

## C. Related documents

### 1. Financial statements for the period 1 January to 31 December 2007\*

<b>Contents</b>	<i>Page</i>
Letter of transmittal.....	271
Statements.....	295
Statement I: Income and expenditure and changes in fund balances for the period ending 31 December 2007.....	295
Statement II: Assets, liabilities, reserves and fund balances as at 31 December 2007.....	296
Statement III: Cash flow as at 31 December 2007.....	297
Statement IV: Appropriations for the period 1 January to 31 December 2007.....	298
Schedule 1: Status of contributions as at 31 December 2007.....	299
Schedule 2: Status of Working Capital Fund as at 31 December 2007.....	303
Schedule 3: Status of advances to the Working Capital Fund as at 31 December 2007.....	304
Schedule 4: Status of cash surplus as at 31 December 2007.....	307
Schedule 5: Shares of States Parties in the 2006 cash surplus.....	308
Schedule 6: Status of voluntary contributions as at 31 December 2007.....	310
Schedule 7: Status of trust funds as at 31 December 2007.....	311
<b>Notes to the financial statements</b>	
1. The International Criminal Court and its objectives.....	312
2. Summary of significant accounting and financial reporting policies.....	313
3. The International Criminal Court (statements I-IV).....	317
4. General Fund, Working Capital Fund and Contingency Fund.....	318
Table 1: Details of miscellaneous income.....	319
Table 2: Details of expenditures.....	319
Table 3: Details of other accounts receivable.....	320
Table 4: Details of other accounts payable.....	321
Table 5: Comparatives for repatriation grants liability.....	322
5. Trust Funds.....	322
6. Non-expendable property.....	323
Table 6: Summary of non-expendable property.....	323
Table 7: Summary of non-expendable property funded by other sources .....	323
7. Write off losses of cash, receivables and property.....	324
8. Ex-gratia payments.....	324

---

\* Previously issued as ICC-ASP/7/10.

9. Gratis personnel..... 324

10. Contingent liabilities..... 324

11. Service-incurred injury..... 324

12. Contributions in kind..... 324

13. Contributions to the Trust Fund for Victims..... 325

**Letter of transmittal**

30 March 2008

In accordance with Financial Regulation 11.1, I have the honour to submit the financial statements of the International Criminal Court for the financial period 1 January to 31 December 2007.

(Signed) Silvana Arbia  
Registrar

Mr. T J Burr  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP  
United Kingdom

**Financial Statements of the International Criminal Court for the year  
ended 31 December 2007**

**External Auditor's Report 2007**

**The audit of the financial statements of the International Criminal Court  
for 2007**

**Contents**

	<i>Paragraphs</i>	<i>Page</i>
Executive Summary	1-16	273
Detailed Findings		277
Financial Results	17-23	277
End of year procurement	24-28	278
SAP system failure	29-39	279
Budgetary controls	40-44	280
Other management issues		281
Adoption of IPSAS	45-48	281
Accrued annual leave	49-52	282
Permanent Premises	53-56	283
Corporate Governance Issues	57	285
Statement of Internal Control	58-59	285
Risk Management	60-61	285
Internal Oversight Committee (IOC)	62-63	285
Follow up on 2006 Audit Topics	64	286
Acknowledgement	65	286
Follow up on previous audit recommendations	Annex A	287
Scope and audit approach	Annex B	294

## Executive Summary

- An unqualified audit opinion on the 2007 financial statements.
- Review of financial results and other financial matters.
- Significant audit adjustment as a result of some €3million of purchase orders placed at the end of the year being accounted for in the wrong year of account.
- Successful and accurate recovery of accounting data lost as result of a SAP system failure and the failure of back up data.
- Suggested changes to procedures for budget transfers – 350 budget transfers have been made in 2007 totalling some €9.2 million.
- Guidance on the adoption of International Public Sector Accounting Standards and specific issues arising in respect of accrued leave.
- Suggestions to further improve the accountability arrangements for the project director responsible for the permanent premises project.
- Follow up of Corporate Governance issues relating to the Statement of Internal Control, Risk Management and the Audit Committee.
- Follow up on prior year audit recommendations.

### Overall results of the audit

1. We have audited the financial statements of the International Criminal Court in accordance with Article 13 of the Financial Regulations and in conformity with International Standards on Auditing issued by the International Auditing and Assurance Standards Board.

2. The audit examination revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and validity of the financial statements; and the audit opinion confirms that these financial statements present fairly, in all material respects, the financial position as at 31 December 2007 and the results of operations and cash flows for the period then ended, in accordance with United Nations System Accounting Standards and the International Criminal Court's stated accounting policies.

3. The main observations and recommendations from our audit are summarised below, with a more detailed commentary in the section on Detailed Findings. Action taken by management in response to our previous year's recommendations, for 2006, is set out at **Annex A**; and the scope and approach of the audit, which were communicated to the Registrar in a detailed audit strategy, is summarised at **Annex B**.

### Financial management issues

#### On financial results

4. In 2007 total income increased by 12 percent over 2006 to €92.2 million while expenditure was €77.5 million, a 17 per cent increase. The increased income is accounted for by the rise in assessed contributions of some €8.4 million while expenditure has increased mainly as a result of the continued increase in recruitment of temporary and permanent staff. The Court also made a further provision of €3.4 million for the judges' pension scheme. We are pleased to note that contributions collections have increased to some 93.4 percent and that the value of contributions outstanding at the year end has declined to some €81 million. In overall terms the Court utilised 87 percent of its approved budget and this continues to reflect the fact that the Court has yet to hold its first trial.

**On end of year procurement**

5. In our previous reports we have noted the peak in procurement towards the year end. In 2006 we reported on the positive progress made to develop procurement plans and that the rise in year end procurement activity was for legitimate reasons. Nevertheless, procurement in future years was expected to be more evenly spread throughout the year. However, this year there has been a significant rise in unliquidated obligations at the year end. On further investigation we found that some €3 million of purchase orders were raised in December 2007 and in some cases there was no obligating agreement at the year end and all goods and services were due to be delivered in 2008. As these resultant ULOs do not meet the criteria set down in the Court's financial rules and regulations for expenditure recognition at the year end, we requested an accounting adjustment of €3 million and as a result the Court have cancelled these ULOs, reducing expenditure by €3 million. We have recommended that in future years sufficient time should be allowed for the Court's procurement review committee (PRC) to properly examine and approve procurement requests so that proper controls over procurement can be exercised. We have further recommended that the Court should follow the criteria set down their financial rules and regulations for expenditure recognition.

**On the SAP system failure**

6. During the period 19 July to 16 August 2007 the Court's financial system SAP experienced a system failure. While such failures are not unusual, the Court also experienced a failure of its back up data, which could not be used to reconstitute the original data. The Court has engaged the UN International Computer Centre to investigate the system and back up failure and UNICC have reported separately on this. The results of that review, while not identifying conclusively the reason for the failure, has provided a number of practical recommendations to improve data back up procedures.

7. The key risk posed by the system failure was that prime financial data for that period may have been lost and consequently there was the risk of material error or fraud remaining undetected during this period. We are pleased to report that the Court have been able to reconstruct the data from source paper documentation for each transaction and that the Court's Office of Internal Audit (OIA) have undertaken a detailed review of the reconstructed data to confirm the completeness, accuracy and compliance of these transactions with the Court's rules and regulations. We liaised closely with IOA to ensure that an adequate level of transaction testing was undertaken and having reviewed the work of IOA we are satisfied that there are no material errors in the accounting data or the financial statements produced thereof. We have recommended that the Court implement the recommendations made by UNICC as a matter of urgency to bring their business continuity arrangements to an acceptable level. We have further recommended that the IT strategy should reflect the arrangements set down in the IT disaster recovery plan that is to be developed.

**On budgetary controls**

8. We see budgetary control as a key internal control as accurate budgeting which closely matches actual income and expenditure enables us to take audit assurance on the completeness and accuracy of the Court's financial transactions. In 2007 there had been some 350 budget transfers amounting to some €9.2 million or 10.3 percent of the total budget. This is a significant level of transfers and the report details examples of some of the larger transfers made during the year. The Court has explained that the volume and value of transfers is in part the result of the unpredictable nature of its business and also that the Assembly of States Parties (ASP) wants the Court to use its budget headroom to maintain flexibility within the strict rules for such transfers.

9. While recognising the evolving nature of the organization, we believe that such transfers should be minimised to improve the reliability of in year financial management information. We have made recommendations for the Court to more accurately predict future funding needs. We

further recommend that the Court minimise the number of transfers and that it should ensure that the in line with the guidelines provided by the Committee on Budget and Finance, the rules allowing transfers are more clearly defined and reflect the need for effective financial management.

### **Other management issues**

#### **On the adoption of International Public Sector Accounting Standards (IPSAS)**

10. We note that the Court is developing a project plan for the implementation of IPSAS. We recommend that the Court should formally take the decision to adopt IPSAS and develop a strategy for the adoption of these accounting standards. We further recommend that a project team are established for IPSAS implementation and that they report on a regular basis to the Registrar, Committee on Budget and Finance and ASP.

#### **On accrued annual leave**

11. The Court routinely reports the value of accrued leave in the notes to its financial statements and the estimated value of such leave amounts to some €2.6 million. The Court has recently changed the way this information is collected and at present the information is incomplete. The Court's Office of Internal Audit has undertaken a review of this new system. We recommend that the Court ensure that it reviews the forthcoming OIA report on annual leave and ensure that recommended improvements are implemented to ensure that annual leave balances for all staff are accurately recorded, complete and available at the year end. These figures should be collated, reviewed and available for audit ensuring that this figure is fully supported when it becomes a balance sheet liability on the adoption of IPSAS accounting standards.

#### **On permanent premises**

12. We have examined the new governance structure approved by the ASP and we note that while the Project Director will oversee the permanent premises project, the Registrar will have the delegated authority to establish the project office and authorise expenditure in respect of this project. We have identified a risk whereby the Registrar may have little day to day control over the permanent premises project, but will be ultimately responsible for the outcome. This may suggest that the accountability arrangements in place for the project director are deficient. We have recommended that the Court reviews the arrangements to ensure that the project director is accountable for the delivery and success of the project.

### **Corporate Governance**

#### **On the Statement of Internal Control**

13. We note that the Court has declined to produce a Statement of Internal Control (SIC) for 2007 as the Registrar in post during 2007 has now completed his tenure and left the Court. The new Registrar does not feel that it would be appropriate to sign a statement covering a period during which she was not in post. While we recognise the rationale for this decision, we recommend that the Court should establish a system where heads of division provide an annual assurance statement to the Registrar confirming the effectiveness of internal controls in their sphere of responsibility. Such a system would ensure that the SIC is supported by appropriate evidence on the effectiveness of internal controls and that any change in personnel would not have an impact on the validity of the statement.

## **Follow up of previous audit recommendations**

### **On risk management**

14. The Court appointed consultants in 2007 to undertake a risk management review to identify and evaluate risks. We note that the risk assessment project charter has been developed which sets down the resources required to undertake risk identification and the overall time frame for the completion of this work which is expected to be completed in November 2008. Once the risk identification exercise is complete, we encourage the Court to collate a manageable number of key business risks into a usable risk register.

### **On the Internal Oversight Committee**

15. In each of our reports since the start of our appointment we have encouraged the Court to establish an audit committee with a majority of independent members. For some time the Court has operated an Internal Oversight Committee but without the structure of a conventional audit committee. Progress to modify the IOC in to an audit committee has been limited, although we note that in 2008 the IOC is to be reconstituted as the audit committee with at least two independent members. We will report further if such a committee is established in our 2008 report.

### **On other recommendations**

16. We report on the progress made with previous audit recommendations in Annex A where the Registry have provided details of the progress made against each of our recommendations and we provide our comments on this progress. In overall terms we welcome the progress that the Court are making, but note that in some areas described above progress has been slow and limited.



## Detailed Findings

### Financial Management Issues

#### Financial Results

##### Income and expenditure

17. The Financial Statements report that for 2007 total income increased from €82.2 million to €92.2 million, an increase of some 12 percent. A significant portion of this increase is accounted for by a rise in assessed contributions from €80.4 million to €88.9 million and an increase in interest income from €1.7 million to €3.1 million. The level of assessed contributions is set by the Assembly of States Parties (ASP) based on the budgeted expenditure for the Court.

18. The Court incurred total expenditure of €77.5 million in 2007 compared to €64.7 million in 2006. The majority of this increase in disbursed expenditure is explained by an increase in staff costs from €43.5 million in 2006 to €54.4 million in 2007 as the Court continues to recruit temporary and permanent staff to carry out its full range of functions. €3.4 million of Staff Costs in 2007 relate to an increase in the provision for the judges' pension scheme to the period ending 31 December 2007, net of this the actual increase in staff costs in 2007 was only €7.5 million.

19. Travel and hospitality costs in 2007 rose by €0.9 million to €3.7 million (2006: €2.8 million) in line with increased Court activities overseas. Contractual Service costs dropped by €1.9 million, this is mainly due to the reduced number of un-disbursed obligations open at the year end in 2007 (€2.3 million) when compared to 2006 (€4.5 million). Operating expenses increased by €3.0 million as the court continues to expand its operations and Acquisition Costs remained approximately the same in 2007 at €4.5 million (2006: €4.4 million).

20. As part of our audit we examined all significant income and expenditure balances; and ensured that there was sufficient reliable evidence to support the receipts and disbursements recorded in the Court's financial statements, and to explain movements in income and expenditure between 2006 and 2007.

##### Collection of contributions

21. The Court collected 93.4 percent of 2007 assessed contributions in compared with 91.3 percent in 2006. This is a continued improvement in the collection rate for assessed contributions as seen in previous years and demonstrates the ongoing actions taken by the Court to improve its performance in this regard. Total contribution arrears fell from €12 million in 2006 (15 percent of 2006 levy) to €8.1 million outstanding in 2007 (9 percent of 2007 contribution levy). We continue to commend the improving collection rates for older arrears and for assessed contributions in respect of 2007.

##### Cases of fraud or presumptive fraud

22. Under the terms of reference governing the external audit, contained in the financial regulations, we are required to bring to the notice of the Assembly of States Parties any cases of fraud or presumptive fraud. Primary responsibility for the prevention and detection of fraud rests with management. The Court informed us that they had not recorded or investigated any cases of fraud or presumptive fraud during 2007. The acting Director of the Office of Internal Audit (OIA) also confirmed that no cases of fraud or presumptive fraud came to his attention during 2007. Our audit did not identify any cases of fraud or presumptive fraud during the year.

**Losses, write-offs and ex-gratia payments**

23. The Property Survey Board wrote off €53,568 of non-expendable property in 2007 and there was an amount of €5,549 written off as a loss of cash. No ex-gratia payments were made by the Court in 2007.

**End of Year Procurement**

24. In our 2005 and 2006 audit reports we noted that there continues to be a peak in procurement activity towards the end of the financial year. In 2006 we obtained evidence to confirm that the peak in activity was as a result of the lead time taken to finalise contracts which had been started much earlier in the year, and that in 2006 the level of year end (December) procurement had declined from over €8 million in 2005 to €5.4 million. However during our audit of the 2007 financial statements we noted another significant increase in unliquidated obligations reported in the financial statements – rising from €11.9 million in 2006 to €13.9 million in this year. We investigated this rise in ULO's and found that:

- Some €3 million of ULO's had resulted from purchase orders raised in the last month of the financial year;
- We also noted that in all cases these purchase orders had not been placed with vendors or that an obligating agreement had not been reached in 2007; and
- In all cases the goods and services to which these ULO's related were to be delivered or services started in 2008

25. The Procurement Review Committee (PRC) provides a key control within the procurement process to review and approve purchases made by the Court. A peak of procurement close to the end of the financial period may potentially reduce the time available for reviewing procurement requests effectively.

26. We also noted from our review that although the PRC considered the appropriateness and authorisation of the purchases under review, at the year end there was no consideration of whether the requests were being charged against appropriations relating to the correct accounting period, or if they would constitute a valid obligation before the year ended.

27. We concluded that for €3 million of expenditure recorded in 2007, the ULOs did not meet the criteria set down in the Courts financial rules and regulations, which requires an obligation to have been established by placing a purchase order with a vendor and that the goods or services had not been delivered or started in 2007. Based on this conclusion we requested an audit adjustment to the financial statements to cancel these obligations in respect of 2007. The year end balance of ULO's declined from €13.9 million to €10.9 million as a result of this adjustment.

**Recommendation 1:**

We recommend that the Court ensure that all procurement requests relating to current year appropriations are submitted in good time for approval by the Procurement Review Committee (PRC). We further recommend that in accordance with the Court's financial rules and regulations purchase orders must be placed with a vendor for a legal obligation to be created and that the goods and services must be due for delivery or started in the financial year.

**Recommendation 2:**

We recommend that year end procurement requests for goods and services due for delivery or use in the following accounting period should be charged against the following year's appropriation for that activity.

**Recommendation 3:**

We recommend that the Court introduce a year end ULO review exercise. This review process should identify year end purchase requests that either do not constitute a valid legal obligation of the Court or obligations that do not relate to the current year. Obligating documents not meeting this requirement should be excluded from the year end ULO balance.

28. The Court is already in the early stages of preparing itself for the adoption of International Public Sector Accounting Standards (IPSAS). The introduction of these standards will remove the ability of the Court to obligate funds at the year end in the way that funds were obligated this year. All expenditures will need to be matched to the accounting period in which they are received or consumed using a full accruals approach. Increasing the Court's awareness and understanding of the importance of year end cut-off for ULO's will not only help prepare it for this transition; it will improve the quality of the information on outturn against budget in reports submitted to the ASP as the expenditure against appropriations will be wholly relevant to that year's appropriation.

**SAP System Failure**

29. On the 19th July 2007 the IT system that hosts the SAP ERP system which contains the Court's financial information crashed. The system was not repaired until the 16<sup>th</sup> of August 2007. After the crash it was also discovered that since the 11<sup>th</sup> June 2007 the SAP back up system had not been operating correctly. As the Court could not rely on the back up data they tested and validated back up data during this period.

30. In late August 2007 the Court implemented a data recovery process in order to ensure that financial data in the SAP system (and from which the Court's 2007 financial statements would be derived) was accurate and complete. During this time all financial information relating to the period during which information was not recorded on SAP was re-input into the restored system using the supporting documentation held on file.

31. This data recovery exercise was the subject of an Office of Internal Audit (OIA) review. The primary objective was to test the accuracy and completeness of the re-input exercise through the use of detailed audit transaction testing. We liaised with the OIA division in the planning of this exercise and the sampling and testing regimes were agreed before the work was started.

32. In addition, this testing also provided the external auditor with assurance that relevant financial rules and regulations of the Court had been consistently applied to transactions processed during this period. The audit did not review or address the causes of the incident which has been the subject of a separate review by the United Nations International Computer Centre (UNICC).

33. As part of our audit we reviewed the results of the OIA examination and the working papers supporting the conclusions of the OIA report. As external auditors we were satisfied that the re-entry of the financial information into the SAP system is complete, accurate and in compliance with the financial rules and regulations of the court.

34. The external auditor would like to commend the OIA for this assurance work. This incident was one of the key audit risks to the audit of the 2007 financial statements as the integrity of the data from which the financial statements are derived was in doubt. The level, detail and results of the testing have provided us with the necessary level of assurance to place reliance on the integrity of the SAP financial information at the year end. We would also like to mention the cross organ team who worked on re-inputting the financial information so diligently ensuring a high quality recovery.

35. However, the fact that this incident occurred is cause for concern. We note from the UN ICC report that the root cause for the SAP crash cannot be determined as log files are no longer available.

36. It has become clear from the review carried out by OIA that there were some lapses in monitoring and controlling the back up procedure behind the SAP system. The subsequent external investigations by SAP, Siemens Veritas and United Nations International Computing Centre (UNICC) have yielded many recommendations for improvements to the IT and IT control environment. As part of our audit we reviewed and discussed the ICT division's progress against these recommendations.

37. From our audit review of the incident and the Court's response to it we have concluded the following:

- As the Court continues to grow quickly increasing pressure has been placed on the ICT division.
- This growth has forced the ICT team to adopt a "fire-fighting" role to ensure that the IT systems remain operational and available to users. In particular we note the UN ICC's assessment that there is a skills gap in certain critical areas.
- Since the crash ICT has collated the recommendations made by the external investigation teams and is currently making progress towards implementing these improvements to the IT environment at the Court. We welcome the positive action that has been taken.

38. Although all financial information was recovered and restored or re-input onto SAP and the ICT division are progressing against improvement recommendations made, the failure of the back-up data which could not be restored represents a weakness in the Court's business continuity arrangements and the UN ICC recommend the development of an IT disaster recovery plan as at the earliest opportunity.

39. We note that the Court's ICT strategy was updated in December 2006. However, given that the SAP system failure occurred more recently and that the Court needs to develop and implement an IT disaster recovery plan, we would encourage the Court to ensure that the ICT Strategy takes account of the arrangements set down in disaster recovery plan when it is developed to reflect current business needs.

**Recommendation 4:**

We recommend that the ICT division implement the recommendations of the external investigations into the SAP crash as a matter of urgency and in particular ensure that contingency plans for similar system failure are in place to ensure business continuity. Such plans may help to mitigate the risk that key financial information may be lost through system failure.

**Recommendation 5:**

We also recommend that the Court ensure that its IT strategy reflects the arrangements set down in the IT disaster recovery plan once it has been developed. The IT strategy should show how contingency arrangements are to be achieved and maintained.

**Budgetary Controls**

40. As part of our audit work we look at all financial control systems and identify if we can use the effective operation of these systems to support our audit opinion on the financial statements. We see budget monitoring as a key high level control to assist effective decision making within the

Court. Where actual financial results closely match budgeted results, we are able to take a high degree of assurance on the accuracy of the financial results and tailor our audit approach to detailed transaction testing accordingly. The Court has improved and upgraded its financial and budgeting systems. However, because of the unpredictable nature of the Court's business and the ASP's requirement for the Court to use the flexibility available within its budget headroom, there are a significant number of budget transfers made within major programmes.

41. In 2007 there were over 350 budget transfers amounting to over €9.2 million (10.3% of the 2007 budget of €88.9 million). Given the material value and volume of transfers made we do not rely on budget information to obtain audit assurance and we undertook detailed testing of these transfers and related expenditure.

42. The key observations from our review of budget transfers are summarised below:

- We identified an accumulation of budget transfers for €380,000 that were processed within the accounting system as a single transaction and that the approval document did not have the Prosecutor's signature.
- At the year end, an open approval for as yet unknown transfers was given by the Registrar to the budget controller in November to enact last minute budget transfers to meet the financing needs of the high number of year end PRC approvals, an area on which we have also commented on in this report.

43. While we understand that budget flexibility is necessary for an evolving organisation where the nature of their activities is unpredictable, it is important that for in year financial management information to be current and of maximum use for decision making such transfers are minimised.

44. We have noted that the level of movement on budgets has been considered by the Committee on Budget and Finance and that they have issued new guidelines for 2008 with the aim of reducing the level of transfer activity.

#### **Recommendation 6:**

We recommend that the Court ensures that all staff involved in the preparation and modification of the annual budget:

- Ensure that all future budget requests adequately reflect current funding needs for the year, thus minimising the need for transfers.
- In line with the guidance issued by the Committee on Budget and Finance, implement a clear and organization wide set of guidelines for delegated authority for approval of budget transfers and limits.
- Ensure that budget transfer requests are submitted well in advance of the year end, thus ensuring that any purchases dependant upon a re-allocation of funds can be approved by PRC, communicated to the vendor and recorded against current year appropriations.

#### **Other Management Issues**

##### **Adopting International Public Sector Accounting Standards (IPSAS)**

45. The Court's financial statements are prepared in accordance with United Nations System Accounting Standards. In November 2005, the UN's High Level Committee on Management recommended International Public Sector Accounting Standards (IPSAS) as the basis for the preparation of United Nations (UN) financial statements from 2010; and in 2006 the General

Assembly decided to approve the adoption of IPSAS as the appropriate financial reporting framework for the UN.

46. It is important for the Court to take a formal decision by the appropriate body to adopt IPSAS and develop a strategy and more detailed plan for the implementation of IPSAS. We will work closely with the Court to provide appropriate advice and assistance with the challenging preparations for implementing IPSAS. We have provided spreadsheet tools and guidance to the Registrar to assist towards compliance with the new standards and help prepare for audit under IPSAS. We will continue to provide support as necessary during our period of appointment..

47. The transition is likely to require changes to the core financial systems, which in turn may lead to an increased risk in the reliability of information produced from these systems. We understand that the Court's SAP system has the capability to be suitably upgraded to accommodate full accruals accounting and fixed assets accounting required for IPSAS.

48. The Court is developing a formal implementation plan for IPSAS. In developing such a plan we encourage the Court need to consider the following issues:

- An agreed date for the adoption of IPSAS;
- The changes that will be required to its financial rules and regulations which will need to be approved by the ASP. In assessing this the Court needs to consider the lead time for the approval of these changes in line with the planned implementation date;
- An assessment of whether the existing accounting system SAP can be upgrade to accommodate IPSAS requirements for full accruals accounting. Again where upgrades and additional modules are required the Court need to consider the lead time for implementation;
- Training requirements for staff in adopting a full accruals based set of accounting standards;
- The impact on the Court's income and expenditure as it accounts for expenditure on a delivery basis matching expenditure to delivered goods and services in the accounting period. The Court will also need to consider the impact of accounting for depreciation;
- The overall cost for implementation taking account of each of the issues raised above. This will need to be built in to any future budgets.

#### **Recommendation 7:**

We recommend that the Court formally take the decision to adopt IPSAS and develop a strategy for the adoption of these accounting standards. We further recommend that a project team are established for IPSAS implementation and that they report on regular basis to the Registrar, Committee on Budget and Finance and ASP.

#### **Accrued Annual Leave**

49. In July 2007 the responsibility for recording and monitoring staff annual leave was devolved from the Human Resource division to individual sections levels within the Court. In compliance with current United Nations System Accounting Standards (UNSAS) the Court has been disclosing the estimated cost of all staff's accrued annual leave as at 31 December in a note to the financial statements. In previous audits we have had some concerns about the completeness of this figure and were keen to ensure that the new administration process was actioned correctly and could be used to produce reliable year end figures.

50. An internal review of the new accrued leave monitoring process was performed by the Court's OIA which looked at the current operation with a view to making recommendations to

make any necessary improvements. At the time of completing our audit this report had not yet been finalised, however initial findings suggest that further improvements to control and further training is required to ensure the devolved system operated effectively.

51. As the Court moves towards the adoption of International Public Sector Accounting Standards (IPSAS), in line with other international organisations, this employee benefit liabilities will be reported as a liability in the Court's balance sheet. Given the material nature of the monetary value of accrued leave it is important for this to be accurately valued.

52. The estimated value of this liability as at 31 December 2007 was €2,806,950. This figure is material to the users of the financial statements and as such will need to be supported by a full and valid audit trail. The above figure was derived from the information available from the newly devolved system, but this was not complete due to the unavailability of some staff leave records at the year end. A calculation based on average remaining staff leave days was used to estimate the missing balance (approx. €500,000). We were satisfied with this as the figure is currently only a note in the accounts, but stronger evidence would be needed for a balance sheet figure.

### **Recommendation 8:**

We recommend that the Court ensure that it review carefully the upcoming OIA report on annual leave and ensure that recommended improvements are implemented to ensure that annual leave balances for all staff are accurately recorded, complete and available for the year end. These figures should be collated, reviewed and available for audit ensuring that this figure is fully supported when it becomes a balance sheet liability on the adoption of IPSAS accounting standards.

### **Permanent Premises**

53. In December 2007 the ASP passed a resolution confirming the arrangements for the permanent premises as follows:

- It decided that the permanent premises of the International Criminal Court should be constructed on the Alexanderkazerne site;
- It further decided that, for the purposes of the architectural design competition, the construction costs of the permanent premises should not exceed €103 million at the 2007 price level;
- It accepted those elements of the offer of the host State contained in the letter dated 25 January 2006 from the Minister of Foreign Affairs of the host State to the President of the Assembly of States Parties relating to the provision of the land of the Alexanderkazerne site free of charge;
- It authorized the host State to launch immediately an architectural design competition setting appropriate conditions for such a competition;
- It decided to establish an Oversight Committee of States Parties as a subsidiary body of the Assembly to provide strategic oversight for the project;
- In doing so it requests the Oversight Committee to:
  - (a) Continue consideration of options for financing the construction of the permanent premises and related costs, including the compatibility of these options with the Financial Regulations and Rules of the Court, with a particular focus on the offer contained in the letter dated 25 January 2006 from the Minister of Foreign Affairs of the host State to the President of the Assembly of States Parties in order to provide recommendations to the Assembly at its next session;

- (b) Continue identifying and clarifying the estimated overall construction costs of the project with a view to providing recommendations on the cost envelope to the Assembly at its next session;
  - (c) Continue identifying and quantifying the other costs related to the project; and
  - (d) Continuously monitor the functioning and operations of the governance structure for the project and, if necessary, provide recommendations to the Assembly on any adjustments that may be required;
- The ASP decided to establish a Project Board to provide a consultative and cooperative tripartite structure with the Project Director having final responsibility for the overall management of the project;
  - It requested the Registrar of the International Criminal Court to establish a Project Director's Office;
  - Further it authorized the Oversight Committee to identify and hire a Project Director;
  - The ASP also decided, that as an extraordinary measure, to establish major programme VII (Project Director's Office) with a budget of €208,500 in order to establish the Project Director's Office, hire a Project Director and staff and cover other costs associated with the premises project, identified in annex V to this resolution; and
  - It requests the Registrar to establish a permanent premises construction trust fund for the permanent premises construction project; and

54. In 2007 we reviewed the proposed governance structure to assess the suitability of the accountability arrangements this structure provides. The tri-partite nature of the project board provides good representation for the host state, the ICC and the ASP, who will recruit and appoint the project director. It is also clear that the project board will be accountable to the oversight committee, composed of ASP, WGH and CBF representatives.

55. As the project director will lead the project board it would follow that the project director will be the key person with ultimate responsibility for the project and answerable to the ASP, however:

- The project director will have an employment contract with the Court.
- The project office will be created by the Registrar.
- The Registrar will be responsible for creating and managing a fund to account for money donated or allocated for the Permanent Premises
- And, although not yet certain, the Registrar may be that the only person with the ability to sign contracts on behalf of the ASP.

56. In conclusion, the tri-partite structure allows good input for all stakeholders and the structure includes an oversight committee populated by the ASP. However, at present the full accountability arrangements are unclear. In particular, while the Registrar is charged with establishing a project office and project fund and may also approve project expenditure, it appears that the project director will not be accountable to the Registrar and similarly there does not appear to be a reporting line for the Registrar to the Oversight Committee. The proposed structure may give the Court little control over the project as it will mainly rest with the project director and the project office, but it could be ultimately responsible for the outcome of the project.

#### **Recommendation 9:**

We recommend that the Court in their deliberations to set up the project office, oversight committee for the project and appoint the project director, they ensure that as responsibility for the project rests with the Registrar as the administrative organ of the Court the project office and



project director come within the Registrar's sphere of control for day to day decision making and accountability. In turn the Registrar can then report to the Oversight Committee on the progress made with the project. This ensures that the administrative organ of the Court has overall responsibility and accountability for the permanent premises project.

### **Corporate Governance**

57. In previous years we have made recommendations to the Court in our reports that specifically deal with the improvement of corporate governance arrangements. Below are some topics we have specifically followed up on in 2007.

#### **Introduction of a Statement of Internal Control (SIC)**

58. From discussions with the OIA during our interim audit visit we were informed that preparations were underway to draft and submit a SIC with the financial statements for 2007. However the Registrar in office during 2007 had completed his tenure at the Court and the new Registrar did not feel it was appropriate to sign off a SIC produced for an accounting period during which she was not in office.

59. Although we understand the rationale for this decision we feel that with adequate planning the SIC for 2007 could have been generated and signed by the departing Registrar before completion of his term. In particular a SIC should be supported by a process where heads of division provide formal assurance to the Registrar reporting on the effectiveness of internal controls operating in their sphere of control. Such a system of certifications needs to be established to support the 2008 SIC so that the assurances given in the SIC are soundly based with appropriate evidence that internal controls are operating effectively.

#### **Recommendation 10:**

We recommend that the Court endeavour to introduce a Statement of Control into the 2008 financial statements in line with current corporate governance best practice. We further recommend that the Court establishes a system where heads of division provide an annual assurance statement confirming that the internal controls operating in their sphere of controls are working effectively or where necessary such a statement should report on control failure.

### **Risk Management**

60. During our 2007 audit work we followed up on the Court's progress in developing a Risk management system. At the time of writing our 2006 report the Court had decided to appoint consultants to conduct a risk identification and assessment exercise. At the time of this report the Court had selected a consultant for this post through a tendering exercise.

61. We welcome the fact that the Court is progressing this area and note that the risk assessment project charter has been developed which sets down the resources required to undertake risk identification and the overall time frame for the completion of this work which is expected to be completed in November 2008. Once the risk identification exercise is complete, we encourage the Court to collate a manageable number of key business risks into a usable risk register. The risk register should be reviewed and updated regularly and used by senior management and the Oversight Committee.

#### **Internal Oversight Committee (IOC)**

62. In prior years we have made recommendations for the Court to improve the format and mandate of the IOC in line with current best practice and to enhance its governance structure to that of a comparable Audit Committee.

63. During 2007 we noted that there was little change to the existing structure of the IOC, which only met once in the year. However, the Court has been working on a new mandate for the IOC, which is to be re-named the “Audit Committee”. The new mandate incorporates some of our recommendations, including the addition of 2 independent members, and there are plans to implement the remaining best practice changes in an incremental fashion.

Due to the lack of meetings in 2007 and limited changes in the format we have not reviewed the IOC any further, we will fully review the new Audit Committee’s performance in our 2008 report.

**Recommendation 11:**

We recommend that the new Audit Committee mandate be implemented fully and that the modified committee endeavour to meet adequately throughout 2008 with the aim of providing adequate financial audit oversight.

**Follow up on 2006 Audit Topics**

64. We report on the progress made with previous audit recommendations in Annex A where the Registry have provided details of the progress made against each of our recommendations and we provide our comments on this progress. In overall terms we welcome the progress that the Court has made in relation to our recommendations on information technology controls and policies. Similarly the Court has made good progress with improving controls over bank reconciliations and also finalising the judges’ pension scheme. However, we note that in some areas discussed in this report such as the creation of an audit committee and embedding of risk management progress has been slower.

**Acknowledgement**

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

(signed)

T J Burr  
Comptroller and Auditor General, United Kingdom  
External Auditor

## Annex A

### Follow up of previous audit recommendations

Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
1	We recommend that the Court should ensure the effective operation of the travel claims module and that they should review the implementation of outstanding planned SAP modules and functionalities to obtain business critical functionality as a matter of priority.	Registry	The majority of the issues with of the travel claims module has been resolved. The backlog has been removed. The planned outstanding modules have been reviewed. There are no business critical functionalities outstanding except for Asset Management. The completion of Asset Management is tied to the IPSAS implementation.	Complete	We confirmed that the year end travel module issues had been resolved in 2007.
2	We recommend that the Security Policy be clarified to include enforcement procedures for breaches of the policy; approved by Senior Management and released to all staff.	Registry	The draft SAP security policy has been superseded in 2007 with the promulgation of the Administrative Instructions ICC/AI/2007/001, ICC/AI/2007/003 and ICC/AI/2007/005.	Complete	We have confirmed the issue and content of these Administrative Instructions.
3	We also recommend that, periodically, staff be required to confirm awareness and compliance with the IT security policy.	Registry	Staff is briefed on controls like passwords etc during the induction training. A pilot will be undertaken to address this recommendation further. Users may be required to accept the terms of the policy during the password change regime.	The pilot is underway, currently being tested by the ICT division. Implementation is expected by end of June 2008.	The implementation of this will be confirmed as part of our 2008 audit.

Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
4	We recommend that periodic changing of passwords is enforced and that, in the absence of log-in restrictions, the Court should consider monitoring exception reports detailing unsuccessful user access attempts.	Registry	Periodic changing of passwords are enforced and the Court does enforce log-in restrictions.	Complete	Prompting for passwords and log on restrictions seen in obtaining our IT profiles at the court for the audit period.
5	We also recommend that units provide periodic feedback to the IT division confirming the business requirement for unit user access profiles.	Registry	All access profiles are confirmed by the units. Any changes to the access rights are confirmed by the owners of the information On-going regular practice: units provide periodic feedback to confirm the business requirement for unit user access profiles.	Complete	We confirmed that this was the case during our review of ICT in the 2007 audit.
6	We recommend that the Court consider its approach to system support to ensure that adequate cost-effective support systems are maintained in the most cost effective way.	Registry	The Court's approach to system support has been reviewed. To ensure more adequate cost-effective support is has been decided to plan for the creation of a Customer Competency Centre which will include 3 additional staff members to support SAP. The centre will be proposed in the Court's budget 2008.	The Customer Competency Centre has been created and recruitment of additional staff is currently ongoing.	This has been confirmed as part of our audit and long form report work with the IT division.

Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
7	If the Court continues its reliance on external consultancy support we recommend that the contract for the support services be competitively tendered to provide assurance that best value is being achieved.	Registry	The Court is planning to reduce its reliance on external consultancy support (see previous recommendation answer). In the few cases where external consultancy support will still be required, the Court will organise a full-scope tender.	Complete	Agreed as per above point.
8	We also recommend that software consultant access to the production system should be strictly limited. In the event that access has to be provided, a system log of changes should be reviewed to detect any unauthorised or improper actions.	Registry	The recommendation has been implemented and access to the production system is now strictly limited. Only in very specific cases of troubleshooting of specialised areas, does a full login have to be enabled.	Complete	This was confirmed during the audit with the head of the IT division within the court.
9	To ensure that this key control operates effectively throughout the reporting period, we recommend that ICC ensure regular and timely reconciliation of all bank accounts. In the absence of such a key control, ICC should ensure that alternative checking procedures are invoked to mitigate the risk of fraud or error.	Registry	In 2006, there was a delay in the first half of the year to process bank reconciliations due to SAP configuration errors. After resolving this SAP problem, all bank reconciliations have been processed retrospectively and have been completed within one month after the end of the month in later months. As mentioned in the audit report, no errors or fraud had been found upon completion of the delayed bank reconciliations.	Complete	We confirmed that the reconciliation process improved greatly during 2007. By the end of the period we were satisfied that all significant accounts were being reconciled within an acceptable time period.

Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
10	We continue to encourage the Court to finalise the arrangements for the Judges Pension Scheme so that it has suitable arrangements in place to administer the scheme when pension payments become due.	Registry	The Court is currently negotiating the contract with Allianz NL and expects to sign the agreement with Allianz in July 2007 at which time, pension payments already being processed by the Court will be transferred to Allianz NL.	June 2008 clarification addendum under preparation by legal adviser	As with our 2006 report we continue to encourage the court to conclude this process and ensure a pension administrator is in place prior to a judge retiring.
11	We recommend that the Court confirms that all entitlements have been accounted for by Allianz in determining the premium payable for the administration of the Judges Pension Scheme prior to contracting them to insure the scheme.	Registry	With the assistance of Ernst & Young Actuaries, the Court will ensure that the contract with Allianz will cover all benefits to judges in accordance with the ICC's pension scheme for judges.	June 2008 clarification addendum under preparation by legal adviser	We commend the court in engaging Actuaries to ensure that all entitlements are factored into the Judges scheme.
12	We recommend that the Court considers the potential cost of disability payments that may have to be made for judges over 65 years of age if they were to become disabled, and whether any financial provision should be established for this liability.	Registry	The Court has obtained the estimated actuary valuation from Ernst & Young Actuaries, and will include this either as a provision in the budget, or in the accounts on a yearly basis.	Management decision is needed as to whether or not Court will fund. Allianz will not insure	We encourage the Court's management to make a decision on this issue. As experienced in 2007 - providing for disability payments can be very expensive if incurred in one year. If insurance is not possible then a provision may be necessary.

Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
13	We recommend that any permanent premises into which the Court moves should be adaptable according to the level of Court activities, so that if the workload of the Court were to reduce, parts of the building could be easily separated from the court in order to rent to third parties.	POPP	<p>At present the states parties have only expressed their preference for new built premises for the Court, but did not yet exclude completely other options such as staying at the ARC. As regards the possible construction of tailor-made premises, the Court submitted a detailed functional brief as early as March 2007. This brief states the basic requirements of the Court as the user of the building.</p> <p>Two important concepts, that had already been mentioned in the project presentation submitted by the Court in 2005, have been integrated in this brief.</p> <p>A) Flexibility, which should allow growth within existing premises and B) Scalability, which means that a possible extension of the building should already be considered in the design. These concepts will subsequently have to be translated by the architect. In this respect the Court is seeking to be integrated in the governance structure of the project, so as to ensure the dialogue with the architect.</p>	<p>The Assembly of States Parties will take decisions on the Court's permanent premises at its next session in November 2007.</p> <p>Meanwhile, the dialogue with the states is maintained through The Hague Working Group ("HWG"). The Court participated in three expert meetings convened by the HWG so as to explain its requirements. Another meeting of experts is scheduled for September.</p> <p>(to be updated)</p>	Noted, we will continue to monitor the progress of the Permanent Premises Project.
14	We recommend that before Field Offices are granted remote access to SAP, an extensive review is carried out of risks to data security, with mitigating controls put in place.	Registry	All data in the SAP system will reside in Headquarters, The Hague. All SAP data is encrypted if accessed outside the SAP application controls. Physical controls will be reviewed as recommended.	Complete: all SAP system data reside in the Headquarters, and is encrypted if accessed outside the SAP application controls. Physical controls are performed.	Noted.

Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
15	We also recommend that if there is delegation of extra procurement authorities to the field, approval still needs to be sought from the Head of Field Office for each purchase.	Registry	Operational procurement authority takes place within SAP, which is not available in the field. Nevertheless, additional procurement authority will be given through petty cash increase or other measures. Approval will be given by the Section Head as certifying officer. The process for approval will be strictly monitored by the logistic assistants who will be responsible for 2 or 3 countries, advising Field Office Manager on the process and forwarding relevant information for the section head to make an informed decision.	Petty cash level has been increased and Field Office Managers (FOM) allowed to use these funds for payment of DSA in certain cases. FOM also became one of the signatories of their local banks allowing them to act locally on instructions from headquarters. Process review ongoing.	Noted; this change was noted by the external auditor as part of our testing of 2007 expenditures.
16	We recommend that the appointed consultant responsible for carrying out the risk assessment for the Court provides a risk evaluation matrix demonstrating the key risks to the Court. The Court should use this information to prioritise risks and allocate resources to establish mitigating controls accordingly.	Court	The Court is grateful for the recommendation, which will be taking into careful consideration when implementing the risk management plan. The pros and cons of the recommendation will be weighted against industry best practices in order to ensure maximum efficiency for the Court.	The current version of the project charter defined by the Court and the risk management consultants comprises a risk matrix similar to the one proposed by the external auditor, ranking risks in terms of likelihood and impact. The matrix will be used as one of the tools in the first phase of the process to determine the highest ranking risks and their associated priority levels.	We have confirmed as part of our audit that the Court has selected a consultant to perform risk management exercise. We will review the progress of this review in our 2008 audit.



Rec	Recommendation	Responsibility	Action Plan	Expected completion date	Audit Comment
17	A risk register containing the information set out above should be used by the Court as an active diagnostic tool to manage risks on an ongoing basis. The risk register should be reviewed by the Oversight Committee and an annual submission should be made to the Court's governing body to bring key risks to their attention.	Court	See recommendation 16 above		We will confirm the post consultant court monitoring and review of relevant risks.

## **Annex B**

### **Scope and audit approach**

#### **Audit Scope and objectives**

Our audit examined the financial statements of the International Criminal Court for the financial period ended 31 December 2007 in accordance with the Financial Regulations. The main purpose of the audit was to enable us to form an opinion on whether the financial statements fairly presented the Fund's financial position, its surplus, funds and cash flows for the year ended 31 December 2007; and whether they had been properly prepared in accordance with the Financial Regulations.

#### **Audit Standards**

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

#### **Audit Approach**

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

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

**International Criminal Court**  
**Statement of income and expenditure and changes in fund balances for the period ending 31 December 2007**  
*(in thousands of euros)*

	General Fund & Working Capital Fund		Notes ref.	Trust Funds		Notes ref.	Total	
	2007	2006		2007	2006		2007	2006
<b>Income</b>								
Assessed contributions	88,872	80,417	4.1	-	-		88,872	80,417
Voluntary contributions	-	-		1,339	1,641	5.1	1,339	1,641
Interest income	3,104	1,662	4.2	24	41	5.2	3,128	1,703
Other/miscellaneous income	204	104	4.3	-	-		204	104
<b>Total income</b>	<b>92,180</b>	<b>82,183</b>		<b>1,363</b>	<b>1,682</b>		<b>93,543</b>	<b>83,865</b>
<b>Expenditure</b>								
Disbursed expenditures	63,052	52,831	4.4	1,081	1,615	5.7	64,133	54,446
Unliquidated obligations	10,914	11,721	4.4	193	138	5.7	11,107	11,859
Provision for pension liabilities	3,424	-	4.5	-	-		3,424	-
Provision for ILO cases	74	126	4.6	-	-		74	126
<b>Total expenditure</b>	<b>77,464</b>	<b>64,678</b>		<b>1,274</b>	<b>1,753</b>		<b>78,738</b>	<b>66,431</b>
<b>Excess/(shortfall) of income over expenditure</b>	<b>14,716</b>	<b>17,505</b>		<b>89</b>	<b>(71)</b>		<b>14,805</b>	<b>17,434</b>
Savings on, or cancellation of, prior periods' obligations	2,933	1,867	4.7	15	20		2,948	1,887
Credits to States Parties	(6,326)	(10,024)	4.8	-	-		(6,326)	(10,024)
Refund to donors	-	-		(93)	(125)	5.3	(93)	(125)
Net increase in Working Capital Fund	705	1,127	4.9	-	-		705	1,127
Reserve for pension of judges	-	(2,038)	4.5	-	-		-	(2,038)
Fund balances at beginning of financial period	44,778	36,341		453	629		45,231	36,970
<b>Fund balances as at 31 December</b>	<b>56,806</b>	<b>44,778</b>		<b>464</b>	<b>453</b>		<b>57,270</b>	<b>45,231</b>

Signed (Marian Kashou')  
Chief Finance Officer .....

**International Criminal Court**  
**Statement of assets, liabilities, reserves and fund balances as at 31 December 2007**  
*(in thousands of euros)*

	General Fund & Working Capital Fund		Notes ref.	Trust Funds		Notes ref.	Total	
	2007	2006		2007	2006		2007	2006
<i>Assets</i>								
Cash and term deposits	77,236	56,265		687	708		77,923	56,973
Assessed contributions receivable from States Parties	8,149	11,969	4.10	-	-		8,149	11,969
Voluntary contributions receivable	-	-		207	156		207	156
Other contributions receivable	19	95	4.11	-	-		19	95
Interfund balances receivable	26	91	4.12	-	-		26	91
Other accounts receivable	4,426	4,051	4.13	8	7	5.4	4,434	4,058
Deferred charges – education grants	330	270	4.14	-	-		330	270
<b>Total assets</b>	<b>90,186</b>	<b>72,741</b>		<b>902</b>	<b>871</b>		<b>91,088</b>	<b>73,612</b>
<i>Liabilities</i>								
Contributions/payments received in advance	9,161	7,744	4.15	223	191	5.5	9,384	7,935
Unliquidated obligations	10,914	11,721		193	138		11,107	11,859
Interfund balances payable	-	-		22	88	5.6	22	88
Provision for accrued pension of judges	9,715	6,291	4.5	-	-		9,715	6,291
Provision for ILO cases	74	126	4.6	-	-		74	126
Other accounts payable	3,516	2,081	4.16	-	-		3,516	2,081
<b>Total liabilities</b>	<b>33,380</b>	<b>27,963</b>		<b>438</b>	<b>417</b>		<b>33,818</b>	<b>28,380</b>
<i>Reserves and fund balances</i>								
Working Capital Fund	7,406	6,701	4.9	-	-		7,406	6,701
Contingency Fund	9,169	9,169	4.17	-	-		9,169	9,169
Reserve for unpaid contributions	2,298	5,078	4.18	-	-		2,298	5,078
Cumulative surplus	37,933	23,830	5.4	464	454		38,397	24,284
<b>Total reserves and fund balances</b>	<b>56,806</b>	<b>44,778</b>		<b>464</b>	<b>454</b>		<b>57,270</b>	<b>45,232</b>
<b>Total liabilities, reserves and fund balances</b>	<b>90,186</b>	<b>72,741</b>		<b>902</b>	<b>871</b>		<b>91,088</b>	<b>73,612</b>

Signed (Marian Kashou')  
Chief Finance Officer .....

**International Criminal Court**  
**Statement of cash flow as at 31 December 2007**  
*(in thousands of euros)*

	General Fund & Working Capital Fund		Trust Funds		Total	
	2007	2006	2007	2006	2007	2006
<i>Cash flows from operating activities</i>						
Net excess/(shortfall) of income over expenditure (Statement I)	14,716	17,505	89	(71)	14,805	17,434
Contributions receivable (increase)/decrease	3,896	3,380	(51)	(152)	3,845	3,228
Interfund balances receivable (increase)/decrease	65	97	-	-	65	97
Other accounts receivable (increase)/decrease	(375)	(1,695)	(1)	-	(376)	(1,695)
Deferred charges (increase)/decrease	(60)	(101)	-	-	(60)	(101)
Contributions received in advance increase/(decrease)	1,417	4,173	31	(633)	1,448	3,540
Unliquidated obligations increase/(decrease)	(807)	(1,511)	55	(85)	(752)	(1,596)
Interfund balances payable increase/(decrease)	-	-	(66)	(97)	(66)	(97)
Provision for accrued pension of judges increase/(decrease)	3,424	2,038	-	-	3,424	2,038
Provision for ILO cases increase/(decrease)	(52)	126	-	-	(52)	126
Accounts payable increase/(decrease)	1,435	456	-	-	1,435	456
Less: interest income	(3,104)	(1,662)	(24)	(41)	(3,128)	(1,703)
<b>Net cash from operating activities</b>	<b>20,555</b>	<b>22,806</b>	<b>33</b>	<b>(1,079)</b>	<b>20,588</b>	<b>21,727</b>
<i>Cash flows from investing and financing activities</i>						
Plus: interest income	3,104	1,662	24	41	3,128	1,703
<b>Net cash from investing and financing activities</b>	<b>3,104</b>	<b>1,662</b>	<b>24</b>	<b>41</b>	<b>3,128</b>	<b>1,703</b>
<i>Cash flows from other sources</i>						
Net increase/(decrease) in Working Capital Fund	705	1,127	-	-	705	1,127
Savings on, or cancellation of, prior periods' obligations	2,933	1,867	15	20	2,948	1,887
Reserve for pension of judges	-	(2,038)	-	-	-	(2,038)
Credits to States Parties	(6,326)	(10,024)	-	-	(6,326)	(10,024)
Refund to donors	-	-	(93)	(125)	(93)	(125)
<b>Net cash from other resources</b>	<b>(2,688)</b>	<b>(9,068)</b>	<b>(78)</b>	<b>(105)</b>	<b>(2,766)</b>	<b>(9,173)</b>
Net increase/(decrease) in cash and term deposits	20,971	15,400	(21)	(1,143)	20,950	14,257
Cash and term deposits at beginning of financial period	56,265	40,865	708	1,851	56,973	42,716
<b>Cash and term deposits at 31 December (Statement II)</b>	<b>77,236</b>	<b>56,265</b>	<b>687</b>	<b>708</b>	<b>77,923</b>	<b>56,973</b>

## Statement IV

**International Criminal Court**  
**Statement of appropriations for the period 1 January to 31 December 2007**  
*(in thousands of euros)*

Major Programme	Appropriation approved	Appropriation transfer <sup>a/</sup>	Total Appropriation	Disbursements	Unliquidated obligations	Provisions	Total expenditures	Unencumbered balance
Judiciary	9,999	237	10,236	6,636	176	3,424	10,236	0
Office of the Prosecutor	23,371	-	23,371	17,221	1,134	74	18,429	4,942
Registry	48,841	-	48,841	36,730	8,100	-	44,830	4,011
Secretariat of the Assembly of States Parties	4,378	(237)	4,141	1,929	847	-	2,776	1,365
Investment in the Court's Premises	2,283	-	2,283	536	657	-	1,193	1,090
<b>Total</b>	<b>88,872</b>	<b>-</b>	<b>88,872</b>	<b>63,052</b>	<b>10,914</b>	<b>3,498</b>	<b>77,464</b>	<b>11,408</b>

*a/ In accordance with resolution ICC-ASP/6/Res.7, an appropriation transfer of €236,722 was made from the Secretariat of the Assembly of States Parties to the Judiciary to fund the liabilities of the pension of judges.*

**International Criminal Court**  
**Status of contributions as at 31 December 2007**  
*(in euros)*

States Parties	Outstanding as at 1 January 2007	Collections	Outstanding	Assessed	Credits from 2006	Collections	Outstanding	Total outstanding	Credit on 2007 receipts	Receipts relating to 2008
	Prior years			2007						
Afghanistan	2,818	417	2,401	1,603	-	-	1,603	4,004	-	
Albania	-	-	-	9,618	-	9,618	-	-	1,401	
Andorra	-	-	-	12,824	1,040	11,784	-	-	1,006	
Antigua and Barbuda	-	-	-	3,206	792	2,414	-	-	2,659	
Argentina	2,652,451	686,401	1,966,050	520,972	-	-	520,972	2,487,022	-	
Australia	-	-	-	2,864,543	331,240	2,533,303	-	-	225,398	
Austria	-	-	-	1,421,852	178,686	1,243,166	-	-	110,337	
Barbados	-	-	-	14,427	2,081	1,647	10,699	10,699	-	
Belgium	-	-	-	1,766,495	222,423	1,544,072	-	-	276,860	
Belize a/	-	-	-	1,603	1,603	-	-	-	565	
Benin	2,818	2,818	-	1,603	-	1,603	-	-	3,362	
Bolivia	36,715	1,202	35,513	9,618	-	-	9,618	45,131	-	
Bosnia & Herzegovina	-	-	-	9,618	2,274	7,344	-	-	1,139	
Botswana	-	-	-	22,442	2,515	19,927	-	-	1,764	
Brazil	5,888,605	5,888,605	-	1,404,219	-	271,186	1,133,033	1,133,033	-	
Bulgaria	-	-	-	32,060	3,536	28,524	-	-	4,711	
Burkina Faso	6,872	6,872	-	3,206	-	3,206	-	-	513	
Burundi	2,982	148	2,834	1,603	-	-	1,603	4,437	-	
Cambodia	184	184	-	1,603	-	234	1,369	1,369	-	
Canada	-	-	-	4,772,102	105	4,771,997	-	-	738,136	
Central African Republic	2,982	148	2,834	1,603	-	-	1,603	4,437	-	
Chad	-	-	-	1,603	-	-	1,603	1,603	-	
Colombia	-	-	-	168,314	36,427	131,887	-	-	32,985	83,766
Comoros	267	-	267	1,603	-	-	1,603	1,870	-	
Congo	3,439	3,439	-	1,603	-	1,603	-	-	-	

States Parties	Outstanding as at 1 January 2007	Collections		Outstanding	Assessed	Credits from 2006	Collections		Outstanding	Total outstanding	Credit on 2007 receipts	Receipts relating to 2008
		Prior years					2007					
Costa Rica	77,251	77,251	-	51,295	-	30,388	20,907	20,907	-			
Croatia	-	-	-	80,149	-	80,149	-	-	11,058			
Cyprus	-	-	-	70,532	1	70,531	-	-	10,572			
Democratic Republic of the Congo	12,187	461	11,726	4,809	-	-	4,809	16,535	-			
Denmark	-	-	-	1,184,610	194,692	989,918	-	-	93,328			
Djibouti	1,410	154	1,256	1,603	-	-	1,603	2,859	-			
Dominica	1,524	154	1,370	1,603	-	-	1,603	2,973	-			
Dominican Republic	76,138	-	76,138	38,472	-	-	38,472	114,610	-			
Ecuador	4,569	4,569	-	33,663	-	33,663	-	-	2,816			
Estonia	-	-	-	25,648	2,496	23,152	-	-	3,560			
Fiji	5,657	5,657	-	4,809	-	696	4,113	4,113	-			
Finland	-	-	-	904,086	110,902	793,184	-	-	70,159			
France	-	-	-	10,100,440	1,254,641	8,845,799	-	-	1,572,265			
Gabon	18,152	14,834	3,318	12,824	-	-	12,824	16,142	-			
Gambia	1,410	154	1,256	1,603	-	-	1,603	2,859	-			
Georgia	4,288	4,288	-	4,809	-	4,809	-	-	373			
Germany	-	-	-	13,748,845	322	13,748,523	-	-	1,083,828			
Ghana a/	-	-	-	6,412	6,412	-	-	-	10,671			
Greece	-	-	-	955,382	110,251	845,131	-	-	74,139			
Guinea	12,878	639	12,239	1,603	-	-	1,603	13,842	-			
Guyana	1,460	1,460	-	1,603	-	1,520	83	83	-			
Honduras	13,627	769	12,858	8,014	-	-	8,014	20,872	-			
Hungary	-	-	-	391,130	26,215	364,915	-	-	30,598			
Iceland	-	-	-	59,311	7,076	52,235	-	-	9,049			
Ireland	-	-	-	713,331	72,825	640,506	-	-	101,119			
Italy	2,131,916	2,131,916	-	8,141,586	-	8,141,586	-	-	1,270,723			
Japan	-	-	-	4,887,949	-	4,887,949	-	-	-			
Jordan	-	-	-	19,236	-	19,236	-	-	1,514			
Kenya	-	-	-	16,030	-	16,030	-	-	3,186			



States Parties	Outstanding as at 1 January 2007	Collections	Outstanding	Assessed	Credits from 2006	Collections	Outstanding	Total outstanding	Credit on 2007 receipts	Receipts relating to 2008
	Prior years			2007						
Latvia	-	-	-	28,854	3,120	25,734	-	-	2,944	
Lesotho a/	-	-	-	1,603	1,603	-	-	-	266	
Liberia	3,073	3,073	-	1,603	-	1,603	-	-	-	
Liechtenstein	-	-	-	16,030	1,039	14,991	-	-	1,898	
Lithuania	-	-	-	49,693	-	49,693	-	-	-	
Luxembourg	-	-	-	136,254	3	136,251	-	-	10,723	
Malawi	4,946	154	4,792	1,603	-	-	1,603	6,395	-	
Mali	2,818	2,818	-	1,603	-	1,603	-	-	8,096	
Malta	-	-	-	27,251	9	27,242	-	-	3,946	
Marshall Islands	3,076	131	2,945	1,603	-	-	1,603	4,548	-	
Mauritius	-	-	-	17,633	-	17,633	-	-	2,806	
Mexico	-	-	-	3,617,948	70	3,617,878	-	-	280,758	
Mongolia	-	-	-	1,603	-	1,603	-	-	255	
Montenegro	-	-	-	1,603	-	1,603	-	-	124	
Namibia	-	-	-	9,618	-	9,618	-	-	761	
Nauru	2,798	154	2,644	1,603	-	-	1,603	4,247	-	
Netherlands	-	-	-	3,002,400	351,634	2,650,766	-	-	232,991	
New Zealand	-	-	-	410,365	45,984	364,381	-	-	60,742	
Niger	4,528	154	4,374	1,603	-	-	1,603	5,977	-	
Nigeria	116,359	116,359	-	76,944	-	76,944	-	-	5,126	
Norway	-	-	-	1,253,538	27	1,253,511	-	-	97,276	
Panama	6,740	6,740	-	36,869	-	27,653	9,216	9,216	-	
Paraguay	-	-	-	8,014	3,297	2,616	2,101	2,101	-	
Peru	210,009	65,471	144,538	125,033	-	-	125,033	269,571	-	
Poland	-	-	-	803,098	95,918	707,180	-	-	62,321	
Portugal	-	-	-	844,776	97,792	746,984	-	-	66,474	
Republic of Korea	-	-	-	3,483,297	373,598	3,109,699	-	-	270,309	
Romania	-	-	-	112,209	12,480	99,729	-	-	16,553	
Saint Kitts and Nevis	267	267	-	1,603	-	1,603	-	-	124	

States Parties	Outstanding as at 1 January 2007	Collections	Outstanding	Assessed	Credits from 2006	Collections	Outstanding	Total outstanding	Credit on 2007 receipts	Receipts relating to 2008
	Prior years			2007						
Saint Vincent and the Grenadines	3,075	131	2,944	1,603	-	-	1,603	4,547	-	-
Samoa	-	-	-	1,603	944	659	-	-	-	246
San Marino	-	-	-	4,809	-	4,809	-	-	-	765
Senegal	561	561	-	6,412	-	6,412	-	-	-	590
Serbia	-	-	-	33,663	12	33,651	-	-	-	2,649
Sierra Leone	2,566	154	2,412	1,603	-	-	1,603	4,015	-	-
Slovakia	-	-	-	100,988	10,608	90,380	-	-	-	14,506
Slovenia	-	-	-	153,887	3	153,884	-	-	-	12,100
South Africa	-	-	-	464,867	60,742	404,125	-	-	-	74,256
Spain	-	-	-	4,757,674	524,326	338,080	3,895,268	3,895,268	-	-
Sweden	-	-	-	1,716,802	207,651	1,509,151	-	-	-	263,721
Switzerland	-	-	-	1,949,236	43	1,949,193	-	-	-	151,264
Tajikistan	2,339	1,435	904	1,603	-	-	1,603	2,507	-	-
The Former Yugoslav Rep. of Macedonia	8,456	8,456	-	8,014	-	8,014	-	-	-	-
Timor-Leste	1,410	1,410	-	1,603	-	1,603	-	-	-	126
Trinidad and Tobago	-	-	-	43,281	4,561	38,720	-	-	-	6,236
Uganda	22,621	22,621	-	4,809	-	1,254	3,555	3,555	-	-
United Kingdom	-	-	-	10,647,059	1,274,827	9,372,232	-	-	-	1,627,366
United Republic of Tanzania	74	74	-	9,618	-	9,618	-	-	-	1,651
Uruguay	134,318	134,318	-	43,281	-	19,681	23,600	23,600	-	-
Venezuela	470,577	470,577	-	320,598	-	320,598	-	-	-	47,402
Zambia	5,965	3,986	1,979	1,603	-	-	1,603	3,582	-	-
<b>Total (105 States Parties)</b>	<b>11,969,176</b>	<b>9,671,584</b>	<b>2,297,592</b>	<b>88,871,800</b>	<b>5,638,846</b>	<b>77,382,017</b>	<b>5,850,942</b>	<b>8,148,534</b>	<b>9,077,165</b>	<b>83,766</b>

*a/ In 2007, credit on 2006 receipts reported for Belize, Ghana and Lesotho are €2,014, €16,469 and €1,716, respectively. Only €1,603, €6,412 and €1,603 are reported in 2007 as collections against 2007 assessed contributions. The remaining amounts of €411, €10,057 and €113, respectively are included in the amounts for credit on 2007 receipts to be applied against future years' contributions.*

## Schedule 2

**International Criminal Court**  
**Status of Working Capital Fund as at 31 December 2007**  
*(in euros)*

	2007	2006
<b>Balance at beginning of financial period</b>	6,606,176	5,276,783
<i>Receipts/(refunds)</i>		
Receipts from States Parties	780,453	1,329,393
<i>Withdrawals</i>	-	-
<b>Balance as at 31 December</b>	<b>7,386,629</b>	<b>6,606,176</b>
<b>Established level</b>	7,405,983	6,701,400
Less: due from States Parties (Schedule 3)	19,354	95,224
<b>Balance as at 31 December</b>	<b>7,386,629</b>	<b>6,606,176</b>

**International Criminal Court**  
**Status of advances to the Working Capital Fund as at 31 December 2007**  
*(in euros)*

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2008
Afghanistan	111	111	-	-
Albania	661	661	-	-
Andorra	882	882	-	-
Antigua and Barbuda	221	221	-	-
Argentina	35,835	18,537	17,298	-
Australia	197,033	197,033	-	-
Austria	97,802	97,802	-	-
Barbados	992	992	-	-
Belgium	121,505	121,505	-	-
Belize	110	110	-	-
Benin	111	111	-	-
Bolivia	661	285	376	-
Bosnia & Herzegovina	660	660	-	-
Botswana	1,545	1,545	-	-
Brazil	96,587	96,587	-	-
Bulgaria	2,205	2,205	-	-
Burkina Faso	221	221	-	-
Burundi	110	92	18	-
Cambodia	111	111	-	-
Canada	328,241	328,241	-	-
Central African Republic	110	92	18	-
Chad	110	0	110	-
Colombia	11,577	11,577	-	-
Comoros	110	0	110	-
Congo	110	110	-	-
Costa Rica	3,529	3,529	-	-
Croatia	5,512	5,512	-	-
Cyprus	4,851	4,851	-	-
Democratic Republic of the Congo	330	205	125	-
Denmark	81,482	81,482	-	-
Djibouti	110	110	-	-
Dominica	110	110	-	-
Dominican Republic	2,646	1,907	739	-
Ecuador	2,315	2,315	-	-
Estonia	1,765	1,765	-	-
Fiji	331	331	-	-
Finland	62,187	62,187	-	-
France	694,740	694,740	-	-
Gabon	881	881	-	-
Gambia	110	110	-	-
Georgia	330	330	-	-
Germany	945,687	945,687	-	-
Ghana	441	441	-	-
Greece	65,713	65,713	-	-
Guinea a/	110	-135	245	-
Guyana	110	110	-	-
Honduras	550	460	90	-
Hungary	26,903	26,903	-	-
Iceland	4,080	4,080	-	-

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2008
Ireland	49,065	49,065	-	-
Italy	560,004	560,004	-	-
Japan	1,629,316	1,629,316	-	-
Jordan	1,322	1,322	-	-
Kenya	1,102	1,102	-	-
Latvia	1,984	1,984	-	-
Lesotho	110	110	-	-
Liberia	110	110	-	-
Liechtenstein	1,102	1,102	-	-
Lithuania	3,418	3,418	-	-
Luxembourg	9,373	9,373	-	-
Malawi	110	52	58	-
Mali	111	111	-	-
Malta	1,874	1,874	-	-
Marshall Islands	109	91	18	-
Mauritius	1,213	1,213	-	-
Mexico	248,854	248,854	-	-
Mongolia	110	110	-	-
Montenegro	110	110	-	-
Namibia	662	662	-	-
Nauru	109	91	18	-
Netherlands	206,515	206,515	-	-
New Zealand	28,226	28,226	-	-
Niger	110	15	95	-
Nigeria	5,293	5,293	-	-
Norway	86,224	86,224	-	-
Panama	2,536	2,536	-	-
Paraguay	552	552	-	-
Peru	8,600	8,600	-	-
Poland	55,240	55,240	-	-
Portugal	58,107	58,107	-	-
Republic of Korea	239,594	239,594	-	-
Romania	7,718	7,718	-	-
Saint Kitts and Nevis	110	110	-	-
Saint Vincent and the Grenadines	109	91	18	-
Samoa	110	110	-	-
San Marino	330	330	-	-
Senegal	441	441	-	-
Serbia	2,315	2,315	-	-
Sierra Leone	109	91	18	-
Slovakia	6,946	6,946	-	-
Slovenia	10,585	10,585	-	-
South Africa	31,975	31,975	-	-
Spain	327,248	327,248	-	-
Sweden	118,088	118,088	-	-
Switzerland	134,075	134,075	-	-
Tajikistan	109	109	-	-
The Former Yugoslav Rep. of Macedonia	552	552	-	-
Timor-Leste	110	110	-	-
Trinidad and Tobago	2,977	2,977	-	-
Uganda	329	329	-	-
United Kingdom	732,338	732,338	-	-
United Republic of Tanzania	662	662	-	-
Uruguay	2,977	2,977	-	-

States Parties	Working Capital Fund	Cumulative payments	Outstanding	Receipts relating to 2008
Venezuela	22,050	22,050	-	-
Zambia	111	111	-	-
<b>Total (105 States Parties)</b>	<b>7,405,983</b>	<b>7,386,629</b>	<b>19,354</b>	<b>-</b>

*a/ The negative amount for the cumulative payments for Guinea is caused by the refund of the Working Capital Fund (WCF) portion of the cash surplus for 2005, being €290; this decreased the total assessed WCF for Guinea from €400 to €110. The WCF payments actually received as at 31 December 2007 were €155.*

## Schedule 4

**International Criminal Court**  
**Status of cash surplus as at 31 December 2007**  
*(in euros)*

	2007	2006
<b>Current year</b>		
<i>Credits</i>		
Receipts of assessed contributions	83,020,858	73,525,623
Miscellaneous income	3,308,350	1,766,020
	86,329,208	75,291,643
<i>Charges</i>		
Disbursed expenditures	63,052,531	52,831,394
Unliquidated obligations	10,913,607	11,721,338
Provision for pension liabilities	3,423,734	-
Provision for ILO cases	73,711	126,078
	77,463,583	64,678,810
<b>Provisional cash surplus/(deficit)</b>	<b>8,865,625</b>	<b>10,612,833</b>
Contributions receivable	5,850,942	6,891,577
<b>Excess/(shortfall) of income over expenditure (Statement I)</b>	<b>14,716,567</b>	<b>17,504,410</b>
<b>Disposition of prior year's provisional surplus/(deficit)</b>		
Prior year's provisional surplus/(deficit)	10,612,833	(5,609,732)
Plus: Receipt of prior periods' assessed contributions	9,671,584	10,068,084
Savings on, or cancellation of, prior periods' obligations	2,932,635	1,867,180
<b>Prior year's cash surplus/(deficit)</b>	<b>23,217,052</b>	<b>6,325,532</b>
<b>Total cash surplus (Statement II)</b>	<b>37,933,619</b>	<b>23,829,942</b>

**International Criminal Court**  
**Shares of States Parties in the 2006 cash surplus**  
*(in euros)*

States Parties	2006 scale of assessment	Surplus
Afghanistan	0.00398	923
Albania	0.00994	2,309
Andorra	0.00994	2,309
Antigua and Barbuda	0.00597	1,385
Argentina	1.90117	441,395
Australia	3.16596	735,042
Austria	1.70827	396,609
Barbados	0.01989	4,617
Belgium	2.12589	493,568
Belize	0.00199	462
Benin	0.00398	923
Bolivia	0.01790	4,155
Bosnia & Herzegovina	0.00597	1,385
Botswana	0.02386	5,542
Brazil	3.02874	703,184
Bulgaria	0.03381	7,849
Burkina Faso	0.00398	923
Burundi	0.00199	462
Cambodia	0.00398	923
Canada	5.59412	1,298,790
Central African Republic	0.00199	461
Colombia	0.30824	71,565
Comoros	0.00033	77
Congo	0.00199	462
Costa Rica	0.05966	13,851
Croatia	0.07358	17,083
Cyprus	0.07756	18,007
Democratic Republic of the Congo	0.00597	1,385
Denmark	1.42786	331,508
Djibouti	0.00199	462
Dominica	0.00199	462
Dominican Republic	0.06960	16,160
Ecuador	0.03778	8,772
Estonia	0.02386	5,541
Fiji	0.00795	1,847
Finland	1.05996	246,091
France	11.99167	2,784,111
Gabon	0.01790	4,155
Gambia	0.00199	462
Georgia	0.00597	1,385
Germany	17.22584	3,999,332
Ghana	0.00795	1,847
Greece	1.05399	244,706
Guinea	0.00597	1,385
Guyana	0.00199	462
Honduras	0.00994	2,309
Hungary	0.25057	58,175
Iceland	0.06761	15,698
Ireland	0.69603	161,599
Italy	9.71464	2,255,454



States Parties	2006 scale of assessment	Surplus
Jordan	0.02188	5,079
Kenya	0.01790	4,155
Latvia	0.02983	6,926
Lesotho	0.00199	462
Liberia	0.00199	462
Liechtenstein	0.00994	2,309
Lithuania	0.04773	11,081
Luxembourg	0.15313	35,552
Malawi	0.00199	462
Mali	0.00398	923
Malta	0.02784	6,464
Marshall Islands	0.00199	462
Mauritius	0.02188	5,079
Mexico	3.74466	869,400
Mongolia	0.00199	462
Montenegro	0.00116	269
Namibia	0.01193	2,770
Nauru	0.00199	462
Netherlands	3.36085	780,290
New Zealand	0.43950	102,038
Niger	0.00199	462
Nigeria	0.08352	19,392
Norway	1.35031	313,501
Panama	0.03778	8,772
Paraguay	0.02386	5,541
Peru	0.18296	42,477
Poland	0.91678	212,848
Portugal	0.93467	217,004
Republic of Korea	3.57165	829,231
Romania	0.11932	27,703
Saint Kitts and Nevis	0.00033	77
Saint Vincent and the Grenadines	0.00199	462
Samoa	0.00199	462
San Marino	0.00597	1,385
Senegal	0.00994	2,309
Serbia	0.03778	8,772
Sierra Leone	0.00199	462
Slovakia	0.10142	23,547
Slovenia	0.16307	37,860
South Africa	0.58069	134,819
Spain	5.01144	1,163,509
Sweden	1.98469	460,787
Switzerland	2.38044	552,667
Tajikistan	0.00199	462
The Former Yugoslav Rep. of Macedonia	0.01193	2,770
Timor-Leste	0.00199	462
Trinidad and Tobago	0.04375	10,158
Uganda	0.01193	2,770
United Kingdom	12.18457	2,828,898
United Republic of Tanzania	0.01193	2,770
Uruguay	0.09546	22,162
Venezuela	0.34006	78,952
Zambia	0.00398	923
<b>Total (103 States Parties)</b>	<b>100.0000</b>	<b>23,217,052</b>

**International Criminal Court**  
**Status of voluntary contributions as at 31 December 2007**  
*(in euros)*

Project	Contributor	Pledges	Received	Outstanding	Receipts for future periods	Refund to donors
Internship and Visiting Professionals Programme	European Commission	713,904	506,649	207,255	179,321	-
	MacArthur Foundation	89,706	89,706	-	22,427	-
	The Netherlands	28,500	28,500	-	-	10,126
	Foundation Open Society Institute	62,922	62,922	-	20,974	-
	Norway	24,984	24,984	-	-	40,849
	Switzerland	7,000	7,000	-	-	5,380
			927,016	719,761	207,255	222,722
Least Developed Countries	Canada	-	36,454	-	-	2,127
	Finland	-	16,000	-	-	-
	Germany	-	20,000	-	-	-
	Greece	-	20,000	-	-	-
	Ireland	-	20,000	-	-	-
	Montenegro	-	2,500	-	-	-
	The Netherlands	-	40,000	-	-	-
	Switzerland	-	19,979	-	-	-
	United Kingdom	-	28,679	-	-	-
		-	203,612	-	-	2,127
Judicial Capacity Strengthening Programme	MacArthur Foundation	48,750	48,750	-	-	-
		48,750	48,750	-	-	-
ICC Legal Tools Project (Case Matrix)	Austria	5,000	5,000	-	-	-
	Finland	95,240	95,240	-	-	13,993
		100,240	100,240	-	-	13,993
Joint Appellate Training Programme	Foundation Open Society Institute	7,566	7,566	-	-	-
		7,566	7,566	-	-	-
Defence Counsel Seminar	Finland	52,406	52,406	-	-	20,847
		52,406	52,406	-	-	20,847
<b>Total voluntary contributions</b>		<b>1,135,978</b>	<b>1,132,335</b>	<b>207,255</b>	<b>222,722</b>	<b>93,322</b>

**International Criminal Court**  
**Status of trust funds as at 31 December 2007**  
*(in euros)*

Trust Fund	Balances brought forward as at 1 January	Receipts	Disbursements	Unliquidated obligations	Total expenditures	Interest Earned	Savings on, or cancellation of, prior periods' obligations	Refunds to donors	Unencumbered balances
Internship and Visiting Professionals Programme	154,114	719,761	896,189	98,318	994,507	14,484	10,223	(56,355)	(152,279)
ICC Institutional Video	37,601	-	-	-	-	1,209	-	-	38,810
Least Developed Countries	41,173	203,612	24,351	79,331	103,682	4,184	4,487	(2,127)	147,647
ICC Legal Tools Project (Case Matrix)	14,976	100,240	85,944	10,441	96,385	1,557	535	(13,993)	6,930
Judicial Capacity Strengthening Programme	28,356	48,750	36,219	-	36,219	1,655	-	-	42,541
Joint Appellate Training Programme	7,742	7,566	15,093	-	15,093	7	-	-	221
Defence Counsel Seminar	-	52,406	23,317	5,258	28,575	532	-	(20,847)	3,517
<b>Total</b>	<b>283,962</b>	<b>1,132,335</b>	<b>1,081,114</b>	<b>193,347</b>	<b>1,274,461</b>	<b>23,628</b>	<b>15,245</b>	<b>(93,322)</b>	<b>87,387</b>

## Notes to the financial statements

### 1. The International Criminal Court and its objectives

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

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

#### a) Presidency

- (i) To ensure the proper administration of the Court through means of managerial oversight, coordination and cooperation;
- (ii) To oversee and support the fair, open and effective conduct of proceedings and to fulfil all exclusive judicial functions assigned to the Presidency;
- (iii) To broaden global understanding of and support for the work of the Court by representing it in the international arena.

#### b) Chambers

- (i) To ensure the conduct of fair, effective and open proceedings, safeguarding the rights of all parties.

#### c) Office of the Prosecutor

- (i) To promote national efforts and international cooperation to prevent and punish genocide, crimes against humanity and war crimes;
- (ii) To investigate and prosecute genocide, crimes against humanity and war crimes;
- (iii) To build universal consensus on the principles and purposes of the Rome Statute.

#### d) Registry

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

#### e) Secretariat of the Assembly of States Parties

- (i) To organise conferences of the Assembly and meetings of the subsidiary bodies of the Assembly, including the Bureau and the Committee on Budget and Finance;

- (ii) To assist the Assembly, including its Bureau and subsidiary bodies in all matters relating to their work, with particular emphasis on the effective scheduling and procedurally correct conduct of meetings as well as consultations;
- (iii) To enable the Assembly and its subsidiary bodies to carry out their mandate more effectively by providing them with high-quality substantive Secretariat servicing and support, including technical Secretariat services.

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

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

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

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

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

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

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

Exchange rate gains and losses are treated as follows:

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

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

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

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

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

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

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

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

2.11 **Assessed contributions:**

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

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

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

Unless otherwise determined by the Assembly of States Parties, surpluses at the end of the financial period, after deducting there from any assessed contributions for that financial period which remain unpaid, are apportioned to the States Parties based on the scale of assessments applicable for the financial period to which the surplus relates. As of 1 January following the year in which the audit of the accounts of the financial period is completed, the amount of surplus apportioned to a State Party is surrendered if its contribution for that financial period has been paid in full. In such cases, the credit is used to offset, in whole or in part, contributions due to the Working Capital Fund and assessed contributions due for the calendar year following the financial period to which the surplus relates.

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

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

2.15 **Income:** the organisation's income consists of:

- a) Assessed contributions: for the purposes of the financial statements, income is recognised when the assessments to the States Parties of the adopted programme budget have been approved by the Assembly of States Parties;
- b) Voluntary contributions are recorded as income on the basis of a written commitment to pay monetary contributions during the current financial year, except where contributions are not preceded by a pledge. For these funds, income is recorded at the time that the actual contributions are received from the donors;
- c) Funds provided by the United Nations in accordance with article 115, subparagraph (b), of the Rome Statute;
- d) Miscellaneous income includes:
  - (i) Refunds of actual expenditures incurred in prior financial periods;
  - (ii) Interest income: includes all interest earned on deposits in interest-bearing bank accounts and time deposits;
  - (iii) Income derived from investments of the General Fund, the Working Capital Fund and the Contingency Fund;

- (iv) At the end of the financial period, a net positive balance of the account for loss or gain on exchange resulting from currency exchange, or revaluation and devaluation of currency is credited to miscellaneous income. A net negative balance is charged to the relevant expenditure account;
- (v) Proceeds from the sale of property;
- (vi) Voluntary contributions for which no purpose is specified.

**2.16 Expenditure:**

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

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

**2.18 Provision for pension liabilities for judges:** a provision for the accrued amount of liabilities for the pension scheme of judges is recognised in the accounts and is shown in the income statement as expenditure.

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

**2.20 Deferred charges** comprise:

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

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

**2.22 Commitments** of the Court relating to prior and current financial periods are shown as unliquidated obligations. Current period obligations remain valid for 12 months following the end



of the financial period to which they relate. Commitments against future financial periods are recorded as deferred charges.

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

In prior years, the Court's repatriation grant liability has been estimated by accruing the repatriation grant of each *entitled* employee as at 31 December. In 2007, the Court estimated the liability by accruing the amount of repatriation grant that each *eligible* employee had *earned* as at 31 December.

This method of estimating the liability is more prudent and in line with current best practice for employee benefits (IPSAS 25/IAS 19), where the underlying principle is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

The amount that would have been recorded in prior year's accounts as per the new methodology and a comparison thereof with current period accounts is shown in note 4.16 (b) below. Changing the prior year comparatives would have required a correction in prior year accounts, but is not required in this case as the amount is not material.

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

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

The Pension Fund is a funded defined benefit plan. The financial obligation of the organisation to the Fund consists of its mandated contribution at the rate established by the United Nations General Assembly of 15.8 per cent of pensionable remuneration, together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date.

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

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

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

- a) The Presidency, comprising the President and the First and Second Vice-Presidents;
- b) The Chambers, comprising an Appeals Division, a Trial Division and a Pre-Trial Division. The Appeals Division is composed of the President and four other judges; the Trial Division is composed of not less than six judges, as is the Pre-Trial Division;

- c) The Office of the Prosecutor, which acts independently as a separate organ of the Court, is responsible for the investigation and prosecution of crimes within the jurisdiction of the Court;
- d) The Registry, which is responsible for:
  - (i) Non-judicial support and administrative services for the Court;
  - (ii) The provision of judicial support for court services;
  - (iii) Management of the internal security of the Court;
  - (iv) The implementation of mechanisms to assist and safeguard the rights of victims, witnesses and defence;
- e) The Secretariat, which provides the Assembly and its Bureau, the Credentials Committee, the Committee on Budget and Finance, the Special Group on the Crime of Aggression, as well as, upon explicit decision by the Assembly, any subsidiary body that may be established by the Assembly, with independent substantive servicing as well as administrative and technical assistance.

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

For the purposes of the 2007 financial period, the appropriations were divided into five major programmes: the Judiciary (Presidency and Chambers), the Office of the Prosecutor, the Registry, the Secretariat of the Assembly of States Parties and Investment in the Court's Premises.

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

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

3.4 **Statement II** shows the assets, liabilities, reserves and fund balances as at 31 December 2007. The value of non-expendable property is excluded from the assets (see note 2.16(b)).

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

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

#### 4. General Fund, Working Capital Fund and Contingency Fund

4.1 **Assessed contributions:** the Assembly of States Parties, in its resolution ICC-ASP/5/Res.4, approved the funding of the appropriations of the Court for the financial period 1 January to 31 December 2007 in the total amount of €88,871,800. As at 31 December 2007, there were 105 States Parties to the Rome Statute.

4.2 **Interest income:** interest in the amount of €3,103,873 represents interest earned on the Court's bank accounts for the General Fund, the Working Capital Fund and the Contingency Fund.

4.3 **Miscellaneous income:** the total miscellaneous income of €204,478 represents the following:

*Table 1: Details of miscellaneous income*

Miscellaneous income	Amount (euros)
Refund of expenditures incurred in prior financial periods	93,718
Miscellaneous income	110,760
<b>Total</b>	<b>204,478</b>

4.4 **Expenditures:** the total amount of expenditures, €77,463,583, comprises total disbursements of €63,052,531, outstanding obligations of €10,913,607 and provisions for liabilities of €3,497,445. The expenditures are detailed in table 2 below.

*Table 2: Details of expenditures (in euros)*

Category of expenditure	Appropriation amount	Disbursed expenditures	Unliquidated obligations	Provisions <sup>a)</sup>	Total expenditures
Salaries & other staff costs	62,195,000	49,774,524	1,187,387	3,462,066	54,423,977
Travel & hospitality	4,106,200	2,551,962	1,109,106	-	3,661,068
Contractual services	7,539,100	3,428,142	2,315,250	35,379	5,778,771
Operating expenses	11,308,400	5,099,689	3,983,690	-	9,083,379
Acquisitions	3,723,100	2,198,214	2,318,174	-	4,516,388
<b>Total</b>	<b>88,871,800</b>	<b>63,052,531</b>	<b>10,913,607</b>	<b>3,497,445</b>	<b>77,463,583</b>

a) The amount of €3,497,445 is recorded in the accounts as a provision for pension of judges and a provision for ILO cases as stated in notes 4.5 and 4.6 below.

4.5 **Provision for pension liabilities:** in its resolution ICC-ASP/4/Res.9, the Assembly of States Parties decided that the pension scheme of the judges should be accounted for and funded on an accrual basis. As at 31 December 2006, the ICC had recorded in its accounts the actuarial estimated costs of the accrual for the period from 11 March 2003 to 31 December 2006 in the amount of €6,291,289. In 2007, the ICC recorded the estimated actuarial costs of the accrual for the period 1 January to 31 December 2007 in the total amount of €2,475,710, resulting in a total provision for the pension of the judges of €8,766,999.

In addition to the provision for the pension of judges, the Court recorded in its accounts in 2007 the liability for the disability premium of a judge who had been declared by the Court not able to perform his duties due to ill-health and was entitled to disability pension effective August 2007. The additional premium for the disability pension accounted for in 2007 was €948,024, resulting in a total provision for pension of judges of €9,715,023.

Due to the complexity of the pension scheme, the ICC and Allianz were not able to finalise the contract in 2007 as stated in the prior year's financial statements. The new estimated time for the completion of the contract is July 2008, at which time the accrued amount as well as the premium for 2008 will be paid to Allianz.

4.6 **Provision for ILO cases:** during 2007, a complaint against the ICC has been presented to the ILOAT by a former staff member. The decision is expected in 2008. Considering the jurisprudence of the Tribunal and its favourable disposition to staff complaints, it is probable that the Tribunal will rule in favour of the complainants, in which case the Tribunal will award damages and costs to staff if their claims are successful. Based on previous awards in similar cases, the amount estimated for damages and costs which has been recorded as a provision is €38,332. The

Court also recorded as a provision the amount of administrative costs of the Tribunal for 2007 in the amount of €35,379, resulting in a total provision for ILO cases of €73,711.

In 2006, the ICC reported a provision of €126,078 for damages and costs regarding three cases against it presented by (former) staff members of the ICC to the International Labour Organization Administrative Tribunal (ILOAT). In 2007, the ILOAT decided upon the cases and a total amount of €22,232 has been paid to the complainants from the provision. The remaining amount of €103,847 has been credited to miscellaneous income.

4.7 **Savings on, or cancellation of, prior periods' obligations:** actual disbursements of prior periods' obligations of €11,721,338 amounted to €8,888,703 due to savings on or cancellation of obligations in the amount of €2,932,635.

4.8 **Credits to States Parties:** cash surplus credited to eligible States Parties amounted to €6,325,532. This comprises cash surpluses from 2005 and had been apportioned to States Parties in accordance with their respective assessments for that financial period. The sum of €487,587 of this cash surplus had been returned to States Parties and the remaining amount of €5,837,495 was credited towards assessed contributions due and is included in the total amount of collections during 2007 (Schedule 1).

4.9 **Working Capital Fund:** the Assembly of States Parties, in its resolution ICC-ASP/5/Res.4, established the Working Capital Fund for the financial period 1 January to 31 December 2007 in the amount of €7,405,983 resulting in a net increase of €704,583 from the previous financial period.

4.10 **Assessed contributions receivable:** the outstanding balance of contributions of €8,148,534 comprises €2,297,592 due for prior financial periods and €5,850,942 due for 2007 (Schedule 1). Contributions received from States Parties in excess of contributions due in the amount of €9,077,165 are reported as contributions received in advance (see note 4.15(b) below).

4.11 **Other contributions receivable** refer to the outstanding balance due to the Working Capital Fund. The outstanding balance as at 31 December 2007 was €19,354 (Schedules 2 and 3).

4.12 **Interfund balances receivable** to the General Fund as at 31 December 2007 amount to €25,644, comprising €21,644 from the trust funds and €4,000 from the Trust Fund for Victims for which there are separate accounts.

4.13 **Other accounts receivable** in the total amount of €4,426,233 are detailed in table 3 below.

*Table 3: Details of other accounts receivable*

Accounts receivable	Amount (euros)
Governments (value-added tax) <sup>a)</sup>	702,837
Staff	760,278
Vendors	147,391
Interest accrued	1,495,976
Travel advances (other than cash advances) <sup>b)</sup>	538,467
Advances to vendors for travel-related expenses <sup>c)</sup>	714,319
Others	66,965
<b>Total</b>	<b>4,426,233</b>

a) **Value-added tax:** the amount of €702,837 recorded in the accounts as receivable from government for value-added tax (VAT) paid on goods and services includes an

amount of €108,447 representing VAT for purchases in Uganda during 2005, 2006 and 2007. This amount is a receivable from the Ugandan Government pending the completion of the agreement between the ICC and the Ugandan Government on VAT refund. It is not certain whether the amount of €108,447 will be recoverable, as it may be that the agreement will only be effective from the date it is signed by both parties.

- b) **Travel advances (other than cash advances):** represents the amount of travel advances for which the travellers had not submitted travel expense claims to be recorded in the accounts as expenditure in 2007. This is the amount of travel advances with the exception of those paid in the form of cash. Cash advances are recorded as receivables from the travellers and are included in the total amounts for “Staff”, “Vendors”, or “Others” receivables.
- c) **Advances to vendors for travel-related expenses:** represents the amounts paid to vendors for travel-related expenses such as tickets and shipments for which the travel claims had not been submitted by the travellers to be recorded as expenditure in the accounts as at 31 December 2007.

4.14 **Education grant advances:** deferred charges contain the amount of €329,490 which is the portion of the education grant advance that is assumed to pertain to the scholastic years completed as at 31 December 2007.

4.15 **Contributions or payments received in advance:** a total of €9,160,931 was received from States Parties to be applied to the next financial period. This comprises:

- a) €83,766 received from States Parties in advance for 2008 assessed contributions (Schedule 1);
- b) €9,077,165 representing contributions received in excess of assessed contributions for 2007 resulting from assessment of new States Parties, overpayments or the distribution of 2005 cash surplus (Schedule 1).

4.16 **Other accounts payable** in the total amount of €3,516,579 are detailed in table 4 below.

*Table 4: Details of other accounts payable*

<b>Accounts payable</b>	<b>Amount (euros)</b>
Staff	193,456
Vendors	433,713
Deferred payment from Special Court for Sierra Leone <sup>a)</sup>	334,069
Repatriation grant liability <sup>b)</sup>	2,464,567
Others	90,774
<b>Total</b>	<b>3,516,579</b>

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

(MOU) on 13 April 2006 regarding the administrative arrangements between the two Courts.

Following this agreement, the Special Court made advance payments to the ICC to cover its expenditures. The amount of €334,069 is the balance of the advance payments received from the Special Court less the expenditures incurred by the Special Court as at 31 December 2007.

- b) **Repatriation grant liability:** the amount of €2,464,567 is the liability of the organisation for repatriation grants and relocation allowances accrued as at 31 December 2007.

In 2006, the ICC recorded in its accounts and reported in its financial statements a total amount of €1,207,032 being the accrued liability for repatriation grants as at 31 December 2006. As per note 2.23 above, the Court changed its accounting policy in 2007 to estimate the accrued liability for repatriation grants of staff and relocation allowances of judges. The amount of €624,632 (€76,29 for repatriation grants and €548,383 for relocation allowances) is the amount that would have been charged to prior years as per the new methodology. However, due to the fact that the amount is not material, the prior year accounts were not restated and the amount of €624,632 in addition to the 2007 portion for the accrual of €632,903 have been fully expensed in 2007. The table below shows the 2007 and 2006 comparative figures if the accounts were to be restated using the new methodology.

*Table 5: Comparatives for repatriation grant liability (in euros)*

Account	2006	Prior year adjustment	2006 (restated)	2007 (if 2006 restated)
<i>Adjustments to income statement (Statement I)</i>				
Disbursed expenditures	52,831,394	624,632	53,456,026	61,427,899
<b>Fund balance as at 31 December</b>	<b>44,777,506</b>	<b>(624,632)</b>	<b>44,152,874</b>	<b>56,805,760</b>
<i>Adjustments to balance sheet (Statement II)</i>				
Other accounts payable	2,081,337	624,632	2,705,969	2,891,947
<b>Total liabilities</b>	<b>27,963,889</b>	<b>624,632</b>	<b>28,588,521</b>	<b>32,755,220</b>
Cumulative surplus	23,829,940	(624,632)	23,205,308	37,308,986
<b>Total reserves and fund balances</b>	<b>44,777,506</b>	<b>(624,632)</b>	<b>44,152,874</b>	<b>56,805,760</b>
<b>Total liabilities, reserves and fund balances</b>	<b>72,741,395</b>	<b>624,632</b>	<b>73,366,027</b>	<b>90,185,612</b>

4.17 **Contingency Fund:** the amount of €9,168,567 representing the cash surplus for 2002-2003 financial period had been credited to establish the Contingency Fund in accordance with resolution ICC-ASP/ICC/Res.4 (b). The fund had not been used in 2007.

4.18 **Reserve for unpaid assessed contributions:** an amount of €2,297,592, being the amount of outstanding assessed contributions for prior financial periods (Schedule 1), is deducted from the cumulative surplus to derive the cash surplus for 2006 for distribution to States Parties (Schedule 4).

## 5. Trust Funds

5.1 **Voluntary contributions:** contributions in the amount of €1,339,591 have been pledged and/or received for 2007 projects.

5.2 **Interest income:** interest in the amount of €23,628 represents interest earned on the Court's bank account for the Trust Funds.

5.3 **Refund to donors:** the amount of €93,322 was refunded to donors, being the amount in excess of the requirements of the specific projects completed (Schedules 6 and 7).

5.4 **Other accounts receivable:** the amount of €7,488 is the interest earned but not received with regard to the bank account of the Trust Funds.

5.5 **Contributions or payments received in advance:** the ICC received voluntary contributions in the total amount of €222,722 for projects starting after 31 December 2007 (Schedule 6).

5.6 **Interfund balances payable:** as at 31 December 2007, interfund balances between the Trust Fund and the General Fund amounted to a payable of €21,644.

## 6. Non-expendable property

6.1 A summary of non-expendable property, at historical cost, as at 31 December 2007 is provided in table 6 below. In accordance with the current ICC accounting policies, non-expendable property is not included in the fixed assets of the organisation, but is directly charged to the budget upon acquisition.

*Table 6: Summary of non-expendable property (in euros)*

Asset management category	Opening balance as at 1 January 2007	Acquisitions/ adjustments	Written-off items <sup>a/</sup>	Closing balance as at 31 December 2007
Information, technology and communications equipment	4,885,118	1,069,249	(33,766)	5,920,601
Security and safety equipment	736,694	69,947	(4,788)	801,853
General services equipment	837,896	88,810	(1,639)	925,067
Vehicles and transportation equipment	777,412	-	-	777,412
Office of the Prosecutor equipment	1,245,707	59,893	(13,375)	1,292,225
Other equipment	158,087	489,106	-	647,193
<b>Total</b>	<b>8,640,914</b>	<b>1,777,005</b>	<b>(53,568)</b>	<b>10,364,351</b>

a) During 2007, items valued at a total amount of €53,568 had been written off.

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

*Table 7: Summary of non-expendable property funded by other sources (in euros)*

Asset management category	Opening balance as at 1 January 2007	Acquisitions/ adjustments	Closing balance as at 31 December 2007
Advance team budget	18,276	-	18,276
Host State contributions	148,960	-	148,960
Other donations	270,597	-	270,597
<b>Total</b>	<b>437,833</b>	<b>-</b>	<b>437,833</b>

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

7.1 In addition to the items written off during 2007 as stated in 6.1 above, a total amount of €5,549 had been written off as loss of cash.

**8. Ex-gratia payments**

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

**9. Gratis personnel**

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

**10. Contingent liabilities**

10.1 Liabilities for end-of-service payments to staff as at 31 December 2007 in the total amount of €2,806,950 are the estimated costs of compensation for accrued annual leave for ICC staff members and elected officials. During 2007, the ICC's Human Resources Section devolved the responsibility of maintenance of annual leave to heads of sections. At the time of this report, not all leave balances were available for the estimation of liabilities. An estimated cost was calculated for each of those staff based on the average annual leave balance of all staff, and was added to the estimate of accrued annual leave resulting in the total estimated liability of €2,806,950.

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

**11. Service-incurred injury**

11.1 The ICC entered into an agreement with an insurance company to offer coverage for service-incurred injuries for ICC staff, judges, consultants and temporary assistants. The insurance premium, calculated as a percentage of the pensionable remuneration for the staff members and a comparable percentage for judges, consultants and temporary assistants, is charged to the organisation's budget and is reflected in the accounts under expenditures. The total premium paid during 2007 for this insurance was €579,159.

**12. Contributions in kind (unaudited)**

12.1 The following are the significant (higher than €25,000) contributions in kind received by the Court during the financial period:

- a) As reported in the financial statements for the prior financial periods, the Court continues to receive the following contributions from the host State:



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

### **13. Contributions to the Trust Fund for Victims**

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

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

In 2007, the Assembly approved an appropriation in its regular budget to fund the Secretariat of the Trust Fund for Victims, under the Registry, in the amount of €718,400. The Secretariat administers the Trust Fund and offers administrative support to the Board and its meetings. Expenditures recorded in the accounts for the Secretariat during the financial period are €696,279.

**2. Trust Fund for Victims financial statements for the period 1 January to 31 December 2007\***

<b>Contents</b>	<i>Page</i>
Letter of transmittal.....	327
 Financial Statements	
Statement I: Income and expenditure and changes in fund balances for the period ending 31 December 2007.....	336
Statement II Assets, liabilities, reserves and fund balances as at 31 December 2007.....	337
Statement III: Cash flow as at 31 December 2007.....	338
<b>Notes to the financial statements</b>	
1. The Trust Fund and its objectives.....	339
2. Summary of significant accounting and financial reporting policies.....	339
3. The Trust Fund for Victims (statements I-III).....	340

---

\* Previously issued as ICC-ASP/7/11.

**Letter of transmittal**

30 March 2008

In accordance with Financial Regulation 11.1, I have the honour to submit the financial statements of the Trust Fund for Victims for the financial period 1 January to 31 December 2007.

(Signed) Silvana Arbia  
Registrar

Mr. TJ Burr  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP  
United Kingdom

**Financial Statements of the Trust Fund for Victims for the year ended  
31 Decembe 2007**

**External Auditor's Report 2007**

**The audit of the financial statements of the Trust Fund for Victims  
for 2007**

**Contents**

	<i>Paragraphs</i>	<i>Pge</i>
Executive Summary	1-8	330
Detailed Findings		332
Financial results	9-10	332
Voluntary Contributions for Specific Use	11-15	332
On-Line Donations	16-18	333
General Temporary Assistants	19-20	333
Follow up to Prior Year Audit Recommendations	21	334
Acknowledgement	22	334
Follow up of Prior Year Audit Recommendations	Annex A	335
Scope and Audit Approach	Annex B	336

## Executive Summary

- The overall results of the audit – an unqualified audit opinion.
- Financial results, noting a significant decline in the level of voluntary contributions.
- The need to ensure appropriate administrative arrangements to account for donations made for specific purposes.
- Administrative, reputational and fraud risks arising from the introduction of a on-line donations system.
- Risks involved with over reliance on general temporary assistants.
- Progress on prior year recommendations.

### Overall results of the Audit

1. We have audited the financial statements of the Trust Fund for Victims in accordance with the Financial Regulations and in conformity with International Standards on Auditing issued by the International Auditing and Assurance Standards Board.
2. The audit examination revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and validity of the financial statements; and the audit opinion confirms that these financial statements present fairly, in all material respects, the financial position as at 31 December 2007 and the results of operations and cash flows for the period then ended, in accordance with United Nations System Accounting Standards and the Trust Fund for Victims stated accounting policies.
3. The main observations and recommendations from our audit are summarised below, with a more detailed commentary in the section on Detailed Findings. Action taken by management in response to our previous year's recommendations, for 2006, is set out at **Annex A**; and the scope and approach of the audit, which were communicated to the Registrar in a detailed audit strategy, is summarised at **Annex B**.

### Main findings and recommendations

#### Financial Results

4. The Fund received voluntary contributions of €578,84 in 2007 compared to €1.1 million in 2006. This was attributed to the Secretariat's focus on undertaking operation rather than fundraising activities in the year, and that the Fund's regulations prevented the donation of funds for a specific use. The overall cash balance continues to rise as income exceeded expenditure; and, as a result of the significantly higher cash balances held, interest income increased to €103,599. The Fund made disbursements to two projects in the period which increased total expenditure from €5,821 in 2006 to €81,180. Although a significant increase, project activity was only initiated in the latter half of 2007 and total expenditure remains relatively low when compared to income or current fund balances.

#### Voluntary Contributions for Specific Purposes

5. We note that in December 2007 the Assembly of States Parties approved a change to the Trust Fund for Victim's regulations allowing donors to specify the use of their voluntary contribution. In view of this significant change we encourage the Secretariat to ensure that such voluntary contributions are recorded and accounted for on a donor by donor basis, so that financial information on the funds received and the use of these funds can be obtained to provide reports to donors. This will provide necessary transparency and accountability to donors who may require such reports.

### **On-Line Donations**

6. We also note the Fund's intention to introduce an on-line donation facility. We have identified a number of risks involved with the introduction of such a facility including the additional administrative burden and the impact on the limited resources of the Fund, the risk of receiving donations from inappropriate sources and the possibility of this facility being used for money laundering where donations are made in error and then requested to be repaid. We welcome the Fund's initiative to make arrangements to vet such donations.

### **Use of General Temporary Assistants (GTAs)**

7. Our review of the staffing structure of the Fund shows that the Fund has only two permanent members of staff and that 70 percent of posts are filled by GTAs. We have identified the risks involved with a disproportionate reliance on temporary staff. These risks include high staff turnover, reduced commitment to the Fund's objectives where staff are expected to be in post for a short period of time and the loss of institutional knowledge at short notice in an organization where such staff fill key posts. While noting that temporary staff have been recruited through a competitive process and therefore could be made permanent, we encourage the Fund to work to mitigate the risks identified.

### **Progress on Previous Audit Recommendations**

8. In our 2006 report we made recommendations on accounting structure, administrative resource and foreign currency management. We are pleased to note that the Fund's Secretariat are making progress to address these recommendations. We will continue to monitor their progress in implementing our recommendations.

## Detailed report findings

### Financial results

9. The incoming resources of the Fund decreased substantially during 2007, with voluntary contributions decreasing from €1,135,667 in 2006 to €578,584 in 2007. However, due to the significant year on year increases in the overall fund balance, income from interest has increased from €37,201 to €103,599 in the period. Total expenditure rose substantially from €5,821 in 2006 to €81,180. This was mainly due to the fact that the Fund began disbursements for projects in the year. The remaining expenditure comprised bank charges and audit fees for 2007.

10. The overall Fund balance increased from €2,450,708 in 2006 to €3,051,711. This increase was directly attributable to voluntary contributions received in year remaining in excess of the expenditure incurred.

### Voluntary Contributions for Specific Use

11. There was a significant decrease in the level of voluntary income received in the period. We investigated this decline in contributions and the key factors with the Fund's Secretariat. The main reasons for the decline are that:

- in 2007 the Fund focussed on undertaking operational activities rather than fundraising and
- until the end of 2007, the Regulations of the Trust Fund for Victims did not permit donors to earmark their donation for a particular activity or use. (ICC-ASP/4/Res.3/Paragraph 27)

12. It had become clear that the inability to designate funds for specific purposes is a point of contention for some State Parties and other organizations whose regulations or policies prohibit open-ended donations. Without the ability to stipulate a specific use for the donation, such donors may be reluctant or unable to pledge funds.

13. However in November 2007, the Secretariat of the Fund proposed a change to the regulations and this was endorsed by the Fund's Board. The Assembly of States Parties approved this amendment in December 2007 and initial feedback from the Secretariat is that this change has improved income generation in 2008.

14. While we see this as an important and appropriate change to the regulations, the Fund now needs to ensure that their accounting structure can monitor all funding nominated for a particular use and ensure that this can be separately identified. The Secretariat should be able to segregate, and report on all income and expenditure relating to a donation for a specific purpose, as this information will now be of particular interest to donors.

15. In previous years we have recommended improvements to the accounting system's functionality to improve reporting transparency; but with the advent of donations for specific purposes, it is essential that the Secretariat implement an adequate monitoring system to manage and report on these donations.

### Recommendation 1:

We recommend that the Secretariat ensure that there is an appropriate system in place to identify, monitor and report on all income and expenditure relating to donations for specific purposes. This will enable the Secretariat to provide accurate reports to donors on the use of these funds, and provide transparency and accountability for funds provided for specific purposes.

## **On-Line Donations**

16. During our audit it was noted that the Secretariat plans to introduce an on line donations facility on the Fund's website, when this has been upgraded. While we understand the rationale for such a decision, there are some key risks that should be considered in the introduction of any such facility:

- Secretariat may not have sufficient administrative resources to manage a high volume of donations that such a facility may elicit for the organization;
- There is a risk that donations could be received from inappropriate sources; and
- There is a risk that the facility could be open to abuse by money launderers making donations in error and requesting refunds.

17. It is important to recognise the level of reputational damage that could occur from the failure to correctly manage and vet the potentially high level of incoming donations; that an on-line system could generate.

18. Initial plans to use an intermediate vetting agency and use a transit account for holding all funds prior to vetting will provide good mitigation against inappropriate donations; but this does not address the potential increase in work required to manage this new income stream. In addition, it is unlikely that all donations will be vetted as a predetermined threshold will be set for vetting purposes.

### **Recommendation 2:**

We recommend that the Secretariat ensure that it has adequate administrative resources in place to effectively manage the introduction of an on-line donation facility prior to its introduction.

We also recommend careful consideration of the level at which the donation vetting threshold is set. This should be low enough to provide adequate protection to the Fund to vet significant donations, but high enough to prevent the cost of vetting becoming prohibitively expensive and materially reducing the value of donations being made online.

## **General Temporary Assistants (GTAs)**

19. During the audit we looked at the level of utilisation of temporary staff at the Fund. At the time of our review there were two established posts (the Director and his assistant) and five general temporary assistant (GTA) posts. As the Fund is still effectively in its infancy, we understand the need for staffing flexibility but having over 70 per cent of staff on temporary contracts may give rise to some risks to the organization:

- Temporary staff may be more likely than permanent staff to leave for a permanent position elsewhere;
- Temporary staff may be less committed in their role and to the objectives of the Fund; and
- Higher turnover of key staff on temporary contracts will give rise to the loss of essential knowledge of the Fund's operations.

20. It is important to note that the final point is of particular importance to the Fund due to its small size. Under the current arrangements, temporary staff hold key positions and their knowledge may not be replicated elsewhere in the organisation.



**Recommendation 3:**

We recommend that the Secretariat endeavour to secure established posts for key roles with the Secretariat to reduce the risk of high turnover of key staff. The Secretariat should ensure that administrative procedures are documented in a usable form as this will ensure that key information is not lost through temporary staff turnover.

**Follow up to Prior Year Audit Recommendations**

21. In our 2006 report we made recommendations relating to the SAP account coding structure, administrative support requirements and foreign currency management. We have followed up on these recommendations and the Secretariat's response to our recommendations are summarized in the report at Annex A. We will continue to monitor their progress on improvements to the accounting structure and the management of foreign currency disbursements for recently initiated projects.

**Acknowledgement**

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

(Signed) Mr. TJ Burr  
Comptroller and Auditor General, United Kingdom  
External Auditor

## Annex A

### Follow up of Prior Year Recommendations

Rec	Recommendation	Action Plan	Expected completion date	Audit Comment
1	We recommend that the Fund consider improving the coding structure for its activities in the SAP accounting system, to ensure better financial reporting and the security of the Fund's data related to victims.	It is the intention of the Fund to view the SAP coding structure utilized by the World Food Programme (WFP), given their extensive financial reporting, as a basis to improve the coding structure at the Court. Moreover, it is also planned to review how the security of victims' data is being treated by the Court. If deemed necessary the Fund will extend its review to include other entities dealing with victims.	Ongoing	We will continue to monitor the Fund's progress in improving its accounting structure to enhance transparency and accountability.
2	We further recommend that the Fund review the administrative support requirement to discharge its functions and ensure that an appropriate level of support is available.	The fund has included provision for a new post as part of its 2009 proposed budget to ensure an appropriate level of support is available as the Funds' activity expands.	December 2008	We will continue to monitor and report if appropriate.
3	We also recommend that the Fund consider the issues presented by working with several different currencies to make payments to victims; and the way in which exposure to exchange rate fluctuations will be managed.	Given the Funds' recent commencement with project activity the Fund plans to monitor its activity over the next two years to enable the Fund to take a decision which is based on actual experience.	Ongoing	We will follow up on the Fund's payment and currency management procedures over the next two years.

## **Annex B**

### **Scope and Audit Approach**

#### **Audit Scope and objectives**

Our audit examined the financial statements of the Trust Fund for Victims for the financial period ended 31 December 2007 in accordance with the Financial Regulations. The main purpose of the audit was to enable us to form an opinion on whether the financial statements fairly presented the Fund's financial position, its surplus, funds and cash flows for the year ended 31 December 2007; and whether they had been properly prepared in accordance with the Financial Regulations.

#### **Audit Standards**

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

#### **Audit Approach**

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

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

**Trust Fund for Victims**  
**Statement of income and expenditure and changes in fund balances**  
**for the period ending 31 December 2007**  
*(in euros)*

	2007	<i>Notes Ref.</i>	2006
<b><i>Income</i></b>			
Voluntary contributions	578,584	3.4	1,135,667
Interest income	103,599		37,201
Other/miscellaneous income	-		-
<b>Total income</b>	<b>682,183</b>		<b>1,172,868</b>
<b><i>Expenditure</i></b>			
Expenditures	43,061	3.5	1,821
Unliquidated obligations	38,119	3.5	4,000
<b>Total expenditure</b>	<b>81,180</b>		<b>5,821</b>
<b>Excess/(shortfall) of income over expenditure</b>	<b>601,003</b>		<b>1,167,047</b>
Fund balances at beginning of financial period	2,450,708		1,283,661
<b>Fund balances as at 31 December 2007</b>	<b>3,051,711</b>		<b>2,450,708</b>

Signed (Marian Kashou')  
Chief Finance Officer .....

## Statement II

**Trust Fund for Victims**  
**Statement of assets, liabilities, reserves and fund balances**  
**as at 31 December 2007**  
*(in euros)*

	2007	<i>Notes Ref.</i>	2006
<i>Assets</i>			
Cash and term deposits	3,037,161		2,444,592
Other accounts receivable	56,669	3.6	13,115
<b>Total assets</b>	<b>3,093,830</b>		<b>2,457,707</b>
<i>Liabilities</i>			
Unliquidated obligations	38,119		4,000
Interfund balances payable	4,000	3.7	2,999
<b>Total liabilities</b>	<b>42,119</b>		<b>6,999</b>
<i>Reserves and fund balances</i>			
Cumulative surplus	3,051,711		2,450,708
<b>Total reserves and fund balances</b>	<b>3,051,711</b>		<b>2,450,708</b>
<b>Total liabilities, reserves and fund balances</b>	<b>3,093,830</b>		<b>2,457,707</b>

Signed (Marian Kashou')  
Chief Finance Officer .....

**Trust Fund for Victims**  
**Statement of cash flow as at 31 December 2007**  
*(in euros)*

	2007	2006
<i>Cash flows from operating activities</i>		
Net excess/(shortfall) of income over expenditure (Statement I)	601,003	1,167,047
Other accounts receivable (increase)/decrease	(43,554)	(7,717)
Unliquidated obligations increase/(decrease)	34,119	1,000
Interfund balances payable increase/(decrease)	1,001	(1)
Less: interest income	(103,599)	(37,201)
<b>Net cash from operating activities</b>	<b>488,970</b>	<b>1,123,128</b>
<i>Cash flows from investing and financing activities</i>		
Plus: interest income	103,599	37,201
<b>Net cash from investing and financing activities</b>	<b>103,599</b>	<b>37,201</b>
<i>Cash flows from other sources</i>		
Net increase/(decrease)	-	-
<b>Net cash from other sources</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and term deposits	592,569	1,160,329
Cash and term deposits at beginning of period	2,444,592	1,284,263
<b>Cash and term deposits at 31 December 2007 (Statement II)</b>	<b>3,037,161</b>	<b>2,444,592</b>

## Notes to the financial statements of the Trust Fund for Victims

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2 **Statement II** shows the assets, liabilities, reserves and fund balances as at 31 December 2007.

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

3.4 **Voluntary contributions** in the total amount of €578,584 were received from governments, individuals, organisations and other entities.

3.5 **Expenditures:** the total amount of expenditures of €81,180 comprises disbursed expenditures of €43,061 and outstanding obligations of €38,119.

3.6 **Other accounts receivable** in the amount of €56,669 represent interest earned but not yet received as at 31 December.

3.7 **Interfund balances payable** represents a payable to the ICC General Fund.

3.8 **Contributions from the ICC:** in annex 6 of resolution ICC-ASP/1/Res.6, the Assembly of States Parties decided that the Registrar of the Court should be responsible for providing such assistance as is necessary for the proper functioning of the Board of Directors of the Trust Fund in carrying out its tasks, and should participate in the meetings of the Board in an advisory capacity. In 2007, the ASP approved an appropriation of €718,400 for the Secretariat of the Trust Fund for Victims which administers the Trust Fund and offers administrative support to the Board and its meetings. Expenditures recorded in the ICC's accounts for the Secretariat during the financial period are €696,279.