



Administrative Instruction – Instruction administrative

Ref. ICC/AI/2017/003

Date: 31 March 2017

RISK MANAGEMENT

The Registrar, in consultation with the President and the Prosecutor of the International Criminal Court (“the Court”), pursuant to section 3.2 of ICC/PRESG/2003/001 (“*Procedures for the promulgation of administrative issuances*”), hereby promulgates the present Administrative Instruction, which takes into consideration International Standard ISO 31000:2009:

Section 1

Purpose and scope

- 1.1 The purpose of risk management is to: (a) systematically identify, analyse and evaluate those future events, situations or circumstances that may occur and may adversely affect the achievement of objectives; and (b) plan and implement, in an effective and cost-efficient way, appropriate arrangements to prevent, as far as possible, those risks from arising, to prevent their consequences from materialising or, if this is not possible, to mitigate their impact, and to ensure the necessary reporting to the relevant organisational levels.
- 1.2 The purpose of this Administrative Instruction is:
 - 1.2.1 to regulate the Court’s implementation of risk management in support of its strategic planning and decision-making functions and in support of the planning and execution of its activities;
 - 1.2.2 to define principles for ensuring that risk management is conducted consistently across the Court, and that the process is reliable and sufficiently documented; and
 - 1.2.3 to set out the Court’s approach to risks, roles and responsibilities and reporting requirements.

- 1.3 The policy established under this Administrative Instruction applies to all activities of the Court. Risk management shall be implemented having regard to planning, resource management, responsiveness, cost-efficiency, reporting and information dissemination.
- 1.4 The development of Court-wide risk management initiatives is undertaken by the Registrar, in coordination with the President and the Prosecutor, and without prejudice to the provisions in the general framework of the Court's governance as set out in the Rome Statute.¹ The Director of the Division of Management Services is appointed by the Registrar, in consultation with the President and the Prosecutor, to coordinate Court-wide risk management initiatives.

Section 2

Definitions

- 2.1 "Risk management" describes *coordinated activities to direct and mitigate risks to the Court*.

For the purposes of this Administrative Instruction, the following additional terms will have the following meanings, based on International Standard ISO 31000:2009:²

- 2.2 "Risk" refers to an *effect of uncertainty on objectives*.
- 2.3 "Risk management policy" refers to the *statement of the overall intentions and direction of the Court related to risk management*.
- 2.4 "Risk owner" refers to the *person with the accountability and authority to manage a risk*.
- 2.5 "Risk identification" refers to the *process of finding, recognising and describing risks*.
- 2.6 "Event" refers to the *occurrence or change of a particular set of circumstances*.
- 2.7 "Likelihood" refers to the *chance of something happening*.

¹ See articles 42.1 and 42.2 of the Rome Statute.

² The definitions listed in paragraphs 2.1 to paragraph 2.16 of section 2 of this Administrative Instruction are used with the written permission of the Stichting Nederlands Normalisatie-instituut ("NEN"), Delft, www.nen.nl, which represents the International Organization for Standardization ("ISO") in the Netherlands. The intellectual property and copyright of ISO/NEN are hereby acknowledged.

- 2.8 “Consequence” refers to the *outcome of an event affecting objectives*.
- 2.9 “Risk analysis” refers to the *process to comprehend the nature of risk and to determine the level of risk*.
- 2.10 “Risk criteria” refer to the *terms of reference against which the significance of a risk is evaluated*.
- 2.11 “Level of risk” refers to the *magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood*.
- 2.12 “Risk evaluation” refers to the *process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable*.
- 2.13 “Risk treatment” refers to the *process to modify risk*.
- 2.14 “Residual risk” refers to the *risk remaining after risk treatment*.
- 2.15 “Monitoring” refers to the *continual checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected*.
- 2.16 “Review” refers to the *activity undertaken to determine the suitability, adequacy and effectiveness of the subject matter to achieve established objectives*.
- 2.17 “Manager(s)” is/are the heads of the Organisational Units of the Court.
- 2.18 “Organisational Unit” is an organ, division, section, office or unit within the Court.
- 2.19 “Risk Register” refers to the list of risks identified by the Court in a given period.

Section 3

Principles

- 3.1 Risk management at the Court is carried out based on the following principles:
- 3.1.1 The precondition of effective risk management is the establishment of objectives:

Risk management at the Court is aligned to its Strategic Plan.³ To effectively implement risk management, managers shall ensure that their operational and managerial objectives and constraints are clearly identified and prioritised.

3.1.2 Risk management is part of the responsibilities of management and managers shall address all risks specific to their functions:

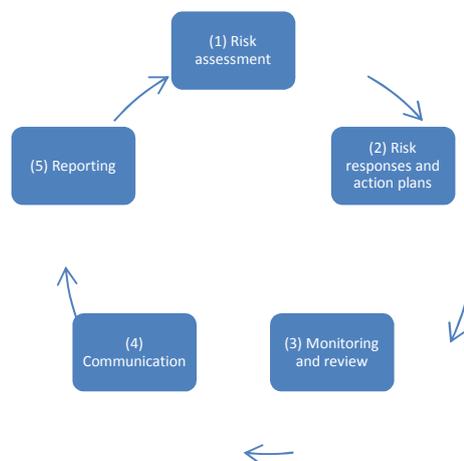
Based on the risk assessment in a given situation and on the best available information, managers shall determine the best measures for managing each risk and shall implement them if they are within their allocated resources and authority. Managers may alternatively accept a risk if it is within their authority to do so. Whenever it is beyond their allocated resources or authority, managers shall immediately refer their recommendations up to the next level of authority and shall follow up on the results.

3.1.3 Risk management is embedded in effective and efficient management:

The principle of optimum use of Court resources shall be applied to the management of risks. Decisions related to risk management shall be made traceable by means of a written record of the risk assessment and the mitigation measures implemented.

3.1.4 The risk management process is conducted according to the following steps:

- (1) risk assessment (identification; analysis in terms of likelihood and consequences; and evaluation against the risk criteria);
- (2) risk responses and action plans;
- (3) monitoring and review;
- (4) communication; and
- (5) reporting.



³ Available at: https://www.icc-cpi.int/iccdocs/registry/Strategic_Plan_2013-2017__update_Jul_2015.pdf.

Section 4
Risk Criteria

4.1 Each identified risk shall be assigned a risk rating based on an analysis of the likelihood of its occurrence and the severity of the consequences. This is measured in financial terms or otherwise by the impact on the strategic goals, reputation, or security of persons, assets or information. In order to enable meaningful, coherent and comparable risk reporting throughout the Court, the determination of the detailed scales shall take into consideration the following general guiding principles:

4.1.1 Severity of consequence:

Consequence	Financial ⁴	Strategic Goals ⁵		Reputation
MAJOR IMPACT (4)	More than 10 million euros	OR	Several judicial and prosecutorial, managerial or cooperation and support strategic goals will not be achieved	Adverse international press coverage or reaction from the Court's main stakeholders, leading to a severe loss of faith in the mission of the Court
SIGNIFICANT IMPACT (3)	Between 5 and 10 million euros		One or two judicial and prosecutorial, managerial or cooperation and support strategic goals will not be achieved	Adverse international press coverage or reaction from the Court's main stakeholders, leading to a significant impact on the functioning of the Court
MODERATE IMPACT (2)	Between 1 and 5 million euros		One or two managerial or cooperation and support strategic goals will not be achieved	Adverse localised press coverage and repeated criticism by stakeholders, leading to moderate impact on the functioning of the Court
MINOR IMPACT (1)	Less than 1 million euros		One or two managerial or cooperation and support strategic goals will be affected	Minimal publicity or internal criticism, with some impact on the functioning of the Court

⁴ Amounts are subject to change. Any change will be communicated accordingly.

⁵ As indicated in the Strategic Plan of the Court, see footnote 2 above.

4.1.2 Likelihood of occurrence:

Likelihood	Likelihood of a risk materialising
HIGH (4)	Four or more occurrences (quarterly) of inadequate/ineffective controls that exposed the Court to this category of risk during the last year; OR It is almost certain that the risk will materialise during the year.
MEDIUM TO HIGH (3)	More than one but fewer than four or more occurrences of inadequate/ineffective controls that exposed the Court to this category of risk during the last year; OR It is likely that the risk will materialise during the year.
LOW TO MEDIUM (2)	One instance of inadequate/ineffective control that exposed the Court to this category of risk during the last year; OR Is it unlikely that the risk will materialise during the year.
LOW (1)	No previous instances of inadequate/ineffective controls that exposed the Court to this category of risk during the last year; OR It is rare that the risk will materialise during the year.

4.2 On the basis of the above principles for scaling, each risk must be assessed and rated into a 4x4 matrix. Risks are rated as having major impact, significant impact, moderate impact or minor impact, and will be graphically depicted in red, orange, yellow or green, as follows:

Risk assessment and risk rating matrix

	High	Moderate (Yellow)	Significant (Orange)	Significant (Orange)	Major (Red)
Likelihood	Medium to high	Minor (Green)	Moderate (Yellow)	Moderate (Yellow)	Significant (Orange)
	Low to medium	Minor (Green)	Minor (Green)	Moderate (Yellow)	Significant (Orange)
	Low	Minor (Green)	Minor (Green)	Minor (Green)	Moderate (Yellow)
		Minor	Moderate	Significant	Major
			Consequence		

4.3 Risks will be managed and treated in accordance with the established risk rating as follows:

4.3.1 *Minor risks*: acceptance of the risk by an informed decision and continued existing controls as required.

Minor risks are accepted when the risk treatment costs are higher than the estimated costs associated with the occurrence of the risk. These risks are subject to yearly review. Minor risks that accumulate in one operational area can be the source of significant or even major risks. These accumulated risks are reviewed every six months.

4.3.2 *Moderate risks*: acceptance of the risk by an informed decision and implementation of change actions to reduce risk. Continue existing controls and evaluate need for contingency planning. Typical measures would include, but not be limited to, design changes for systems or procedures. Typical change and control actions include, but are not limited to, detection by analysis, direct monitoring or inspection and early application of responses to limit the extent of the consequences. Moderate risks are accepted when the risk treatment costs are higher than the estimated costs associated with the occurrence of the risk. These risks are reviewed every six months.

4.3.3 *Significant risks*: implement further actions to reduce risk. Continue existing controls and create contingency plan.

Typical measures would include, but not be limited to, actions to modify plans or costs, or to set up alternative operating ways and means, or decisions to insure against the risks concerned. Section Chiefs and other risk owners, as applicable, shall draw to the attention of their relevant manager the actions they propose to reduce these risks. Acceptance of significant risks is not authorised at the Court, except where they are considered to be unavoidable and where acceptance has been specifically approved by the Coordination Council. These risks are reviewed every quarter.

4.3.4 *Major risks*: without prejudice to the provisions in the general framework of the Court's governance set out in the Rome Statute,⁶ major risks shall be resolved primarily through (i) immediate action to reduce risk, or (ii) formal Coordination Council acceptance that the existing risk mitigation is sufficient, or (iii) Coordination Council agreement of the proposed action plan, or (iv) Coordination Council acceptance of the risk when no mitigation is possible. Measures for major risks may involve substantial redeployment of resources, re-stating agreements with third parties, modifying commitments (including funding), requesting exceptions to existing regulations, or redefining Court-wide plans. Representatives of the Major Programmes shall draw to the attention of the Risk Management Committee (see section 5), for consideration, through the Director of the Division of Management Services, the actions they propose to avoid such risks. Acceptance of major risks shall be authorised only where

⁶ See articles 42.1 and 42.2 of the Rome Statute.

such risks are considered to be unavoidable and where formal approval is given by the Coordination Council. These risks are reviewed every quarter.

Section 5

Risk Management Committee

- 5.1 A Risk Management Committee (“the Committee”) is hereby established, whose mandate is:
 - 5.1.1 to inform and advise the Coordination Council on all major and significant risks. A selection of major and significant risks should be presented by the Committee to the Coordination Council once a year;
 - 5.1.2 to advise the Coordination Council on mitigation strategies to manage major and significant risks;
 - 5.1.3 to review and monitor risk management implementation and practice, including the definition of risk criteria, to ensure relevant and consistent application Court-wide;
 - 5.1.4 to ensure that risk management practices are aligned and support the Strategic Plan of the Court; and
 - 5.1.5 to provide stakeholders with the required guidance and instructions, including but not limited to the necessary templates, regarding the application and interpretation of this Administrative Instruction.
- 5.2 The Committee shall be comprised of one Secretary and one member each from the Judiciary, the Office of the Prosecutor and the Registry. The Secretary shall serve in a non-voting capacity. Each voting member will have an alternate to allow for representation in the event that the designated Committee member is unavailable.
- 5.3 A quorum of three members will be required for the performance of any of the functions indicated under section 5.1.
- 5.4 The members and Secretary of the Committee will be appointed by the Registrar, in consultation with the President and the Prosecutor, for a renewable twenty-four month period.
- 5.5 The recommendations of the Committee to the Coordination Council shall be adopted, whenever possible, by consensus. If such consensus is not possible, both the majority’s considerations and

decision and dissenting view(s) shall be submitted to the Coordination Council for its review and final decision.

Section 6

Roles and responsibilities

- 6.1 To identify relevant risks, a bottom-up approach is used to gather significant input from the entire Court and, in turn, enable strategic guidance from the Heads of Organs.

Coordination Council

- 6.2 The Coordination Council is responsible for the following:
- 6.2.1 approving the risk management framework and determining required changes to practice if needed;
 - 6.2.2 setting the risk management criteria on a yearly basis upon the recommendation of the Risk Management Committee; and
 - 6.2.3 taking final risk management decisions, particularly regarding major and significant risks, without prejudice to the provisions in the general framework of the Court's governance set out in the Rome Statute.⁷

Representative(s) of Major Programmes

- 6.3 Each Major Programme shall designate one representative who will be responsible for the following within their designated areas of work:
- 6.3.1 Organisation, implementation and supervision of risk management activities in their Major Programme. In particular, they shall:
 - a) establish the corresponding risk assessment with regard to their relevant objectives. This shall also include the application of the Court's Risk management policy within the Major Programme and the detailed allocation of responsibilities. The risk assessment shall be updated yearly and presented to the Director of the Division of Management Services, acting on behalf of the Registrar. It covers not only current projects and functions but also future projects and activities;
 - b) formally review and validate the risk assessment and the risk mitigation status of the Major Programme every six months.

⁷ See articles 42.1 and 42.2 of the Rome Statute.

6.3.2 Whenever required by the nature of the risk, the representatives of Major Programmes shall refer to the Risk Management Committee on:

- a) risks that cannot be managed within their domain of responsibility; and
- b) related mitigation measures proposed and their consequences.

Risk Owners

6.4 Risk owners are responsible for the following:

6.4.1 assessing and managing risks related to the objectives of the related organ, division, office, section or unit, including events that may affect responsiveness, availability of assets, continuity of service, security of persons, assets and information, quality, compliance with standards and rules and effectiveness and cost-efficiency of functions;

6.4.2 establishing and arranging effective treatment measures for all risks related to their organ, division, office, section or unit, informing relevant management of the measures adopted to address risks within their domain;

6.4.3 allocating risk management tasks and supervising their implementation. To that end, they shall ensure that:

- a) bottom-up risk assessments are performed with respect to all relevant objectives related to their organ, division, office, section or unit at major milestones. These assessments shall be updated whenever required and at least on a quarterly basis;
- b) the resulting risks are prioritised in terms of their estimated impact in time and magnitude; risk reduction proposals are drawn-up, costed, decided, implemented and monitored, and the relevant information is recorded in the Risk Register.

6.4.4 updating, completing and securing the accuracy of the Risk Register for the purpose of monitoring and ensuring the effectiveness of the risk reduction measures undertaken or proposed, and for referral to their representatives of Major Programmes in the event of implementation gaps beyond their control.

Director of the Division of Management Services ("Director of DMS")

6.5 The Director of DMS coordinates and facilitates, on behalf of the Registrar, the Court-wide identification, assessment, review and determination of mitigation actions relating to major, significant and moderate risks. The Director of DMS is responsible for consolidating the risks

identified by the representatives of Major Programmes and for reporting to the Risk Management Committee on a yearly basis.

- 6.6 The Director of DMS is responsible for coordinating the preparation of templates and standard risk-related documents, monitoring implementation of risk treatment plans and ensuring that a consistent approach is applied.
- 6.7 The Director of DMS, with the support of the Chief of the Human Resources Section, is responsible for identifying training requirements for staff members and developing the risk awareness programme.
- 6.8 The Director of DMS, with the support of the Chief of the Budget Section, is responsible for aligning the risk management cycle with the budget cycle.

Staff members

- 6.9 Staff members shall support their supervisors in the process of risk management by reporting any potential risks they become aware of that affect the achievement of the objectives related to each staff member's responsibilities.

Section 7

Timeline

- 7.1 Risk management shall be performed according to the following annual timeline under the coordination of the Risk Management Committee:
- a) October to December:
Consolidation of Major Programme-specific: (i) risk assessments (identification, analysis in terms of likelihood and consequences, and evaluation against the risk criteria); and (ii) risk responses and action plans in the Risk Register.
 - b) January to March:
Heads of Organs' strategic guidance on the consolidated Risk Register and transfer of risk action plans into budget proposals for the following year.
 - c) April to June:
Monitoring and review of the previous year's action plans.

- d) July to September:
Communication and reporting to oversight bodies.

Section 8

General reporting requirements

- 8.1 Risk reporting is designed to ensure that relevant information regarding the risk management situation is provided at appropriate levels, both internally to the Heads of Organ, representatives of Major Programmes and risk owners, and externally to the Assembly of States Parties, to any of the Court's oversight bodies and/or any other entity related to the Court, as deemed necessary and appropriate by the Coordination Council. The risk reporting shall provide a coherent representation of the portfolio of assessed risks and of the status of the related mitigation measures.
- 8.2 Representatives of Major Programmes shall implement risk reporting through and in coordination with the Director of DMS. In addition, as required but at least once a year, the representatives of Major Programmes shall prepare, in coordination with the Director of DMS, a report to the Heads of Organs to be submitted through the Risk Management Committee, and to the Audit Committee and the Committee on Budget and Finance. This report shall also be provided to the Office of Internal Audit for consideration in its Audit Plan.
- 8.3 The Court will report on its risk management performance based on the following indicators:
- a) number of reviews and follow-up of action plans;
 - b) yearly involvement of the Risk Management Committee and the Coordination Council; and
 - c) number of risks identified, evaluated and mitigated.

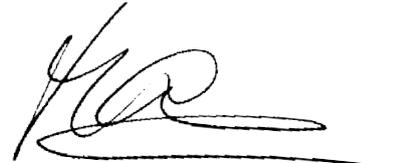
Section 9

Confidentiality

- 9.1 All information related to the risks covered by this Administrative Instruction and all supporting documentation generated for risk reporting shall be classified as "confidential" and treated accordingly, under the terms set out in the Court's applicable legal framework.

Section 10
Final provisions

- 10.1 This Administrative Instruction shall enter into force on 31 March 2017 and shall remain in force until reviewed or amended by another duly promulgated administrative issuance.

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'HvH' followed by a long horizontal flourish.

Herman von Hebel

Registrar