

Charter of the Audit Committee

I. Introduction

1. The Audit Committee plays an important role in providing oversight of the International Criminal Court's governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit Committee performs its role by providing independent advisory and assurance services to the Assembly.

II. Purpose

2. The purpose of the Audit Committee is to provide structured systematic oversight of the organization's governance, risk management, and internal control practices. The Audit Committee assists the Assembly by providing advice and guidance on the adequacy of the organization's initiatives for:

- (a) Governance structure.
- (b) Risk management.
- (c) Values and ethics.
- (d) Internal control framework.
- (e) Oversight of internal and external audit.
- (f) Financial statements and public accountability reporting.

3. In broad terms, the Audit Committee reviews each of the items noted above and provides the Assembly with independent advice on the adequacy and effectiveness of management's practices. This advice and guidance also may include suggestions and recommendations to strengthen these arrangements.

III. Mandate

4. The mandate for the establishment of the Audit Committee was derived from the approval of the Assembly of the recommendations of the CBF.¹

5. The mandate of the Audit Committee consists of helping the International Criminal Court to meet State Parties' demands for transparency and accountability by providing oversight of management practices in key governance areas, including:

- (a) Values and ethics.
- (b) Governance structure.
- (c) Risk management.
- (d) Internal control framework.
- (e) Audit activity.
- (f) External assurance providers, including
 - (i) The examination and monitoring of the independence of the External Auditor and of his recommendations as well as of any other questions raised by the External Auditor or by any other external assurance provider;
 - (ii) Making recommendations to the competent organ concerning the nomination of the External Auditor.
- (g) Management action plans.

¹Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Thirteenth session, New York, 8-17 December 2014 (ICC-ASP/13/20), vol. I, part II, para. 8.

(h) Financial statements and public accountability reports.

6. The list of mandates is non-exhaustive, with the possibility of adding or changing items. Exhaustion of the full list of items each calendar year is not mandatory. Rather, the Audit Committee should be able to address issues whenever the need arises.

IV. Authority

7. The authority of the Audit Committee to perform its work is established within the scope of its Charter. In discharging its responsibilities, the Audit Committee shall have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The Audit Committee also shall have unrestricted access to records, data, and reports.

8. The Audit Committee is entitled to receive explanations from management and staff of the organization that it deems necessary to discharge its responsibilities.

9. The Audit Committee may engage independent counsel and/or other advisers as it deems necessary to carry out its duties.

V. Composition of the Audit Committee

10. The Audit Committee shall consist of three to five members, who shall be independent of the organization. One or two out of the five members shall be acting members of the CBF.

11. The members should collectively possess sufficient knowledge of audit, finance, IT, law, risk, and control. As the responsibilities of the Audit Committee evolve in response to regulatory, economic, and reporting developments, it is important that members' competencies and the overall balance of skills on the Committee be periodically evaluated to respond to emerging needs.

12. For the recruitment procedure, the criteria of geographical and gender balance would need to be observed. The Ad Hoc Audit Committee was tasked to recruit the members of the Audit Committee.

VI. The Chair and Vice-Chair of the Audit Committee

13. The election process can be handled by the Secretary of the Audit Committee who will invite candidates who wish to take office of the Chair and Vice-Chair's positions.

14. Each year at its first meeting, the Audit Committee shall elect a Chairperson and a Vice-Chairperson from among its members.

15. The Chairperson and the Vice-Chairperson shall be elected for a term of one year. They shall be eligible for re-election twice.

16. In the absence of the Chairperson, the Vice-Chairperson shall take his/her place.

17. If the Chairperson or the Vice-Chairperson ceases to be able to carry out his/her functions or ceases to be a member of the Audit Committee, he/she shall cease to hold such office and a new Chairperson or Vice-Chairperson shall be elected for the unexpired term.

18. If the Chairperson ceases to hold office pursuant to para. 17 above, the Vice-Chairperson shall take his/her place until election of a new Chairperson.

19. A Vice-Chairperson acting as Chairperson shall have the same powers and duties as the Chairperson.

20. The Chairperson, in the exercise of his/her functions, remains under the authority of the Audit Committee.

21. In addition to exercising the powers conferred upon him/her elsewhere in these rules, the Chairperson shall declare the opening and closing of each meeting of the Audit Committee, direct the discussions, ensure the observance of these rules, accord the right to

speak, put questions to the vote and announce decisions. He/she shall rule on points of order and, subject to these rules, shall have complete control of the proceedings of the Audit Committee and over the maintenance of order at its meetings. The Chairperson may, in the course of the discussion of an item, propose to the Audit Committee the limitation of time to be allowed to speakers, the limitation of the number of times each member may speak on any question, the closure of the list of speakers or the closure of the debate. He/she may also propose the suspension or the adjournment of the meeting or of the debate on the question under discussion.

22. The Chairperson shall represent the Audit Committee at meetings of the CBF or at meetings of the Assembly of States Parties.

VII. Terms of Office

23. The term of office for an Audit Committee member is a term of three years. Independent members of the Audit Committee should not serve more than two terms. Continuance of Audit Committee members will be reviewed annually.

24. To ensure continuity within the Audit Committee, the appointment of members should be staggered.

VIII. Quorum and Decision-making

25. The quorum for the Audit Committee shall be a majority of the members.

26. As a general rule, decision-making in the Audit Committee should be by consensus. If all efforts to reach a decision by consensus have been exhausted, decisions shall be taken by a majority of members present and voting.

27. Each member of the Audit Committee, including the Chairperson, shall have one vote.

28. If a vote is equally divided, the proposal or motion shall be regarded as rejected.

IX. Operational Principles of the Audit Committee

29. **Audit Committee values.** The Audit Committee will conduct itself in accordance with the code of values and ethics of the organization and the international standards.

30. **Communications.** The Audit Committee expects that all communication with management and staff of the organization, as well as with any external assurance providers will be direct, open, and complete.

31. **Work plan.** The Audit Committee Chair, in concert with other members and with the assistance of the Secretary to the Audit Committee, will establish a work plan to ensure that the responsibilities of the Audit Committee are scheduled and will be carried out.

32. **Meeting agenda.** The Chair shall establish meeting agendas in consultation with Audit Committee members, and the Secretary of the Audit Committee.

33. **Information requirements.** The Audit Committee shall establish and communicate its information requirements. This shall include the nature, extent, and timing of such information requirements. Information shall be provided to the Audit Committee at least six weeks prior to the meeting.

34. **Preparation and attendance.** Audit Committee members have an obligation to prepare for and participate in Audit Committee meetings.

35. **Incompatible activities.** Members of the Audit Committee shall have no financial interest in any activity relating to matters upon which the Audit Committee has the responsibility to make recommendations. Members of the Audit Committee shall not be eligible to assume any other functions at the International Criminal Court.

36. **Conflict(s) of interest.** It is the responsibility of an Audit Committee member to disclose a conflict of interest or the appearance of a conflict of interest to the Audit

Committee. If there is any question as to whether Audit Committee member(s) should recuse themselves from a vote, the Audit Committee should vote to determine whether the member should recuse himself or herself.

37. **Confidentiality.** Members of the Audit Committee shall not disclose, even after termination of their functions, any confidential information coming to their knowledge by reason of their duties for the Audit Committee.

38. **Orientation and training.** The Audit Committee members shall receive formal orientation on the purpose and mandate of the Audit Committee and on the organization's objectives.

X. Operational Procedures

39. **Meetings.** The Audit Committee shall meet at least three times annually or more frequently as the Audit Committee deems necessary.

40. The structure of the Audit Committee should be kept as lean and efficient as possible. Therefore, if possible, the Audit Committee would meet once or more using video link.

41. The Committee shall normally meet at the seat of the Court. Sessions of the Audit Committee may be held at another place if the Audit Committee and/or the CBF so decide.

42. **Convening of sessions.** Sessions of the Audit Committee shall be convened at the request of the majority of the members of the Audit Committee, the Chairperson of the Audit Committee, or at the request of the CBF.

43. Before the Chairperson makes a request to convene a session of the Audit Committee, he/she shall consult the members of the Audit Committee, including on the date and duration of the session.

44. Any session of the Audit Committee called pursuant to a request of the CBF, shall be convened as soon as possible but no later than 60 days from the date of the request.

45. The Chairperson shall notify the members of the Audit Committee as early as possible of the date and duration of each session.

46. **Agenda.** The provisional agenda for each session of the Audit Committee shall be drawn up by the Secretary of the Audit Committee, in consultation with the Chairperson of Audit the Committee, whenever possible, and shall include:

- (a) All items proposed by the Audit Committee
- (b) All items proposed by the CBF

47. The provisional agenda for each session of the Audit Committee shall be communicated to the members of the Audit Committee and the Court as early as possible in advance of the session, but at least 21 days before the opening of the session. Any subsequent change in or addition to the provisional agenda shall be brought to the notice of the members of the Audit Committee and to the members of the CBF sufficient in advance of the session.

48. At the beginning of each session the Audit Committee shall adopt its agenda for the session, on the basis of the provisional agenda. The Audit Committee may, if necessary, amend the agenda.

49. **Minutes.** Minutes shall be prepared by the Secretary of Audit Committee, in accordance with applicable law, regulation, policy or procedure, bylaw, or whatever is applicable.

50. **Access to officials.** The Audit Committee shall have unrestricted access to officials of the organization as may be required to discharge their duties.

XI. Remuneration of Committee Members

51. Members of the Audit Committee shall be engaged on a *pro bono* basis, with the Court being responsible for providing for travel, accommodation and related costs.

52. Audit Committee members shall work on a *pro bono* basis, with payment of travel expenses for meetings (business class air fare) and daily subsistence allowance (DSA) at 140 per cent.

XII. Responsibilities

53. It is the responsibility of the Audit Committee to provide the Assembly through the CBF with independent, objective advice on the adequacy of management's arrangements with respect to the following aspects of the management of the organization:

54. **Values and ethics.** To obtain reasonable assurance with respect to the organization's values and ethics practices, the Audit Committee shall:

- (a) Review and assess the policies, procedures, and practices established by the governing body to monitor conformance with its code of conduct and ethical policies by all managers and staff of the organization.
- (b) Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all of the managers and staff of the organization.
- (c) Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct and identify and deal with any legal or ethical violations.

55. **Governance of the Court.** To obtain reasonable assurance with respect to the Court's governance arrangements, the Audit Committee shall review and provide advice on the governance arrangements established and maintained within the organization and the procedures in place to ensure that they are operating as intended.

56. **Risk management.** To obtain reasonable assurance with respect to the organization's risk management arrangements, the Audit Committee shall:

- (a) Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management.
- (b) Review and provide advice on the risk management arrangements established and maintained by management and the procedures in place to ensure that they are operating as intended.
- (c) Annually review the organization's corporate risk profile.
- (d) Obtain from the Internal Auditor an annual report on management's implementation and maintenance of an appropriate integrated risk management process.

57. **Management control framework.** To obtain reasonable assurance with respect to the Court's management control framework, the Audit Committee shall:

- (a) Review and provide advice on the Court's overall and management units' internal control arrangements.
- (b) Receive reports on all matters of significance arising from work performed by others who provide financial and internal control assurance to senior management.

XIII. Oversight of Internal and External Audit and Other Assurance Providers

58. **Internal audit.** To obtain reasonable assurance with respect to work of the audit activity, the Audit Committee shall:

- (a) Review and approve the internal audit charter at least once every two years. The charter should be reviewed to ensure that it is consistent with changes in the financial, risk management, and governance arrangements of the organization and reflects developments in internal audit professional practices.
- (b) Review and approve proposed risk-based internal annual audit work plans and make recommendations concerning internal audit projects.
- (c) Advise the Assembly through the CBF regarding the qualifications and recruitment, retention, and release of the Director of the Office of Internal Audit.
- (d) Provide input to management on the annual performance evaluation of the Director of the Office of Internal Audit.
- (e) Recommend to management the appropriate compensation of the Director of the Office of Internal Audit.
- (f) Review the budget, expertise, and staffing levels of the internal audit program.
- (g) Advise the Assembly through the CBF about increases and decreases to the requested budget for the internal audit program and any additional expertise needed. Evaluate whether additional expertise is in the form of permanent staff or contracting for outside consulting services.
- (h) Review internal audit reports and other communications to management.
- (i) Review and track management's action plans to address internal audit recommendations.
- (j) Inquire of the Director of the Office of Internal Audit whether any internal audit engagements or tasks have been carried out that did not result in a report to the Audit Committee. If there have been, inquire as to the matters of significance, if any, arising from such work.
- (k) Review and provide input on internal audit's strategic plan, program goals, performance measures, and outcomes.
- (l) Inquire of the Director of the Office of Internal Audit about steps taken to ensure that the audit activity is consistent with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing Standards.
- (m) Ensure that the internal audit function has an external quality assurance review every five years.
- (n) Review the results of the independent external quality assurance review and monitor the implementation of the action plans to address recommendations raised.

59. **External audit.** To obtain reasonable assurance with respect to work of the external assurance providers, the Audit Committee shall meet with the external assurance providers during planning of the audit, the presentation of the audited financial statements, and the discussion of the letter to management on recommendations.

60. The Audit Committee shall examine and monitor of the independence of the External Auditor and of his recommendations, as well as of any other questions raised by the External Auditor or by any other external assurance provider;

61. It should make recommendations to the competent organ concerning the nomination of the External Auditor.

62. **Follow up on management action plans.** To obtain reasonable assurance that management has acted on the observations and recommendations from internal and external audit, the Audit Committee shall review regular reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audits.

63. **Financial statements and public accountability reporting.** The Audit Committee is responsible for oversight of the independent audit of the Organization's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.

64. **Other responsibilities.** In addition, the Audit Committee shall:
- (a) Perform other activities related to this charter as requested by the Assembly.
 - (b) Regularly evaluate the performance of the Audit Committee and individual members.
65. **Reporting** on Audit Committee performance. The Audit Committee shall:
- (a) Make an annual report to the CBF summarizing the Audit Committee's activities and recommendations.
 - (b) The report should include:
 - (i) A summary of the work the Audit Committee performed to fully discharge its responsibilities during the preceding year.
 - (ii) A summary of management units' progress in addressing corrective actions on the findings and recommendations made in internal and external audit reports.
 - (iii) An overall assessment of the management units' risk, control, and compliance framework, including details of any significant emerging risks or legislative changes impacting the governing organization.
 - (iv) Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended.
66. The Audit Committee may, at any time, report to the Assembly through the CBF any other matter it deems of sufficient importance.

XIV. Languages

67. The working language of the Committee shall be the official working languages of the Court.
68. All recommendations and other documents of the Audit Committee shall be published in the official languages of the Court, unless otherwise decided by the Chairperson of the Audit Committee.

XV. Review

69. The Committee shall keep the present Charter under review.