travel and hospitality	17	6,632	5,331
Contractual services	18	5,550	5,352
Counsel fees	19	6,243	5,546
Operating expenses	20	14,302	11,292
Supplies and materials	21	2,151	2,473
Depreciation and amortization	22	12,311	12,093
Financial expenses	23	1,894	2,221
Total expenses		155,948	144,741
<i>Surplus/(deficit) for the period</i>		<i>(13,846)</i>	<i>(8,358)</i>

The accompanying notes form an integral part of these financial statements.

Statement III

International Criminal Court - Statement of changes in net assets/equity for the year ended 31 December 2017 (in thousands of euros)

	<i>General</i>							<i>Trust Funds</i>	<i>Total Net Assets/equity</i>
	<i>General Fund</i>								
	<i>Working Capital Fund</i>	<i>Contin-gency Fund</i>	<i>Funds for Employee Benefit Liabilities</i>	<i>Cash Surplus/(Deficit)</i>	<i>Remeasure-ment of post-employ-ment related plans</i>	<i>Other General Fund Balances</i>			
Opening balance as at 1 January 2016	1,616	5,791	6,395	95	-	112,058	1,519	127,474	
Movement in net assets/equity in 2016									
Surplus/(deficit)	-	-	-	-	-	(8,462)	104	(8,358)	
Remeasurement gains/(losses) post-employment plans	-	-	-	-	(3,419)	-	-	(3,419)	
Transfers	2,048	-	(6,223)	(95)	-	4,270	-	-	
Prior year cash surplus/(deficit)	-	-	-	5,394	-	(5,394)	-	-	
2014 Trust Fund for Victims Secretariat's surplus	-	-	-	-	-	154	-	154	
Total movements during the year	2,048	-	(6,223)	5,299	(3,419)	(9,432)	104	(11,623)	
Total net assets/equity as at 31 December 2016	3,664	5,791	172	5,394	(3,419)	102,626	1,623	115,852	
Movement in net assets/equity in 2017									
Surplus/(deficit)	-	-	-	-	-	(13,917)	71	(13,846)	
Remeasurement gains/(losses) post-employment plans	-	-	-	-	(3,231)	-	-	(3,231)	
Transfers	(3,647)	(2,027)	307	(5,394)	-	10,761	-	-	
Prior year cash surplus/(deficit)	-	-	-	(5,622)	-	5,622	-	-	
2015 Trust Fund for Victims Secretariat's surplus	-	-	-	-	-	50	-	50	
Total movements during the year	(3,647)	(2,027)	307	(11,016)	(3,231)	2,516	71	(17,027)	
Total net assets/equity as at 31 December 2017	17	3,764	479	(5,622)	(6,650)	105,142	1,695	98,825	

The accompanying notes form an integral part of these financial statements

Statement IV

International Criminal Court - Statement of cash flows for the year ended 31 December 2017 (in thousands of euros)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
Cash flows from operating activities			
Surplus/(deficit) for the period (Statement II)		(13,846)	(8,358)
Unrealized foreign exchange differences		2	5
Discount on host State loan		-	(649)
Depreciation and amortization		12,311	12,093
(Gain)/loss on disposal of property, plant and equipment		12	-
Interest expense		1,826	2,133
(Increase)/decrease in accounts receivable from non-exchange transactions		(10,495)	6,537
(Increase)/decrease in other accounts receivable		2,078	(784)
(Increase)/decrease in prepayments and other current assets		654	(864)
(Increase)/decrease in reimbursement right		(1,801)	(2,294)
Increase/(decrease) in accounts payable		(12)	(2,416)
Increase/(decrease) in employee benefit liabilities		6,719	10,505
Remeasurement (gain)/loss of post-employment related plans		(3,231)	(3,419)
Increase/(decrease) in deferred revenue and accrued expenses		(2,959)	(1,570)
Increase/(decrease) in provisions		123	3
Less: Interest income		(158)	(45)
Net cash flows from operating activities		(8,777)	10,877
Cash flows from investing activities			
Plus: Interest received		88	113
Proceeds from sale of property, plant and equipment		5	-
Purchase of property, plant and equipment		(1,498)	(9,160)
Purchase of intangible assets		(155)	(27)
Net cash flows from investing activities		(1,560)	(9,074)
Cash flows from financing activities			
Repayment of host State loan		(2,983)	(4,429)
Net cash flows from financing activities		(2,983)	(4,429)
Net increase/(decrease) in cash and cash equivalents		(13,320)	(2,626)
Cash and cash equivalents at beginning of financial period	3	20,404	23,026
Unrealized foreign exchange gains/(losses) on cash and cash equivalents		(2)	4
Cash and cash equivalents as at 31 December (Statement I)	3	7,082	20,404

The accompanying notes form an integral part of these financial statements

Statement V

International Criminal Court - Statement of comparison of budget and actual amounts for the year ended 31 December 2017 (in thousands of euros)

<i>Major Programme</i>	<i>Appropriation approved</i>	<i>Expenditures charged against General Fund</i>	<i>Surplus/ (deficit) General Fund¹</i>	<i>Expenditures charged against Contingency Fund notification</i>	<i>Total expenditure</i>	<i>Surplus/ (deficit)</i>	<i>Contingency Fund notification</i>	<i>Access to Contingency Fund</i>
		<i>II</i>	<i>III=I-II</i>	<i>IV</i>				
	<i>I</i>	<i>II</i>	<i>III=I-II</i>	<i>IV</i>	<i>V=II+IV</i>	<i>VI=I-V</i>	<i>VII</i>	<i>VIII</i>
Judiciary	12,536	12,232	304	-	12,232	304	-	-
Office of the Prosecutor	44,974	44,432	542	-	44,432	542	-	-
Registry	76,633	77,335	(702)	1,477	78,812	(2,179)	1,533	548
Secretariat of the Assembly of States Parties	2,619	2,434	185	-	2,434	185	-	-
Premises	1,455	1,455	-	-	1,455	-	-	-
Secretariat of the Trust Fund for Victims	2,174	1,704	470	-	1,704	470	-	-
Independent Oversight Mechanism	515	461	54	-	461	54	-	-
Office of Internal Audit	694	621	73	-	621	73	-	-
Host State Loan	2,987	2,984	3	-	2,984	3	-	-
Total	144,587	143,658	929	1,477	145,135	(548)	1,533	548

¹ICC-ASP/16/Res.1, part H, paragraph 2

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

1. The International Criminal Court and its objectives

1.1 Reporting entity:

The International Criminal Court (“the 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 with the power to exercise jurisdiction over perpetrators of the most serious crimes of international concern (genocide, crimes against humanity, war crimes and the crime of aggression). 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. The financial statements are prepared for the Court and subsidiary bodies of the Assembly of States Parties (“the Assembly”) other than the Secretariat of the Trust Fund for Victims as described in note 1.2(g).

The seat of the Court was established at The Hague in the Netherlands in accordance with article 3 of the Rome Statute. The Court has also established six field offices and one field presence to enable it to conduct its field operations. These field offices are operational in Uganda, the Democratic Republic of the Congo (2), the Central African Republic, the Republic of Côte d’Ivoire and Georgia. A small administrative field presence was established in Mali.

1.2 Programme budget:

For the purposes of the 2017 financial period, appropriations were divided into nine major programmes: the Judiciary (the Presidency and Chambers), the Office of the Prosecutor, the Registry, the Secretariat of the Assembly of States Parties (“the Secretariat”), Premises, the Secretariat of the Trust Fund for Victims, Permanent Premises Project – Host State Loan, the Independent Oversight Mechanism and Office of Internal Audit. The composition, role and objectives of each component of the major programmes of the Court are as follows:

- (a) The Presidency:
 - (i) comprises the President and the First and Second Vice-Presidents;
 - (ii) ensures the proper administration of the Court through managerial oversight, coordination and cooperation;
 - (iii) oversees and supports the fair, open and effective conduct of proceedings and performs all judicial functions within its preserve; and
 - (iv) broadens global understanding of and support for the work of the Court by representing it in the international arena.
- (b) Chambers:
 - (i) comprises an Appeals Division, a Trial Division and a Pre-Trial Division. The Appeals Division is composed of a President and four other judges; the Trial Division is composed of not less than six judges, as is the Pre-Trial Division;
 - (ii) ensures the conduct of fair, effective and open proceedings, safeguarding the rights of all parties.
- (c) The Office of the Prosecutor:
 - (i) acts independently as a separate organ of the Court and is responsible for the investigation and prosecution of crimes within the jurisdiction of the Court;
 - (ii) promotes national efforts and international cooperation to prevent and punish genocide, crimes against humanity, war crimes and aggression; and
 - (iii) builds universal consensus on the principles and purposes of the Rome Statute.

(d) The Registry:

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

(ii) manages the internal security of the Court; and

(iii) implements mechanisms to assist and safeguard the rights of victims, witnesses and the defence.

(e) The Secretariat of the Assembly of States Parties:

In its resolution ICC-ASP/2/Res.3 adopted in September 2003, the Assembly established the Secretariat to begin its operations on 1 January 2004. The Secretariat provides the Assembly and its Bureau, the Credentials Committee, the Committee on Budget and Finance (“the Committee”), the Special Working 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 and administrative and technical assistance.

The Secretariat:

(i) organizes conferences of the Assembly and meetings of the subsidiary bodies of the Assembly, including the Bureau and the Committee;

(ii) assists 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; and

(iii) enables the Assembly and its subsidiary bodies to carry out their mandate more effectively by providing them with high-quality substantive servicing and support, including technical services.

(f) Premises:

Stakeholders are provided with an overview of the resources required by the Court for its permanent premises.

(g) Secretariat of the Trust Fund for Victims:

The Secretariat of the Trust Fund for Victims administers the Trust Fund for Victims, offers administrative support to the Board of the Trust Fund for Victims and its meetings and operates under the full authority of the Board. The Trust Fund for Victims was established by the Assembly in its resolution ICC-ASP/1/Res.6. By resolution ICC-ASP/4/Res.3 the Assembly adopted the Regulations of the Trust Fund for Victims, which state that the Trust Fund is a separate reporting entity. The revenue from assessed contributions and expenses of the Secretariat of the Trust Fund for Victims are reported in the Statement of Financial Performance of the Trust Fund for Victims. For more information regarding the Trust Fund for Victims please refer to the financial statements of the Trust Fund for Victims for 2017.

(h) Permanent Premises Project – Host State Loan:

The Court established the Permanent Premises Project – Host State Loan in the 2011 Approved Programme Budget to report on the interest expected to be paid on the loan amounts received by the Court for the Permanent Premises Project, in response to requests from the Committee and the Assembly. This originates, in 2008, from the Assembly’s acceptance of the host State’s offer of a loan for the permanent premises of up to a maximum of €200 million, to be repaid over a period of 30 years at an interest rate of 2.5 per cent.

(i) Independent Oversight Mechanism:

By resolution ICC-ASP/8/Res.1 the Assembly established the Independent Oversight Mechanism (IOM) as a major programme. This independent oversight mechanism is located next to, but is not integrated into or subordinate to, the Office of Internal Audit at the seat of the Court in The Hague. The scope of the

Independent Oversight Mechanism, as envisaged under article 112(4) of the Rome Statute, includes investigation, evaluation and inspection.

(j) Office of Internal Audit:

The Office of Internal Audit (OIA) assists the Court in the achievement of its strategic and operational objectives by systematically reviewing systems and operations across all areas of the Court. These reviews (audits) are aimed at identifying how well potential threats and opportunities (risks) are managed, including whether the correct processes are in place and whether agreed procedures are being adhered to. The Office also provides advisory services at the request of the management of the Court. The Office reports to the Chair of the Audit Committee.

1.3 Tax exemption:

According to (i) the Headquarters Agreement signed between the Kingdom of the Netherlands and the Court, and more particularly its article 15, and (ii) the Agreement on Privileges and Immunities of the International Criminal Court, and more particularly its article 8, the Court is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use.

2. Summary of significant accounting and financial reporting policies

Basis of preparation

2.1 The Court's financial statements are maintained in accordance with the Financial Regulations and Rules of the Court, as adopted by the Assembly at its first session in September 2002, and the amendments thereto. The Court's financial statements have been prepared on the accrual basis of accounting in compliance with the IPSAS. These notes form an integral part of the Court's financial statements. Figures in the statements and notes are rounded to thousand euros. Amounts may not add-up due to rounding difference.

2.2 Financial period: the financial period is one calendar year.

2.3 Historical cost basis: the financial statements are prepared on the historical cost basis of accounting.

2.4 Notwithstanding points made in paragraph 2.19 the Court's financial statements are prepared on a going concern basis.

Currency of accounts and treatment of exchange rate movements

2.5 The Court's functional and presentation currency is the euro.

2.6 Foreign currency transactions are translated into the functional currency using the United Nations operational rates of exchange which approximate the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end of exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Statement of financial performance.

2.7 Non-monetary assets and items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated at the reporting date.

Use of estimates and judgements

2.8 The preparation of the financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, and information available at the date of preparation of the financial statements, the results of which form the

basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.9 The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

2.10 The judgements made by management in the application of IPSAS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

(a) The Court recognized provisions as a result of litigation initiated against the Court where it is likely that there will be an outflow of resources to settle the claims and the amounts can be reliably estimated. The provision made was based on professional legal advice; and

(b) Provision for doubtful debt is recognized in respect of a receivable from a particular accused person to whom the Court is advancing funds on the basis of a judicial decision to cover legal representation. The recovery of this advance is considered uncertain.

Cash and cash equivalents

2.11 Cash and cash equivalents are held at nominal value and comprise cash on hand, funds held in current accounts, interest-bearing bank accounts and time deposits with a maturity of less than three months.

Financial instruments

2.12 The Court classifies its financial instruments as loans and receivables and other financial liabilities. Financial assets consist mainly of short-term bank deposits and accounts receivable. Financial liabilities consist of a long-term loan for the construction of the premises (see note 2.58) and accounts payable.

2.13 All financial instruments are initially recognized in the Statement of financial position at their fair values plus transaction costs. Subsequently, they are measured at amortized cost using the effective interest rate method. The historical cost-carrying amount of receivables and payables subject to normal trade credit terms approximates the fair value of the transaction.

Financial risks

2.14 In the normal course of business, the Court is exposed to financial risk, such as market risk (foreign currency exchange and interest rate), credit risk and liquidity risk.

2.15 Currency risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Court is exposed to currency risk through transactions in foreign currencies relating mostly to its field operations.

2.16 Interest rate risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Court deposits its funds only in short-term fixed interest accounts, and therefore has no significant interest rate risk exposure. The loan granted by the host State carries a fixed interest rate and does not expose the Court to interest rate risk.

2.17 Credit risk: the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Court is exposed to credit risk through receivables related to assessed contributions from States Parties. Assessed contributions comprise the majority of the Court's receivables. States Parties are required to make timely payments of contributions – within 30 days of receipt of the note verbale from the Court. The Court has regularly contacted States Parties with outstanding contributions to remind them of their obligations. Furthermore, the Assembly of States Parties (“the Assembly”) and its governing bodies are required to increase their political and diplomatic contacts with States with outstanding contributions, especially those with large arrears.

2.18 Other credit risks are advances of funds based on judicial decisions to cover legal representation of accused persons who are not considered indigent and deposits at banks. The Court has policies that limit exposure to risk of deposits in any one financial institution.

2.19 Liquidity risk: The current high level of outstanding contributions is an area of concern and remains a primary risk factor for the Court's liquidity and cash flow in 2018:

(a) At the end of 2017, outstanding assessed contributions increased by €12.6 million compared with 2016 and amounted to approximately €31.1 million. In 2017, the Court estimated the cash flow until year-end and determined that the establishment of a credit line pursuant to Assembly resolution ICC-ASP/15/Res.1 was not necessary. However, the Court had fully utilized its Working Capital Fund (WCF) of €9 million and, in accordance with the same resolution, temporarily and exceptionally utilized part of the Contingency Fund (CF) in the amount of €1.5 million.

(b) The Court has projected its 2018 cash flow based on the following assumptions: States Parties will pay their contributions in 2018 following the same payment pattern of outstanding contributions as in 2017; and the 2018 budget will be fully spent considering the absorption of additional expenditures related to CF notifications, including those related to the new situation in Burundi and the developments in the Mali case. If these assumptions materialize, the total amount of outstanding contributions at the end of 2018 is expected to reach approximately €42 million. According to these cash flow projections, temporary liquidity issues may arise before the end of 2018, which could lead to issues with the Court's ability to discharge its obligations and partial insolvency.

(c) If States Parties with material amounts in arrears are able to improve their payment patterns and make contributions in 2018, the cash shortfall at year-end will be reduced or even eliminated. In case the 2018 budget will not be fully spent, this will also reduce the cash shortfall at year-end. In addition, in order to mitigate the risk, the Court's recommended approach is that it be exceptionally authorized to use the CF and to supplement it by opening a credit line with a bank. Considering the recommendation of the Committee to the Assembly "to consider establishing a mechanism, to deal with liquidity issues, such as through the exceptional and temporary use of the CF and/or the establishment of external funding upon recommendation of the Committee, as a risk mitigating measure", and that similar authorization was given by the Assembly for the end of years 2016 and 2017, the Court expects a positive outcome. This provides the Court with sufficient confidence to prepare the financial statements on a going concern basis.

Receivables

2.20 Receivables and advances are recognized initially at nominal value. Allowances for estimated irrecoverable amounts are recognized for receivables and advances when there is objective evidence that the asset is impaired, the impairment losses being recognized in the statement of financial performance.

Prepayments and other current assets

2.21 Other current assets include interest accrued on bank accounts and deposits. Prepayments include education grants and software maintenance prepayments which will be recognized as expenses in the subsequent reporting period. The Statement of financial position shows as a prepayment that portion of the education grant advance which is assumed to pertain to the remainder of the school year after the date of the financial statement. Expenses are recognized evenly over the school year and charged to the budgetary account.

Property, plant and equipment

2.22 Property, plant and equipment are tangible assets that are held for use in the supply of services, for rental to others or for administrative purposes.

2.23 Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

2.24 The cost of a self-constructed asset is determined using the same principles as for an acquired asset. Any abnormal amount of waste of material, labour or other resources incurred in construction of a self-constructed asset is not included in the cost of the asset. Borrowing costs are not recognized as a component of property, plant and equipment costs and are expensed as incurred.

2.25 The costs capitalized as part of the permanent premises include project management fees, architect fees, legal fees, other directly related consultant and expert fees, fees for permits, direct labour and material costs.

2.26 Based on the deed dated 23 March 2009 between the host State and the Court establishing the ground lease and building and planting rights, land ready for development was leased to the Court for no consideration. The lease may be terminated by mutual consent at the end of the Court's mandate or by a decision of the Assembly. The land is recognized as an asset of the Court.

2.27 The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Court and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in surplus/deficit as incurred.

2.28 Depreciation is recognized in surplus/deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

2.29 Estimated useful lives are as follows:

	2017
Motor vehicles	4 - 6 years
ICT equipment	3.5 - 5 years
Furniture and fittings	7 - 10 years
Building components	4 - 40 years
Other assets	5 - 20 years

Permanent Premises

2.30 The Permanent Premises Project was established by the Assembly by resolution ICC-ASP/4/Res.2, which emphasised that "the Court is a permanent judicial institution and as such requires functional permanent premises to enable the Court to discharge its duties effectively and to reflect the significance of the Court for the fight against impunity", reiterating the importance of permanent premises to the future of the Court.

The Permanent Premises Project was funded by:

(a) The Ministry of Foreign Affairs of the host State, the Netherlands, through a loan to the Court, to be repaid over a period of 30 years at an interest rate of 2.5 per cent, on the basis of annex II to resolution ICC-ASP/7/Res.1. The interest is to be paid annually, as of the first utilization of the host State loan. Repayment of the loan, through regular annual instalments, commenced after expiration of the lease on the interim premises on 30 June 2016.

(b) Assessed contributions based on the principles laid out in resolution ICC-ASP/7/Res.1, annex III, for one-time payments of the assessed share.

(c) Voluntary contributions from governments, international organizations, individuals, corporations and other entities, in accordance with annex VI of ICC-ASP/6/Res.1 adopted by the Assembly on the establishment of a permanent premises construction trust fund.

(d) Other resources as per Assembly resolutions ICC-ASP/14/Res.1 and ICC-ASP/15/Res.2.

Upon completion of the Permanent Premises construction in November 2015, the building was capitalized and depreciated in line with the useful lives of various components of the building.

Leases

2.31 Lease agreements entered into at field offices and headquarters are classified as operating leases and the lease payments made are charged to the Statement of financial performance as expenses on a straight-line basis over the period of the lease.

Intangible assets

2.32 Intangible assets mainly consist of computer software and licences. They are stated at cost incurred to acquire and render operational the specific software, less amortization and impairment losses. These assets are amortized using the straight-line method based on an expected useful life of five years or over the licence validity period.

Impairment of non-cash generating assets

2.33 The assets that the Court holds are normally not held to generate commercial returns and are therefore non-cash generating assets.

2.34 Impairment represents a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation or amortization.

2.35 The asset is impaired if the carrying amount of the asset is higher than the recoverable service amount. The recoverable service amount is the higher of the asset's fair value less cost to sell and its value in use.

2.36 Fair value less cost to sell is the bid price from an active market or a sale price in a binding sale agreement in an arm's length transaction.

2.37 Value in use is the present value of an asset's remaining service potential which can be determined using the depreciated replacement cost approach, the restoration cost approach or the service units approach.

2.38 Impairment loss is recognized in net surplus/deficit. Once an impairment loss has been recognized, the depreciation (amortization) charge for the asset will be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

2.39 The Court will assess at each reporting period whether there is any indication that the impairment loss recognized in a previous period no longer exists or has decreased. If this is the case, the carrying amount of the asset will be increased to its recoverable service amount but no higher than the amount at which the asset would be carried had the impairment loss not been recognized in the first place. That increase is a reversal of an impairment loss which is recognized in net surplus/deficit.

Reimbursement right

2.40 The Court recognized the reimbursement right which arises under the insurance policy with Allianz NL and which exactly matches the amount and timing of the benefits payable under a defined benefit plan for judges' pensions. The fair value of the reimbursement right is deemed to be the present value of the related obligation.

Accounts payable

2.41 Accounts payable are recognized initially at nominal value, which best estimates the amount required to settle the obligation at the reporting date.

Deferred revenue and accrued expenses

2.42 Deferred revenue includes pledged contributions for future financial periods and other revenue received but not yet earned.

2.43 Accrued expenses are recognized in respect of goods and services delivered during the reporting period for which payments have not been made.

Related party disclosures

2.44 The Court will disclose related parties that have the ability to exercise control or significant influence over the Court by making financial and operational decisions, or will disclose if a related party and the Court are subject to common control. Transactions that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those done at arm's length in the same circumstances between the Court and its related parties will not be considered as related party transactions and therefore will not be disclosed.

2.45 The key management personnel of the Court are the President, the Chef de Cabinet, the Registrar, the Prosecutor, the Deputy Prosecutor and the Directors, all of whom have the authority and responsibility for planning, directing and controlling the activities of the Court and influencing its strategic direction. The remuneration and benefits of key management personnel are disclosed. In addition, the Court will disclose any specific transactions with key management personnel and their family members.

Employee benefit liabilities

2.46 Employee benefit expenses and corresponding liabilities are recognized as services rendered by employees. Employee benefits are classified as short-term benefits, post-employment benefits, other long-term benefits or termination benefits.

2.47 Short-term benefits fall due for settlement within the twelve months after service is rendered and include salary, various allowances, paid sick leave and annual leave. Short-term employee benefits are recognized as expenses and liability as services are rendered. Benefits that are earned but not yet paid are recorded as expenses in the period to which they relate and reported in the Statement of financial position as liabilities or provisions.

2.48 Annual leave is recognized as an expense as employees render services that increase their entitlement to future compensated absences.

2.49 Post-employment benefits include pension benefits and after-service health insurance (ASHI).

2.50 United Nations Joint Staff Pension Fund (UNJSPF): in accordance with decision ICC-ASP/1/Dec.3 of the Assembly and United Nations General Assembly resolution 58/262 adopted on 23 December 2003, the Court became a member organization of the UNJSPF with effect from 1 January 2004. The UNJSPF provides retirement, death, disability and related benefits to Court staff. The Pension Fund is a funded, multi-employer defined benefit plan. As specified in article 3(b) of the Regulations of the Fund, membership of the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

2.51 The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. The Court and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify the Court's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the Court has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 Employee Benefits. The Court's contributions to the plan

during the financial period are recognized as expenses in the Statement of financial performance.

2.52 Pension benefits for judges: the scheme is a defined benefit scheme which provides the following for its members: a defined retirement pension for judges after the completion of the nine-year term (prorated if a nine-year term is not completed); a pension for the surviving spouse at 50 per cent of the judge's entitlement; and a disability pension for judges aged 65 and under. During its seventh session held from 9 to 13 October 2006, the Committee recommended that the Court accept the tender of Allianz NL to provide the judges' pension scheme. The Committee's recommendation was accepted by the Assembly during its fifth session (See ICC-ASP/5/32, page 16, paragraph 31). Allianz NL have been designated as administrators of the judges' pension scheme. The contract commenced on 31 December 2008.

2.53 ASHI: the Court's group health insurance plan is also available to staff upon retirement. The Court provides a subsidy on premium payments of retirees in amount of 50 per cent. ASHI is a defined benefit plan.

2.54 For defined benefit plans, the projected unit credit method is used to measure obligations and costs. Benefits are attributed to periods of service under the plan's benefit formula. The present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The present value of defined benefit obligations is calculated using unbiased and mutually compatible actuarial assumptions.

2.55 Other long-term employee benefits: comprise separation benefits (including repatriation grant, relocation allowance, travel, shipment and insurance of household effects), home leave, family visit, death grant and survivor's benefit. Other long-term benefits are measured using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the Statement of financial performance.

2.56 Post-employment benefits and other long-term benefits are calculated by independent actuaries.

2.57 Termination benefits are benefits payable as a result of a decision by the Court to terminate a staff member's employment before the normal retirement date. Termination benefits are recognized as a liability and an expense when it has been confirmed that, due to restructuring, a staff member's contract of employment is to be terminated.

Host State loan

2.58 The loan described in note 2.30(a) was initially recognized at fair value. The fair value at initial recognition amounts to a net present value of future cash flows using the effective interest rate. Subsequently, the loan is recognized at amortized cost using the effective interest rate.

Provisions and contingent liabilities

2.59 Provisions are recognized when the Court has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle that obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The estimate is discounted where the effect of the time value of money is material. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

2.60 Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Court, or a present obligation which will probably not result in an outflow of economic resources/service potential or the amount of obligation cannot be measured with sufficient reliability. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

Non-exchange revenue

2.61 Assessed contributions revenue is recognized when the assessments to the States Parties of the adopted programme budget have been approved by the Assembly at the beginning of the year to which the assessment relates.

2.62 In accordance with regulation 5.2 of the Financial Regulations and Rules, the appropriations are assessed to States Parties in line 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. In accordance with regulation 5.8, payments made by a State Party are credited first to the Working Capital Fund, then to the contributions due to the General Fund, and lastly to the Contingency Fund, in the order in which the State Party was assessed. Contributions paid in other currencies are converted into euros at the rate of exchange in effect on the date of payment.

2.63 Voluntary contributions: revenue from voluntary contributions that include restrictions on their use is recognized upon signature of a binding agreement between the Court and the donor providing the contribution. Revenue from voluntary contributions that attach conditions to their use, including an obligation to return the funds to the contributing entity if such conditions are not met, is recognized as the conditions are satisfied. Until such conditions are met, the obligation is recognized as a liability. Voluntary contributions and other revenue which are not provided for by binding agreements are recognized as revenue when received.

2.64 Assessed contributions to replenishment of the Contingency Fund: are recognized as revenue when approved by the Assembly in the period for which replenishment is approved. If the Fund is replenished through application of cash surpluses, such replenishment is not recognized as revenue but as transfer between the funds in net assets/equity.

2.65 Goods-in-kind contributions are recognized at their fair value and goods and the corresponding revenue are recognized immediately if no condition is attached. If conditions are attached, a liability is recognized until such time as the conditions are met and the obligation is satisfied. Revenue is recognized at fair value, measured as of the date of acquisition of the donated assets.

2.66 Services-in-kind: revenue resulting from services-in-kind is not recognized. Major services-in-kind are disclosed in the financial statements, including their fair value, when it is practicable to determine it.

Exchange revenue

2.67 Financial revenue: comprises interest revenue and net foreign exchange gains. Interest revenue is recognized in the Statement of financial performance as it accrues, taking into account the effective yield on the asset. At the end of the financial period, a net balance of the account for foreign exchange gains and losses, if positive, is recognized as revenue.

2.68 Gains and losses on disposals: of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are included in the Statement of financial performance.

Expenses

2.69 Financial expenses comprise bank charges, interest expenses and net foreign exchange loss. Interest expenses are recognized as they occur for interest-bearing financial instruments, measured at amortized cost using the effective interest rate method. At the end of the financial period, a net balance of the account for foreign exchange gains and losses, if negative, is recognized as an expense.

2.70 Expenses arising from the purchase of goods and services: are recognized at the point that the supplier has performed its contractual obligations, which is when the goods and services are received and accepted by the Court.

Fund accounting and segment reporting

2.71 A segment is a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Segment information is based on principal activities and sources of financing of the Court. Separate financial information is reported for two segments: General and Trust Funds.

2.72 Fund accounting: the Court's accounts are maintained on a fund accounting basis. Trust funds and special accounts funded wholly by voluntary contributions may be established and closed by the Registrar.

2.73 The general segment: accounts for the Court's primary activities under the Rome Statute comprise:

(a) The General Fund: established for the purpose of accounting for the expenditures of the Court.

(b) The Working Capital 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 for each financial period and is assessed in accordance with the scale of assessments used for the appropriations of the Court, in accordance with regulation 6.2.

(c) The Contingency Fund: established by the Assembly to ensure that the Court can meet costs associated with an unforeseen situation following a decision by the Prosecutor to open an investigation; unavoidable expenses arising from developments in existing situations that could not be foreseen or could not be accurately estimated at the time of adoption of the budget; or costs associated with an unforeseen meeting of the Assembly.

2.74 The trust funds segment: accounts for various activities funded by voluntary contributions and for funds recovered from the accused persons. Trust funds and special accounts are established and closed by the Registrar, who reports on them to the Presidency and, through the Committee, to the Assembly. The trust funds segment does not include activities of the Trust Fund for Victims or the Secretariat of the Trust Fund for Victims which are reported in separate financial statements.

Net assets/equity

2.75 Net assets/equity comprises the Contingency and Working Capital Funds, established and held at a level determined by the Assembly, and surpluses or deficits in the General Fund, including Funds for Employee Benefit Liabilities and Cash surplus, and the trust funds.

2.76 Cash 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 period 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 regulation 7.1.

Unless otherwise determined by the Assembly, surpluses at the end of the financial period, after deducting any assessed contributions for that financial period which remain unpaid, are apportioned to the States Parties based on the scale of assessments applicable to 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.

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

Budget comparison

2.78 A comparison of actual amounts with the amounts in the annual programme budget is presented in Statement V. This comparison is made on the same modified cash basis of accounting as adopted for the annual programme budget.

2.79 A reconciliation of the actual amounts on a modified cash basis with actual amounts presented in the financial statements is included in note 24, considering that the full accrual accounting and modified cash basis budget differ.

Changes in presentation

2.80 Starting from 2017, the segment for the Permanent Premises Project was combined with the general segment, as the Permanent Premises Project was closed in 2016. Comparative figures for 2016 were updated accordingly.

3. Cash and cash equivalents

<i>In thousands of euros</i>	2017	2016
Cash on hand	37	51
Cash at bank	7,045	20,353
Total	7,082	20,404

3.1 Cash and cash equivalents are subject to restrictions such that they can only be utilized in support of the approved activities of the funds to which they were provided (see note 25 for segment information). Cash and cash equivalents include an amount equivalent to €4 thousand (2016: €5 thousand) held in currencies other than the euro.

3.2 The €13,322 thousand (or 65 per cent) decrease in cash and cash equivalents is primarily related to the collection rate of assessed contributions. The outstanding assessed contributions receivable increased by €12,643 thousand as of the end of 2017 (note 4).

4. Accounts receivable from non-exchange transactions

<i>In thousands of euros</i>	2017	2016
Current		
Assessed contributions receivable (regular budget)	31,048	18,405
Assessed contributions receivable (other)	27	45
Voluntary contributions receivable	244	16
Non-current		
Assessed contributions receivable (other)	36	41
Total accounts receivable, gross	31,355	18,507
Provision for doubtful debt	(6,887)	(4,534)
Total accounts receivable, net	24,468	13,973

4.1 Assessed contributions receivable (regular budget): Assessed contributions comprise the majority of the Court's receivables. The outstanding balance of €31,048 thousand comprises €12,813 thousand due for prior financial periods and €18,235 thousand due for 2017 (Schedule 1). Contributions received from States Parties in excess of contributions due in an amount of €2,273 thousand are reported as contributions received in advance (note 12.1). The status of outstanding contributions as at 31 December 2017 by State Party is provided in Schedule 1.

4.2 Assessed contributions receivable (other): relate to the outstanding balances due to the Working Capital Fund, Contingency Fund and for the total cost of the permanent premises from States which acceded to the Rome Statute after 2015.

4.3 Voluntary contributions receivable: the amount of €244 thousand represents an outstanding amount receivable from donors for 2017-2018 projects.

4.4 Provision for doubtful debt: The Court recognized provision for doubtful debt in an amount of 90 per cent of outstanding contributions from States Parties that are in arrears for more than two years. Article 112 of the Rome Statute stipulates that a State Party which is in arrears in the payment of its assessed contributions, shall have no vote in the Assembly and in the Bureau if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The Assembly may, nevertheless, permit such a State Party to vote in the Assembly and in the Bureau if it is satisfied that the failure to pay is due to conditions beyond the control of the State Party.

Changes in provision for doubtful debt

<i>In thousands of euros</i>	<i>Total</i>
Provision for doubtful debt as at 31 December 2016	4,534
Increase in provision	2,353
Provision for doubtful debt as at 31 December 2017	6,887

4.5 The following table illustrates accounts receivable by age:

<i>In thousands of euros</i>	<i>Not yet due</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Assessed contributions receivable (regular budget)	-	18,235	11,829	984	31,048
Assessed contributions receivable (other)	41	-	17	5	63
Voluntary contributions receivable	-	244	-	-	244
Total accounts receivable, gross	41	18,479	11,846	989	31,355

5. Other accounts receivable

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Receivable from governments	1,024	2,949
Other receivables	1,828	1,663
Other accounts receivable, gross	2,852	4,612
Provision for doubtful debt	(1,724)	(1,406)
Other accounts receivable, net	1,128	3,206

5.1 Receivables from governments represent receivables for refundable energy tax and VAT.

5.2 Other receivables is mainly comprised of amounts advanced by the Court on the basis of a judicial decision dated 20 October 2011 (Trial Chamber III, no. ICC-01/05-

01/08-568) for the legal representation of an accused person whose assets have been frozen. In 2017 the Court paid €318 thousand towards such costs.

5.3 Provision for doubtful debt: as the recovery of the legal aid costs advanced by the Court is uncertain, the receivable amount is fully provided for and recognized as costs of the Court.

Changes in provision for doubtful debt

<i>In thousands of euros</i>	<i>Other receivables</i>
Provision for doubtful debt as at 1 January 2017	1,406
Increase in provision	318
Provision for doubtful debt as at 31 December 2017	1,724

5.4 The following table illustrates other accounts receivable by age:

<i>In thousands of euros</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Receivable from governments	1,024	-	-	1024
Other receivables	403	911	514	1828
Other accounts receivable, gross	1427	911	514	2852

6. Prepayments and other current assets

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Advances to staff	1,680	2,273
Advances to vendors	24	84
Prepaid expenses	539	540
Accrued interest	78	8
Total	2,321	2,905

6.1 Advances to staff comprise €1,448 thousand of education grant advances for the portion of the school year to be completed during 2018, €9 thousand of travel advances for trips in 2018, and €23 thousand of advances for field operations.

6.2 Advances to vendors mostly represent the amounts paid to vendors for travel-related expenses such as tickets and shipments.

6.3 Prepaid expenses represent payments to vendors for software maintenance and licences relating to periods after 31 December 2017.

7. Property, plant and equipment

<i>In thousands of euros</i>	<i>Land</i>	<i>Asset under construction</i>	<i>Building</i>	<i>Motor vehicles</i>	<i>Furniture and fittings</i>	<i>ICT equipment</i>	<i>Other assets</i>	<i>Total</i>
Cost								
At 1 January 2017	9,741	-	196,981	3,088	600	10,325	2,536	223,271
Additions	-	204	-	492	18	657	119	1,490
Capitalization	-	(202)	202	-	-	-	-	-
Reclassification	-	8	-	-	-	-	-	8
Disposals/Write-offs	-	-	-	(245)	(46)	(777)	(167)	(1,235)
At 31 December 2017	9,741	10	197,183	3,335	572	10,205	2,488	223,534

<i>In thousands of euros</i>	<i>Land</i>	<i>Asset under construction</i>	<i>Building</i>	<i>Motor vehicles</i>	<i>Furniture and fittings</i>	<i>ICT equipment</i>	<i>Other assets</i>	<i>Total</i>
Accumulated depreciation								
Accumulated depreciation at 1 January 2017	-	-	11,931	2,133	489	7,319	1,671	23,543
Depreciation Charge	-	-	10,318	317	24	1,073	191	11,923
Reclassification	-	-	-	-	-	-	-	-
Disposals/Write-offs	-	-	-	(245)	(45)	(777)	(151)	(1,218)
At 31 December 2017	-	-	22,249	2,205	468	7,615	1,711	34,248
Net book value								
at 1 January 2017	9,741	-	185,050	955	111	3,006	865	199,728
At 31 December 2017	9,741	10	174,934	1,130	104	2,590	777	189,286

7.1 Based on the deed dated 23 March 2009 between the host State and the Court establishing the ground lease and building and planting rights, land ready for development was leased to the Court for no consideration. The lease may be terminated by mutual consent at the end of the Court's mandate or by a decision of the Assembly. The value of the land is estimated on the basis of its not-for-profit function by an independent valuer.

8. Intangible assets

<i>In thousands of euros</i>	<i>Software externally acquired</i>	<i>Software in development</i>	<i>Total</i>	
Cost				
At 1 January 2017		10,956	-	10,956
Additions		86	86	172
Retirement/Write-off		(9)	-	(9)
Reclassification		(8)	-	(8)
At 31 December 2017		11,025	86	11,111
Accumulated Amortization				
At 1 January 2017		9,614	-	9,614
Amortization charge		388	-	388
At 31 December 2017		10,002	-	10,002
Net book value				
At 1 January 2017		1,342	-	1,342
At 31 December 2017		1,023	86	1,109

8.1 Software in development represents costs of developing Employee and Manager self-service through electronic forms. The total cost of the project is estimated at €100 thousand and completion is expected in 2018.

9. Accounts payable

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Current		
Counsel payables	510	452
Suppliers	4,464	5,073
Secretariat of the Trust Fund for Victims	475	67
Other payables	266	104
<i>Total current</i>	<i>5,715</i>	<i>5,696</i>
Non-current		
Secretariat of the Trust Fund for Victims	505	586
<i>Total non-current</i>	<i>505</i>	<i>586</i>
Total accounts payable	6,220	6,282

9.1 Liability towards the Secretariat of the Trust Fund for Victims represents a surplus in Major Programme VI which is consolidated in the Court's programme budget but is part of the net assets/equity of the Trust Fund for Victims and is pending credit to States Parties (see note 1.2 (g)).

10. Employee benefit liabilities

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Current		
Salaries and entitlements	792	1,004
Annual leave accrual	6,297	6,089
Other long-term benefits	2,094	1,419
Post-employment benefits	1,359	1,216
<i>Sub-total current</i>	<i>10,542</i>	<i>9,728</i>
Non-current		
Other long-term benefits	8,583	9,332
Post-employment benefits	44,793	38,139
<i>Sub-total non-current</i>	<i>53,376</i>	<i>47,471</i>
Total	63,918	57,199

Current employee benefit liabilities

10.1 Current liabilities comprise payables for salaries and other entitlements, annual leave accrual and the current portion of other long-term benefits and post-employment benefits.

10.2 Annual Leave Accrual: At 31 December 2017, €6,297 thousand represents the accumulated annual leave accrual for all staff members of the Court. The cost related to untaken annual leave incurred in 2017 has been recognized as an expense of €208 thousand in the Statement of financial performance.

Non-current employee benefit liabilities

10.3 Actuarial assumptions used to determine the value of other long-term benefits and post-employment benefits are as follows:

Financial assumptions	
Discount rate:	
Judges pension scheme	1.60%
Relocation allowance and other benefits of judges	0.11%
Home leave and family visit of staff	0.11%
ASHI	2.05%
Staff repatriation grant	1.35%
Other benefits of staff	1.27%
Wage inflation	1.50%
Price inflation	2.00%
Medical cost trend rate	5.00%
Individual salary increase rate	1.20%
Demographic assumptions	
Individual turnover rates	From 0% to 7% depending on age group
Disability rates	Based on UNJSPF
Mortality tables	UNJSPF active and inactive (2017)
Age corrections	Generational improvement scale (for inactive)
Age difference M/F	Based on actual age difference

10.4 The discount rate used to discount benefit obligations reflects time value of money. The currency and term of the financial instrument selected to reflect time value of money is consistent with the currency and estimated term of the benefit obligation.

Reconciliation of the opening and closing balance of the present value of the defined benefit obligation

<i>In thousands of euros</i>	<i>Judges</i>		<i>Staff members</i>		<i>Total</i>
	<i>Pension scheme</i>	<i>Other long-term</i>	<i>ASHI</i>	<i>Other long-term</i>	
Present value of the defined benefit obligation as at 1 January 2017	25,529	703	13,826	10,048	50,106
Service cost	2,469	219	1,660	2,412	6,759
Interest expense	396	1	278	133	808
Remeasurement (gains)/losses	488	(34)	3,093	(1,908)	1,638
Direct payments to participants	(330)	-	-	-	(330)
Benefits paid	(1,221)	(27)	(34)	(870)	(2,152)
Present value of the defined benefit obligation as at 31 December 2017	27,330	862	18,822	9,815	56,829

Reconciliation of the opening and closing balance of the reimbursement rights

<i>In thousands of euros</i>	<i>Judges' pension scheme</i>
Reimbursement right as at 1 January 2017	25,529
Interest revenue	392
Remeasurement gains/(losses)	350
Contributions by employer	2,728
Benefits paid	(1,221)
Direct payments to participants	(330)
Administration cost	(117)
Reimbursement right as at 31 December 2017	27,330

10.5 The fair value of the reimbursement rights is deemed to be the present value of the related obligation. Administration costs of €17 thousand were paid to the judges' pension scheme administrator in 2017.

Total defined benefit cost recognised in the Statement of financial performance and net assets/equity

<i>In thousands of euros</i>	<i>Judges</i>		<i>Staff members</i>		<i>Total</i>
	<i>Pension scheme</i>	<i>Other long-term</i>	<i>ASHI</i>	<i>Other long-term</i>	
Net service cost	2,469	219	1,660	2,412	6,759
Net interest on the net defined benefit liability/(asset)	4	1	278	133	417
Administration costs	117	-	-	-	117
Remeasurement of the net defined benefit liability	-	(34)	-	(1,908)	(1,942)
Defined benefit cost recorded in profit or loss	2,590	185	1,938	637	5,351
Remeasurement of the net defined benefit liability	138	-	3,093	-	3,231
Defined benefit cost recorded in net assets/equity	138	-	3,093	-	3,231
Total defined benefit cost	2,728	185	5,031	637	8,581

Sensitivity analysis

10.6 A significant actuarial assumption for the determination of the defined benefit obligation is the discount rate. The sensitivity analyses have been determined based on a 0.25 per cent change of the assumptions at the end of the reporting period.

	<i>Discount rate %</i>	<i>Defined benefit obligation</i>	<i>Discount rate plus 0.25%</i>	<i>Defined benefit obligation</i>	<i>Discount rate less 0.25%</i>	<i>Defined benefit obligation</i>
Judges						
Pension scheme	1.60	27,330	1.85	26,493	1.35	28,209
Home leave benefits	0.11	65	0.36	65	0	65
Removal/travel on separation	0.11	111	0.36	111	0	112
Relocation allowance	0.11	678	0.36	674	0	680
Survivors benefit	0.11	8	0.36	8	0	8

	<i>Discount rate %</i>	<i>Defined benefit obligation</i>	<i>Discount rate plus 0.25%</i>	<i>Defined benefit obligation</i>	<i>Discount rate less 0.25%</i>	<i>Defined benefit obligation</i>
Staff						
Home leave benefits	0.11	1060	0.36	1,059	0	1,061
Family visit	0.11	2	0.36	2	0	2
Removal/Travel on separation	1.27	2,108	1.52	2,060	1.02	2,159
Repatriation grant	1.35	6,277	1.60	6,120	1.10	6,440
Death grant	1.27	368	1.52	361	1.02	375
ASHI	2.05	18,822	2.30	17,407	1.80	20,379

10.7 Effect of an increase of one percentage point and effect of a decrease of one percentage point in the assumed medical cost trend rates are as follows:

Medical cost trend rate

<i>In thousands of euros</i>	<i>4%</i>	<i>5%</i>	<i>6%</i>
Defined benefit obligation as at 31/12/2017	15,734	18,822	22,747
Current Service cost for Fiscal year 2018	1,806	2,157	2,603

United Nations Joint Staff Pension Fund

10.8 The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

10.9 The Court's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 per cent for participants and 15.8 per cent for member organizations) together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Pension 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. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

10.10 During 2017, the Fund identified that there were anomalies in the census data utilized in the actuarial valuation performed as of 31 December 2015. As such, as an exception to the normal biennial cycle, a roll forward of the participation data as of 31 December 2013 to 31 December 2016 was used by the Fund for their 2016 financial statements. An actuarial valuation as of 31 December 2017 is currently being performed.

10.11 The roll forward of the participation data as of 31 December 2013 to 31 December 2016 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 150.1 per cent (127.5 per cent in the 2013 valuation). The funded ratio was 101.4 per cent (91.2 per cent in the 2013 valuation) when the current system of pension adjustments was taken into account.

10.12 After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2016, for deficiency payments under article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of

assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of article 26.

10.13 Should article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the UNJSPF pension plan, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the UNJSPF during the preceding three years (2014, 2015 and 2016) amounted to USD 6,750.98 million, of which 0.85 per cent was contributed by the Court.

10.14 During 2017, contributions paid to UNJSPF amounted to €3,026 million (2016: €20,512 million). No significant variance is expected in the contributions due in 2018.

10.15 Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

10.16 The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board and to the United Nations General Assembly on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

Service-incurred injury

10.17 The Court entered into an agreement with an insurance company to offer coverage for service-incurred injuries for the Court's staff, judges, consultants and temporary assistants. The insurance premium, calculated as a percentage of the pensionable remuneration for 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 2017 for this insurance was €10 thousand.

Secretariat of the Trust Fund for Victims

10.18 Employees of the Secretariat of the Trust Fund for Victims are provided with benefits and entitlements in accordance with staff regulations and consistent with those of employees of the Court. These benefits are provided on a pooled basis with the Court's staff and it is not considered feasible to perform a separate actuarial valuation. Long-term and post-employment benefits that relate to the Secretariat of the Trust Fund for Victims and that are included in the obligations of the Court are estimated at €294 thousand.

10.19 The value of annual leave due to employees of the Secretariat of the Trust Fund for Victims as at 31 December 2017, also provided on a pooled basis, are included in the Court's liabilities and amounted to €72 thousand.

11. Host State loan

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Host State loan current	1,801	1,759
Host State loan non-current	70,708	72,509
Total	72,509	74,268

11.1 The loan is recognized at amortized cost using the effective interest rate. The effective interest rate is applied to each stream of drawings from the total capital amount available.

11.2 Repayment of the host State loan commenced on 30 June 2016, the date on which the rental agreement of the Court concerning the interim premises expired. States Parties that did not pay the one-time contribution are assessed annually for loan repayment. The following table illustrates the remaining contractual maturity of the loan:

<i>In thousands of euros</i>	<i>Less than 1 year</i>	<i>1-3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Host State loan	3,585	10,755	91,421	105,761

12. Deferred revenue and accrued expenses

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Assessed contributions in advance	2,273	4,379
Deferred voluntary contributions	910	387
Accrued expenses	2,104	3,479
Accrual on host State loan	3,585	2,984
Total	8,872	11,229

12.1 Assessed contributions received in advance: €2,273 thousand was received from States Parties prior to the year to which they relate. Contributions received in advance decreased by €2,106 thousand (or 48 per cent). The details of received contributions relating to year 2018 by State Party is provided in Schedule 1.

12.2 Deferred voluntary contributions represent awards from donors, subject to conditions, for which implementation is expected in the future financial period. The amount of €910 thousand relates primarily to the activities of the Trust Fund “Building Legal Expertise and Fostering Cooperation” and “Junior Professional Officer Programme”. These contributions will be recognized as revenue, as and when the conditions are satisfied. Details of voluntary contributions transferred subject to conditions as of 31 December 2017 are provided in Schedule 6.

12.3 Accrued expenses represent the amount of goods and services delivered for which the invoices were not yet received by the reporting date.

12.4 The accrual on the Host State loan represents the amount of 2017 annuity due for payment in February 2018.

13. Provisions

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Provision for ILOAT cases	2,060	2,171
Provision for US tax	126	86
Other provisions	194	-
Total	2,380	2,257

Changes in provisions

<i>In thousands of euros</i>	<i>ILOAT provision</i>	<i>US tax provision</i>	<i>Other provisions</i>	<i>Total</i>
Provision as at 1 January 2017	2,171	86	-	2,257
Increase in provision	1,760	86	194	2,040
Decrease due to payments	(1,798)	(42)	-	(1,840)
Decrease due to reversals	(73)	(4)	-	(77)
Provision as at 31 December 2017	2,060	126	194	2,380

13.1 Provision for ILOAT cases of €2,060 thousand corresponds to twenty cases filed with the Administrative Tribunal of the International Labour Organization (ILOAT) by current or former staff members of the Court. In addition there are other cases pending with the Tribunal which are either disclosed as contingent liabilities or it is considered that the possibility of an outflow of resources is remote.

13.2 Provision for US tax liability: According to the practice and fundamental principles of the International Civil Service, as determined by the 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 €126 thousand estimated for the year 2017 for nine United States taxpayers on the payroll of the Court during this period.

13.3 Other provisions represent an estimate of the amount payable by the Court in relation to an appendix D case.

14. Net assets/equity

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
General		
Contingency Fund	3,764	5,791
Working Capital Fund	17	3,664
General Funds		
Funds for Employee Benefit Liabilities	479	172
Cash Surplus / (Deficit)	(5,622)	5,394
Other General Fund	105,142	102,627
Remeasurement of post-employment related plans	(6,650)	(3,419)
Total General balances	97,130	114,229
Trust Funds	1,695	1,623
Total	98,825	115,852

14.1 Contingency Fund: the amount of €9,169 thousand representing the cash surplus for the 2002 and 2003 financial periods was credited to establish the Contingency Fund in accordance with resolution ICC-ASP/ICC/Res.4(b). The level of the Contingency Fund was subsequently reduced and established at €7 million. In 2017 the amount of €1,479 thousand was exceptionally temporarily utilized from the Contingency Fund to meet short-term liquidity problems pending receipt of assessed contributions (ICC-ASP/15/Res.1, part C, paragraph 4) and €548 thousand was used for 2017 Contingency Fund expenditures which were not absorbed by the 2017 programme budget (Schedule 2).

14.2 Working Capital Fund: the Assembly, in its resolution ICC-ASP/15/Res.1, established the Working Capital Fund for the financial period 1 January to 31 December 2017 at €1,600 thousand. In 2017 the 2015 cash surplus of €5,394 thousand was used to replenish the Working Capital Fund and the amount of €9,041 thousand was temporarily

utilized from the Working Capital Fund to meet short-term liquidity problems pending receipt of assessed contributions (Schedule 2).

14.3 Remeasurement of post-employment related plans: the balance of €6,650 thousand represents actuarial losses relating to the pensions of judges and the after service health insurance plan for the Court's staff. The actuarial loss is mainly due to a change in the demographic assumptions relating to mortality rates.

15. Revenue

<i>In thousands of euros</i>	<i>2017</i>	<i>2016</i>
Assessed contributions		
To programme budget	142,413	136,886
To Permanent Premises Project	-	246
To total cost of Permanent Premises	-	51
Change in provision for doubtful debt	(2,353)	(4,122)
<i>Sub-total assessed contributions</i>	<i>140,060</i>	<i>133,061</i>
Voluntary contributions		
To programme budget	-	805
To trust funds (Schedule 6)	1,662	984
<i>Sub-total voluntary contributions</i>	<i>1,662</i>	<i>1,789</i>
Financial revenue		
Interest revenue	158	45
Net foreign exchange gain	3	-
<i>Sub-total financial revenue</i>	<i>161</i>	<i>45</i>
Other revenue		
Host State contribution to Permanent Premises Project	-	652
Other miscellaneous revenue	219	836
<i>Sub-total other revenue</i>	<i>219</i>	<i>1,488</i>
Total revenue	142,102	136,383

15.1 Assessed contributions to programme budget: the Assembly, in its resolution ICC-ASP/15/Res.1, approved the funding of the appropriations of the Court for the financial period 1 January to 31 December 2017 in the amount of €144,587 thousand. €2,174 thousand of the total appropriations relates to contributions to the Secretariat of the Trust Fund for Victims and is reported separately in the financial statements of the Trust Fund.

15.2 The Court recognizes revenue when the inflow of the economic benefits or service potential is probable. For the doubtful debt estimated in relation to the assessed contributions receivable the revenue is reduced and will be reinstated once the uncertainty over collection is removed. In 2017, the estimate of the doubtful debt provision increased by €2,353 thousand.

15.3 Details of voluntary contributions by donors are provided in Schedule 6.

Contributions in kind

15.4 In 2017 the Court received services-in-kind related to short-term pro bono personnel. These resources provide expertise in specific areas that help support the activities of the Court. The value of such services received by the Court in 2017 is estimated at €735 thousand.

16. Employee benefit expenses

<i>In thousands of euros</i>	2017	2016
Judges' salaries	3,237	3,250
Judges' entitlements and allowances	1,718	3,148
Staff salaries	56,112	47,627
Staff entitlements and allowances	29,231	24,981
Temporary assistance	16,567	21,427
Total	106,865	100,433

17. Travel and hospitality expenses

<i>In thousands of euros</i>	2017	2016
Hospitality	22	36
Travel	6,610	5,295
Total	6,632	5,331

18. Expenses for contractual services

<i>In thousands of euros</i>	2017	2016
Public information	387	425
External translation	592	683
Training	806	759
Consultants and individual contractors	1,648	1,719
Other contractual services	2,117	1,766
Total	5,550	5,352

19. Expenses for counsel fees

<i>In thousands of euros</i>	2017	2016
Counsel for defence	4,894	4,601
Counsel for victims	1,349	945
Total	6,243	5,546

20. Operating expenses

<i>In thousands of euros</i>	2017	2016
Rental, utility and maintenance	6,644	4,501
Communications and software maintenance	3,235	2,993
Witness-related expenses	2,378	2,166
Other operating expenses	2,045	1,632
Total	14,302	11,292

21. Supplies and materials expenses

<i>In thousands of euros</i>	2017	2016
Office supplies	546	570
Library books, magazines and subscriptions	113	150
Other supplies	445	475
Low value asset purchases	1,047	1,278
Total	2,151	2,473

21.1 Low value asset purchases: represent furniture and fittings, ICT equipment and other assets with a value below €1,000, which is not capitalized.

22. Depreciation, amortization and impairment

<i>In thousands of euros</i>	2017	2016
Depreciation	11,923	11,652
Amortization	388	441
Total	12,311	12,093

22.1 No material impairment losses were incurred in 2017.

23. Financial expenses

<i>In thousands of euros</i>	2017	2016
Bank charges	68	55
Net foreign exchange loss	-	33
Interest expense on the host State loan	1,826	2,133
Total	1,894	2,221

23.1 Interest on the host State loan amounting to €1,826 thousand is recognized on an effective interest rate basis.

24. Statement of comparison of budget and actual amounts

24.1 The Court's budget and accounts are prepared on different bases. The Statement of financial position, Statement of financial performance, Statement of changes in net assets/equity and Statement of cash flows are prepared on a full accrual basis, whereas the Statement of comparison of budget and actual amounts (Statement V) is prepared on a modified cash basis of accounting.

24.2 As required under IPSAS 24, where the financial statements and the budget are not prepared on a comparable basis, the actual amounts presented on a comparable basis to the budget are reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. There are also differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

24.3 Differences in bases occur when the approved budget is prepared on a basis other than the accounting basis, as stated in note 24.1 above.

24.4 Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Court for the purposes of comparison of the budget and the actual amounts.

24.5 Entity differences occur as the budget includes the Secretariat for the Trust Fund of Victims (note 1.2(g)) which is not part of the reporting entity for which the financial statements are prepared. On the other hand, the annual programme budget does not include the trust funds segments, whereas the financial statements do.

24.6 Differences in presentation are due to differences in the format and classification schemes adopted for the presentation of the Statement of cash flows and Statement of comparison of budget and actual amounts.

24.7 Reconciliation between the actual amounts on a comparable basis in the Statement of comparison of budget and actual amounts (Statement V) and the actual amounts in the Statement of cash flows (Statement IV) for the period ended 31 December 2017 is presented below:

<i>In thousands of euros</i>	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
Actual amount on comparable basis (Statement V)	(548)	-	-	(548)
Basis differences	(8,202)	-	-	(8,202)
Presentation differences	-	(1,562)	(2,983)	(4,545)
Entity differences	(27)	2	-	(25)
Actual amount in the Statement of cash flows (Statement IV)	(8,777)	(1,560)	(2,983)	(13,320)

24.8 Open commitments including open purchase orders and net cash flows from operating, investing and financing activities are presented as basis differences. Revenue and other fund related expenses that do not form part of the Statement of Comparison of Budget and Actual Amounts are reflected as presentation differences. Under entity differences, the activities of the Secretariat of the Trust Fund for Victims are not reported in the financial statements, but are included in the budgetary process. The trust funds are included in the financial statements but are not part of the actual amounts on a comparable basis.

24.9 An explanation of material differences between the budget and actual amounts is included in the Report on activities and programme performance of the International Criminal Court for the year 2017.

25. Segment Reporting

Statement of financial position by segment as at 31 December 2017

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Intersegment</i>	<i>Total</i>
Assets				
<i>Current assets</i>				
Cash and cash equivalents	4,238	2,844	-	7,082
Accounts receivable (non-exchange transactions)	24,188	244	-	24,432
Other accounts receivable	1,357	-	(229)	1,128
Prepayments and other current assets	2,316	5	-	2,321
Total current assets	32,099	3,093	(229)	34,963
<i>Non-current assets</i>				
Accounts receivable (non-exchange transactions)	36	-	-	36
Property, plant and equipment	189,286	-	-	189,286
Intangible assets	1,109	-	-	1,109
Reimbursement right	27,330	-	-	27,330
Total non-current assets	217,761	-	-	217,761
Total assets	249,860	3,093	(229)	252,724

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Intersegment</i>	<i>Total</i>
Liabilities				
<i>Current liabilities</i>				
Accounts payable	5,486	458	(229)	5,715
Employee benefit liabilities	10,524	18	-	10,542
Host State loan	1,801	-	-	1,801
Deferred revenue and accrued expenses	7,950	922	-	8,872
Provisions	2,380	-	-	2,380
Total current liabilities	28,141	1,398	(229)	29,310
<i>Non-current liabilities</i>				
Accounts payable	505	-	-	505
Employee benefit liabilities	53,376	-	-	53,376
Host State loan	70,708	-	-	70,708
Total non-current liabilities	124,589	-	-	124,589
Total liabilities	152,730	1,398	(229)	153,899
Net assets/equity				
Contingency Fund	3,764	-	-	3,764
Working Capital Fund	17	-	-	17
Other fund balances	93,349	1,695	-	95,044
Total net assets/equity	97,130	1,695	0	98,825
Total liabilities and net assets/equity	249,860	3,093	(229)	252,724

Statement of financial position by segment as at 31 December 2016

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Intersegment</i>	<i>Total</i>
Assets				
<i>Current assets</i>				
Cash and cash equivalents	18,060	2,344	-	20,404
Accounts receivable (non-exchange transactions)	13,916	16	-	13,932
Other accounts receivable	4,136	2	(932)	3,206
Prepayments and other current assets	2,861	44	-	2,905
Total current assets	38,973	2,406	(932)	40,447
<i>Non-current assets</i>				
Accounts receivable (non-exchange transactions)	41	-	-	41
Property, plant and equipment	199,728	-	-	199,728
Intangible assets	1,342	-	-	1,342
Reimbursement right	25,529	-	-	25,529
Total non-current assets	226,640	-	-	226,640
Total assets	265,613	2,406	(932)	267,087

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Intersegment</i>	<i>Total</i>
Liabilities				
<i>Current liabilities</i>				
Accounts payable	6,261	367	(932)	5,696
Employee benefit liabilities	9,716	12	-	9,728
Host State loan	1,759	-	-	1,759
Deferred revenue and accrued expenses	10,825	404	-	11,229
Provisions	2,257	-	-	2,257
<i>Total current liabilities</i>	<i>30,818</i>	<i>783</i>	<i>(932)</i>	<i>30,669</i>
<i>Non-current liabilities</i>				
Accounts payable	586	-	-	586
Employee benefit liabilities	47,471	-	-	47,471
Host State loan	72,509	-	-	72,509
<i>Total non-current liabilities</i>	<i>120,566</i>	<i>-</i>	<i>-</i>	<i>120,566</i>
Total liabilities	151,384	783	(932)	151,235
Net assets/equity				
Contingency Fund	5,791	-	-	5,791
Working Capital Fund	3,664	-	-	3,664
Other fund balances	104,774	1,623	-	106,397
Total net assets/equity	114,229	1,623	-	115,852
Total liabilities and net assets/equity	265,613	2,406	(932)	267,087

Statement of financial performance by segment for the year ended 31 December 2017

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Total</i>
Revenue			
Assessed contributions	140,060	-	140,060
Voluntary contributions	-	1,662	1,662
Financial revenue	162	(1)	161
Other revenue	218	1	219
Total revenue	140,440	1,662	142,102
Expenses			
Employee benefit expenses	106,515	350	106,865
Travel and hospitality	5,969	663	6,632
Contractual services	5,331	219	5,550
Counsel fees	6,243	-	6,243
Operating expenses	13,943	359	14,302
Supplies and materials	2,151	-	2,151
Depreciation and amortization	12,311	-	12,311
Financial expenses	1,894	-	1,894
Total expenses	154,357	1,591	155,948
Surplus/(deficit) for the period	(13,917)	71	(13,846)

Statement of financial performance by segment for the year ended 31 December 2016

<i>In thousands of euros</i>	<i>General</i>	<i>Trust Funds</i>	<i>Total</i>
Revenue			
Assessed contributions	133,061	-	133,061
Voluntary contributions	805	984	1,789
Financial revenue	43	2	45
Other revenue	1,487	1	1,488
Total revenue	135,396	987	136,383
Expenses			
Employee benefit expenses	100,246	187	100,433
Travel and hospitality	4,999	332	5,331
Contractual services	5,057	295	5,352
Counsel fees	5,546	-	5,546
Operating expenses	11,225	67	11,292
Supplies and materials	2,473	-	2,473
Depreciation and amortization	12,093	-	12,093
Financial expenses	2219	2	2,221
Total expenses	143,858	883	144,741
Surplus/(deficit) for the period	(8,462)	104	(8,358)

26. Commitments and operating leases**Operating leases**

26.1 Operating costs include lease payments in an amount of €2,324 thousand, recognized as operating lease expenses during the year. The amount includes minimum lease payments. No sublease payments or contingent rent payments were made or received.

Commitments

26.2 At 31 December 2017 contractual commitments of the Court for the acquisition of property plant and equipment contracted but not delivered amounted to €167 thousand.

27. Contingent liabilities

27.1 At the end of 2017, two cases filed by staff members of the Court with the ILOAT have been identified for which it is not considered likely that an outflow of economic resources will be required. A total of approximately €0.1 million is disclosed as contingent liabilities for these cases. In addition, there are cases from current or former staff members of the Court, the liability for which cannot be reliably estimated.

28. Related party disclosures

28.1 Key management personnel are defined as the President, the Chef de Cabinet, the Registrar, the Prosecutor, the Deputy Prosecutor and Directors.

28.2 The aggregate remuneration paid to key management personnel includes net salaries, post adjustment, entitlements, assignment and other grants, rental subsidy, employer contributions to the pension plan and current health insurance contributions.

28.3 The amounts paid during the year and outstanding balances of receivables at year end are as follows:

<i>In thousands of euros</i>	<i>No. of individuals</i>	<i>Aggregate remuneration</i>	<i>Receivables</i>
Key management personnel	13	2,614	112

28.4 Key management personnel also qualify for post-employment benefits and other long-term benefits. At year end, accrued liabilities amounted to:

<i>In thousands of euros</i>	<i>Annual leave accrual</i>	<i>Other long-term benefits</i>	<i>Post-employment benefits</i>	<i>Total</i>
Key management personnel	280	508	1,246	2,034

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

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

28.7 In 2017, the Assembly approved an appropriation of €2,174 thousand for the Secretariat of the Trust Fund for Victims, which administers the Trust Fund and provides administrative support to the Board and its meetings. The unspent amount of appropriations for the current and prior period in an amount of €81 thousand is recognized as a liability towards the Trust Fund for Victims and is pending credit to States Parties. The Court provides various services to the Trust Fund for Victims, including office space, equipment and administrative services free of charge.

29. Write-off losses of cash and receivables

29.1 In addition to the items written off during 2017 as stated in note 7 above, a total amount of € thousand was written off as the value of receivables deemed to be irrecoverable.

30. Events after the reporting date

30.1 The Court's reporting date is 31 December 2017. On 26 June 2018 the Administrative Tribunal of the International Labour Organization (ILOAT) delivered judgements in five cases filed by current and former staff members of the Court, resulting in an adjustment of the liability estimate as of the reporting date. In addition, new cases were filed with the Tribunal which relate to the potential existing liabilities of the Court as of the reporting date. According to the requirements set forth by IPSAS 14 ("Events after the Reporting Date"), the estimate for ILOAT provision (note 13) fully accounts for the additional evidence from the above events.

Annex

Schedule 1

International Criminal Court - Status of contributions as at 31 December 2017
(in euros)

States Parties	Outstanding as at 31-12-2016			Credits from 2016			Total outstanding	Receipts relating to 2018
	Collections	Outstanding	Assessed	Collections	Outstanding			
	Prior years			2017				
Afghanistan	-	-	-	14,748	-	14,748	-	-
Albania	-	-	-	19,258	-	19,258	-	-
Andorra	-	-	-	14,443	-	14,443	-	-
Antigua and Barbuda	6,973	99	6,874	4,969	155	-	4,814	11,688
Argentina	1,044,816	1,044,816	-	2,151,329	-	4,760	2,146,569	2,146,569
Australia	-	-	-	5,636,246	1,048	5,635,198	-	-
Austria	-	-	-	1,830,726	295	1,830,431	-	-
Bangladesh	-	-	-	14,904	675	14,229	-	-
Barbados	-	-	-	16,850	-	-	16,850	16,850
Belgium	-	-	-	2,252,390	296	2,252,094	-	-
Belize	-	-	-	2,526	-	2,411	115	115
Benin	21,398	21,398	-	7,577	-	7,577	-	-
Bolivia	-	-	-	28,886	-	28,886	-	-
Bosnia and Herzegovina	-	-	-	31,294	-	31,294	-	-
Botswana	-	-	-	35,589	144	35,445	-	-
Brazil	6,973,575	-	6,973,575	9,566,794	-	-	9,566,794	16,540,369
Bulgaria	-	-	-	114,019	5,044	108,975	-	-
Burkina Faso	3,579	3,579	-	9,766	-	827	8,939	8,939
Burundi ¹	2,776	2,776	-	6,309	-	2,721	3,588	3,588
Cabo Verde	6,321	6,321	-	2,526	-	1,249	1,277	1,277
Cambodia	-	-	-	9,996	-	9,996	-	-
Canada	-	-	-	7,044,742	1,045	7,043,697	-	-
Central African Republic	3,198	-	3,198	2,526	-	-	2,526	5,724
Chad	12,394	-	12,394	12,164	-	-	12,164	24,558
Chile	-	-	-	962,314	7	962,307	-	-
Colombia	1,067,430	1,067,430	-	776,534	-	22,019	754,515	754,515
Comoros	16,841	-	16,841	2,526	-	-	2,526	19,367
Congo	47,359	-	47,359	15,031	-	-	15,031	62,390
Cook Islands	28	28	-	2,526	-	2,526	-	2
Costa Rica	8,084	8,084	-	113,422	-	113,422	-	11,015
Côte d'Ivoire	-	-	-	22,967	-	22,967	-	-
Croatia	-	-	-	253,621	145	253,476	-	-
Cyprus	-	-	-	103,651	145	103,506	-	-
Czech Republic	-	-	-	829,634	7	829,627	-	-
Democratic Republic of the Congo	13,678	13,678	-	14,187	-	14,187	-	-
Denmark	-	-	-	1,408,495	151	1,408,344	-	-
Djibouti	4,421	2,818	1,603	2,526	-	-	2,526	4,129
Dominica	8,121	-	8,121	2,526	-	-	2,526	10,647
Dominican Republic	264,304	120,001	144,303	116,187	-	-	116,187	260,490
Ecuador	-	-	-	161,566	-	161,566	-	-
El Salvador	18,985	18,985	-	33,701	-	33,701	-	-
Estonia	-	-	-	91,615	-	91,615	-	-
Fiji	-	-	-	7,577	-	7,577	-	2
Finland	-	-	-	1,099,807	12,352	1,087,455	-	-
France	-	-	-	12,379,631	1,643	12,377,988	-	-
Gabon	-	-	-	42,555	-	-	42,555	42,555
Gambia	2,403	2,403	-	2,526	-	2,526	-	-
Georgia	-	-	-	19,258	-	19,258	-	-
Germany	-	-	-	15,408,770	2,551	15,406,219	-	-
Ghana	30,200	30,200	-	40,306	-	35,781	4,525	4,525
Greece	-	-	-	1,135,915	152	1,135,763	-	-
Grenada	-	-	-	2,526	-	2,526	-	-
Guatemala	-	-	-	70,733	70,733	-	-	3,807
Guinea	14,573	-	14,573	4,933	-	-	4,933	19,506
Guyana	-	-	-	4,933	1,707	3,082	144	144
Honduras	17,988	17,988	-	20,202	-	475	19,727	19,727
Hungary	-	-	-	392,915	2,006	390,909	-	-
Iceland	-	-	-	55,507	18,166	37,341	-	-
Ireland	-	-	-	807,970	143	807,827	-	-
Italy	-	-	-	9,039,319	666,084	8,373,235	-	-
Japan	-	-	-	24,625,563	-	24,625,563	-	-
Jordan	-	-	-	48,286	-	48,286	-	-

States Parties	Outstanding as at 31-12-2016			Assessed	Credits from 2016			Total outstanding	Receipts relating to 2018
	Collections	Outstanding	Outstanding		Collections	Outstanding	Outstanding		
	Prior years			2017					
Kenya	-	-	-	45,009	1,396	43,613	-	-	
Latvia	-	-	-	120,643	-	120,643	-	-	
Lesotho	2,475	2,475	-	2,526	-	2,526	-	-	
Liberia	145	-	145	2,526	-	-	2,526	2,671	
Liechtenstein	-	-	-	16,850	716	16,134	-	-	
Lithuania	-	-	-	173,602	173,602	-	-	176,357	
Luxembourg	-	-	-	154,344	-	154,344	-	-	
Madagascar	-	-	-	7,577	3,559	3,818	200	200	
Malawi	17,837	17,837	-	5,053	-	5,053	-	-	
Maldives	4,863	-	4,863	4,933	-	-	4,933	9,796	
Mali	79	79	-	7,697	-	7,697	-	-	
Malta	-	-	-	38,657	-	38,657	-	-	
Marshall Islands	3,437	-	3,437	2,526	-	-	2,526	5,963	
Mauritius	-	-	-	28,886	-	28,886	-	-	
Mexico	2,675,916	2,675,916	-	3,460,846	-	-	3,460,846	3,460,846	
Mongolia	-	-	-	12,036	-	12,036	-	-	
Montenegro	-	-	-	9,629	-	9,625	4	4	
Namibia	-	-	-	24,072	-	24,072	-	-	
Nauru	15	15	-	2,526	-	2,526	-	51	
Netherlands	-	-	-	3,574,267	199,218	3,375,049	-	-	
New Zealand	-	-	-	676,298	676,298	-	-	-	
Niger	26,731	-	26,731	5,053	-	-	5,053	31,784	
Nigeria	771,900	-	771,900	514,728	-	-	514,728	1,286,628	
Norway	-	-	-	2,148,083	302	2,147,781	-	-	
Panama	60,015	60,015	-	82,607	-	77,134	5,473	5,473	
Paraguay	-	-	-	34,884	733	4,395	29,756	29,756	
Peru	325,842	325,842	-	341,768	-	341,768	-	19,318	
Philippines	-	-	-	397,896	128	397,768	-	-	
Poland	-	-	-	2,028,278	2,028,278	-	-	2,060,460	
Portugal	-	-	-	945,463	38,370	907,093	-	-	
Republic of Korea	-	-	-	5,109,402	175,396	4,934,006	-	-	
Republic of Moldova	-	-	-	9,629	-	9,629	-	-	
Romania	-	-	-	443,774	144	443,630	-	-	
Saint Kitts and Nevis	-	-	-	2,526	-	2,526	-	-	
Saint Lucia	-	-	-	2,526	-	2,526	-	-	
Saint Vincent and the Grenadines	196	196	-	2,526	-	2,274	252	252	
Samoa	-	-	-	2,407	-	2,407	-	2	
San Marino	-	-	-	7,222	-	7,222	-	-	
Senegal	-	-	-	12,741	-	12,415	326	326	
Serbia	-	-	-	77,172	711	76,461	-	-	
Seychelles	-	-	-	2,526	-	2,526	-	-	
Sierra Leone	-	-	-	2,526	2,526	-	-	1,672	
Slovakia	-	-	-	385,860	145	385,715	-	-	
Slovenia	-	-	-	202,630	-	202,630	-	-	
South Africa	-	-	-	877,920	144	877,776	-	-	
Spain	-	-	-	5,891,976	1,507	5,890,469	-	-	
State of Palestine	-	-	-	17,438	101	17,337	-	-	
Suriname	14,462	14,462	-	14,810	-	14,810	-	-	
Sweden	-	-	-	2,305,673	86,342	2,219,331	-	-	
Switzerland	-	-	-	2,749,447	195,272	2,554,175	-	-	
Tajikistan	5,073	5,073	-	9,984	-	9,984	-	-	
The former Yugoslav Republic of Macedonia	-	-	-	17,794	-	17,794	-	-	
Timor-Leste	7,024	6,956	68	7,222	-	-	7,222	7,290	
Trinidad and Tobago	-	-	-	81,986	-	81,986	-	-	
Tunisia	-	-	-	71,797	-	71,797	-	-	
Uganda	47,996	47,996	-	14,865	-	14,865	-	-	
United Kingdom	-	-	-	10,763,724	4,127	10,759,597	-	-	
United Republic of Tanzania	74,293	74,293	-	14,904	-	13,892	1,012	1,012	
Uruguay	-	-	-	193,043	-	190,594	2,449	2,449	
Vanuatu	6,320	-	6,320	2,526	-	-	2,526	8,846	
Venezuela	4,756,763	-	4,756,763	1,451,139	-	-	1,451,139	6,207,902	
Zambia	14,139	-	14,139	14,865	-	-	14,865	29,004	
<i>Rounding difference</i>	-	-	-	715	-	715	-	-	
Total									
(124 States Parties)	18,404,966	5,591,759	12,813,207	144,587,396	4,373,709	121,979,020	18,234,667	31,047,874	2,272,686

¹⁾ Burundi withdrew from the Rome Statute of the International Criminal Court effective 27 October 2017; the resulting €435 balance from Burundi's refund for 2017 annual contribution is pending redistribution among other States Parties in 2018. The withdrawn State's 2017 assessed amount includes the total outstanding balance for Host State Loan 2018-2047 of €4,218 (ICC ASP/16/Res.1, Part P; ICC ASP/16/15, para. 241).

Schedule 2

International Criminal Court - Status of Working Capital Fund and Contingency Fund as at 31 December 2017 (in euros)

Status of Working Capital Fund

	2017	2016
Balance at beginning of financial period	3,634,515	1,615,124
Receipts from States Parties	12,461	364,492
Refunds to States Parties	-	(393,293)
Refund to withdrawn State	(149)	-
Withdrawal for Permanent Premises Project	-	(3,837,292)
Temporary withdrawal for liquidity	(9,041,272)	-
Replenishments	-	5,790,464
Cash Surplus	5,394,445	95,020
Balance as at 31 December	-	3,634,515
Established level	11,600,000	7,405,983
Due from States Parties (Schedule 3)	(16,735)	(29,196)
Funding shortage / to be financed through future surplus funds	(2,541,993)	(3,742,272)
Temporary withdrawal for liquidity	(9,041,272)	-
Balance as at 31 December	-	3,634,515

Status of Contingency Fund

	2017	2016
Balance at beginning of financial period	5,785,308	5,784,923
Receipts from States Parties	452	385
Refund to withdrawn State	(46)	-
Temporary withdrawal for liquidity	(1,478,982)	-
Withdrawal - not absorbed by regular budget	(547,594)	-
Replenishments	-	-
Balance as at 31 December	3,759,138	5,785,308
Established level	7,000,000	7,000,000
Due from States Parties (Schedule 4)	(5,286)	(5,738)
Funding shortage	(1,756,594)	(1,208,954)
Temporary withdrawal for liquidity	(1,478,982)	-
Balance as at 31 December	3,759,138	5,785,308

¹⁾ Cash Surplus 2015 (ICC-ASP/15/ Res.1, part B, para. 4; ICC-ASP/16/12, p.47, Schedule 5)

²⁾ ICC-ASP/15/Res.1, part B, para. 4

Schedule 3

International Criminal Court - Status of advances to the Working Capital Fund as at 31 December 2017 (in euros)

<i>States Parties</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>
Afghanistan	791	791	-
Albania	1,358	1,358	-
Andorra	1,061	1,061	-
Antigua and Barbuda	298	298	-
Argentina	91,904	91,904	-
Australia	322,986	322,986	-
Austria	113,380	113,380	-
Bangladesh	906	906	-
Barbados	1,121	1,121	-
Belgium	140,858	140,858	-
Belize	149	149	-
Benin	446	446	-
Bolivia	1,513	1,513	-
Bosnia and Herzegovina	2,272	2,272	-
Botswana	2,246	2,246	-
Brazil	488,335	488,335	-
Bulgaria	6,835	6,835	-
Burkina Faso	507	507	-
Burundi (withdrawn State)	149	149	-
Cabo Verde	149	149	-
Cambodia	594	594	-
Canada	437,867	437,867	-
Central African Republic	149	141	8
Chad	480	87	393
Chile	53,391	53,391	-
Colombia	42,165	42,165	-
Comoros	149	141	8
Congo	798	463	335
Cook Islands	149	149	-
Costa Rica	6,173	6,173	-
Côte d'Ivoire	1,507	1,507	-
Croatia	17,006	17,006	-
Cyprus	6,713	6,713	-
Czechia	54,582	54,582	-
Democratic Republic of the Congo	621	621	-
Denmark	94,382	94,382	-
Djibouti	149	149	-
Dominica	149	141	8
Dominican Republic	6,719	6,719	-
Ecuador	7,909	7,909	-
El Salvador	850	850	-
Estonia	5,800	5,800	-
Fiji	446	446	-
Finland	72,995	72,995	-
France	783,276	783,276	-
Gabon	2,780	2,780	-
Gambia	149	149	-
Georgia	1,095	1,095	-
Germany	1,011,325	1,011,325	-
Ghana	2,193	2,193	-
Greece	84,285	84,285	-
Grenada	149	149	-
Guatemala	4,058	4,058	-
Guinea	210	76	134
Guyana	210	210	-
Honduras	1,182	1,182	-
Hungary	32,989	32,989	-
Iceland	3,754	3,754	-
Ireland	56,829	56,829	-
Italy	615,860	615,860	-
Japan	1,533,276	1,533,276	-

<i>States Parties</i>	<i>Working Capital Fund</i>	<i>Cumulative payments</i>	<i>Outstanding</i>
Jordan	3,137	3,137	-
Kenya	2,233	2,233	-
Latvia	7,142	7,142	-
Lesotho	149	149	-
Liberia	149	149	-
Liechtenstein	1,209	1,209	-
Lithuania	10,743	10,743	-
Luxembourg	10,955	10,955	-
Madagascar	446	446	-
Malawi	298	298	-
Maldives	210	210	-
Mali	533	533	-
Malta	2,368	2,368	-
Marshall Islands	149	141	8
Mauritius	1,865	1,865	-
Mexico	247,922	247,922	-
Mongolia	568	568	-
Montenegro	677	677	-
Namibia	1,480	1,480	-
Nauru	149	149	-
Netherlands	234,377	234,377	-
New Zealand	38,364	38,364	-
Niger	298	268	30
Nigeria	20,554	4,780	15,774
Norway	125,843	125,843	-
Panama	4,333	4,333	-
Paraguay	1,723	1,723	-
Peru	18,470	18,470	-
Philippines	23,461	23,461	-
Poland	131,467	131,467	-
Portugal	65,180	65,180	-
Republic of Korea	297,893	297,893	-
Republic of Moldova	507	507	-
Romania	30,902	30,902	-
Saint Kitts and Nevis	149	149	-
Saint Lucia	149	149	-
Saint Vincent and the Grenadines	149	149	-
Samoa	149	149	-
San Marino	446	446	-
Senegal	825	825	-
Serbia	5,436	5,436	-
Seychelles	149	149	-
Sierra Leone	149	149	-
Slovakia	24,644	24,644	-
Slovenia	13,830	13,830	-
South Africa	54,580	54,580	-
Spain	407,860	407,860	-
State of Palestine	769	769	-
Suriname	715	715	-
Sweden	141,862	141,862	-
Switzerland	160,632	160,632	-
Tajikistan	507	507	-
The former Yugoslav Republic of Macedonia	1,121	1,121	-
Timor-Leste	358	358	-
Trinidad and Tobago	5,903	5,903	-
Tunisia	4,843	4,843	-
Uganda	878	878	-
United Kingdom	723,004	723,004	-
United Republic of Tanzania	906	906	-
Uruguay	9,337	9,337	-
Vanuatu	149	149	-
Venezuela	89,402	89,402	-
Zambia	878	841	37
<i>Rounding difference</i>	(4)	(4)	-
Total (124 States Parties)	9,058,156	9,041,421	16,735
<i>Adjustment for refund to withdrawn State</i>	(149)	(149)	-
Total (123 States Parties)	9,058,007	9,041,272	16,735

Schedule 4

International Criminal Court - Status of contributions to the Contingency Fund for 2017 (in euros)

<i>States Parties</i>	<i>Outstanding as at 31-12-2016</i>	<i>Replenishment of Contingency Fund</i>	<i>Collections</i>	<i>Outstanding as at 31-12-2017</i>
Afghanistan	-	-	-	-
Albania	-	-	-	-
Andorra	-	-	-	-
Antigua and Barbuda	-	-	-	-
Argentina	-	-	-	-
Australia	-	-	-	-
Austria	-	-	-	-
Bangladesh	-	-	-	-
Barbados	-	-	-	-
Belgium	-	-	-	-
Belize	-	-	-	-
Benin	24	-	24	-
Bolivia	-	-	-	-
Bosnia and Herzegovina	-	-	-	-
Botswana	-	-	-	-
Brazil	-	-	-	-
Bulgaria	-	-	-	-
Burkina Faso	-	-	-	-
Burundi (withdrawn state)	-	-	-	-
Cabo Verde	-	-	-	-
Cambodia	-	-	-	-
Canada	-	-	-	-
Central African Republic	-	-	-	-
Chad	-	-	-	-
Chile	-	-	-	-
Colombia	-	-	-	-
Comoros	46	-	-	46
Congo	73	-	-	73
Cook Islands	-	-	-	-
Costa Rica	-	-	-	-
Côte d'Ivoire	-	-	-	-
Croatia	-	-	-	-
Cyprus	-	-	-	-
Czech Republic	-	-	-	-
Democratic Republic of the Congo	-	-	-	-
Denmark	-	-	-	-
Djibouti	-	-	-	-
Dominica	8	-	-	8
Dominican Republic	-	-	-	-
Ecuador	-	-	-	-
El Salvador	-	-	-	-
Estonia	-	-	-	-
Fiji	-	-	-	-
Finland	-	-	-	-
France	-	-	-	-
Gabon	-	-	-	-
Gambia	-	-	-	-
Georgia	-	-	-	-
Germany	-	-	-	-
Ghana	-	-	-	-
Greece	-	-	-	-
Grenada	-	-	-	-
Guatemala	-	-	-	-
Guinea	84	-	-	84
Guyana	-	-	-	-
Honduras	-	-	-	-
Hungary	-	-	-	-
Iceland	-	-	-	-
Ireland	-	-	-	-
Italy	-	-	-	-

<i>States Parties</i>	<i>Outstanding as at 31-12-2016</i>	<i>Replenishment of Contingency Fund</i>	<i>Collections</i>	<i>Outstanding as at 31-12-2017</i>
Japan	-	-	-	-
Jordan	-	-	-	-
Kenya	-	-	-	-
Latvia	-	-	-	-
Lesotho	-	-	-	-
Liberia	-	-	-	-
Liechtenstein	-	-	-	-
Lithuania	-	-	-	-
Luxembourg	-	-	-	-
Madagascar	-	-	-	-
Malawi	26	-	26	-
Maldives	-	-	-	-
Mali	-	-	-	-
Malta	-	-	-	-
Marshall Islands	-	-	-	-
Mauritius	-	-	-	-
Mexico	-	-	-	-
Mongolia	-	-	-	-
Montenegro	-	-	-	-
Namibia	-	-	-	-
Nauru	-	-	-	-
Netherlands	-	-	-	-
New Zealand	-	-	-	-
Niger	92	-	-	92
Nigeria	-	-	-	-
Norway	-	-	-	-
Panama	-	-	-	-
Paraguay	-	-	-	-
Peru	-	-	-	-
Philippines	-	-	-	-
Poland	-	-	-	-
Portugal	-	-	-	-
Republic of Korea	-	-	-	-
Republic of Moldova	-	-	-	-
Romania	-	-	-	-
Saint Kitts and Nevis	-	-	-	-
Saint Lucia	-	-	-	-
Saint Vincent and the Grenadines	-	-	-	-
Samoa	-	-	-	-
San Marino	-	-	-	-
Senegal	-	-	-	-
Serbia	-	-	-	-
Seychelles	-	-	-	-
Sierra Leone	-	-	-	-
Slovakia	-	-	-	-
Slovenia	-	-	-	-
South Africa	-	-	-	-
Spain	-	-	-	-
State of Palestine	-	-	-	-
Suriname	-	-	-	-
Sweden	-	-	-	-
Switzerland	-	-	-	-
Tajikistan	-	-	-	-
The former Yugoslav Republic of Macedonia	-	-	-	-
Timor-Leste	-	-	-	-
Trinidad and Tobago	-	-	-	-
Tunisia	-	-	-	-
Uganda	48	-	48	-
United Kingdom	-	-	-	-
United Republic of Tanzania	354	-	354	-
Uruguay	-	-	-	-
Vanuatu	-	-	-	-
Venezuela	4,983	-	-	4,983
Zambia	-	-	-	-
Total (124 States Parties)	5,738	-	452	5,286
<i>Adjustment for refund to withdrawn State</i>	-	-	(46)	-
Total (123 States Parties)	5,738	-	406	5,286

Schedule 5

International Criminal Court - Status of cash surplus as at 31 December 2017 (in euros)¹

<i>Current year</i>	<i>2017</i>	<i>2016</i>
Credits		
Receipts of assessed contributions	126,352,729	124,725,863
Receipts of voluntary contributions	-	805,000
Receipts of miscellaneous income	645,925	878,867
Cost overrun of the Permanent Premises Project (ICC-ASP/15/Res.2)	-	(1,196,674)
<i>Total Credits</i>	<i>126,998,654</i>	<i>125,213,056</i>
Charges		
Disbursed expenditures	137,180,914	127,229,898
Unliquidated obligations	5,287,423	8,289,690
Provision for US Tax liability	86,011	64,684
Provision for doubtful debt	318,707	447,866
Provision for ILOAT cases	1,760,288	1,781,017
Provision for staff entitlements	194,311	-
Provision for termination benefits	-	363,871
Accrual for annual leave and relocation allowance for Judges	307,200	216,900
<i>Total Charges</i>	<i>145,134,854</i>	<i>138,393,926</i>
Provisional cash surplus/(deficit)	(18,136,200)	(13,180,870)
Contingency Fund withdrawal (Schedule 2)	547,594	-
Prior year's cash deficit	(5,621,876)	-
Provisional cash surplus/(deficit) after Contingency Fund withdrawal and prior year's cash deficit	(23,210,482)	(13,180,870)
Disposition of prior year's provisional surplus/(deficit)		
Prior year's provisional surplus/(deficit)	(13,180,870)	(12,042,112)
Plus: receipt of prior period contributions and other income	5,591,759	16,512,799
Savings on, or cancellation of, prior period obligations	1,967,235	923,758
Prior year's cash surplus/(deficit)	(5,621,876)	5,394,445
Reconciliation of provisional surplus/(deficit) to budget surplus/(deficit)		
Provisional cash surplus/(deficit)	(18,136,200)	(13,180,870)
Assessed contributions receivables	18,234,667	14,059,737
Assessed contributions / difference between budgeted and actual host State loan amount	3,647	-
Assessed contributions / net adjustment withdrawn State	(3,783)	-
Miscellaneous income receipts	(645,925)	(878,867)
Budget surplus/(deficit) (Statement V)	(547,594)	-

¹Includes Major Programme VI: Secretariat of the Trust Fund for Victims.

Schedule 6

International Criminal Court - Status of voluntary contributions as at 31 December 2017 (in euros)

<i>Trust Fund</i>	<i>Donors</i>	<i>Balance brought forward</i>	<i>Contributions received in 2017</i>	<i>Contributions recorded in 2017</i>	<i>Contributions related to 2018</i>	<i>Balance due from donors</i>
Building Legal Expertise and Fostering Cooperation, 2016-2017	European Commission	360,360	-	479,605	-	119,245
	Netherlands	12,740	-	12,740	-	-
	Organisation internationale de la Francophonie	(2,260)	16,000	13,740	-	-
Sub-total		370,840	16,000	506,085	-	119,245
Building Legal Expertise and Fostering Cooperation, 2017-2018	European Commission	-	850,000	477,710	372,290	-
	Netherlands	-	12,740	12,740	-	-
	Organisation internationale de la Francophonie	-	51,484	60,000	-	8,516
Sub-total		-	914,224	550,450	372,290	8,516
Lessons Learned Project, 2017-2018	Open Society Foundation	-	95,856	16,775	79,081	-
Sub-total		-	95,856	16,775	79,081	-
Development of Interns and Visiting Professionals, 2016-2018	Netherlands	-	-	-	-	-
	Republic of Korea	-	38,594	38,594	-	-
Sub-total		-	38,594	38,594	-	-
Access to Justice / Justice and Law Enforcement Capacity Building, 2017-2018	Denmark	-	123,019	58,735	64,284	-
Sub-total		-	123,019	58,735	64,284	-
Special Fund for Relocations	Australia	-	199,770	199,770	-	-
	Belgium	-	-	96,000	-	96,000
	Luxembourg	-	50,000	35,000	15,000	-
Sub-total		-	249,770	330,770	15,000	96,000
Family Visit for Indigent Detainees	Netherlands	-	-	20,000	-	20,000
	Individual / Marie O'Leary	-	300	300	-	-
Sub-total		-	300	20,300	-	20,000
Junior Professional Officer programme	Japan	-	260,748	105,065	155,683	-
	Republic of Korea	-	105,943	-	105,943	-
	Switzerland	-	117,759	-	117,759	-
Sub-total		-	484,450	105,065	379,385	-
Least Developed Countries	Finland	-	25,000	25,000	-	-
	Ireland	-	10,000	10,000	-	-
	Pan African Forum Limited	-	-	-	-	-
Sub-total		-	35,000	35,000	-	-
Total voluntary contributions		370,840	1,957,213	1,661,774	910,040	243,761

Schedule 7

International Criminal Court - Status of trust funds as at 31 December 2017 (in euros)

<i>Trust Fund</i>	<i>Balance brought forward</i>	<i>Contributions recorded</i>	<i>Financial/ other revenue</i>	<i>Expenses (Including donor refunds)</i>	<i>Balance carried forward</i>
General Trust Fund	60,084	-	-	49,415	10,669
Building Legal Expertise and Fostering Cooperation, 2016-2017	-	506,085	-	506,085	-
Building Legal Expertise and Fostering Cooperation, 2017-2018	-	550,450	-	550,450	-
Launch Event OTP Policy on Children, 2016	367	-	-	367	-
Lessons Learned Project, 2017-2018	-	16,775	-	16,775	-
Development of Interns and Visiting Professionals, 2016-2018	177,570	38,594	-	105,556	110,608
Access to Justice and Justice and Law Enforcement Capacity Building, 2017-2018	-	58,735	-	58,735	-
Special Fund for Relocations	1,222,432	330,770	-	96,000	1,457,202
Regional Seminar (<i>dormant 2014-2017</i>)	36,462	-	-	36,462	-
Family Visits for Indigent Detainees	33,077	20,300	-	28,074	25,303
Junior Professional Officer programme	-	105,065	-	105,065	-
Least Developed Countries	5,286	35,000	-	33,818	6,468
Programme Support	88,034	-	1,025	4,364	84,695
Total	1,623,312	1,661,774	1,025	1,591,166	1,694,945

General description and purpose of 2017 trust funds disclosed in Schedule 7:

1. The *General Trust Fund* relates to unrestricted funds.
2. Contracts with the European Commission and other donors for the *Building legal expertise and fostering cooperation* programme provide financial support to the implementation of the following two sub-projects:

(a) The sub-project "*Furthering cooperation, sharing expertise and building national capacity*" aims to increase support for and cooperation with the Court, thereby helping to reinforce the fundamental principles of the Rome Statute, broaden understanding of the Court, and reinforce national capacities to deal with crimes under the Rome Statute. These objectives are achieved through such activities as: (i) *Seminars, events and training for fostering cooperation*, which provides representatives and legal professionals, including counsel, from States Parties and non-States Parties with opportunities to develop their knowledge and practical skills, as well as share mutually relevant information so as to, *inter alia*, strengthen the Court's capacity to implement its mandate based on improved judicial cooperation; and (ii) *Legal Professionals Programme*, which provides representatives and professionals from third countries, situation countries, countries under preliminary investigation, and any other relevant developing country State Party, with an opportunity to work with the the Court on a short-term basis in The Hague as a means of developing their capacity to investigate and prosecute crimes within the Court's jurisdiction.

(b) The sub-project “*Legal Tools*” under the responsibility of the Office of the Prosecutor facilitates development of the capacity to investigate, prosecute and adjudicate core international crimes cases, in particular at the national level. It has been designed to assist legal professionals to work on core international crimes as enshrined in the Rome Statute and relevant national legislation, by providing (a) free access to legal information in international criminal law, legal digests of such information, and specialized software to work with such law; and (b) training, coaching and offering help desk services. The sub-project forms one important element in the Court’s effort to reinforce national capacity and to ensure that those alleged of such crimes can be brought to justice in accordance with international standards.

3. The official event of the Trust Fund entitled *Launch Event OTP Policy on Children* took place on 16 November 2016, the first day of the fifteenth session of the Assembly of States Parties (“ASP”), in The Hague, marking the occasion of the official launch of the Policy on Children of the Prosecutor of the International Criminal Court. The Policy was set to guide the Office’s on-going efforts in addressing international crimes against and affecting children, under the Rome Statute, as well as in its child-sensitive approach to engaging with children in the course of its work, bearing in mind their rights and best interests.

4. The *Lessons Learned Project* encompassed an objective assessment, performed by three external experts, involving a root cause analysis of how the Office of the Prosecutor conducted the preliminary examination, investigations and prosecutions in a specific situation, examining how both internal processes and external factors were handled. The exercise was designed to determine whether the Office has corrected and improved its working methods since that experience, and what changes may still be necessary, in order to hone performance internally and to manage more effectively external factors that impinge on success. The Prosecutor is examining the confidential report the experts presented to her with their analysis and recommendations.

5. The Trust Fund for the *Development of Interns & Visiting Professionals* has been established to provide funded internship and visiting professional opportunities to nationals from developing regions that are a State Party to the Rome Statute. The programme provides the participants an opportunity for intellectual growth, development of knowledge and skills specific to a career or career setting and the acquisition of transferable professional skills. Funding for the trust fund is provided by interested States Parties.

6. The “*Access to Justice and Justice and Law Enforcement Capacity Building, 2017-2018*” programme is a one-year partnership between the Court’s Kampala Field Office and the Danish Embassy in Kampala, which came into effect in July 2017. The project was established as a direct response to the victims and affected communities’ overwhelming interest and quest for regular information in the trial of Dominic Ongwen. With the overall goal of enhancing direct community participation in the trial of Dominic Ongwen by providing them timely, accurate and easily accessible information on the trial, the project aims to create practical access for victims and the affected communities to follow the trial of Dominic Ongwen, broaden public understanding of the Court and its efforts to address impunity, manage the expectations of victims, affected communities and other stakeholders in order to mitigate threats to victims, witnesses or families/sympathizers of the accused persons; increase the support for the Court and enhance cooperation and partnerships with influential community, religious, cultural and local leaders. The Court will also provide training to and share experience with members of the Justice Law and Order Sector stakeholders to contribute to the strengthening of their capacities in the handling of international crimes. Uganda has since the enactment of the International Criminal Court Act 2010 commenced the trial of individuals including Thomas Kwoyelo who is accused of committing international crimes under the international laws and national laws. However, there are capacity gaps and the intervention is intended to contribute to a coordinated investigative and prosecutorial strategy to handle international crimes and close the impunity gap. It is also aimed at strengthening the institutions to adequately start, manage and complete a criminal judicial process, and to develop stronger and more capable justice and law enforcement mechanisms.

7. The *Special Fund for Relocations* is established to assist States which are willing but do not have the capacity to enter into relocation agreements with the Court with cost neutral solutions. It aims at increasing the number of effective relocations and building local capacity to protect witnesses. The fund receives voluntary contributions from States Parties and covers direct expenses of the person at risk relocated in the receiving State.

8. The Trust Fund for the *Regional Seminar*, originally planned for the 2014 event in Phnom Penh (Cambodia), was initially postponed and, in the end, was ceased in 2017, being replaced by a different regional seminar in Niamey (Niger), organised in 2017 under a different Trust Fund.

9. The Trust Fund for *Family Visits for Indigent Detainees* was established within the Registry by the Assembly in its resolution ICC-ASP/8/Res.4. The purpose is to fund family visits for indigent detainees through voluntary contributions.

10. The Trust Fund for the *Junior Professional Officer Program* has been established to provide funded appointments to nationals from sponsoring participating countries. The program provides opportunities for young professionals to be placed in entry-level positions, at the cost of their governments, in an effort to familiarize them with the inner workings of the Court and the international legal system as a whole, with an aim at creating increased suitability to positions at the Court. The program provides the participants with an opportunity for professional growth and the development of real world skills that can be applied to their careers at the Court and the International Public Sector.

11. The Trust Fund for *Least Developed Countries* was established by ICC-ASP/2/Res.6 and amended by ICC-ASP/4/Res.4. It is managed by the Secretariat of the Assembly of States Parties and promotes participation of delegates of the least developed countries and other developing countries in the work of the Assembly of States Parties by covering their travel costs to the Assembly as determined by the Fund.

Audit report on the financial statements of the International Criminal Court for the period ended 31 December 2017

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I. Audit objectives, scope and approach

1. We have audited the financial statements of the International Criminal Court (the Court) in accordance with the International Standards on Auditing (ISA) and regulation 12 of its Financial Regulations and Rules, including the additional terms of reference governing the audit of the International Criminal Court.
2. The objective of the audit was to determine with reasonable assurance that the financial statements, taken as a whole, did not present any significant anomalies, either through fraud or through error, so that the auditor could provide an opinion as to whether these statements were drawn up, in all material respects, in accordance with the International Public Sector Accounting Standards (IPSAS) for financial year 2017.
3. The additional terms of reference governing the External Auditor are set out in the annex to the Financial Regulations and Rules, paragraph 6 (c), which stipulates that the improper use of the Court's money and other assets and any expenditure not in accordance with the intention of the Assembly of States Parties (Assembly) must be brought to the notice of the Assembly of States Parties.
4. Financial statements prepared in accordance with IPSAS contain a statement of financial position, a statement of financial performance, a statement of changes in net assets, a statement of cash flows, a statement of comparison between budget and actual data and notes for the financial year then ended.
5. A set of seven schedules presenting additional information not falling within the scope of this audit was appended to the financial statements by the Court. The audit team ensured that those schedules were coherent with the financial statements, but did not carry out any other due diligence concerning them.
6. The audit consisted of two phases:
 - (a) An interim audit, focused on aspects relating to internal controls (from 5 to 15 December 2017); and
 - (b) A final audit, focused on the financial statements and the disclosure obligations imposed by IPSAS (from 28 May to 8 June 2018).
7. The findings and recommendations were discussed with the Registry team. The final meeting with the Director of the Division of Management Services, the Head of the Finance Section and his team, and the Deputy Head of the Human Resources Section, was held on 7 June 2018.
8. We hereby provide an unqualified opinion on the financial statements of the International Criminal Court for the year ended 31 December 2017.

II. List of recommendations

Recommendation n° 1: In order to strengthen the process of recovering payment arrears, the External Auditor recommends to allow States Parties in arrears for the preceeding two full years to vote only once the payment schedule has been fulfilled, in accordance with the conditions of article 112 of the Rome Statute.

Recommendation n° 2: Due to the particular nature of the insurance contract related to the judges' pension plan, the External Auditor recommends that the Court elaborate more precisely in the notes of the financial statements for a better insight into the consequences that would arise from a decision to move to another insurer or a change of the insurance policy conditions in force.

Recommendation n° 3: The External Auditor recommends to the Court, starting 2018, to disclose in more detail explanations of the significant actuarial gains and losses in the notes to the financial statements.

Recommendation n° 4: The External Auditor requires that all disclosable, not highly sensitive audit evidence regarding Victims and Witnesses Section expenditures, for the 2018 interim audit, be available before the beginning of the mission, for audit test sampling.

The External Auditor recommends to the concerned to prepare this documentation before the first day of the mission. In the future, if the amount of highly sensitive non-disclosable evidence for testing appears to exceed the audit materiality threshold, the External Auditor would have to refer to the matter in his opinion and in his report on the financial statements.

III. Overview of the financial position

9. Assets represent €52.7 million at 31 December 2017 compared with €67.1 million at 31 December 2016, a decrease of €14.4 million (- 5.37 per cent). The overall level of cash and cash equivalents¹ decreased from €20.4 million to €7.1 million, or a €13.3 million (- 65 per cent) decrease, explained by the low collection rate of assessed contributions. Outstanding assessed contributions amount to €31.1 million at the end of 2017, compared with €18.5 million at the end of 2016 (+ 68.2 per cent).

10. The total of assessed contributions receivable, net of allowance for doubtful debt, and “other receivables” represents €25.6 million at 31 December 2017 compared with €17.2 million at 31 December 2016. It mainly relates to assessed contributions from States Parties and receivables for the reimbursement of taxes. Receivables for contributions from States Parties represent €1.0 million (regular budget) and €31.1 million (total assessed contributions). Brazil, Venezuela and Mexico hold the major part of outstanding contributions (€6.2 million).

11. Property, plant and equipment represent €89.3 million versus €199.7 million at 31 December 2016, and amount to 74.9 per cent of assets. Depreciation of the permanent premises was calculated over a full year for €0.3 million in 2017, the net book value of the building being €174.9 million at year-end (2017).

12. Reimbursement rights which amount to €7.3 million correspond to the Allianz fund to which the Court contributes in order to cover the after-service pensions of judges.

13. Liabilities are mainly debts to suppliers, to employees and to the host State for the loan to finance the permanent premises. Proven risks are also recorded there as part of the contingencies and provisions.

14. Liabilities are split between current liabilities and non-current liabilities. This distinction is primarily based on the expected delay of payment of the provisioned amount.² The provision mainly includes the amounts covering disputes before the International Labor Organization Administrative Tribunal (ILOAT). This amount has decreased from €2.2 million to €2.1 million during the year. This slight decrease results from two opposite flows: a reduction of a provision of €1.9 million mainly due to payments following the judges’ pension litigation settlement, and an increase of a provision of €1.8 million mainly due to new ILOAT cases filed by Court staff.

15. Employee benefits are also split between current and non-current liabilities:

(a) The annual leave accrued and other long term and post-employment benefits due within one year appear in current liabilities; and

(b) The non-current portion corresponds to the Court’s long-term liabilities, such as judges’ pensions and After Service Health Insurance (ASHI).

16. The loan from the host State is intended to finance the permanent premises project. It amounts to €72.5 million at the end of 2017 (versus €74.3 million at the end of 2016).

17. Deferred revenue and accrued expenses, totaling €8.9 million, are essentially composed of assessed contributions collected in advance (€2.3 million), invoices not yet received at the closing of the accounts for services related to the Court’s operations (€2.1 million), as well as €3.6 million in annual payments and interest on the loan maturing on 1 February 2018.

¹ The amounts in “cash and cash equivalents” correspond to immediately available funds or demand deposits.

² Debts due in less than 12 months are considered current, while others are classified as non-current debts.

18. Net assets, amounting to €8.8 million (€15.9 million in 2016), constitute the Court's net equity, the various components of which are detailed in statement III - "Statement of changes in net assets/equity" with the following breakdown:

(a) a positive balance of €05.1 million as at the end of 2017 represents the previous "fund for permanent premises project" and other general funds, which have been merged under the denomination of "Other general funds" in 2017 Statement III, while they were presented separately in 2016;

(b) a positive amount of €3.8 million (versus €9.5 million in 2016) for the contribution of States Parties to finance the contingency fund reserve (€3.8 million) and the working capital fund reserve (€0.02 million)³;

(c) a negative equity of €1.8 million for the remaining general funds, representing the Court's activities' general performance. They include the funds for employee benefits liabilities (+ €0.5 million) and two negative balances: cash surplus (- €5.6 million), and remeasurement of post-employment related plans (- €6.7 million).

19. The 13 trust funds amount to €1.7 million.

20. The statement of financial performance shows a negative result of €3.8 million, compared to - €8.4 million for 2016. This shows a deterioration of performance close to €4 million (+ 65.6 per cent). The main factors explaining this increase of the deficit are increases of expenses, mainly employee benefits expenses (+ 6.4 per cent), operating expenses (+ 26.7 per cent), and travel and hospitality (+ 24.4 per cent). The Court's expenses (€55.9 million) increased in 2017 versus decreasing from €46.5 million in 2015 to €44.7 million in 2016. Total revenue growth is 4.1 per cent, mainly from assessed contributions.

IV. Observations and recommendations

21. The External Auditor's observations and recommendations on the 2017 financial statements relate to:

- (a) Budget performance in 2017;
- (b) Outstanding assessed contributions;
- (c) Payroll and employee benefits;
- (d) Procurement; and
- (e) IT internal control review.

A. Budget performance in 2017

1. General presentation

22. The implementation of the 2017 budget was presented in a report from the Court to the Committee on Budget and Finance (Committee) distributed on 29 March 2018 (document CBF/30/14). The report (ICC-ASP/17/5) of the thirtieth session of the Committee, held in The Hague from 16 to 20 April 2018, was distributed on 3 May 2018.

23. The External Auditor has taken note of both documents and considers that they provide full and detailed information on the implementation of the 2017 budget. He therefore does not comment on budget implementation, but focused his attention on checking:

(a) on the one hand, after a rapid analytical review of the consumption of allowances by destination (programmes) and by nature of expenditure, the accuracy of the reconciliation between the budget result and the accounting result for the 2017 financial year (analyzed in Statement V of the Court's Financial Statements);

³ The Working Capital Fund is used to meet short-term liquidity needs at the end of the year in the context of outstanding assessed contributions. The contingency fund has also been used to meet short term liquidity problems.

(b) on the other hand, the adequacy of the cash situation at 2017 year-end given the provisional financial needs of the regular budget for 2018 – this question is mentioned in document CBF/30/14, circulated on 29 March 2018.

(a) *Use of budget appropriations*

24. With an initial appropriation of €144.6 million, the initial approved budget for 2017 allowed for an increase in expenditure of 3.6 per cent over the initial approved budget for the previous year (€139.6 million).

25. As to the actual expenditure, if one adds the use of authorized notifications to the contingency fund, the figures are respectively €145.1 million (2017) and €138.4 million (2016), representing a 4.8 per cent increase in expenditure.

26. Excluding contingencies, the implementation of the approved budget for the 2017 financial year shows, with a rate of 99.4 per cent, a very slight surplus of €0.9 million, to be compared to a rate of 97.3 per cent and a surplus of €3.8 million for the previous year before the transfer of €1.2 million to the Permanent Premises Project. Including contingencies, the overall consumption rate for 2017 was 100.4 per cent, resulting in a budget deficit of €0.5 million before utilization of the Contingency Fund.

27. The following table, presented in the Report on activities and programme performance of the International Criminal Court for 2017 (document CBF 30/14), has been revised by the External Auditor to align with Statement V of the Court's Financial Statements to reflect the change regarding staff costs, following the judgements issued by the International Labor Organization Administrative Tribunal on 26 June 2018. The table breaks down the expenditure by major programmes/programmes:

Table 1. Budget Performance in 2017 by Programmes (in thousands of euros)

<i>Major Programme / Programme</i>	<i>Approved Budget 2017</i>	<i>Actual Expenditure 2017</i>	<i>Difference</i>	<i>Implementation rate in %</i>
Major Programme I				
Judiciary	12,536.0	12,232.3	303.7	97.6
Presidency	1,295.3	1,195.0	100.3	92.3
Chambers	10,840.4	10,634.0	206.4	98.1
Liaison office	400.3	403.2	-2.9	100.7
Major Programme II				
Office of the Prosecutor	44,974.2	44,432.0	542.1	98.8
Immediate Office of the Prosecutor	10,356.8	9,792.9	564.0	94.6
Jurisdiction/Complementarity/Cooperation	3,956.9	3,755.3	201.6	94.9
Investigation Division	19,091.0	19,733.0	-642.0	103.4
Prosecution Division	11,569.5	11,150.9	418.6	96.4
Major Programme III				
Registry	76,632.6	77,334.9	-702.3	100.9
Office of the Registrar	1,706.4	2,446.6	-740.1	143.4
Division of Management Services	18,798.5	20,944.75	-2,146.2	111.4
Division of Judicial Services	32,072.9	33,229.2	-1,156.4	103.6
Division of External Operations	24,054.7	20,714.4	3,340.3	86.1
Major Programme IV				
ASP Secretariat	2,618.8	2,434.1	184.7	92.9
Major Programme V				
Premises	1,454.9	1,454.9	-	100.0
Major Programme VI				
Secretariat of the Trust Fund for Victims	2,174.5	1,704.3	470.2	78.4

<i>Major Programme / Programme</i>	<i>Approved Budget 2017</i>	<i>Actual Expenditure 2017</i>	<i>Difference</i>	<i>Implementation rate in %</i>
Major Programme VII-5 Independent Oversight Mechanism	514.8	461.1	53.7	89.6
Major Programme VII-6 Office of Internal Audit	694.2	621.0	73.1	89.5
Subtotal	141,600.0	140,994.4	605.5	99.6
Major Programme VII-2 Host State Loan	2,987.3	2,983.6	3.7	99.9
Total ICC	144,587.3	143,658.0	928.9	99.4

Source : based on document CBF 30/14 with figures revised following ILOAT judgements of 26 June 2018

28. In terms of programme budget management, this table shows that:

(a) In proportion, the budget overruns concern, in decreasing order, the Registrar's Office (143.4 per cent), the Division of Management Services (111.4 per cent), the Judicial Services Division (103.6 per cent), the Investigation Division (103.4 per cent) and Liaison Offices (100.7 per cent); and

(b) In absolute amounts, the overruns concern, in decreasing order, the Division of Management Services (deficit of €2.1 million), the Division of Judicial Services (deficit of €1.2 million), the Registrar's Office (deficit of €0.7 million), the Investigations Division (€0.6 million), and the Liaison Office (€2,900).

29. The following table also shows the breakdown of appropriations and expenditures by items:

Table 2. Budget performance in 2017 by items of expenditure (in thousands of euros)

<i>Type of expenditure</i>	<i>Approved Budget 2017</i>	<i>Actual Expenditure 2017</i>	<i>Variance</i>	<i>Implementation rate in %</i>
Judges	5,369.1	5,404.9	-35.8	100.7
<i>Subtotal judges</i>	<i>5,369.1</i>	<i>5,404.9</i>	<i>-35.8</i>	<i>100.7</i>
Staff costs	85,087.5	88,544.6	-3,457.2	104.0
General temporary assistance	15,074.4	11,525.0	3,549.3	76.5
Temporary assistance for meetings	1,168.4	1,313.6	-145.3	112.4
Overtime	363.5	285.2	78.4	78.4
<i>Subtotal staff costs</i>	<i>101,693.7</i>	<i>101,668.4</i>	<i>25.2</i>	<i>99.9</i>
Travel	5,838.3	6,189.6	-351.3	106.0
Hospitality	29.0	29.9	-0.9	103.2
Contractual services	3,355.9	3,890.9	-535.0	115.9
Training	890.0	744.4	145.6	83.6
Consultants	695.3	714.1	-18.8	102.7
Counsel for defence	3,528.2	3,913.3	-385.1	110.9
Counsel for victims	1,002.8	942.8	60.0	94.0
General operating expenses	19,925.9	16,793.3	3,132.6	84.3
Supplies and materials	962.7	1,230.9	-268.2	127.9
Furniture and equipment	1,296.3	2,135.7	-839.4	164.7
<i>Subtotal non-staff costs</i>	<i>37,524.4</i>	<i>36,584.9</i>	<i>939.6</i>	<i>97.5</i>
Total ICC	144,587.3	143,658.0	928.9	99.4

Source : based on document CBF 30/14 with figures revised following ILOAT judgements of 26 June 2018

30. This second breakdown of the budget implementation shows that, altogether, the main overrun relates to staff costs, with an overrun of €3.4 million, while all other overruns represent a total of €2.6 million. These overruns are offset by the main under-consumption, which concerns general technical assistance contracts (GTAs – under-consumption of €3.6 million) and operating expenses (under-consumption of €3.1 million).

31. The origin of the main overrun has already been clearly identified in the documents submitted to the Committee and the Assembly – it is the decrease of the established staff vacancy rate, which is lower, for all organs, than the provisional rate on which the budget was prepared, being observed that the vacancy rate decreased:

- (a) From 13.5 percent in 2016 to 7.7 percent in 2017 for the Judiciary;
- (b) From 12.7 percent in 2016 to 6.4 percent in the Office of the Prosecutor; and
- (c) From 22.0 percent in 2016 to 11.3 percent in 2017 in the Registry.⁴

32. The other overruns are mainly a consequence of the opening of new situations, leading to preliminary examinations (in particular for Burundi).

33. Looking back, the evolution of the Court's budget spending over the last 10 years clearly shows the driving role of the Office of the Prosecutor in the growth of the Court's budgetary needs:

Table 3. Evolution, over 10 years, of the expenditure of the Office of the Prosecutor and the Registry (in current thousands of euros)

Year	OTP Major Programme						Registry Major Programme					
	Prosecutor	%	JCCD	% Investigations	% Prosecution	%	Total	%	Total	%		
2007	5,823	-	1,457	-	8,530	-	3,066	-	18,876	-	47,664	%
2008	5,558	95.4%	1,771	121.6%	10,334	121.1%	3,933	128.3%	21,599	114.4%	49,045	102.9%
2009	5,796	104.3%	2,102	118.7%	11,326	109.6%	5,065	128.8%	24,292	112.5%	55,971	114.1%
2010	6,385	110.2%	2,128	101.2%	11,674	103.1%	5,529	109.2%	25,719	105.9%	64,212	114.7%
2011	6,414	100.5%	2,290	107.6%	12,513	107.2%	6,129	110.9%	27,349	106.3%	66,503	103.6%
2012	6,384	99.5%	2,456	107.2%	12,305	98.3%	6,447	105.2%	27,595	100.9%	65,316	98.2%
2013	6,857	107.4%	2,646	107.7%	13,107	106.5%	6,640	103.0%	29,253	106.0%	65,244	99.9%
2014	8,294	121.0%	2,894	109.4%	14,155	108.0%	7,557	113.8%	32,903	112.5%	66,408	101.8%
2015	9,206	111.0%	3,649	126.1%	18,068	127.6%	9,659	127.8%	40,586	123.3%	67,952	102.3%
2016	8,941	97.1%	3,718	101.9%	18,838	104.3%	10,499	108.7%	41,999	103.5%	73,302	107.9%
2017	9,793	109.5%	3,75	101.0%	19,733	104.8%	11,151	106.2%	44,435	105.8%	78,812	107.5%
Variance on 10 years	168.2%		257.0%		231.3%		363.7%		235.4%		165.3%	

Source: SAP extraction by External Auditor

34. This table shows that:

(a) In terms of financial volumes, the Investigations Division of the Office of the Prosecutor is a driving force for the activity of the Court, reaching nearly €20 million in 2017, after having experienced a nominal growth of + 231 per cent over 10 years;

(b) In terms of budgetary dynamics, the Prosecutor's Prosecution Division is experiencing the fastest growth rate, with nominal growth of + 364 per cent over 10 years;

(c) By comparison, over the same period, the Registry's services are experiencing a more moderate nominal growth (+ 165 per cent) – through this growth differential the Office of the Prosecutor/Registry expenditure ratio, after having been relatively stable at around 40 per cent until 2014, increased strongly to reach about 60 per cent.

⁴ These figures are given in document CBF-30/14, page 41.

35. This long-term trend is one of the consequences of the principle of budgetary and judicial independence of the Office of the Prosecutor. As a result, control over the evolution of the Court's expenditure is, by construction, out of control of the services in charge of managing the budget, which are located in the Registry.

(b) *Budget and accounting performance*

36. The financial statements are prepared on an accrual basis, according to IPSAS, which differ from the budgetary accounts, prepared at the Court on a modified cash accounting basis. It is therefore necessary that the States Parties, who have to approve the financial statements, are given adequate information to check the concordance between, on one hand, the appropriations they approved and the budget expenditure of the Court, and on the other hand, the financial statements as presented at the end of the fiscal/accounting year.

37. That is the reason why IPSAS 1 states that, when a budget is prepared on the basis of a different standard, financial statements should disclose the elements allowing a comparison between budget and accounting performance. This comparison is presented through statement V and note 24 of the financial accounts, and some additional data are contained in Schedules 2 and 3, as specified below.

38. Data provided in table 2 show that the approved 2017 regular budget appropriations amounted to €144.6 million, and that the actual expenditure amounted to €143.7 million, which resulted in a slight surplus of €0.9 million.

39. Unforeseen expenditures were settled through authorized Contingency Fund notifications of €1.53 million, of which €1.48 million were actually used. The principle of this fund is to function as a simple "right of draw" on ordinary budget allocations, without any increase in the latter, which is therefore intended to bear the corresponding expenses.

40. In these circumstances, the final result of the budget execution, as presented in statement V for reconciliation with the accounting result, is as follows:

Table 4. Budget performance to reconcile with IPSAS financial statements (statement V – in thousands of euros)

<i>Fund</i>	<i>Appropriation</i>	<i>Expenditure</i>	<i>Performance</i>
General	144,587.3	143,658	929.3
Contingency	-	1,477	- 1,477.0
Total	144,587.3	145,135	- 547.7

Source: ICC financial statements for 2017

41. In practice, although a reconciliation of the budget and accounting performance (statement II) could be envisaged, IPSAS recommend instead a reconciliation of the budget with the statement of cash flows (statement IV): it is the solution chosen by the Court.

42. To check statement V on that basis, one must start from the cash variation as measured in statement IV. This cash variation must be broken down between the different funds, because the regular budget is authorized to draw cash from only three specific funds - the General Fund, the Working Capital Fund and the Contingency Fund. The cash available in the other Court funds (excluding the Trust Fund for Victims (TFV), which is an entity external to the Court), whose variations are included in the statement of cash flows (statement IV), must be clearly identified in order to exclude them, in order to neutralize entity differences, as will be explained later.

43. For this purpose, one can refer to schedule 2 annexed to the 2017 financial statements, which breaks down the cash flow by funds (Working Capital, Contingency, other funds, excluding TFV) and from which the following simplified table can be drawn.

Table 5. Breakdown of available cash by type of funds in 2017 (in thousands of euros)

<i>Fund</i>	<i>Available cash</i>		
	<i>01 January 2017</i>	<i>31 December 2017</i>	<i>Variation</i>
Working Capital	3,635	0	- 3,635
General (including Employee Benefit Fund)	8,640	479	- 8,161
Contingency	5,785	3,759	- 2,026
Others (excluding TFV)	2,344	2,844	500
Total	20,404	7,082	- 13,322

Source: ICC financial statements for 2017

44. This table reflects the negative variation in the cash situation of the Court as reported in statement IV (- €13.3 million). This amount has to be reconciled with the deficit of €0.5 million shown in table 4.

45. As indicated in the note 24 to the financial statements for 2017, the budgetary accounts are not directly comparable to accrual accounting because the budgetary concepts of appropriations and expenditure or commitments do not coincide with the IPSAS concepts of revenue and expense. The differences concern the “basis”, “scope” and “presentation” for the budget on one side, and for the financial statements on the other side: these differences have been verified and validated by the External Auditor (the details of this verification are given in annex 1).

46. Overall, taking into account these differences, and noting that they all lead to an increase of the net disbursements as recorded in the accounts compared to the deficit of the regular budget, one can reconcile the decrease in cash and cash equivalents of €13.3 million with the budget deficit of €0.5 million as follows:

Table 6. Reconciliation between budget performance and cash flow statement (in thousands of euros)

Budget performance 2017	548
Basis difference	8,202
Presentation difference	4,545
Scope difference	27
Net cash decrease in 2017	13,320

Source: The External Auditor, based on the Court’s 2017 financial statements

Finding: The External Auditor has a reasonable assurance of the accuracy of the reconciliation between the budgetary and accounting data as presented in statement IV for the 2017 financial year.

2. Regular budget financing

47. Beyond the verification of the accuracy of the budgetary performance and cash flow data presented in the financial statements for 2017, the External Auditor has analysed the reasons and consequences of the sharp drop in available cash recorded at the end of 2017, particularly with regard to the going concern principle.

(a) Cash flow of the regular budget funds

48. In order to cope with a net decrease in cash and cash equivalents of the General Fund in deficit of €13.8 million during 2017 (see note 25 of the financial statements), the Court first used all the cash in the General Fund, withdrawing €2.7 million, while

disbursements of €1.1 million remained to be financed (the difference between the net disbursement of €3.8 million and the withdrawal from the General Fund of €2.7 million).

49. To honour these disbursements, the Assembly authorized the Court to make temporary and exceptional use of the Contingency Fund after the full utilization of the Working Capital Fund. In addition, resolution ICC-ASP/15/Res.1 adopted on 24 November 2016 also authorized the opening of a credit line to be used as a last resort, for the period from December 2017 to February 2018. The temporary cash withdrawals recorded in schedule 2 annexed to the financial statements were made in that context, which ultimately made it possible not to use the credit line:

(a) As regards the Working Capital Fund, as shown in schedule 2, the initial balance of €3.6 million was supplemented by a carryover of €5.4 million, corresponding to the cash surplus resulting from the 2015 budget performance, so that for 2017, the available cash was €9 million. The temporary withdrawal of the same amount brought the Working Capital Fund balance at the end of the year to zero; and

(b) As regards the Contingency Fund, schedule 2 shows that the net cash flow of -€2.1 million recorded in 2017 corresponds to an additional authorized temporary withdrawal of €1.5 million, to which one should add the resulting cash negative budget performance for 2017, i.e. €0.5 million.

50. Finally, although resolution ICC-ASP/3/Res.4 raised the level of the Contingency Fund to €10 million, resolution ICC-ASP/7/Res.4 invited the Bureau to consider options to restore the Contingency and Working Capital Funds. Following these reflections, for the 2017 budget, resolution ICC-ASP/15/Res.1 (24 November 2016) finally limited the level of the Contingency Fund to €7 million. For the same year, the same Assembly resolution brought the level of the Working Capital Fund to €1.6 million.

51. In both cases, no cash funding has been provided to restore these Funds to the announced notional level: schedule 2 shows that, in reality, the notional amounts are not reached at the end of 2017, the financing shortfalls amounting to €2.5 million for the Working Capital Fund and €1.8 million for the Contingency Fund.

Finding: The cash balance in the General Funds as of 31 December 2017 was only €4.2 million consisting of €3.8 million in the Contingency Fund and €0.4 million in the Employee Benefit Fund. The amount corresponds to about ten days of disbursements. This tight cash situation is only partially attributable to the budget performance (deficit of €0.5 million). It is mainly due, as at 31 December 2017, to the size of the arrears in the payment of assessed contributions, which amounted to a total of €31 million (of which €8.2 million was only for 2017 contributions).

(b) Current situation and prospects

52. At the time of the final audit mission (from 27 May to 8 June 2018), the latest discussions just held within the Committee (document CBF/30/14 and document ICC-ASP/17/5 of 3 May 2018) suggested that the situation had not improved since the end of 2017. In particular, document ICC-ASP/17/5, paragraph 39 states that "according to the Court's cash flow projections, liquidity issues are likely to arise in November 2018 (€5.1 million) and continue until January/February 2019."

53. The same document, in paragraph 43, states that "the Committee noted that the Assembly at its sixteenth session did not authorize the Court to temporarily utilize the CF and/or establish external funding (credit line) to address its temporary liquidity shortfall in 2018, and that there is currently no mechanism in place to address this situation, which may result in a situation, where the Court may not be able to discharge its essential obligations (e.g. pay salaries to staff and invoices to suppliers)."

54. In May 2018, a few days before the final audit mission of the External Auditor, the Court disclosed very explicitly, a material uncertainty concerning the Court's going concern in a horizon of less than one year, while indicating that they do not have solutions.

55. The External Auditor must, in accordance with ISA 570, expressly decide on going concern for a foreseeable period of time, that is, until 31 December 2018⁵. He/she must in

⁵ According to the ISA standard n° 1, the foreseeable future corresponds to a period of 12 months after the closing of the financial statements.

particular indicate whether he/she accepts that the preparation of financial statements be based on the principle of going concern, or whether they should be prepared on the basis of the present net realizable asset value of the Organization because of the inability of the latter to ensure the sustainability of its activities.

56. The External Auditor excludes *a priori* this latter hypothesis, as there is no reason to doubt the willingness and ability of the States Parties to ensure the continuation of the activities of the Court. Nevertheless, technically, to be formally consistent with this standard, he made an observation on this point in his opinion.

57. Furthermore, he reviewed the updated cash flow projections until 31 December 2018, as available at the time of his final audit mission of the 2017 financial statements (28 May – 8 June 2018).

58. Compared with cash flow projections, which were the basis of the reflections presented by the Committee in ICC-ASP/17/5, the External Auditor requested and obtained an update of the figures:

(a) Updated as at 31 May (realized cash flows thus cover the first five months of 2018, and projected flows only relate to the last seven months of the year); and

(b) Presenting several scenarios: a pessimistic scenario (based on the same basic assumptions as those presented to the Committee at the end of February), a medium scenario and an optimistic scenario, specifying the assumptions used in each case.

59. These three scenarios, as of 31 May 2018, have been developed leading to different assumptions which may or may not materialize. They are presented in the table below:

Table 7. 2018 year cash forecasts as of May 31st (in euros)

<i>Scenario</i>	<i>Pessimistic</i>	<i>Medium</i>	<i>Optimistic</i>
Opening cash balance	4,238,529	4,238,529	4,238,529
Inflows			
Collected assessed contributions	134,308,750	140,010,116	140,010,116
Other inflows	1,389,287	1,389,287	1,389,287
<i>Total inflows</i>	<i>135,698,037</i>	<i>141,399,403</i>	<i>141,399,403</i>
Outflows			
Disbursements	141,216,116	141,216,116	138,317,755
Loan payments	3,585,127	3,585,127	3,585,127
Payments against provisions	1,408,098	1,408,098	1,408,098
Disbursements against EBL funding for Judges	600,000	600,000	600,000
Contingency Fund notifications	2,630,257	2,630,257	2,579,988
<i>Total outflows</i>	<i>149,439,598</i>	<i>149,439,598</i>	<i>146,490,968</i>
Closing cash balance	- 9,503,032	- 3,801,666	- 853,036
Cash balance breakdown by funds			
General Fund	- 23,653,639	- 17,952,273	- 15,003,643
Working Capital Fund	9,057,046	9,057,046	9,057,046
<i>Total cash available for regular budget operations</i>	<i>- 14,596,593</i>	<i>- 8,895,227</i>	<i>- 5,946,597</i>
Contingency Fund	4,918,370	4,918,370	4,918,370
Employee benefits funding (EBL)	175,191	175,191	175,191
Total cash on hand	- 9,503,032	- 3,801,666	- 853,036
<i>Trust funds cash</i>	<i>2,737,614</i>	<i>2,737,614</i>	<i>2,737,614</i>

<i>Scenario</i>	<i>Pessimistic</i>	<i>Medium</i>	<i>Optimistic</i>
Assumptions			
<i>Pessimistic scenario:</i> 100 per cent of 2018 budget is projected to be spent after absorbing Contingency Fund expenses. Assessed contribution forecasted payments are based on the 2017 payment pattern.			
<i>Medium scenario:</i> 100 per cent of 2018 budget is projected to be spent after absorbing Contingency Fund expenses. Assessed contribution forecasted payments are based on the 2017 payment pattern, except assuming Argentina and Mexico will pay their 2018 contributions in 2018 rather than in 2019.			
<i>Optimistic scenario:</i> Approximately 98 per cent of 2018 budget is projected to be spent after absorbing Contingency Fund expenses. Assessed contribution forecasted payments are based on the 2017 payment pattern, except assuming Argentina and Mexico will pay their 2018 contributions in 2018 rather than in 2019.			

Source: Division of Management Services

60. In the immediate future, the question is to cover, before the end of 2018, the cash deficit appearing as “Total cash available for regular budget operations” in the table, i.e. an amount estimated between €5.9 million and €4.6 million.

61. As indicated in notes 2.4 and 2.19 to the 2017 financial statements certified by the External Auditor, this forecast is not likely to cast doubt on the Court's confidence in ensuring going concern. But it also does not exclude a cash shortage, which might lead to delays or even suspension of certain payments by the Court. Such a situation could only, from a management perspective, harm the reputation of the institution.

62. For this reason, the External Auditor supports the Committees analysis on the need for the Assembly to consider in due course the measures needed to avoid placing the Court in this situation, being reminded that the States Parties have three ways to restore the cash balance:

(a) The first one depends on a limited number of States Parties, namely those with assessed contributions arrears. This point is the subject of a recommendation in the next section of this report dealing with arrears;

(b) The second one is to allow the Court to temporarily and exceptionally use the Contingency Fund's available cash; and

(c) The last one is to authorize the Court to temporarily open a bank credit line.

63. Finally, if current trends are confirmed, there is no doubt that the cash flow problem can only worsen in 2019. This is not the purpose of the present report, devoted to the certification of financial statements closed as at 31 December 31 2017, so that the opinion of the External Auditor is limited to 31 December 2018 (the 2017 statements being prepared on a going concern basis).

Finding: Data provided to the External Auditor during his final mission on the 2017 financial statements lead him to share the concerns expressed by the Committee regarding the risk of a liquidity crisis occurring during the second half of 2018. The External Auditor considers that this is not a temporary crisis, but the manifestation of a problem that has become structural, the resolution of which requires further analysis.

The External Auditor will review this liquidity issue triggered by arrears as part of a performance audit on the Court's budget management.

B. Outstanding assessed contributions

1. Evolution of arrears

64. The following table shows the evolution of the assessed contributions and related outstanding arrears since 2007:

Table 8. Outstanding assessed contributions from 2007 to 2017 (in thousands of euros)

<i>Year</i>	<i>Assessed contributions</i>	<i>Collections for current year</i>	<i>Collection current year / Assessed contribution</i>	<i>Outstanding current year as at 31 December</i>	<i>Outstanding current year / Assessed contribution</i>	<i>Collections for prior year</i>	<i>Outstanding as prior year as at 31 December</i>	<i>Total Outstanding as at 31 December</i>
2007	88,872	83,021	93%	5,851	7%	9,672	2,298	8,149
2008	90,382	90,077	100%	305	0%	7,896	252	557
2009	96,230	95,469	99%	761	1%	225	332	1,093
2010	103,623	97,849	94%	5,774	6%	612	481	6,255
2011	103,608	101,222	98%	2,386	2%	5,849	406	2,792
2012	108,800	102,640	94%	6,160	6%	2,382	410	6,569
2013	112,040	105,380	94%	6,659	6%	6,248	321	6,980
2014	118,706	110,672	93%	8,034	7%	525	6,455	14,489
2015	125,598	112,959	90%	12,639	10%	6,343	8,147	20,786
2016	138,786	124,726	90%	14,060	10%	16,440	4,345	18,405
2017	144,587	126,353	87%	18,235	13%	5,592	12,813	31,048

Source: External Auditor from aging balances

65. The critical period in terms of arrears starts in 2014, when the amount of arrears had more than doubled at once, while the assessed contributions evolved only by 6 per cent between 2013 and 2014. In 2015 and 2017, unpaid debts increased by 43 per cent and 67 per cent respectively, while the assessed contributions progressed by 6 per cent and 4 per cent. The outstanding balance reached its highest level in 2017 and amounted to €31 million. A second critical turn seems to begin in 2017 (+ 68 per cent of outstanding contributions compared with previous year).

66. In terms of the current year's collections, deceleration starts from 2011. While in 2011 they accounted for 98 per cent of the year's contributions, in 2017 they represent only 87 per cent.

67. Both indications give an idea of the scale of the deterioration of the collection of assessed contributions since several years.

Table 9. Most significant outstanding assessed contributions as of 31 December 2017 (in thousands of euros)

<i>State Parties</i>	<i>Outstanding as of 31 December 2017</i>	<i>Outstanding related to 2017</i>	<i>Outstanding related to prior years</i>
Brazil	16,540	9,567	6,973
Venezuela	6,208	1,451	4,757
Mexico	3,461	3,461	0
Argentina	2,147	2,147	0
Nigeria	1,287	515	772
Total 5 State-Parties	29,643	17,141	12,502
%	95%	94%	98%
Total all State Parties	31,048	18,235	12,813

Source: External Auditor from aging balance as of 31 December 2017

68. By the end of 2017, 39 States Parties had not entirely paid their assessed contributions. In comparison, in the previous year the overdue receivables concerned 44 States Parties. However, the structure of the aging balance remains nearly the same as last year. The five most important outstanding arrears represent 95 per cent of the total outstanding balance as of 31 December 2017⁶.

69. Brazil cleared a significant portion of its arrears in 2016,⁷ but a significant portion of its contributions related to 2016 as well as the full amount for 2017 remain outstanding. The last payment from Brazil was in December 2016.

70. While Mexico and Argentina made payments in 2017, respectively in January and March, these payments were used to settle arrears prior to the current year.

71. At the end of 2017, Venezuela and Nigeria have accumulated unpaid amounts for several years.⁸ Their last payments date back to September 2012 and October 2013, respectively. According to article 112 of the Rome Statute, the countries with arrears equal or exceeding the amount of the contributions due for the preceding two full years should be declared ineligible for voting at the Assembly of States Parties. The receivables attached to these two contributors are classified as doubtful debts. However, it should be noted that in March 2018 Nigeria paid a significant portion of its outstanding contributions for prior years.

Finding: In relation to the present liquidity problems described above, it appears clearly that the issue will largely depend on the attitude observed (in decreasing arrears amounts order) by Brazil and Venezuela before the end of 2018.

2. Ineligibility for voting

72. The Court recognizes provision with respect to doubtful debts. It represents 90 per cent of the receivables' balance unpaid for more than two years. As of 31 December 2017, the amount of this provision amounted to €6.9 million and concerns eight countries that should be ineligible for voting at the Assembly. The largest share of provision relates to Venezuela and Nigeria, amounting to €5.6 million and €1.2 million respectively.

73. Nevertheless, during the sixteenth Assembly in December 2017, all 123 States Parties took part in the elections of six new judges.⁹ Countries ineligible to vote, according to article 112 of the Rome Statute, were able to vote. Indeed, the Rome Statute allows exemptions from the rule of ineligibility, if "*it is satisfied that the failure to pay is due to conditions beyond the control of the State Party*".

Finding: In its report to the Assembly on the thirtieth session of the Committee on Budget and Finance (Committee), which took place from 16 to 20 April 2018, the Committee indicates that as at 31 March 2018, thirteen States Parties had outstanding contributions that did not allow them to retain their voting rights at the Assembly. As such, the Committee recommends that "such requests for exemption be only granted following the payment of the minimum amounts identified and after presenting payment plans for the remaining balance". The External Auditor, from a purely financial management point of view, endorses this recommendation of the Committee, and suggests that it should be implemented for each Assembly of States Parties and with no exception.

Recommendation n° 1: In order to strengthen the process of recovering payment arrears, the External Auditor recommends to allow States Parties in arrears for the preceding two full years to vote only once the payment schedule has been fulfilled, in accordance with the conditions of article 112 of the Rome Statute.

⁶ In 2016, those countries, plus Colombia, represent 94 percent of total overdue.

⁷ Brazil regularized its situation prior to 2015 for a total amount of €12.4 million.

⁸ Venezuela's arrears date from 2013 and Nigeria's from 2014.

⁹ All 123 voted in rounds 6 to 9 of the judges' elections during the sixteenth Assembly.

74. During his final mission (27 May to 8 June 2018), the External Auditor updated the arrears as at 31 May 2018. This leads to the following table:

Table 10. Breakdown of outstanding assessed contributions by year (in thousands of euros)

	<i>Outstanding as of 31 May 2018</i>	<i>Outstanding as of 31 December 2017</i>	<i>Collections related to prior years</i>
2007	1	1	0
2008	1	1	0
2009	3	3	0
2010	5	5	0
2011	6	6	0
2012	13	13	0
2013	956	956	0
2014	1,202	1,302	-100
2015	1,315	1,498	-182
2016	8,534	9,029	-496
2017	12,040	18,235	-6,194
2018	36,035	-	-
Total	60,111	31,048	-

Source: External Auditor from aging balance as at 31 May 2018 and 31 December 2017

75. As at 31 May 2018, the Court collected a total of €16.1 million related to assessed contributions, compared to €7.4 million at the same time the previous year. The increase in payments during the first five months of 2018 is partly explained by the payment of aging receivables: €6.8 million was used to clear outstanding balances prior to 2018.

76. At the end of May 2018, Argentina, Mexico and Nigeria cleared a significant portion of their overdue debts. However, they had not paid their 2018 contributions at the same date. For Brazil and Venezuela, the situation has not changed compared to 2017. The outstanding contributions balance for these two countries are respectively €26.3 million and €7.7 million.

C. Payroll and employee benefits

1. Change in total payroll

77. The Court's staff expenditure had a significant increase in 2017, up 6.4 per cent from €100.4 million in 2016 to €106.8 million in 2017. It is an important change from the previous year, which had shown a moderate growth of 1.1 per cent from 2015.

Table 11. Change in 2016-2017 Employee benefit expenses (in thousands of euros)

	<i>2017</i>	<i>2016</i>	<i>Change 2017/2016</i>	<i>Change as %</i>
Judges' salaries	3,237	3,250	-13	-
Judges' entitlements and allowances	1,718	3,148	- 1,430	- 45 %
Staff salaries	56,112	47,627	8,485	+ 18 %
Staff entitlements and allowances	29,231	24,981	4,250	+ 17 %
Temporary assistance	16,567	21,427	- 4,860	- 23 %
Total	106,865	100,433	6,432	+ 6%

Source: External Auditor, on the basis of note 16 to the financial statements

78. This increase of total payroll is explained by various effects:

(a) Staff salaries and allowances have increased by €12.7 million, while temporary assistance decreased by €4.9 million. Non-temporary staff (established, excluding GTA and short-term appointment – STA) amounts to 79.8 per cent staff costs (excluding judges) or 84.5 per cent (including judges);

(b) Temporary assistance, which includes mostly GTA and STA, represents a minor part of staff costs, and this part is decreasing (15.5 per cent in 2017 compared with 21.33 per cent in 2016). Amongst temporary assistance, GTA salaries amount to €6.8 million, while STA salaries are at €6.3 million;

(c) In 2017, 73 GTA contracts were converted to established contracts. Conversions have grown from 65 in 2016 to 73 in 2017. These conversions refer to the following categories:

Table 12. Details of contract conversions by organ

<i>Organs</i>	<i>General Service Staff</i>	<i>General Service Security</i>	<i>Professional Staff</i>	<i>Total</i>
Registry	-	-	-	-
OTP	12	-	61	73
Judiciary	-	-	-	-
Total	12	-	61	73

Source: External Auditor, on the basis of statements provided by the HR section

(d) Staff entitlements and allowances have increased at the same rate as staff salaries (+ 17.0 per cent and + 17.8 per cent).

79. Staff costs account for 68.5 per cent of Court expenses. 84.5 per cent of this share is for established positions (and judges). This confirms that employee benefits are the major component of the Court's expenses, and that most of them are fixed costs. The growing number of contract conversions also contributes over years to lowering the flexibility of employee benefits expenses and of overall expenses.

2. Internal control and expenses monitoring

80. During the audit of the 2016 financial statements, the External Auditor made some observations on the improvements needed in the field of human resources internal control. Two recommendations had been issued, the implementation of which is reviewed in chapter V below, still considered as “partially implemented”. On the strict issues relevant to financial statements, a document has been provided on reconciliation between payroll and the General Ledger at year-end, as requested by the recommendation.

81. The External Auditor's work on reconciliation of figures has not shown particular discrepancies.

82. A separate audit has been made in 2018 on human resources management, with some dedicated findings and recommendations.

83. As in 2016, the External Auditor observes that some employees claim many days of annual leave. About 140 staff members have accumulated 50 days or more of annual leave at year-end. For staff, no more than 60 days have been carried forward in accordance with regulation 105.2, para. (e) of the Staff Regulations and Rules. In the case of judges, annual leaves may reach much higher figures. Annual leave liabilities are up to €6.3 million in 2017 (+ €0.2 million compared to 2016).

84. Pending annual leave at the end of 2017 amounts to a total of 23,067 days. In case of separation, annual leave should be paid out at a maximum of 60 days (regulation 105.2, para. (g) of the Staff Regulations and Rules). The Court should have better visibility over staff with huge annual leave balances arriving at the end of their contracts, and potentially able to request cash payments of their annual leave.

85. A component of employee benefits expenses is again linked to litigation provisions. After the settlement of the case filed by the judges, another provision was made in 2017. The financial statements mention that at the end of 2017, 20 cases by current or former staff members were filed, and that a total amount of €2.1 million is earmarked for them, showing a slight decrease, the ILOAT provision being €2.2 million in 2016. ILOAT fees also increase along with litigation and are mandatory expenses for the Court.

3. Recognition of liabilities

(a) Scope

86. The post-employment benefits, termination benefits and other long-term employee benefit liabilities are composed of the judges' pension scheme, the after service health insurance for the staff, the termination benefits and the other long-term benefits.

87. The accounting for employee benefits under IPSAS 39 ("Employee Benefits") is technically complex as the liabilities are frequently material because they are long-term and measurement has to take into consideration various assumptions. For this purpose, the Court relies on the services of a consultant (Deloitte).

88. The groups entitled to benefits are:

(a) The judges, who have defined retirement benefits and disability benefits based on vested rights and covered by an insurance contract recorded as a reimbursement right; and

(b) The internationally recruited professional staff under long-term contracts, who benefit from the health regime for retirees, the "after service health insurance" plan, financed by 50 per cent by the Court, and from other long-term benefits such as home leave benefits, removal/travel on separation, relocation allowance, survivors benefit, family visits, repatriation grant and death grant.

(b) Valuation and completeness

89. The post-employment benefits and the other long-term benefits amount to €6.8 million in 2017 versus €0.1 million in 2016. The reimbursement rights related to the judges' pension scheme amounts to €27.3 million in 2017 versus €25.5 million in 2016.

90. In accordance with ISA 620, the External Auditor has used the work of independent actuarial specialists as part of the audit team in order to obtain sufficient appropriate audit evidence in the valuation and the completeness of the post-employment benefits, termination benefits and the other long-term employee benefit liabilities.

91. The independent actuarial specialists assisted the External Auditor in:

(a) Understanding how the accounting estimate is made, and how data on which the accounting estimate is based is generated;

(b) Documenting the key assumptions, methods, and data used to make the estimate; and

(c) Documenting whether the relevant financial reporting framework has been applied when developing the estimate and whether the methods used to create the estimate are appropriate and consistent period over period.

(c) Findings and recommendations

92. The review performed resulted in the following findings and recommendations.

93. The current insurance contract related to the judges' pension scheme allows the Court to withdraw the amounts deposited to the insurer. In this regard, the insurance contract is classified as a reimbursement right. The insurer does not have the ability to terminate the contract and has the obligation to fulfil its commitments. If the Court decides to terminate the contract, the Court will have the choice either to transfer the amounts deposited to a new insurer, or to keep the funds with the current insurer.

Finding: The transfer of the amounts deposited to a new insurer could lead to a significant fluctuation in the premium amount in order to maintain the insurance policy conditions in force.

Recommendation n° 2: Due to the particular nature of the insurance contract related to the judges' pension plan, the External Auditor recommends that the Court elaborate more precisely in the notes of the financial statements for better insight into the consequences that would arise from a decision to move to another insurer or a change of the insurance policy conditions in force.

94. The review of the internationally recruited professional staff population between 2015, 2016 and 2017 highlighted a change in the codification contracts by considering GTA as similar to established staff starting 2016, and a change in the staff eligible for the repatriation grants starting 2017 due to the implementation of a new circular.

95. The review also highlighted several significant actuarial gains and losses between 2016 and 2017 regarding the other long-term benefits mainly explained by:

- (a) Increase in expected longevity of plan participants based on the updated mortality tables by the United Nations Joint Staff Pension Fund;
- (b) Increase in medical premium;
- (c) Decrease in average medical base salary;
- (d) Increase in the discount rate from 1.8 per cent in 2016 to 2.05 per cent used in the 2017 valuation; and
- (e) Change in valuation methodology, by inclusion of spouse and/or child mortality variables in the projection of after-service-health insurance.

Recommendation n° 3: The External Auditor recommends to the Court, starting 2018, to disclose in more detail explanations of the significant actuarial gains and losses in the notes to the financial statements.

D. Procurement

1. Miscellaneous Obligation Documents

96. As per financial rule 110.8 ("Obligating documents") of the Court's Financial Regulations and Rules (FRR), "an obligation must be based on a formal contract, agreement, purchase order or other form of undertaking, or on liability recognized by the Court. All obligations must be supported by an appropriate obligating document".

97. The External Auditor obtained the "Standard Operating Procedure (SOP) for Miscellaneous Obligation Document (MOD)" dated 2 January 2013. This SOP refers to the Court's financial rule 110.8 and specifies that "the MOD's should be avoided and the volume of MOD's should be minimized at the ICC". These documents are signed by a certifying officer in accordance with the Court section involved.

98. However, the MODs amount to €7.7 million in 2017 and €7.0 million in 2016. The sections using this procedure are mainly the Counsel Support Section and the Victims and Witnesses Section.

99. The following table analyses the detail of the MOD amounts as per FRR 110.8 compared with the total of expenses in the accompanying notes 17 to 21 to the financial statements.

Table 13. Difference between total expenses and expenses documented according to FRR art. 110.8 (in thousands of euros)

	<i>Total expenses</i> 2017	<i>Obligating documents</i> 2017	%	<i>Total expenses</i> 2016	<i>Obligating documents</i> 2016	%
Counsel Support Section	6,246	5,285	85%	5,826	4,730	81%
Victims Witnesses Section	2,827	1,592	56%	2,745	1,416	52%
Deputy Prosecutor for Investigations	3,093	364	12%	2,875	308	11%
Field Office	2,782	296	11%	2,016	312	15%
Other sections	19,929	159	1%	16,532	-69	0%
Total	34,877	7,696	22%	29,994	6,997	22%

Source: External Auditor, based on notes 17 to 21 of the financial statements

100. Furthermore, the distribution shows that 97 per cent of these expenses are for amounts below €10,000 in 2017 and in 2016.

101. The following table shows the MOD distribution as per FRR 110.8 in 2017 and 2016:

Table 14. Distribution of expenses documented according to FRR art. 110.8

	<i>Total Obligating documents</i> 2017	<i>Number in 2017</i>	%	<i>Total Obligating documents</i> 2016	<i>Number in 2016</i>	%
> €100,000	252	2	0%	300	1	0%
€0,000 to €99,999	275	4	0%	158	3	0%
€10,000 to €49,999	1,266	90	3%	1,239	89	3%
€5,000 to €9,999	5,887	1,174	33%	4,451	897	32%
< €5,000	17	2,294	64%	549	1,780	64%
Total	7,696	3,564	100%	6,697	2,770	100%

Source: External Auditor, on the basis of the ICC's 2017 accounts

102. The External Auditor verified, on a test basis, the existence of such expenses based on the supporting documents provided. The tests conducted were deemed satisfactory.

103. However the MODs do not fall under FRR 110.12 to 110.19 regarding procurement rules and specifically regarding the required competition level as per rule 110.15 and the procurement review committees as per rule 110.14.

104. The External Auditor could not check whether the obligating documents as per rule 110.8 were compliant with the procurement rules under FRR 110.12 to 110.19 and specifically regarding the required competition level as per rule 110.15, the procurement review committees as per rule 110.14 and the general principles of procurement as per rule 110.12.

2. Victims and Witnesses Section audit

105. The Victims and Witnesses Section (VWS) has been established to provide support and protection to witnesses and to victims who appear before the Court. When victims testify as witnesses the VWS provides administrative and logistical support to enable them to appear before the Court. The VWS also provides psycho-social care and other appropriate assistance as required.

106. The objective of the External Auditor, as per ISA 500, is to design and perform audit procedures in such a way as to enable the auditor to obtain sufficient appropriate audit

evidence to be able to draw reasonable conclusions on which to base the auditor's opinion. Whenever the scope of audit of the External Auditor is restricted, or whenever the External Auditor is unable to obtain sufficient evidence, he/she shall refer to the matter in his/her opinion and report, making clear the reasons for his comments and the effect on the financial position and the financial transactions as recorded.

107. Regarding VWS's expenditure, the External Auditor understands that the confidentiality and sensitivity of some material which could identify confidential relocation countries could not be disclosed. However, the External Auditor has to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on the fact that all amounts and other data relating to recorded transactions and events have been recorded appropriately and that transactions and events that have been recorded and disclosed have occurred and pertain to the entity.

108. The External Auditor had been granted access to a majority of the evidence pertaining to the VWS activities including some confidential information. However, the VWS indicated that it would rather not disclose highly sensitive material identifying some of the relocation countries where protected witnesses/victims had been placed. As a result, the External Auditor was not granted access to the audit evidence to perform his audit tests on VWS's expenditures for a maximum amount of €0.8 million in 2017 due to the confidentiality of the information. By contrast the External Auditor had access to audit evidence for an amount of €2.1 million in 2017.

109. The following table discloses, on one hand, the total expenses of the Victims and Witnesses Section, and on the other hand the amounts on which tests can be performed.

Table 15. VWS expenses breakdown in 2017 (in thousands of euros)

	<i>Total expenses 2017</i>	<i>Expenses available for testing</i>
Travel expenses	980	980
Miscellaneous obligating documents (rule 110.8 of ICC's FRR)	1,592	828
Purchase orders	255	255
Total Victims and Witnesses Section	2,827	2,063

Source: External Auditor, on the basis of ICC's 2017 accounts.

110. The amount of non-available evidence for testing is below the audit materiality threshold calculated by the External Auditor for the 2017 financial audit. Therefore, this gap has no consequence on the opinion of the External Auditor.

Recommendation n°4: The External Auditor requires that all disclosable, not highly sensitive audit evidence regarding VWS expenditures, for the 2018 interim audit, be available before the beginning of the mission, for audit test sampling. The External Auditor recommends to the VWS prepare this documentation before the first day of the mission. In the future, if the amount of highly sensitive non-disclosable evidence for testing appears to exceed the audit materiality threshold, the External Auditor would have to refer to the matter in his opinion and in his report on the financial statements.

E. IT internal control review

1. Scope and objective

111. The External Auditor focused its work on the Information Technology (IT) internal control framework. The overall objective was to assess whether IT internal control procedures are adequately designed and effectively implemented to reduce risks related to the use of the Court's information systems. As such, the work covered the IT environment and Information Management (IM) governance and the internal control procedures implemented around the use of the SAP application.

2. IT environment and IM governance

112. Information Technology and Information Management (IT/IM) defined a five-year IT strategy to improve the processes of the Court and to make them more efficient, transparent and sustainable.

113. However, the External Auditor noted that the actual IT organization requires a smooth cooperation and communication between teams with different hierarchical levels. For example, since 2015 the management of the SAP application has been shared between the “SAP team” (under the supervision of the Division of Management Services) in charge of the application and functional support and IMSS (Information Management Services Section, under the supervision of the Division of Judicial Services) in charge of the infrastructure management.

114. SAP IT human resources are limited in number and mainly focused on the daily tasks and therefore are sparsely available for mid- or long-term projects aiming at improving the information systems.

3. SAP internal control

115. Generally speaking, until now, IT internal control has suffered from a recent and changing environment, IT teams being mainly focused on new software implementation and dealing with hotline requests from users.

116. The External Auditor pointed out four IT/IM fields in which the Court should improve its internal control environment.

(a) SAP access management

117. The External Auditor found that creation and modification requests are not systematically formalized. No control is implemented to ensure the respect of segregation of duties principles and no regular basis user’s accounts and access rights reviews are performed to ensure the appropriateness of access granted.

118. That is why the External Auditor suggested implementing:

(a) a control to prevent granting access rights that lead to segregation of duties issues in a context of an integrated and centralized information system;

(b) a yearly control (at least) of review to detect any inappropriate access rights granted within the SAP system.

119. The Court’s services accepted this suggestion during the clearance process. The SAP team is currently working on a centralized repository of access roles with a segregation of duties matrix indicating which roles cannot be combined. The repository will also contain information on assigned roles per active user. The repository is intended to be used to control the role assignment and to prevent granting access rights that lead to segregation of duties issues. In addition the repository will be used for a yearly user access rights review. Implementation is expected to be completed in the second quarter of 2019.

(b) Computer operations

120. The External Auditor noted that the Court does not ensure on a regular basis that IT and business teams are able, within the objectives defined, to restore data from information systems in case of disaster.

121. He suggested that the IT services perform an annual test in order to ensure the ability of the Court’s teams to fully restore the IT environment in case of any disaster.

122. The IT services accepted this proposal during the clearance process. IMSS is in the process of updating its process and governance (documented in a Standard Operating Procedure) for back-up and recovery to support disaster response and recovery. It constitutes a priority and will include updating the existing SOP for disaster recovery of

SAP, and planning the annual restore exercise for the SAP IT landscape, pending business approval and availability, and is targeted for completion in 2018.

(c) *SAP change management*

123. The documentation of users' change requests and their traceability is heterogeneous (mail, excel lists or SolvIT tool) and leads to inconsistent justification of changes implemented in the SAP productive environment. The follow-up of change requests by technical teams is also more difficult.

(d) *External providers*

124. Confirming the internal audit conclusions, the Court should define and include in every key contract, service level agreements to allow an efficient management of external services in the best interests of the Court.

125. The External Auditor found that some processes use multiple channels that lead to heterogeneous control methods and inconsistent documentation, and identified difficulties to track documents on SAP changes and the scope of external provider services. More generally, the External Auditor identified a need for streamlining the organization of IT internal control.

126. That is why the External Auditor recommended to streamline existing procedures and tools used to manage SAP users and change requests documentation, tracking and follow-up, in order to reduce the risks respectively related to inappropriate access granted and inappropriate change requests or insufficient tests before implementation in the production environment.

127. The Court accepted this recommendation during the clearance process. Rationalizing the existing procedures and tools used to manage SAP users and changes has already started in early 2018 and is expected to be completed in early 2019. Currently existing standard operating procedures for "SAP change and access requests" are being reviewed and updated and existing outdated tools are being replaced with one new tool (SolvIT). Implementation is expected to be completed in the second quarter of 2019.

V. Follow-up of previous recommendations

128. The External Auditor reviewed the implementation of the recommendations still pending at the date of the audit, altogether coming from previous audits of the financial statements or from other reports produced by the External Auditor.

129. 20 recommendations were pending. Eight came from audit reports on the financial statements. 12 recommendations came from reports on cash reserves (2015), on the new Permanent Premises building (2016), on the ReVision project of reform of the Registry (2016) and on the Division of External Operations (2017).

130. Out of these 20 recommendations, seven have been implemented, 11 are partially implemented, one has not started to be implemented, and one has been merged with another one. At the end of the review, 12 previous recommendations are still pending, the implementation of which will have to be reviewed again in future audit reports.

131. The following table displays the recommendations still pending at the beginning of 2018, coming from previous audit reports on financial statements, and the opinion on their implementation at the end of the review by the External Auditor.

Table 16. Previous financial audit report recommendations still pending as of 1 January 2018

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Implemented</i>	<i>Partially implemented</i>	<i>Not implemented</i>
ICC-2016-1	Staff	In order to strengthen the internal control dedicated to the administration of salaries and benefits, the External Auditor recommends incorporating, into each step of the current monthly payroll calculation procedure, the risk associated (missing supporting documents, non-compliance with the staff rules, creation of fictitious staff, discrepancy between staff paid and real staff, parameter setting error, miscalculation...), the control to be performed in relation to the identified risk and the control owner, into each step of the current monthly payroll calculation procedure..		X	
ICC-2016-2	Staff	The External Auditor recommends that the Human Resources Section formalise all the verifications and controls carried out during the preparation of the monthly payroll and retain them for documentation purposes.		X	
ICC-2016-3	Ex gratia payments	For easier monitoring of ex gratia payments, the External Auditor recommends creating a specific general ledger account in the trial balance and respectively classifying the related expenses.	X		
ICC-2015-1	Staff	The External Auditor recommends that the HR Section (i) set up a way to monitor the average workforce size for easier comparison between the average workforce size and the workforce table in the budget and (ii) reconcile the various payroll files to establish the workforce size with certainty.	X		
ICC-2015-3	Permanent premises	For better visibility and budgeting of maintenance costs, the External Auditor recommends that the Court: (i) first, finalise the development of a reliable maintenance plan as soon as possible; then, (ii) review the breakdown of components so as to align them with the maintenance plan projections and distinguish the components properly.			X
ICC-2015-5	Financial internal control	In order to improve the budgetary control of all activity segments of the Court, the External Auditor recommends revising the configuration of the SAP enterprise resource planning software to require the completion of an additional field indicating, for each accounting entry, whether it has a budgetary impact or an accounting impact.	X		
ICC-2015-6	Accounting internal control	In order to ensure effective and efficient internal control, the External Auditor recommends that the Court complete the full deployment of the information system to prepare financial statements according to IPSAS and ensure the stability and strength of the accounting function.		X	
ICC-2013/1	Provisions for bad debts and funds received from defendants	In order to clarify the decision-making process regarding the treatment of funds received in connection with the seizure of assets, the External Auditor recommends that the Court establish an official directive setting out the details of the treatment of funds received in the various stages of the judicial proceeding with a clear definition of functions and responsibilities within the Court's system. This directive will form the basis of an appropriate accounting and budgetary treatment.		X	
Total number of recommendations			3	4	1

132. Recommendations to be considered as implemented at the end of the present review are:

(a) ICC 2016-3, which was aimed at framing the budgetary and accounting treatment of ex gratia payments. A new account n°2399 was opened specifically for ex-gratia payments, and was present in the accounting balances at the end of the year 2017.

(b) ICC 2015-5, which aimed to improve the budgetary conformity controls on operations by the SAP enterprise resource planning software (ERP). The Court has adapted the configuration of the SAP ERP and activated additional modules and functions, including reconciliation reports between budget and accounting.

(c) ICC 2015-1, which was aimed at monitoring the average workforce size in accordance with the workforce table in the budget and reconciling it with the payroll. The Court has produced a set of statements of comparison between staff costs and monthly staffing situation by major programme.

133. Recommendation ICC- 2016-1, which was aimed at strengthening the monitoring of risks and the internal control on staff expenditures, has started to be implemented, but, still recent, it will require time for its action plan. An automation project to capture all current manual forms has been committed in 2017 and is expected to be completed by mid-2018.

134. Recommendation ICC- 2016-2, which is linked to ICC-2016-1, is therefore partially implemented, documentation on controls being linked to the achievement of the automation project mentioned above.

135. Recommendation ICC-2015-3 is considered not yet implemented. The development of the long-term maintenance plan providing for the replacement of all building components that was envisaged for the closure of financial year 2018, is planned to happen before the middle of 2020 after the selection of the future contractor (expected in September 2018). This plan, when available, will serve as a basis for defining the various components of the PP (Permanent Premises). In the meantime, the entry in the accounts of the PP and its depreciation schedule will not change.

136. Recommendation 2015-6 is considered partially implemented. Evaluation and analysis work has been committed and progress made through automation of some tasks by activation of SAP modules and applications. However this does not cover the full deployment of the information system to prepare financial statements according to IPSAS, and the stabilisation of the strengthening of the accounting function is still pending.

137. Recommendation ICC-2013-1: the Registrar established a special account in 2017 to handle the funds recovered. However, the FRR being silent on this issue, a proposal of modification of regulations 6 and 7 has been submitted to the Committee, and approved. Recommendation ICC- 2013-1 remains partially implemented until the final approval of the amendments by the Assembly.

138. The follow-up of recommendations relating to previous management audits appears in annexes II to V to this report.

VI. Acknowledgements

139. The External Auditor wishes to express deep appreciation to the Directors and staff members of the ICC for their reception and the accuracy of the information that they provided.

End of audit observations.

Annexes

Annex I

Verification of statement V

1. The differences between budgetary accounting and accrual accounting, presented in statement V and note 24 of the financial statements, are of three types. They are:

(a) "Basis" differences: the budget basis is narrower than the accounting basis, since it only partially includes the commitments recognizable under IPSAS, even if, in the opposite direction, it takes into account budgetary commitments, such as Unliquidated Obligations, which cannot be recognised under IPSAS standards – note 24 indicates that the accounting commitments exceed the budgetary commitments by €8.2 million in 2017. In accordance with a recommendation issued by the External Auditor in his report on the financial statements for the 2015 financial year (recommendation No. 2015-5), the services of the Court have set up in the ERP a mandatory input field which indicates, for each entry, whether it has a budgetary impact or not, and a routine has been put in place to automatically establish a reconciliation report between the financial module and the budget module. The External Auditor has tested this procedure and considers that the amount of €8.2 million in note 24 is justified;

(b) "Entity" differences: the Court's budget finances the expenditure for the TFV Secretariat, but the corresponding expenses are recognized in the financial statements of the TFV, and not in those of the Court. On the contrary, the regular budget is not implied in the operations of the other funds, whereas ICC financial statements include them. The net cumulative amount arising from these differences corresponds, in 2017, to the recognition of extra expenses of €25,000 higher compared with the budgetary expenditure. The External Auditor checked the financial movements resulting in this balance: the inflows resulting from voluntary contributions to the TFV in 2017 amounted to €2.2 million; the disbursements resulting from the TFV's Secretariat expenditures represent €1.7 million, the difference is a positive balance of €0.5 million recognized in the budget performance, but not in the IPSAS statement of performance of the Court. On the other hand, the collection of assessed contributions to funds other than the regular budget amounts to €0.5 million (see table 5; and

(c) "Presentation" differences: certain expenses (investment and financing) give rise to a reclassification in accrual accounting compared to the budgetary basis, so that €4.6 million budget expenditure is not recognized as an expense in the IPSAS statements. In particular, for head office financing costs (interest + capital), the same amount (€3.0 million) is subtracted as a basis difference for operating activities, and added as a presentation difference for financing activities, the balance effect being overall neutral. The remaining reclassifications amount to €1.6 million and are due to the fact that tangible and intangible acquisitions amounting to €1.7 million, recognized as 2017 budget expenditures, have been capitalized and are not recognized as IPSAS expenses, while disposals of €5,000 generated accounting revenue but are not included in the budget. Finally, €0.1 million interest earned on term accounts of regular budget are recognized as revenue in the financial statements, but not as appropriations in the budget.

2. On the basis of these verifications, the External Auditor validates statement V and note 24 for the reconciliation of budgetary and accounting data for the 2017 financial year.

Annex II

Follow-up of report on cash reserves

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Implemented</i>	<i>Partially implemented</i>	<i>Not implemented</i>
CR-2015-6-3	Cash reserves	Put in place a financing plan for employee liabilities, in order to even out the corresponding expenses, which are likely to increase in the future. A study should be undertaken to determine whether a reserve should be established and its possible amount.		X	

Recommendation CR-2015-6-3 remains under consideration at the Court level. The External Auditor deems that choice between creating a dedicated reserve or securing a relevant flow of resources to match with future employee benefits commitments has to be made by States Parties.

Annex III

Follow up of report on the permanent premises project

1. It is decided to merge recommendation n° PPP-2016-3-1 with recommendation ICC-2015-3 and to drop it from the dashboards on the follow up of recommendations.
2. It is mentioned in paragraph 135 above, that recommendation ICC-2015-3 is considered as not implemented.

Annex IV

Follow up of the report on *ReVision* (2016)

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Partially Implemented</i>	<i>Not implemented</i>	<i>Not implemented</i>
RP-2016-1	Publishing ReVision project report.	The External Auditor recommends that the final report of the ReVision project be published and disseminated to staff, excluding confidential information on individual staff members.	x		
RP-2016-2	Standard operating procedures on new working methods.	The External Auditor recommends that the Registry put in place standard operating procedures and digital workflows to help staff understand the new working methods to be applied within the Registry's structures as reorganised by the project.	x		
RP-2016-3	Outside assistance selection	If the definition of new working methods requires outside assistance, the External Auditor recommends that the requisite firm of consultants or specialists be selected following a competitive bidding process compliant with Court rules.	x		
RP-2016-4	Impact on budget of relocation and increase in judicial activity.	The External Auditor recommends that the Registrar publish a memorandum for the attention of the States Parties explaining the precise impact on the Court's workforce and budget of the relocation to new premises and the increase in judicial activity.	x		
Total number of recommendations			4		

1. The recommendations RP-2016-1, RP-2016-2, RP-2016-3 and RP-2016-4 are considered as implemented, taking into consideration the answers and documentation provided by the Court.

2. For the recommendation RP-2016-4, this qualification is based on the information given in 2016 and 2017 to the States on impacts at the moment when ReVision was implemented as a project, and before the complete installation in the new premises. This does not mean that the External Auditor considers for the future that the impacts of ReVision and of the installation in the new premises are definitely settled.

3. The recommendation RP 2016-3 is considered implemented since, at the time of the audit, only one external consultant has been identified in the scope of the recommendation, and its selection has been done among competing tenders after a call for interest.

Annex V

Follow up of the report on the Division of External Operations (2017)

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Partially Implemented</i>	<i>Not implemented</i>
DEO-2017-1	Synergy among organs	When the effects of the ReVision project are stabilized, the External Auditor recommends that further reflection should be undertaken in order to deepen the synergies between the various organs of the Court in relation to external operations and relations, while at the same time ensuring that basic legal rules are respected, which would, presuppose a more pragmatic and rational, and therefore less dogmatic, approach to the principles of neutrality, independence and confidentiality than the approach which currently seems to prevail, even if synergies between different bodies already happened.	X	
DEO -2017-2	Coordination on security matters	The External Auditor recommends to deepen the reflection on the role of the central Coordinator of field security and to ensure that he gets the means to fulfil his mission, despite a complex, and uneasy to define, positioning between DEO, Division of Management Services and heads of field offices. On a more ad hoc basis, re-evaluate the subject and format of the Weekly Security Reports required from field offices.	X	
DEO-2017-3	Reporting and communication between VPRS and HFO	If the suggested interchangeability or even merger of the Outreach and VPR field teams is a complete success, and it will be confirmed at Headquarters level, the External Auditor recommends that the current official Organizational structure should be reviewed by organizing, with precise arrangements defined jointly by DEO and DJS, a functional reporting or communication line between Heads of field offices on the one hand and the VPR section on the other hand, which is currently non-existent and its practical content should be clearly defined.	X	
DEO-2017-4	Relevant information for HFO	The External Auditor recommends to formalise and rationalise the coordination procedures initially set up being “improvised” by the new Heads of offices (various levels may be envisaged: Standard Operational Procedure, Services Level Agreements, Book of Best Practices...). They should be defined in the framework of bilateral agreements between the Heads of field offices and the other VWS, OTP and TFV, TFV and field offices, in order to institutionalise the access of Heads of field offices to all information in a timely manner regarding the mobilisation of local resources without breaching confidentiality or transgressing the principles of neutrality of the Registry or of independence of the Office of the Prosecutor and of the Trust Fund for Victims.	X	
DEO-2017-5	Interim of HFO	The External Auditor recommends to adopt an interim rule applicable in absence of the P5 Head of a field office	X	
DEO-2016-6	adjustment of staff, opening/closing of offices,	The External Auditor recommends that when, by the end of the first half of 2017, the Office of the Registry sets up procedures for the adjustment of staff, and opening/closing of offices, a strategic field workforce planning be implemented, defining clearly the responsibilities, not only of the Registry, but also of all the organs of the ICC resorting to field office services, in particular OTP and TFV.	X	
Total number of recommendations			1	5

1. Recommendation DEO-2017-1 is partially implemented. Actions for an improvement of coordination and cooperation actions among the organs of the Court have been committed, backed by approbation by the Coordination Council (CoCo), in various areas. Positive steps have been reported, but it will require time to measure the scope and the consequences of these actions due to the large range of the recommendation.
 2. Recommendation DEO-2017-2 is considered implemented by the DEO. A new framework for weekly security report has been settled, and action has been intensified to streamline the reporting lines and procedures relevant for the FSCO interlocutors to be finalized in a memo. This memo and correlated implementation decisions were not yet available during the audit, so the recommendation has to be considered as partially implemented.
 3. Recommendation DEO-2017-3 is partially implemented. An action plan has been defined. A SOP is in preparation on the basis of an outsourced study on workflows, and periodical discussions and video-conferences on cross cutting issues and common strategy between Field Offices, VPRS, other HQ Sections involved in outreach and communication are now conducted.
 4. Recommendation DEO-2017-4 is considered as implemented by the DEO, since its implementation is done within the Registry with other divisions. Liaison between HFO and other organs of the Court takes place on a regular or ad hoc basis, but it is too early to evaluate the impact of these efforts on the improvement of information of the HFO coming from other organs, mainly TFV and OTP. So, at the time of the present audit, it is still considered as partially implemented by the External Auditor.
 5. Recommendation DEO-2017-5 is considered as completed. HFO have been required to designate alternative certifying officers (mostly Administrative and Operations Officers). A Field Operational Manual is being updated. Heads of Field Office have to formalize delegation of authorities during their absence, and an announcement will be circulated to relevant interlocutors in the Court.
 6. Recommendation DEO-2017-6 is considered as implemented by the DEO. A protocol on operations of opening and closing is awaiting OTP ratification, at the time of the audit. The DEO has indicated that its status as a SOP has been accepted by the OTP and by the CBF, but has not mentioned if the TFV has been involved in the process, and at the time of the present audit the SOP has not yet been produced to the External Auditor. The recommendation is considered as partially implemented by the External Auditor.
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