

**Presidential Directive – Directive de la Présidence****Ref : ICC/PRES/D/G/2008/001**

Date: 4 August 2008

Audit Committee

The President, in consultation with the Prosecutor, for the purposes of exercising their respective oversight responsibilities and ensuring appropriate internal and external control and in accordance with Section 2 of ICC/PRES/D/G/2003/1 promulgates the following:

Section 1Establishment

1. An Audit Committee (“the Committee”) is hereby established with the purpose, authority, organization, functions and responsibilities set out below.

Section 2Purpose

2. The Committee is an important element in the Court’s institutional governance arrangements. The purpose of the Committee is to assist the President, Prosecutor and Registrar in fulfilling their oversight responsibilities for the financial reporting process; the system of internal control; the internal and external audit processes; and the Court’s process for monitoring compliance with regulations and rules approved by the Assembly of States Parties.

Section 3Authority

3. In addition to any specific powers enumerated below, the Committee has authority to:
 - (a) make recommendations to the Office of Internal Audit (“the Office”) on items for inclusion in the Office’s annual programme of work and approve the Office’s annual audit plan;
 - (b) formulate recommendations in relation to the results of the performed audits, including actions to be undertaken in case of disagreement on the findings between the Office of Internal Audit and the audited function;

- (c) monitor the implementation and impact of agreed audit recommendations;
- (d) assess the performance of the Office of Internal Audit, including the compliance with the Institute of Internal Auditors' (IIA) standards;
- (e) advise on how to resolve any disagreements between the Court and the external auditor regarding financial reporting.

Section 4

Composition

- 4.1 The Committee comprises the President, Prosecutor and Registrar, together with a maximum of two external members appointed by the Coordination Council. The President, Prosecutor or Registrar may be represented in the Committee by an individually appointed and mandated person.
- 4.2 The President shall chair the committee, which shall be quorate if the President, Prosecutor and Registrar or their designated representatives and, once external members have been appointed, one external member are present.
- 4.3 Nominations for external members shall be made by written submission to the Coordination Council by the President, Prosecutor or Registrar or by the Committee on Budget and Finance. Nominees shall both be independent of the Court and have an appropriate expert understanding of financial or audit activities. Appointment will be made by agreement of the Coordination Council.
- 4.4 The term of office for external members shall be three years, with the possibility of re-appointment one time. Appropriate travel and per diem expenses, approved in advance by the chair of the Committee, shall be reimbursed by the Court.

Section 5

Decision-making

- 5. The Committee shall make every effort to take all decisions by consensus. If consensus cannot be reached, decisions shall be taken by a simple majority vote of all those present, provided that both the President and Prosecutor concur in the decision.

Section 6

Meetings

- 6.1 The Committee will meet at least three times each financial year. On the request of any member, the chair may convene additional meetings as circumstances require.

- 6.2 The Committee may call any Court officer or external consultant, including the external auditor, to be in attendance.
- 6.3 The Office of Internal Audit will provide secretariat services to the Committee. An appropriate provision to expense relevant secretariat obligations, such as expenses incurred by external members, will be contained within the annual budget of the Office of Internal Audit.

Section 7

Responsibilities

7. The Committee will carry out the following responsibilities:
- (a) Financial Statements:
- (i) Review, on the advice of the external auditor, significant accounting and reporting issues, including complex or unusual transactions;
 - (ii) Review with the external auditors the results of the audit of financial statements, including any difficulties encountered;
 - (iii) Review, on the advice of the external auditor, the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles;
- (b) Internal Control:
- (i) Consider the effectiveness of the Court's internal control system;
 - (ii) Review the existence of an appropriate mechanism for the identification, reporting and management of institutional risks;
 - (iii) Review the appropriateness of the Financial Regulations and Rules and make recommendations to the Assembly of States Parties, through the Committee on Budget and Finance, concerning required amendments;
- (c) Internal Audit:
- (i) Approve the Charter of Internal Audit and review the Charter biennially, adopting any amendments it deems necessary;
 - (ii) Approve the annual audit plan of the Office of Internal Audit;
 - (iii) Appraise the performance of the Director of Internal Audit and instruct the Registrar regarding the appointment, renewal or dismissal of the Director;

- (iv) Review and instruct the Registrar regarding the composition, resources and budget of the internal audit function;
 - (v) Review the effectiveness of the internal audit function, including the effectiveness of audit quality control and reporting systems put in place by the Director of Internal Audit;
- (d) External Audit:
- (i) Review the external auditor's proposed scope and approach, including coordination of audit effort with internal audit;
 - (ii) Review the performance of the external auditors and make recommendations to the Assembly of States Parties, through the Coordination Council, concerning the appointment or dismissal of the external auditor;
- (e) Reporting Responsibilities:
- (i) Report annually on its activities, through the chair of the Committee to the Committee on Budget and Finance;
 - (ii) Review and forward, without amendment, the annual report on the activities of the Office of Internal Audit to the Committee on Budget and Finance as well as its comments to the report.

Section 8

Amendments to the Committee Terms of Reference

8.1 The present directive shall enter into force on 4 August 2008.

8.2 Proposals for amendments to the present directive shall be made to the Coordination Council through the Committee.

Akua Kuenyehia
Acting President