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## **Financial statements of the Trust Fund for Victims for the year ended 31 December 2018**

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## Letter of transmittal

13 June 2019

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 Trust Fund for Victims for the financial period 1 January to 31 December 2018.

Peter Lewis  
Registrar

Michel Camoin  
External Audit Director  
Cour des Comptes,  
13 rue Cambon,  
75100 Paris Cedex 01  
France

## Letter to the Registrar

13 June 2019

Dear Mr Registrar,

Pursuant to Regulation 77(b) of the Regulations of the Trust Fund for Victims, the Board of Directors must submit the accounts and the financial statements of the Trust Fund for Victims for review by the External Auditor.

I would be grateful if you would sign the Letter of Transmittal to the External Auditor.

Respectfully yours

Felipe Michelini,  
Chair,  
Board of Directors of  
the Trust Fund for Victims

## Certification of Financial Statements

13 June 2019

The financial statements and supporting notes are approved.

Felipe Michelini,  
Chair,  
Board of Directors of  
the Trust Fund for Victims

## Independent auditor's opinion

Cour des comptes  
FRANCE



The First President

Paris, - 1 JUL. 2019

To Mr Felipe Michelini  
Chair, Board of Directors  
The Trust Fund for Victims

Addressed to Mr Pieter de Baan  
Executive Director  
Secretariat - The Trust Fund for Victims

### AUDIT OPINION

#### Opinion

We have audited the Financial Statements of the Trust Fund for Victims (TFV), for the 12 months period ended 31 December 2018. These Financial Statements include a Statement of Financial Position as at 31 December 2018, a Statement of Financial Performance, a Statement of Changes in Net Assets, a Statement of Cash Flows, a Statement of Comparison of Budget and Actual Amounts and Notes including a summary of the accounting principles and other information.

Based on our audit, the financial statements give a fair view of the financial position of the Trust Fund for Victims as at 31 December 2018, as well as the financial performance, the changes in net assets, the cash flow and the comparison of budget and actual amounts for the 12 months period ending 31 December 2018 in conformity with the International Public Sector Accounting Standards (IPSAS).

#### Basis for Opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA). 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 Organisation 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".

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**

By virtue of Part IV, paragraph 77 of the Regulations of the Trust Fund for Victims, the Board of Directors is responsible for preparing and presenting the financial statements. These statements are in conformity with the International Public Sector Accounting Standards. 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**

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.

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.



**Didier MIGAUD**

## Statement I

### Trust Fund for Victims - Statement of financial position as at 31 December 2018 (in thousands of euros)

	<i>Note</i>	<i>2018</i>	<i>2017</i>
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	3	17,857	14,650
Prepayments	4	16	156
Receivables	5	597	528
<i>Total current assets</i>		<i>18,470</i>	<i>15,334</i>
<i>Non-current assets</i>			
Receivables	5	636	505
<i>Total non-current assets</i>		<i>636</i>	<i>505</i>
<b>Total assets</b>		<b>19,106</b>	<b>15,839</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Provisions	6	961	473
Deferred revenue and accrued expenses	7	854	204
<i>Total current liabilities</i>		<i>1,815</i>	<i>677</i>
<i>Non-current liabilities</i>			
Provisions	6	5,055	1,302
<i>Total non-current liabilities</i>		<i>5,055</i>	<i>1,302</i>
<b>Total liabilities</b>		<b>6,870</b>	<b>1,979</b>
<b>Net assets/equity</b>	8	<b>12,236</b>	<b>13,860</b>
<b>Total liabilities and net assets/equity</b>		<b>19,106</b>	<b>15,839</b>

The accompanying notes form an integral part of these financial statements

## Statement II

### Trust Fund for Victims - Statement of financial performance for the year ended 31 December 2018 (in thousands of euros)

	<i>Note</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Assessed contributions	9	2,542	2,174
Voluntary contributions	9	3,605	2,878
Financial revenue	9	18	6
<b>Total revenue</b>		<b>6,165</b>	<b>5,058</b>
<b>Expenses</b>			
Administrative expenses	10	1,982	1,435
Programme expenses	10	5,332	3,213
<b>Total expenses</b>		<b>7,314</b>	<b>4,648</b>
<b>Surplus/(deficit) for the period</b>		<b>(1,149)</b>	<b>410</b>

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

## Statement III

### Trust Fund for Victims - Statement of changes in net assets/equity for the year ended 31 December 2018 (in thousands of euros)

	<i>Reparations Programme</i>	<i>Assistance Programme</i>	<i>Secretariat of the Trust Fund</i>	<i>Total Net Assets/equity</i>
<b>Opening balance as at 1 January 2017</b>	<b>5,000</b>	<b>8,228</b>	<b>271</b>	<b>13,499</b>
<b>Movement in net assets/equity in 2017</b>				
Surplus/(deficit)	(1,703)	1,354	759	410
Credits to States Parties/donors	-	-	(49)	(49)
Transfer to reserve	500	(500)	-	-
<i>Total movements during the year</i>	<i>(1,203)</i>	<i>854</i>	<i>710</i>	<i>361</i>
<b>Total net assets/equity as at 31 December 2017</b>	<b>3,797</b>	<b>9,082</b>	<b>981</b>	<b>13,860</b>
<b>Movement in net assets/equity in 2018</b>				
Surplus/(deficit)	(3,465)	1,756	560	(1,149)
Credits to States Parties/donors	-	-	(476)	(476)
Transfer to reserve	1,500	(1,500)	-	-
<i>Total movements during the year</i>	<i>(1,965)</i>	<i>256</i>	<i>84</i>	<i>(1,625)</i>
<b>Total net assets/equity as at 31 December 2018</b>	<b>1,832</b>	<b>9,339</b>	<b>1,065</b>	<b>12,236</b>

Fund balance of assistance programme includes amounts pending allocation.  
The accompanying notes form an integral part of these financial statements.

## Statement IV

### Trust Fund for Victims - Statement of cash flows for the year ended 31 December 2018 (in thousands of euros)

	2018	2017
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the period (Statement II)	(1,149)	410
Unrealized foreign exchange differences	(4)	2
(Increase)/decrease in time deposits	-	-
(Increase)/decrease in receivables	(199)	(371)
(Increase)/decrease in prepayments	140	405
Increase/(decrease) in accounts payable	-	-
Increase/(decrease) in deferred revenue and accrued expenses	650	204
Increase/(decrease) in provisions	4,241	1,411
Less: interest income	(6)	(6)
<i>Net cash flows from operating activities</i>	<i>3,673</i>	<i>2,055</i>
<b>Cash flows from investing activities</b>		
Plus: interest received	6	6
<i>Net cash flows from investing activities</i>	<i>6</i>	<i>6</i>
<b>Cash flows from financing activities</b>		
Credits to States Parties	(476)	(49)
<i>Net cash flows from financing activities</i>	<i>(476)</i>	<i>(49)</i>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,203</b>	<b>2,012</b>
Unrealized foreign exchange gains/losses on cash and cash equivalents	4	(2)
Cash and cash equivalents at beginning of financial period	14,650	12,640
<b>Cash and cash equivalents at 31 December (Statement I)</b>	<b>17,857</b>	<b>14,650</b>

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

## Statement V

### Trust Fund for Victims - Statement of comparison of budget and actual amounts for the year ended 31 December 2018 (in thousands of euros)

<i>Object of expenditure*</i>	<i>Appropriation approved</i>	<i>Total expenditure</i>	<i>Total surplus</i>
Staff costs	1,124	639	485
General temporary assistance	752	826	(73)
<i>Sub-total staff costs</i>	<i>1,876</i>	<i>1,465</i>	<i>412</i>
Travel	300	361	(61)
Hospitality	3	-	3
Contractual services	307	193	114
Training	32	10	22
General operating expenses	20	-	20
Supplies and materials	3	3	-
Furniture & Equipment	-	-	-
<i>Sub-total non-staff costs</i>	<i>665</i>	<i>567</i>	<i>98</i>
<b>Total</b>	<b>2,542</b>	<b>2,031</b>	<b>510</b>

\* The budget for the Secretariat is approved as Major Programme VI of the Court's budget. The accompanying notes form an integral part of these financial statements.



## Notes to the financial statements

### 1. The Trust Fund for Victims and its objectives

#### 1.1 *Reporting entity:*

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

In the annex to the resolution ICC-ASP/1/Res.6, the Assembly established a Board of Directors (“the Board”), which is responsible for management of the Trust Fund.

The Secretariat of the Trust Fund (“the Secretariat”) administers the Trust Fund, offers administrative support to the Board and its meetings and operates under the full authority of the Board. For administrative purposes, the Secretariat and staff are attached to the Registry of the Court and are part of the staff of the Registry and, as such, of the Court, and enjoy the same rights, duties, privileges, immunities and benefits.

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 Trust Fund and the Secretariat are controlled by the Board and are considered to be a single economic entity for financial reporting purposes. The Trust Fund and the Secretariat are referred to together as the Trust Fund.

### 2. Summary of significant accounting and financial reporting policies

#### **Basis of preparation**

2.1 The financial statements of the Trust Fund are maintained in accordance with the Financial Regulations and Rules of the Court, as established by the Assembly in the annex to resolution ICC-ASP/1/Res.6. The financial statements of the Trust Fund have been prepared on the accrual basis of accounting, in compliance with the International Public Sector Accounting Standards (IPSAS). These notes form an integral part of the Trust Fund’s financial statements. Figures in the statements and notes are rounded to thousand euros. Amounts may not add-up due to rounding differences.

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.

#### **Currency of accounts and treatment of exchange rate movements**

2.4 The Trust Fund’s functional and presentation currency is the euro.

2.5 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.

2.6 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**

2.7 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.

2.8 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.

### **Cash and cash equivalents**

2.9 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**

2.10 The Trust Fund 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 accounts payable.

2.11 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 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**

2.12 The Trust Fund has instituted prudent risk management policies and procedures in accordance with the Court's Financial Regulations and Rules. The Trust Fund makes short-term investments of moneys not needed for immediate requirements. In the normal course of business, the Trust Fund is exposed to financial risk, such as market risk (foreign currency exchange and interest rate), credit risk and liquidity risk.

2.13 *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 Trust Fund is exposed to currency risk through transactions in foreign currencies relating to the projects it funds.

2.14 *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 Trust Fund deposits its funds only in short-term fixed interest accounts, and therefore has no significant interest rate risk exposure.

2.15 *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 Trust Fund is exposed to credit risk through advances of funds to project implementing partners and deposits at banks. The Trust Fund has policies that limit exposure to risk from any one financial institution.

2.16 *Liquidity risk*: this risk arises from the general funding of the Trust Fund's activities. The operations of the Secretariat are funded from assessed contributions through the Court. Grants to implementing partners are made on the basis of voluntary contributions received.

### **Prepayments and Receivables**

2.17 The Trust Fund advances funds to implementing partners on the basis of contractual provisions. The status of funds advanced is disclosed under Schedule 1.

2.18 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.

2.19 *Receivables from the Court* are recognized for the amount assessed for funding the activities of the Secretariat, net of expenses incurred against these assessments. In its resolution ICC-ASP/3/Res. 7, the Assembly decided that, pending further evaluation by the Assembly, the Secretariat would be funded by the regular budget. The Board submits a proposed budget for the Secretariat which is presented as a separate Major Programme VI in the Court's budget and is adopted by the Assembly. The Court assesses States Parties for the budget of the Secretariat. In substance, the Court collects assessed contributions as an agent of the Trust Fund and these assessments do not increase net assets or revenue of the Court, but are recognized as a receivable and revenue of the Trust Fund. The receivables are reduced as expenses are incurred by the Secretariat. Liabilities to vendors and the staff of the Secretariat are settled directly by the Court. The receivables are finally settled when the Court credits any cash surplus pertaining to Major Programme VI to States Parties, in accordance with the Financial Regulations and Rules of the Court.

### **Other current assets**

2.20 Other current assets comprise interest accrued on bank accounts and deposits.

### **Accounts payable**

2.21 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**

2.22 Deferred revenue includes pledged contributions with conditions and other revenue received but not yet earned.

2.23 Accrued expenses are recognized in respect of goods and services delivered during the reporting period for which invoices have not been received.

### **Related party disclosures**

2.24 The Trust Fund will disclose related parties that have the ability to exercise control or significant influence over the Trust Fund by making financial and operational decisions, or will disclose if a related party and the Trust Fund are subject to common control. Transactions that are within a normal supplier or client/recipient relationship on terms and conditions not more or less favourable than those done at arm's length in the same circumstances between the Trust Fund and its related parties will not be considered as related party transactions and therefore will not be disclosed.

2.25 The key management personnel of the Trust Fund are the Board of Directors and the Executive Director, both of whom have authority and responsibility for planning, directing and controlling the activities of the Trust Fund and influencing its strategic direction. The remuneration and benefits of key management personnel are disclosed. In addition, the Trust Fund will disclose any specific transactions with key management personnel and their family members.

**Provisions and contingent liabilities**

2.26 *Provisions* are recognized when the Trust Fund 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. Provisions are released only for such expenses in respect of which provisions are recognized at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

2.27 *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 Trust Fund, or a present obligation which will probably not result in an outflow of economic resources/service potential or the amount of which cannot be measured with sufficient reliability. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

**Commitments**

2.28 *Commitments* are non-cancellable obligations to provide funds in the future to organizations that are implementing projects based on a contract entered into with the Trust Fund. Commitments are recognized off-balance sheet and are disclosed in the financial statements until such time as funds are advanced or the implementing partner submits financial reports demonstrating that activities, for which the organization is entitled to receive funds, have been performed.

**Non-exchange revenue**

2.29 *Voluntary contributions*: revenue from voluntary contributions that include restrictions on their use is recognized upon signature of a binding agreement between the Trust Fund 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 revenues which are not provided for by binding agreements are recognized as revenue when received.

2.30 *Goods-in-kind contributions* are recognized at their fair value and the corresponding revenue is 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.

2.31 *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**

2.32 *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.

**Expenses**

2.33 *Financial expenses* comprise bank charges and net foreign exchange loss. 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.

2.34 *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 Trust Fund.

2.35 *Expenses arising from transactions with implementing partners* are recognized when goods are delivered or services rendered by implementing partners, as confirmed by the receipt of certified expense reports, financial reports or project delivery reports, as applicable. If funds are advanced on the basis of contracts that do not include measurable performance conditions, expenditure is recognized when funds are disbursed.

### **Fund accounting and segment reporting**

2.36 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 Trust Fund. To achieve its aims, the Trust Fund implements reparations awards ordered by the Court against a convicted person and it provides assistance to victims and their families through programmes of physical and psychological rehabilitation and material support.

2.37 Separate financial information is reported for three segments: reparations programme, assistance programme and Secretariat of the Trust Fund.

2.38 *Fund accounting*: the Trust Fund's accounts are maintained on a fund accounting basis to allow for the separation of funds to facilitate the receipt of earmarked contributions, money and other property collected through fines or forfeiture transferred by the Court, where the Court has stipulated particular usages, or resources collected through awards for reparations.

### **Net assets/equity**

2.39 Net assets/equity comprises surpluses or deficits in the fund. Reserves may be created on the basis of a decision of the Board.

### **Budget comparison**

2.40 A comparison of actual amounts with the amounts in the original and final 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.

2.41 A reconciliation of the actual amounts on a modified cash basis with actual amounts presented in the financial statements is included in note 11, considering that the full accrual accounting and modified cash basis budget differ.

## **3. Cash and cash equivalents**

<i>In thousands of euros</i>	2018	2017
Cash at bank – current account	6,027	2,823
Cash at bank – savings account	11,830	11,827
<b>Total</b>	<b>17,857</b>	<b>14,650</b>

3.1 Cash and cash equivalents include amounts equivalent to €130 thousand (2017: €50 thousand) held in currencies other than the euro.

## **4. Prepayments**

<i>In thousands of euros</i>	2018	2017
Advances to implementing partners	16	156
<b>Total</b>	<b>16</b>	<b>156</b>

## 5. Receivables

<i>In thousands of euros</i>	2018	2017
Voluntary contributions receivable	88	30
Refunds due from implementing partners	-	19
Receivable from the Court 2016	-	476
Receivable from the Court 2017	505	505
Receivable from the Court 2018	636	-
Other receivables from the Court	1	-
Accrued interest	3	3
<b>Total</b>	<b>1,233</b>	<b>1,033</b>

5.1 For detailed information on receivables from the Court, refer to Note 2.19.

5.2 Voluntary contributions receivable represent amounts pledged to the Trust Fund in December 2018 and not paid by the reporting date.

## 6. Provisions

<i>In thousands of euros</i>	2018	2017
Provision for ILOAT cases	76	-
Provision for Reparation awards	5,940	1,775
<b>Total</b>	<b>6,016</b>	<b>1,775</b>

### Changes in Provisions

<i>In thousands of euros</i>	<i>Provision for ILOAT cases</i>	<i>Provision for reparation awards</i>
Provision as at 1 January 2018	-	1,775
Decrease due to payments	-	(66)
Decrease due to reversals	-	-
Revaluation of provision	-	36
Increase in provision	76	4,195
<b>Provision as at 31 December 2018</b>	<b>76</b>	<b>5,940</b>

6.1 Provision for reparation awards pertain to the complementary funding provided by the Trust Fund towards the payment of the reparations awards due to the indigence of the convicted persons. Pursuant to the Regulation 56 of the Trust Fund for Victims (ICC-ASP/4/Res.3) a decision to complement to reparations awards is a discretionary decision within the sole authority of the Board and is governed by the factors set out in the Regulation, such as ensuring a complement does not prejudice its assistance mandate activities and taking particular account of ongoing legal proceedings that may give rise to other reparations awards that may require a complement.

6.2 In 2018 the Board of the Directors of the Trust Fund made decision to complement the reparation awards in the cases of The Prosecutor v. Thomas Lubanga Dyilo (ICC-01/04-01/06) in the amount of EUR 2.85 million and The Prosecutor v. Ahmad Al Faqi Al Mahdi (ICC-01/12-01/15) in the amount of EUR 1.34 million.

6.3 Provision for ILOAT cases of €76 thousand corresponds to the case filed with the Administrative Tribunal of the International Labour Organization (ILOAT) by former staff member of the Secretariat.

## 7. Deferred revenue and accrued expenses

<i>In thousands of euros</i>	2018	2017
Deferred voluntary contributions	727	200
Accrued Expenses	127	4
<b>Total</b>	<b>854</b>	<b>204</b>

7.1 Deferred voluntary contributions revenue represents earmarked contributions received in 2018. The activities funded under this contribution agreement will commence in 2019.

## 8. Net assets/equity

<i>In thousands of euros</i>	2018	2017
Reparations programme	1,832	3,797
Assistance programme	9,339	9,082
Secretariat of the Trust Fund	1,065	981
<b>Total</b>	<b>12,236</b>	<b>13,860</b>

## 9. Revenue

<i>In thousands of euros</i>	2018	2017
<i>Assessed contributions</i>	2,542	2,174
<i>Voluntary contributions</i>		
Earmarked contributions	1,570	383
Non-earmarked contributions	2,035	2,495
<i>Sub-total voluntary contributions</i>	3,605	2,878
<i>Financial revenue</i>		
Interest revenue	6	6
Net foreign exchange gain	12	-
<i>Sub-total financial revenue</i>	18	6
<b>Total</b>	<b>6,165</b>	<b>5,058</b>

### Contributions in kind

9.1 The Court provides various services free of charge to the Trust Fund, including office space, equipment and administrative services.

## 10. Expenses

<i>In thousands of euros</i>	2018	2017
Administrative expenses	1,982	1,435
Reparations expenses	4,231	1,903
Sexual and gender-based violence project expenses	199	158
Other Assistance project expenses	902	1,152
<b>Total</b>	<b>7,314</b>	<b>4,648</b>

10.1 Administrative expenses include a provision for ILOAT case of €76 thousand (Note 6.3).

10.2 Reparations expenses consist of the provision for reparation awards of €4,195 thousand pertaining to the complementary funding provided by the Trust Fund in 2018 and €36 thousand revaluation of prior year provision for the case *The Prosecutor v. Germain Katanga* ICC-01/04-01/07 (Note 6.1).

## 11. Statement of comparison of budget and actual amounts

11.1 The Trust Fund'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.

11.2 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.

11.3 Differences in basis occur when the approved budget is prepared on a basis other than the accounting basis, as stated in paragraph 11.1 above.

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

11.5 Entity differences occur when the budget omits programmes or entities that are part of the entity for which the financial statements are prepared. Entity differences include reparations and assistance funds that are reported in detail in the financial statements but are not included in the budgetary process.

11.6 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.

11.7 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 2018 is presented below:

<i>In thousands of euros</i>	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
<b>Actual amount on comparable basis (Statement V)</b>	<b>510</b>	-	-	<b>510</b>
Basis differences	(35)	-	-	(35)
Presentation differences	470	6	(476)	-
Entity differences	2,728	-	-	2,728
<b>Actual amount in the Statement of cash flows (Statement IV)</b>	<b>3,673</b>	<b>6</b>	<b>(476)</b>	<b>3,203</b>

11.8 Open commitments including open purchase orders versus accrued expenses and net cash flows from operating activities are presented as basis differences. The credits to States Parties 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 funded from voluntary contributions that are reported in the financial statements are included, as these are not included in the budgetary process.



11.9 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 2018.

## 12. Segment Reporting

### Statement of financial position by segment as at 31 December 2018

<i>In thousands of euros</i>	<i>Reparations Programme</i>	<i>Assistance Programme</i>	<i>Secretariat of the Trust Fund</i>	<i>Total</i>
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	8,274	9,583	-	17,857
Prepayments	15	1	-	16
Receivables	-	92	505	597
<i>Total current assets</i>	<i>8,289</i>	<i>9,676</i>	<i>505</i>	<i>18,470</i>
<i>Non-current assets</i>				
Receivables	-	-	636	636
<i>Total non-current assets</i>	<i>-</i>	<i>-</i>	<i>636</i>	<i>636</i>
<b>Total assets</b>	<b>8,289</b>	<b>9,676</b>	<b>1,141</b>	<b>19,106</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Provisions	885	-	76	961
Deferred revenue and accrued expenses	517	337	-	854
<i>Total current liabilities</i>	<i>1,402</i>	<i>337</i>	<i>76</i>	<i>1,815</i>
<i>Non-current liabilities</i>				
Provision	5,055	-	-	5,055
<i>Total non-current liabilities</i>	<i>5,055</i>	<i>-</i>	<i>-</i>	<i>5,055</i>
<b>Total liabilities</b>	<b>6,457</b>	<b>337</b>	<b>76</b>	<b>6,870</b>
<b>Net assets/equity</b>	<b>1,832</b>	<b>9,339</b>	<b>1,065</b>	<b>12,236</b>
<b>Total liabilities and net assets/equity</b>	<b>8,289</b>	<b>9,676</b>	<b>1,141</b>	<b>19,106</b>

**Statement of financial performance by segment for the year ended 31 December 2018**

<i>In thousands of euros</i>	<i>Reparations Programme</i>	<i>Assistance Programme</i>	<i>Secretariat of the Trust Fund</i>	<i>Total</i>
<b>Revenue</b>				
Assessed contributions	-	-	2,542	2,542
Voluntary contributions	766	2,839	-	3,605
Financial revenue	-	18	-	18
<b>Total revenue</b>	<b>766</b>	<b>2,857</b>	<b>2,542</b>	<b>6,165</b>
<b>Expenses</b>				
Administrative expenses	-	-	1,982	1,982
Sexual and gender-based violence project expenses	-	199	-	199
Other assistance project expenses	-	902	-	902
Reparations expenses	4,231	-	-	4,231
<b>Total expenses</b>	<b>4,231</b>	<b>1,101</b>	<b>1,982</b>	<b>7,314</b>
<b>Surplus/(deficit) for the period</b>	<b>(3,465)</b>	<b>1,756</b>	<b>560</b>	<b>(1,149)</b>

**Statement of financial position by segment as at 31 December 2017**

<i>In thousands of euros</i>	<i>Reparations Programme</i>	<i>Assistance Programme</i>	<i>Secretariat of the Trust Fund</i>	<i>Total</i>
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	5,557	9,093	-	14,650
Prepayments	-	156	-	156
Receivables	19	33	476	528
<i>Total current assets</i>	<i>5,576</i>	<i>9,282</i>	<i>476</i>	<i>15,334</i>
<i>Non-current assets</i>				
Receivables	-	-	505	505
<i>Total non-current assets</i>	<i>-</i>	<i>-</i>	<i>505</i>	<i>505</i>
<b>Total assets</b>	<b>5,576</b>	<b>9,282</b>	<b>981</b>	<b>15,839</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Provisions	473	-	-	473
Deferred revenue	4	200	-	204
<i>Total current liabilities</i>	<i>477</i>	<i>200</i>	<i>-</i>	<i>677</i>
<i>Non-current liabilities</i>				
Provision	1,302	-	-	1,302
<i>Total non-current liabilities</i>	<i>1,302</i>	<i>-</i>	<i>-</i>	<i>1,302</i>
<b>Total liabilities</b>	<b>1,779</b>	<b>200</b>	<b>-</b>	<b>1,979</b>
<b>Net assets/equity</b>	<b>3,797</b>	<b>9,082</b>	<b>981</b>	<b>13,860</b>
<b>Total liabilities and net assets/equity</b>	<b>5,576</b>	<b>9,282</b>	<b>981</b>	<b>15,839</b>

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

<i>In thousands of euros</i>	<i>Reparations Programme</i>	<i>Assistance Programme</i>	<i>Secretariat of the Trust Fund</i>	<i>Total</i>
<b>Revenue</b>				
Assessed contributions	-	-	2,174	2,174
Voluntary contributions	200	2,678	-	2,878
Financial revenue	-	6	-	6
<b>Total revenue</b>	<b>200</b>	<b>2,684</b>	<b>2,174</b>	<b>5,058</b>
<b>Expenses</b>				
Administrative expenses	-	20	1,415	1,435
Sexual and gender-based violence project expenses	-	158	-	158
Other assistance project expenses	-	1,152	-	1,152
Reparations expenses	1,903	-	-	1,903
<b>Total expenses</b>	<b>1,903</b>	<b>1,330</b>	<b>1,415</b>	<b>4,648</b>
<b>Surplus/(deficit) for the period</b>	<b>(1,703)</b>	<b>1,354</b>	<b>759</b>	<b>410</b>

**13. Related party disclosures**

13.1 The expense recognized includes aggregate remuneration paid to key management personnel, including net salaries, post adjustment, entitlements, assignment and other grants, rental subsidy, employer contributions to the pension plan and current health insurance contributions. It also includes expense in respect of post-employment benefits and other long-term benefits.

13.2 The key management personnel of the Trust Fund are the Board of Directors and the Executive Director. The Board serves on a pro bono basis.

13.3 The expense recognized 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	6	183	-

13.4 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	18	1	114	133

13.5 In 2018, the Assembly approved an appropriation of €2,542 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 amount of assessment net of expenses incurred by the Secretariat for the current and prior period in an amount of €1,142 thousand is recognized as a receivable from the Court.

13.6 The Court provides various services free of charge to the Trust Fund, including office space, equipment and administrative services.

**14. Events after the reporting date**

14.1 On the date of signing of these accounts, there were no material events, favourable or unfavourable, between the reporting date and the date on which the financial statements were authorized for issue that affected these statements.

## Annex

## Schedule 1

## Status of projects as at 31 December 2018

<i>Annual project</i>	<i>Project currency</i>	<i>Budget</i>	<i>Outstanding advances/refunds due at 1 January 2018</i>	<i>Advances Paid</i>	<i>Expense recorded</i>	<i>Refunds collected</i>	<i>Outstanding advances at 31 December 2018</i>	<i>Budget spending (including prior years)</i>
TFV/UG/2007/R1/014 (c) - Provision of quality substantial mental health services for traumatised war-affected populations in Northern Uganda (PO # 5100108)	USD	390,000	17,289	-	17,289	-	-	390,000
TFV/UG/2007/R1/014 (c) - Provision of quality substantial mental health services for traumatised war-affected populations in Northern Uganda (PO # 5100116)	USD	390,000	-	331,500	390,000	-	-	390,000
4701286 - TFV - CAR - Situational Assessment - 2018 (XAF)	XAF	6,500,000	-	6,500,000	5,500,000	-	1,000,000	5,500,000
TFV/UG/2007/R1/018 & R2/042 - Provision of the capacity building, advocacy and medical rehabilitation for Northern Uganda victims of war (PO # 5100109)	EUR	258,870	38,830	-	38,830	-	-	258,870
TFV/UG/2007/R1/014 (b) - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100110)	EUR	100,000	13,369	15,000	28,369	-	-	100,000
TFV/UG/2007/R1/016 - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100111)	EUR	100,000	17,419	15,000	32,419	-	-	100,000
TFV/UG/2007/R1/014 (a) - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100112)	EUR	100,000	9,110	15,000	24,110	-	-	100,000
TFV/UG/2007/R1/023 - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100113)	EUR	100,000	38,123	15,000	53,123	-	-	100,000
TFV/UG/2007R1/035 - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100114)	EUR	100,000	11,390	15,000	26,390	-	-	100,000
TFV/UG/2007/R2/041 - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100115)	EUR	100,000	13,280	15,000	28,280	-	-	100,000
30061 -TFV - Communication Project	EUR	15,300	-	-	4,096	-	-	4,096
TFV/UG/2007/R1/018 & R2/042 - Provision of the capacity building, advocacy and medical rehabilitation for Northern Uganda victims of war (PO # 5100117)	EUR	260,699	-	260,693	260,693	-	-	260,693
TFV/UG/2007/R1/014 (a) - Integrated physical and psychosocial rehabilitation support to victims (PO # 5100118)	EUR	40,000	-	40,000	40,000	-	-	40,000

<i>Annual project</i>	<i>Project currency</i>	<i>Budget</i>	<i>Outstanding advances/ refunds due at 1 January 2018</i>	<i>Advances Paid</i>	<i>Expense recorded</i>	<i>Refunds collected</i>	<i>Outstanding advances at 31 December 2018</i>	<i>Budget spending (including prior years)</i>
TFV/UG/2007/R1/035 - Integrated physical and psychosocial rehabilitation support to the war victims (PO # 5100119)	EUR	40,000	-	40,000	40,000	-	-	40,000
TFV/UG/2007/R1/014 (b) - Health and dignity restoration of war victims in northern Uganda (PO # 5100120)	EUR	40,000	-	34,000	39,659	-	-	39,659
TFV/UG/2007/R1/016 - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100121)	EUR	40,000	-	40,000	40,000	-	-	40,000
TFV/UG/2007/R1/023 - Centre for expertise in psychosocial well-being of war affected children (PO # 5100122)	EUR	40,000	-	40,000	40,000	-	-	40,000
TFV/UG/2007/R2/041 - Integrated physical and psychological rehabilitation assistance for victims in Northern Uganda (PO # 5100123)	EUR	40,000	-	40,000	40,000	-	-	40,000
<b>Reparations Mandate</b>								
5100102 - Identification et evaluation des prejudices psychologiques, physique et socioeconomique des jeunes ayant participe dans les groupes armes de 2002-2003 en Ituri	USD	112,000	23,078	-	-	23,078	-	71,595
4701273 - Katanga Collective Awards	USD	58,560	-	32,710	25,514	-	7,196	25,514
4701270 - Katanga Collective Awards	EUR	59,971	-	53,040	43,610	722	8,709	43,610

## **Final audit report on the financial statements of the Trust Fund for Victims for the period ended 31 December 2018**

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## I. Audit objectives, scope and approach

1. We have audited the financial statements of the Trust Fund for Victims (TFV). The audit was conducted in accordance with the International Standards on Auditing (ISSAI and ISA<sup>1</sup>) and Article 12 of the Financial Regulations and Rules (FRR) of the International Criminal Court (the “Court”), including the additional terms of reference governing the audit.
2. The overall objective of an audit of financial statements is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the External Auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial framework.
3. The additional terms of reference governing the audit of ICC and all trust funds, including the Trust Fund for Victims, are disclosed in annex 6(c) to the Financial Regulations and Rules. They indicate that the External Auditor can consider matters that should be brought to the notice of the Assembly of States Parties (ASP), such as wasteful or improper expenditure of the Trust Fund for Victims’ money and other assets, and expenditure not in accordance with the intention of the ASP.
4. The audit mission consisted of two phases:
  - (a) An interim audit (from 3 to 14 December 2018) focusing on aspects relating to internal control, voluntary contributions and International Public Sector Accounting Standards (IPSAS); and
  - (b) A final audit (from 6 May to 24 May 2019) focusing on the financial statements, the follow-up of previous recommendations and IPSAS disclosure requirements, as well as financial and governance controls.
5. A closing meeting with the Executive Director of the Trust Fund for Victims and his staff was held on 23 May 2019. This report has been prepared, taking into account the written comments sent by the Trust Fund for Victims on 14 June 2019.
6. We express an **unqualified opinion** on the financial statements of the Trust Fund for Victims for the financial year ended 31 December 2018.

## II. Recommendations

**Recommendation n° 1:** The External Auditor recommends that the TFV adopt a budgetary chart or framework in order to clarify the annual and pluriennial planning of its appropriations and the authorizations of commitments on expenses and resources, distinguishing between resources coming from Major Programme VI (STFV) and voluntary contributions, for all its activities, approved by the adequate level of its governance.

**Recommendation n° 2:** The External Auditor recommends implementing a procedure to identify all the accruals with a deadline in accordance with the preparation of the financial statements.

## III. Follow-up on prior year recommendations

7. The External Auditor reviewed implementation of recommendations arising from prior year audits of the financial statements.

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<sup>1</sup> International Standards of Supreme Audit Institutions.

**Table 1: Follow-up on previous recommendations**

<i>No.</i>	<i>Subject</i>	<i>Outstanding recommendations</i>	<i>Implemented</i>	<i>Partially implemented</i>	<i>Not implemented</i>
2017-1	IT in the scope of reparations	In order to be able to accurately substantiate all of its commitments related to the enforcement of the reparations awards, the External Auditor recommends that (i) the TFV Secretariat have access to the victim identification software (VAMS) and that (ii) additional IT developments be configured to take account of the specific needs of the reparations activity (eligibility status, individual and/or collective reparations, status of implementation of reparations, justification of granted sums, relations with the victims' legal representative, etc.).		X	
2016-2	Monitoring of local partner's audit reports	The External Auditor recommends that the TFV Secretariat systematically require its local partners to provide audit reports, and that it conduct methodical formalised monitoring of recommendations set out in these reports, in order continually to improve the quality of action taken by implementing partners.		X	
2015-2	Field operations	The External Auditor recommends that the TFV Secretariat implement financial training initiatives for field programme officers.	X		
2015-3	Field operations	The External Auditor recommends that the TFV Secretariat strengthen the financial control of operations carried out by the implementing partners by requiring that the Field Programme Officers' duties include spot-checks of expenses incurred (invoices and purchase orders). The results of these checks should be made available to headquarters to justify the actual expenses incurred.		X	
2015-4	Field operations	To ensure effective project monitoring and control, the External Auditor recommends that the TFV Secretariat strengthen the field teams.		X	
2014/1	Delegation of the Registrar's administrative authority	In order to clarify the scope of the Registrar's delegation of authority to the Secretariat of the Trust Fund for Victims, the External Auditor recommends to: (a) For the TFV Secretariat, in consultation with the Registrar, (i) to review the scope of the delegation of authority in order to clarify the roles and responsibilities over all eventualities, such as the conclusion, suspension, termination and extension of contracts with implementing partners; and (ii) to ensure proper authority has been granted to the TFV Secretariat staff so they may manage their operations and activities, as indicated in the TFV Regulations; and (b) - Establish a suitable arbitration mechanism, involving if necessary the Board of Directors of the TFV and the Bureau or another appropriate subsidiary organ of the Assembly of State Parties, to guarantee a smooth decision making process and avoid unnecessary delays and tensions..			X
2014/2	Management roles and responsibilities	The External Auditor recommends putting an end to existing managerial ambiguities within TFV Secretariat leading to a lack of clarity about accountability and responsibilities by clarifying the roles and responsibilities of the TFV staff mainly as regards to fund-raising, donor relations and project contract management in order to avoid overlaps and to make the decisions and activities of TFV more effective and coordinated. This could be done through the review of the work surveys and job descriptions; and adoption of the responsibility assignment chart as proposed by TFV, which identifies roles and responsibilities and avoids any confusion.		X	
<b>Total number of recommendations: 7</b>			<b>1</b>	<b>5</b>	<b>1</b>



8. Recommendation TFV-2017-1 has started to be considered partially implemented. Taking into account the affirmation by the TFV Secretariat (STFV) that access to the victim identification software (VAMS) is already available on an “as needed basis” in cooperation with the Victims Participation and Reparations Section (VPRS), that a joint analysis is ongoing with the Information Management Services Section (IMSS) and VPRS on IT requirements and adjustments of VAMS.

9. Recommendation TFV-2016-2 is considered partially implemented. As indicated last year, the implementation of the recommendation has started, with the preparation of the call for tender of an External audit company in charge of auditing the local partners, and the new cycle of operations launched in Uganda, and to be committed in *Côte d'Ivoire* (CIV) and Democratic Republic of Congo (DRC) in 2019.

10. Recommendation TFV-2015-2 is considered implemented. The STFV has mentioned that training actions for field programme managers and associate programme officers were held in the second half of 2018 and planned for 2019, and confirmed that financial and managerial skills were required in their recruitment process. The recommendation is then to be considered as implemented, bearing in mind that training efforts have to continue after 2019.

11. Recommendation TFV-2015-3 is considered partially implemented. The STFV has indicated that spot checks were made in 2018 in Uganda, and planned for 2019 in other countries. Following a workshop on internal control held in February 2019, a collection of tools, templates and guidelines is under drafting with the purpose to be achieved in the last quarter of 2019.

12. Recommendation TFV-2015-4 is considered partially implemented. The External Auditor acknowledges that the TFV has been granted an important level of additional budgetary resources in 2019, as well as an approval of funding of new temporary posts. The results of this important step in human and financial resources will have to be measured on the field in order to appreciate if the implementation of the recommendation has reached its objectives.

13. Recommendation TFV-2014-1 is considered not implemented. On the one hand, the renewal of the Board of Directors in December 2018 has postponed the discussions on an arbitral procedure of disagreements between TFV and the Registry. On the other hand, the TFV must, prior to further discussions with the Registry, finalise its responsibility matrix related to the clarification and renewal of the organisation of the STFV, which should be put in place in the second half of 2019, at the end of the annual seminar at the end of June 2019.

14. Recommendation TFV-2014-2 is considered partially implemented. The clarification of responsibilities inside the TFV has been accelerated in 2018 and, following the May 2018 retreat, a new responsibility matrix is expected to be finalized in 2019 through the next retreat.

#### **IV. Summary of the financial position**

15. The TFV's statement of financial performance shows a deficit of €1.149 million compared with a surplus of €0.410 million in 2017. This change is mainly due to the increase in programme expenses (€3.332 million compared to €3.213 million in 2017) and administrative expenses (€1.982 million compared to €1.435 million in 2017). Accordingly, the growth rate of resources has been lower than for expenses, even if the assessed contributions have grown at a significant rate of 17 percent, reaching €2.542 million. Voluntary contributions have also grown at a high rate of 25 percent, reaching €3.605 million (compared to €2.878 million in 2017). This confirms the more proactive approach of the TFV to mobilize voluntary contributions from donors in order to meet the new needs created by the victim reparations ordered by the Court.

16. After the Trial Chamber's decision in December 2017 on Mr Lubanga's liability, the TFV has been involved in identification of victims potentially eligible to collect reparations. The TFV continued its identification, planning and reparation of victims

activities on Mr Katanga's and Mr Al Mahdi's cases, including the cultural heritage destruction side.

17. The TFV is in an advanced phase of launching new assistance programme cycles in Côte d'Ivoire. A relaunch of the assistance programme in the Central African Republic (CAR) was decided following Mr. Bemba's acquittal in June 2018, as reparations projects were reoriented towards assistance. The TFV launched a new five years cycle of its assistance mandate in various locations, such as Uganda and DRC. Other potential assistance projects were prepared on Georgia and Kenya.

18. The statement of financial position improved overall with total assets increase from €15.839 million in 2017 to €19.106 million in 2018. The financial position is sound, with a net asset at a level of €2.236 million and liabilities mostly composed on non-current provisions at a level of €5.055 million. The TFV has no financial debts and a major part of its current liabilities (€0.854 million) consists of accruals and deferred revenues, these being likely to become revenues in the future.

19. The cash and cash equivalent account amounts to €17.857 million, as at December 31<sup>st</sup> 2018. This high level of funds does not produce a significant amount of interest, with only €six thousand in 2018. The Trust Fund Financial Regulations and Rules refer to the article 108 of the Financial Regulations and rules of the ICC, while the possibility to proceed to investments (limited in time) in case of "money not needed during the investment period" is mentioned in article 109.

20. A significant provision for reparation awards has been made in 2018 (€4.195 million, increasing the cumulative provision for victims reparations up to €5.940 million). In spite of its present positive financial position (net assets up to €2.236 million and a reparation provision up to €5.940 million), the TFV estimates that a minimum annual inflow of resources of €10 million will be necessary in the middle or long term to face its activities and mainly the charges of the reparations. In this scope, the TFV, not neglecting to explore other potential hypotheses of funding, is aware of the strategic necessity to attract and keep a growing network of donors and voluntary contributors.

21. The statement of financial performance does display the amounts of reparations expenses approved by the Board of Directors through provisions, following an external audit recommendation. Annual reparations expenses presented in Note 6 to the financial statements appear then as a reduction of former provision. The amount of annual expenses in 2018, €0.066 million, appears at the present stage rather modest compared to the cumulated amount of provisions (€5.940 million).

22. A part of these provisions is classified in current liabilities (€0.961 million), meaning that it should be used during 2019, and the other part is in non-current liabilities (€5.055 million). Last year, €0.473 million were classified in current liabilities, but only €0.066 million has been paid in 2018. The TFV Secretariat should be careful to do the best estimation for this classification.

## V. Budgetary governance of the Trust Fund

23. The reconciliation between the financial statements and the budget is disclosed in the note n° 11. This reconciliation is limited to the perimeter of the available budget only, which is the Major Programme VI "Secretariat of the Trust Fund for Victims" of the ICC. The reconciliation disclosed in note 11 does not raise issues as long as it is limited to the Major Programme VI perimeter.

24. The application of IPSAS 24 is not mandatory in the case of public sector entities not required to make approved budgets publicly available, and the Financial Regulations and Rules of the TFV do not require the presentation of a formalized and public budget, which would include resources and expenses not related to the Major Programme VI. In that view, the practice of the TFV does not raise questions of compliance with IPSAS.

25. However, the "annual reports" of the TFV, which are public documents, disclose in their annexes lists of projects and mention a "budget" envelope for each project, which suggests an implicit budgetary approach. This shows that the TFV has its own process of planning and programming projects, developed on a pluriennial period. This process

includes an annual formal approval by the Board. Figures mentioned in the projects represent the contract values of service agreements with the TFV partners, and have no budgetary meaning.

26. The TFV has produced to the External Auditor the “List of Decisions” of the 18th Meeting of the TFV Board of Directors, in The Hague, on 22 to 24 May 2018. This document formalizes the approval by the Board of Directors of budgetary proposals to the ASP for the next STFV Major Programme VI, and a list of “financial package proposal for programme allocations”.

27. This practice is not (and does not pretend to be) a kind of budgetary process. However, the implementation of a formalized and stable budgetary cycle is a good practice in public sector elected entities, including those supported by voluntary contributions, especially when the annual budgetary period is the same as the accounting period of the financial statements.

28. The voluntary contributions received by the TFV may be “earmarked” or not. In both cases, a structured annual budget for operations funded through voluntary contributions would give an adequate visibility on the progressive use of funds to the donors, to the Assembly, and to the public.

29. The External Auditor recommends that the governance of the TFV clarifies its practices of planning and authorization of commitments given and received on expenses and resources in a budgetary chart or framework covering all activities, including those funded by resources coming from other sources than the ICC’s Major programme VI, mainly voluntary contributions. The TFV could get technical support and assistance from the Registry, especially the Finance and Budget sections of the Division of Management Services.

30. Such a practice could improve the visibility on the implementation of conventions, including those covering plurennial programmes in assistance or reparation. Some of these include conditions on commitments and calendar targets, eventually with reimbursement obligations in case of non-fulfilments of operational objectives, and reporting duties from the TFV towards the donors.

**Recommendation n° 1:** The External Auditor recommends that the TFV adopt a budgetary chart or framework in order to clarify the annual and plurennial planning of its appropriations and the authorizations of commitments on expenses and resources, distinguishing between resources coming from Major Programme VI (STFV) and voluntary contributions, for all its activities, approved by the adequate level of its governance.

## VI. Monitoring of conventions and agreements with donors

31. Voluntary contributions have grown 25 percent in 2018, reaching €3.605 million (compared to €2.878 million in 2017). This confirms the outcome of the TFV efforts to mobilize donors in order to meet the new needs of victim reparations. An important part of voluntary contributions is supported by written agreements with donors, some of them earmarked.

32. It appeared during the audit works that part of these written agreements include conditions to be fulfilled. Otherwise, donors might claim the funds back. The financial statements record these funds as deferred revenues, according to IPSAS.

33. These agreements may include complex reporting or monitoring duties for the TFV, among which obligations to deliver reports or insurances on the due use of funds by the External Auditor of ICC. The TFV should be aware that the External Auditor only reports to the Assembly and cannot be assigned, in agreements with donors, to works that are not included in its mandate as settled by the Assembly. The External Auditor cannot be involved in any additional process without his knowledge or consent.

34. The inclusion of such conditions, whose achievement is not realistic nor under control of the TFV, could furthermore give rise to difficulties with the donors, and should be avoided in future conventions.

## VII. Adjustment

35. IPSAS standards require to record transactions and events in the accounts and to recognize them in the financial statements of the periods to which they relate.

36. The External Auditor conducted some tests to ensure that all expenses are booked in the corresponding period. The tests identified some charges booked in the 2019 accounts for expenses that occurred in 2018, for a total amount of €44,420. The Secretariat of the TFV should have accrued these expenses.

37. To be in accordance with the accrual principle, these charges were adjusted at the request of the External Auditor in the 2018 accounts and financial statements for €44,420.

38. In order to prevent this kind of error, as the activity of the TFV should go increasing in the future, the Secretariat of the TFV should implement a procedure to ensure that the information of the accruals are reported on time to the Finance section.

**Recommendation n° 2:** The External Auditor recommends implementing a procedure to identify all the accruals with a deadline in accordance with the preparation of the financial statements.

## VIII. Acknowledgements

39. The External Auditor wishes to thank the Trust Fund for Victims Secretariat and the members of the Office of the Registrar of the International Criminal Court, for the cooperation and general support provided to the audit team during the audit.

*End of audit observations.*

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