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International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Financial report and audited financial statements

for the year ended 31 December 2014

and

Report of the Board of Auditors

United Nations • New York, 2015

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

Contents

Letters of transmittal

Letter dated 20 July 2015 from the Secretary-General to the Chair of the Board of Auditors

In accordance with financial regulation 6.2, I have the honour to transmit the financial statements of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the biennium ended 31 December 2014, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of the financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **BAN** Ki-moon

Letter dated 30 June 2015 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the financial statements of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the year ended 31 December 2014, which were submitted by the Secretary-General. The statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above-mentioned accounts, including the audit opinion thereon.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the United Republic of Tanzania
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

We have audited the accompanying financial statements of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the former Yugoslavia since 1991, which comprise the statement of financial position (statement I) as at 31 December 2014, the statement of financial performance (statement II), statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, and notes to the financial statements.

Management's responsibility for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards and for such internal control as management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Criminal Tribunal for the former Yugoslavia as at 31 December 2014 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the Tribunal that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations and the related annex, we have also issued a long-form report on our audit of the Tribunal's financial statements.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the United Republic of Tanzania
Chair of the Board of Auditors
(Lead Auditor)

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India

Chapter II
Long-form report of the Board of Auditors

Summary

The Security Council established the International Criminal Tribunal for the former Yugoslavia to bring to justice those responsible for serious violations of international humanitarian law committed in the former Yugoslavia since 1991 and thereby contribute to the restoration and maintenance of peace in the region.

The Board of Auditors has audited the financial statements and reviewed the operations of the Tribunal for the year ended 31 December 2014. The audit was carried out through the examination of financial transactions and operations of the Tribunal's headquarters in The Hague, Netherlands.

Scope of the report

The report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly and has been discussed with the Tribunal's management, whose views have been appropriately reflected.

The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the financial position of the Tribunal as at 31 December 2014 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

The Board also reviewed the Tribunal's operations under United Nations financial regulation 7.5, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of operations. The Board examined key activities of the Tribunal, including evaluation of overall service sustainability, completion strategy, implementation of the International Public Sector Accounting Standards, archive and records management, travel management and information and communications technology. The report also includes a brief commentary on the status of implementation of recommendations from previous years.

Audit opinion

The Board has issued an unqualified audit opinion on the financial statements for the period under review as reflected in chapter I.

Overall conclusion

The Board did not identify material misstatements which could affect its opinion on the Tribunal's financial statements. The Tribunal implemented the International Public Sector Accounting Standards (IPSAS) effective 1 January 2014 and prepared the first IPSAS-compliant financial statements for the period ended 31 December 2014. The adoption of IPSAS brought about significant changes to the accounting policies of the Tribunal, including the preparation of financial statements on an annual rather than a biennial basis. The adoption of the new IPSAS accounting policies also resulted in significant changes to the reporting of assets and liabilities. Implementation of the IPSAS reporting framework in 2014 was a major achievement, despite the failure to produce dry-run financial statements as planned. The Board, however, considers that the Tribunal is now faced with the challenges of improving systems, strengthening internal controls and improving decision-making processes and financial management if it is to realize the full potential of the benefits of IPSAS-based financial information.

The Board also noted that the deadline set for the completion of the Tribunal's mandate was extended owing to further arrests made after the target completion date was set, the health concerns of the accused individuals, the need to present newly discovered evidence and certain other case-specific factors. In that regard the Board considers that the Tribunal needs to carefully plan and monitor some pending activities to ensure they progress efficiently and are completed by 2017. Other areas with scope for improvement include the lack of adequate oversight over information and communications technology and the high turnover of staff as they lack incentive to remain in posts which are about to be abolished.

Key findings and recommendations

The Board has identified a number of issues which need the Tribunal's consideration to enhance the effectiveness of Tribunal operations. In particular, the Board highlights the following key findings.

Delays in closing the Tribunal's activities

The Tribunal had not achieved the target completion date of 31 December 2014, as directed by the Security Council, owing principally to the arrests in 2011 of the last two remaining fugitives. Trials of the two individuals are currently ongoing. Delivery of judgement in some of the earlier cases has been delayed owing to a number of factors, most prominently staff attrition, but also issues particular to specific cases. As at 5 May 2015, seven proceedings were in progress involving individuals who were in trial and in appeal. The Tribunal continues to implement the completion strategy through measures such as increasing its capacity to hold trials and improving efficiencies in some areas of operations. The Board considers that it is important for the Tribunal to continue to ensure that all possible measures are taken to mitigate the risk of further delay in completing the remaining judicial activities and hand over its mandate to the International Residual Mechanism for Criminal Tribunals (the Residual Mechanism).

Out-of-date statistics used for the transfer of the archives and records

The Board noted progress made by the Registry on the transfer of the archives and records[a] to the Residual Mechanism, including activities such as setting goals for the preparation of records for transfer as part of the Tribunal's strategic priorities. However, the latest inventory of the archives and records was conducted in 2010, and 10,000 linear metres of records were anticipated to be transferred to the Residual Mechanism when the Tribunal completes its mandate. The Board considers that it is not ideal to rely on old statistics for such a crucial activity, given the frequent changes of records status wherein some additional records might have been created and some of the existing records might have expired.

Delays in preparations of the plan for transfer of the archives and records

The Registrar established, on 24 November 2014, a records and archives working group to oversee the transfer of the Tribunal records to the Residual Mechanism. The terms of reference of the group required it to develop an overall plan for the transfer of documents, among other things, but the plan was not prepared. As the Tribunals operations will end by 2017, the Board considers that a clear plan is crucial to ensuring the proper identification, preparation and transfer of the archives and records to the Residual Mechanism for proper allocation and security.

Main recommendations

The Board has made several recommendations based on its audit. The main recommendations are that the Tribunal:

(a) **Continue to implement the established measures to mitigate any risk of further delay in the completion of its remaining judicial activities;**

(b) **Update the inventory of the archives and records for accurate statistics of records to be transferred to the Residual Mechanism to facilitate resources planning such as space and workforce;**

(c) **Ensure that the records and archives working group complete the preparation of the overall plan for the transfer of Tribunal archives and records within the specified time and communicate it to the stakeholders for implementation.**

[a] "Archives" means an accumulation of historical records, or the physical place they are located. Archives contain primary source documents that have accumulated over the course of the Tribunal's lifetime, and are kept for future reference. "Records" means information or data on the Tribunal's business collected and preserved or to be preserved in the archives.

Key facts	
$201.7 million	Original biennium budget approved by the General Assembly for 2014-2015
$100.8 million	Original budget for the year 2014
$101.2 million	Total revenue
$111.7 million	Total expenses
$10.5 million	Deficit during the year
$102.2 million	Total assets
$95.9 million	Total liabilities
$6.3 million	Net assets
647	Total staff

A. Mandate, scope and methodology

1. The International Criminal Tribunal for the former Yugoslavia is a United Nations court of law established in 1993 to deal with war crimes that were committed during the conflicts in the former Yugoslavia in the 1990s. It is located in The Hague, with field offices in Sarajevo and Belgrade. The Tribunal was established by the Security Council in its resolution 827 (1993). It is mandated to bring to justice those responsible for serious violations of international humanitarian law committed in the former Yugoslavia since 1991 and thereby contribute to the restoration and maintenance of peace in the region.

2. The Tribunal consists of three organs, namely, the Chambers, the Office of the Prosecutor and the Registry. The Chambers comprise three Trial Chambers and an Appeals Chamber. The Chambers are responsible for trials and appeals, and the Office of the Prosecutor is responsible for the investigation and prosecution. The Registry, which services both the Chambers and the Prosecutor, is responsible for the administration and servicing of the Tribunal.

3. The Board of Auditors has audited the financial statements of the International Criminal Tribunal for the former Yugoslavia and has reviewed its operations for the year ended 31 December 2014 in accordance with General Assembly resolution 74 (I). The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto, as well as with the International Standards on Auditing. The Standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

4. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of the Tribunal as at 31 December 2014 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards. That included an assessment as to whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the

governing bodies and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

5. In addition to the audit of the accounts and financial transactions, the Board carried out reviews of the Tribunal's operations under financial regulation 7.5, which requires the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Tribunal's operations. Those matters are addressed in the relevant sections of the present report.

6. The Board coordinates with the Office of Internal Oversight Services in the audit in order to avoid duplication of efforts and to determine the extent to which the Board could rely on its work.

7. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly; the observations and conclusions were discussed with the Tribunal, the views of which have been appropriately reflected in the report.

B. Findings and recommendations

1. Follow-up of previous years' recommendations

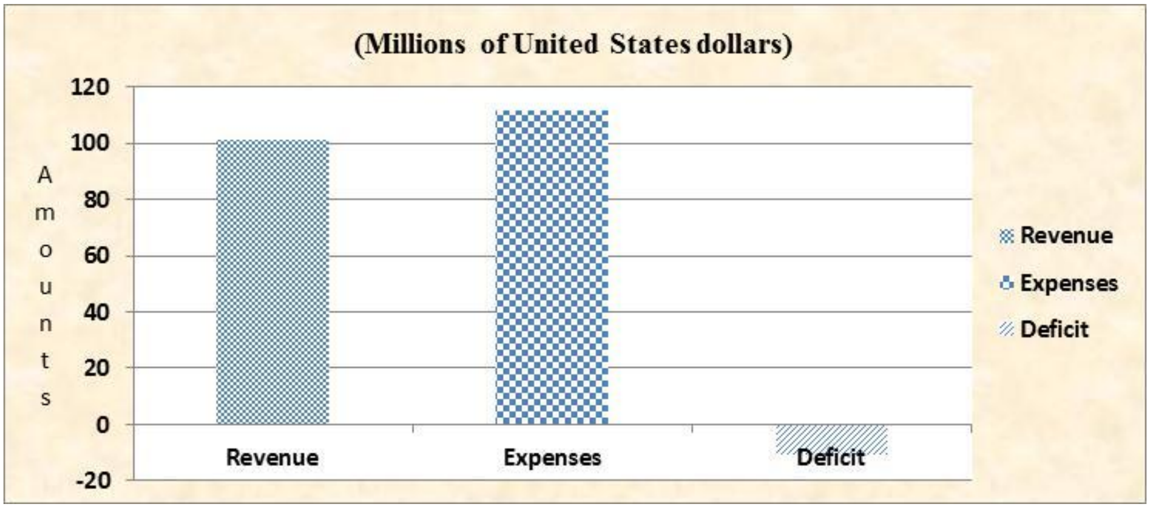
8. Of the seven recommendations made for the biennium 2012-2013 for the Tribunal, the Board noted that six (86 per cent) were fully implemented while one (14 per cent) was under implementation. The implementation rate has improved compared to the previous period when, out of the six recommendations made for the biennium 2010-2011, five (83 per cent) were fully implemented and one (17 per cent) was under implementation.

9. The recommendation under implementation requires the Tribunal to conduct a periodic review of the audit logs of the databases and improve the system control to protect the audit logs from being manipulated. Management expects to implement it fully by 30 August 2015. Details of the status of implementation of the recommendations are presented in the annex.

2. Financial overview

10. Total revenue for the year under review was $101.2 million, while total expenses amounted to $111.7 million, resulting in a deficit of $10.5 million. The Tribunal attributed the deficit to the current implementation of the coming financial year activities in the Office of the Prosecutor to reduce the workload and resource utilization in the next year, in line with the Tribunal's completion strategy. The comparison of revenue against expenses is depicted in the figure below.

Revenue and expenses overview



Source: Board analysis of Tribunal financial statements for 2014.

Ratio analysis

11. The table below contains key financial ratios extracted from Tribunal financial statements, mainly from the statement of financial position. The analysis shows that the Tribunal had good liquidity ratios to cover its maturing obligations without disposing of its non-current assets.

Ratio analysis

Description of ratio	*31 December 2014*	*1 January 2014*
Total assets: total liabilities[a]		
Assets: liabilities	1.1	1.3
Current ratio[b]		
Current assets: current liabilities	5.3	4.4
Quick ratio[c]		
Cash and short-term investments and accounts receivable: current liabilities	3.3	2.5
Cash ratio[d]		
Cash and short-term investments: current liabilities	3.3	2.5

Source: Tribunal financial statements for the period ended 31 December 2014.

[a] A high ratio is a good indicator of solvency.

[b] A high ratio indicates an entity's ability to pay off its short-term obligations.

[c] Quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

[d] Cash ratio indicates an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds there are in current assets to cover current liabilities.

12. The ratios show that current assets are approximately 5.3 times greater than current liabilities and that total assets are approximately equal to total liabilities, reflecting the Tribunal's ability to meet short-term obligations when they fall due.

The ratio for cash to current liabilities, which is about 3.3, shows the extent of cash available to settle short-term obligations. Generally, the ratios depict the sound financial health of the Tribunal as at 31 December 2014.

3. Implementation of the International Public Sector Accounting Standards

13. The Tribunal started to implement the International Public Sector Accounting Standards (IPSAS) effective from 1 January 2014, and prepared the first IPSAS-compliant financial statements for the period ended 31 December 2014. The adoption of IPSAS caused significant changes to the accounting policies of the Tribunal, including the preparation of financial statements on an annual rather than a biennial basis. The adoption of the new IPSAS accounting policies also resulted in significant changes to the reporting of assets and liabilities.

14. The Board reviewed the first IPSAS opening balances as at 1 January 2014. The review included an evaluation of the appropriateness of the IPSAS accounting policies and opening balance adjustment methodologies developed by the management assessing whether the accounting policies have been properly applied, as well as control and substantive testing to the extent deemed necessary for the achievement of the purpose of our examination. Implementation of IPSAS in 2014 was a major achievement for the Tribunal, despite the failure to prepare the dry-run financial statements as planned.

15. No significant matter was found that might affect the fair presentation of the financial statements. The Board, however, considers that the Tribunal is now faced with the challenges of improving systems, strengthening internal controls and improving decision-making processes and financial management. Those changes will be crucial for the Tribunal if it is to realize the full potential of the benefits of IPSAS-based financial information and to set an appropriate basis for information to be transferred to the International Residual Mechanism for Criminal Tribunals (the Residual Mechanism).

4. Evaluation of overall service sustainability

High rate of staff turnover

16. The Tribunal is in a process of scaling down its operations for closure. Its mandate and the remaining operations will be assumed by the Residual Mechanism. The closure has resulted in a high rate of staff turnover: of the 225 staff members who separated from the Tribunal in 2014, 58 (26 per cent) left through resignation. Staff members who resigned included some from key posts such as legal officers, trial support clerks, translators, senior prosecuting trial attorneys, senior appeal counsels, judges' assistants, language assistants, conference interpreters, audiovisual technicians, security officers, courtroom clerks and administrative assistants.

17. According to the Tribunal, those who are leaving as the Tribunal approaches the completion of its mandate include some experienced staff members who are leading teams working on advanced stages of their cases, such as trials and appeals that are scheduled to be concluded, as well as staff members working on pending cases, thereby causing an adverse impact on the Tribunal's completion strategy. The Tribunal has taken a number of measures including issuing waivers of recovery of annual leave under certain circumstances and retaining staff members who have reached the normal age of retirement.

18. While recognizing efforts being made by the Tribunal, the Board considers that the high rate of staff turnover, in particular from key posts, has a direct impact on the progress of pending cases and affects the Tribunal's efforts to maintain timely completion of trials and appeals.

5. Completion strategy

Delays in closing the Tribunal's activities

19. In its resolution 1966 (2010), the Security Council requested the Tribunal to take all possible measures to expeditiously complete all its remaining work no later than 31 December 2014, prepare the closure strategy and ensure a smooth transition to the Residual Mechanism.

20. The Board noted that the Tribunal developed a strategy for the completion of its activities as directed by the Security Council; however, the targeted date of completion was not achieved owing principally to the arrests in 2011 of the last two remaining fugitives. Trials of the two individuals are currently ongoing. The delivery of judgement in some of the earlier cases has been delayed owing to a number of factors, most prominently staff attrition, but also the health concerns of accused individuals, the need to present newly discovered evidence and issues particular to specific cases. The Board found that, as at May 2015, a total of 161 individuals indicted by the Tribunal had been arrested and all cases were concluded except for seven proceedings. Of the remaining proceedings, 4 involving 4 individuals were in trial and 3 involving 10 individuals were in appeal proceedings.

21. The Board was informed that, to ensure timely completion of activities, the Tribunal has taken measures such as implementing the completion strategy by increasing the capacity to hold trials; decreasing the scope, complexity and/or number of trials; increasing efficiencies in the conduct of trials and appeals; and reducing overall inefficiencies. The Tribunal estimates that, as a result of all of those measures, the pending activities will be completed before the end of 2017.

22. The Board considers that, although the timeline originally proposed by the Security Council has been superseded, the Tribunal needs to make every effort to ensure the available measures are taken to mitigate any risk of further delay in completing the remaining judicial activities.

23. **The Tribunal agreed with the Board's recommendation to implement the established measures to mitigate risk of further delay in the completion of its remaining judicial activities.**

6. Archive and records management

Out-of-date statistics used for the transfer of the archives and records

24. The Board noted progress made by the Registry on the transfer of the archives and records to the Residual Mechanism, including activities such as setting goals for the preparation of records for transfer as part of the Tribunal's strategic priorities. However, the latest inventory of the archives and records was conducted in 2010, and 10,000 linear metres of records were anticipated to be transferred to the Residual Mechanism when the Tribunal completes its mandate.

25. The Board considers that it is not ideal to rely on statistics already five years old for such crucial activities, given the frequent changes of records status wherein

some additional records might have been created and some of the existing records might have expired. Management explained that the Tribunal is still working on updating its plans for records disposition, a process which includes updating the records inventory, by the end of June 2015.

26. **The Tribunal agreed with the Board's recommendation to update the inventory of the archives and records in order to obtain accurate statistics of the records to be transferred to the Residual Mechanism to facilitate resources planning such as space and workforce.**

Delays in preparations of the plan for the transfer of the archives and records

27. The Registrar established, on 24 November 2014, a records and archives working group to oversee the transfer of the Tribunal records to the Residual Mechanism. According to the terms of reference, the group is responsible for, among other things, developing an overall plan for the transfer of Tribunal records and communicating that plan to all staff and monitoring the progress of the transfer against the plan. The plan had not been developed as at 18 May 2015, but management expected to have it prepared by the end of June 2015.

28. As the Tribunals operations end by 2017, the Board considers that a clear plan is vital for the proper identification, preparation and transfer of the archives and records to the Residual Mechanism for proper storage and security.

29. **The Tribunal agreed with the Board's recommendation that it ensure that the records and archives working group complete the preparation of the overall plan for the transfer of the Tribunal archives and records within the specified time and communicate that plan to the stakeholders for implementation.**

7. Travel management

Deficiencies noted in travel management

30. According to amended section 3.4 of the administrative instruction on official travel (ST/AI/2013/3 and Amend.1), official travel by senior officials at the Under-Secretary-General level and by heads of mission in the field are to be reported in the Absence Management System using the form available online. The instruction also requires the responsible unit to report twice a year, in January and July, to the Executive Office of the Secretary-General the amount of United Nations funds spent on official travel of such senior officials during the preceding six-month period.

31. The Board noted that, during the year 2014, the Tribunal spent a total of $0.1 million (6.7 per cent of its travel budget of $1.5 million) for 67 air tickets issued to senior officials travelling to the Tribunal's missions. However, travels were not reported in the Absence Management System and the semi-annual reports were not sent to the executive office of the Secretary General as required by the administrative instruction.

32. The Tribunal believes the reporting obligations of the travels of senior officials are applicable only to those United Nations Secretariat senior officials who report directly to the Secretary-General. However, the quoted administrative instruction does not exclude the Tribunal and, currently, management is seeking clarification from the Executive Office of the Secretary-General.

33. The Board considers that the practice not only amounts to non-compliance with administrative instructions but also limits the awareness of the Executive Office of the Secretary-General of the amounts spent for official travel by its senior officials.

34. **The Board recommends that the Tribunal ensure that information regarding the travels of its senior officials is recorded in the Absence Management System and that semi-annual reports showing the amount of funds spent on official travels as required by amended section 3.4 of the administrative instruction on official travel (ST/AI/2013/3 and Amend.1) be prepared and submitted to the Executive Office of the Secretary-General.**

8. Information and communications technology

Disaster recovery solution could be improved

35. The Board noted that the Tribunal's primary data centre, disaster recovery site and backup tapes site are located in buildings which are less than one kilometre apart on the same compound. Without having adequate distance between the two sites, in the event of a major disaster, such as flooding in The Hague, both sites could be a single point of failure.

36. Management stated that it is looking for a solution to keep the disaster recovery site away from the primary data centre. While the Tribunal is expected to close its operations by 2017, the Residual Mechanism will continue operating on the same location; therefore, for the permanent and sustainable safety of Tribunal records, the Tribunal needs to ensure that the disaster recovery site is away from the data centre. The Board considers that the present set-up poses risks to the business continuity of the Tribunal if the location is hit by a disaster.

Weakness in the information and communications technology asset disposal process

37. In 2014, the Tribunal disposed of 62 pieces of information and communications technology (ICT) equipment with an initial value of $2.2 million. However, records of what had been wiped out, such as a report listing assets from which the data had been wiped, equipment serial numbers, identification codes and statuses, were not maintained.

38. Management explained that computers identified by cell heads for write-off are sanitized prior to their inclusion in a write-off batch and subsequent handover to the Asset Management Unit for disposal. After the ICT equipment-wiping process is done, a temporary sticker is placed on the computer to identify those that have been wiped, but there was no report prepared to record all of the assets that were wiped before their disposal.

39. The Board considers that the absence of records, including reports of wiped ICT equipment, may prevent the management and any independent reviewer from evaluating the effectiveness of the control intended by the wiping process for the disposed-of assets.

40. **The Tribunal agreed with the Board recommendation to (a) conduct a study of suitable possible locations for the disaster recovery site and reallocate the current off-site data backup location in collaboration with the Residual Mechanism; and (b) revisit its ICT equipment-wiping process to include a requirement to create a report that will list assets identified for disposal and which will record the status of the wiping-out process of those assets.**

C. Disclosures by management

1. Write-offs of losses of cash, receivables and property

41. There were no write-offs of losses of cash, receivables and property disclosed for the period under review.

2. Ex gratia payments

42. According to financial rule 105.12, the disclosure by management showed that the Tribunal did not make ex gratia payments.

3. Cases of fraud and presumptive fraud

43. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities, including those resulting from fraud. Our audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

44. During the audit, the Board makes enquiries of management regarding their oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that management has identified or brought to their attention. It also asks whether management has any knowledge of any actual, suspected or alleged fraud, and that includes enquiries of the Office of Internal Oversight Services. The additional terms of reference governing external audit include cases of fraud and presumptive fraud in the list of matters that should be referred to in its report.

45. In 2014 the Board did not identify any cases of fraud and presumptive fraud and the Tribunal reported to the Board that it had no such cases.

D. Acknowledgement

46. The Board wishes to express its appreciation to the President, the Prosecutor, the Registrar and the staff of the Tribunal for the cooperation and assistance extended to its staff.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania
Chair of the Board of Auditors
(Lead Auditor)

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India

30 June 2015

Annex

Status of implementation of recommendations for the financial period ended 31 December 2014

Number	Financial period first made	Paragraph reference	Recommendations	Action reported by management	Board assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
1	2010-2011	35	Put in place procedures to resolve the matters identified through its physical verification exercises of non-expendable property; update the database of non-expendable property in a timely manner; and ensure that all non-expendable property is properly labelled.	In the implementation of the International Public Sector Accounting Standards (IPSAS), management conducted the physical verification, updated the assets information, including the database, and labelled the assets.	Implemented	X			
2	2012-2013	19	Collaborate with the IPSAS implementation team at United Nations Headquarters to complete the remaining IPSAS implementation activities as planned.	The Tribunal actively collaborated with the IPSAS implementation team at United Nations Headquarters on the remaining IPSAS implementation activities. Most of the outstanding activities have been completed and a plan to finalize the few remaining tasks has been agreed upon.	Implemented	X			
3	2012-2013	23	Collaborate with the Office of Human Resources Management at United Nations Headquarters to establish a procedure that will assist management in identifying overdue unclaimed repatriation grants for the cancellation of the respective provision.	The Tribunal contacted the Office of Human Resources Management and the IPSAS implementation team at United Nations Headquarters regarding the practice followed with regard to unclaimed repatriation grants. The Tribunal then established and implemented a procedure to facilitate the review of outstanding repatriation grant provisions.	Implemented	X			

						Status after verification			
Number	*Financial period first made*	*Paragraph reference*	*Recommendations*	*Action reported by management*	*Board assessment*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
4	2012-2013	28	To meet the recruitment timeline of 60 days.	While the 2014 yearly average showed a slight improvement over the 2013 audit period (112.5 versus 116 days), the average improved substantially when the statistics included exercises that made use of selections from pre-approved rosters (80.6 days). The Tribunal has always recognized that the use of rosters can save both time and effort in the recruitment process, and continues to use that method whenever appropriate/possible. In the fourth quarter of 2014, the number of days required to process Inspira-based recruitments essentially met the United Nations target of 60 days (60.3), so the Tribunal feels that in that regard the recommendation has been satisfied.	Implemented	X			
5	2012-2013	31	Encourage managers and staff to ensure that performance reviews are carried out and that staff are sensitized about the importance to their career development of completing the performance review, as required in sections 6.1 and 11.1 of the administrative instruction on the performance management and development system (ST/AI/2010/5 and Corr.1).	In line with the recommendation, the Tribunal informed all staff through an intranet communication of the importance of completing their performance evaluations and the associated deadlines. The Tribunal attaches great importance to the performance evaluation system and, in that regard, it should be noted that the Tribunal has excellent	Implemented	X			

Number	*Financial period first made*	*Paragraph reference*	*Recommendations*	*Action reported by management*	*Board assessment*	*Status after verification*			
						Implemented	*Under implementation*	*Not implemented*	*Overtaken by events*
				performance review completion rates: 87 per cent for the 2011-2012 performance cycle and 96 per cent for the 2012-2013 performance cycle.					
6	2012-2013	35	A clear timetable should be set with a timeline for the completion of its records classification and retention scheme to avoid risks of misallocation and management of sensitive information.	The Tribunal completed and submitted the records retention schedules to the Archives and Records Management Section and the Office of Legal Affairs for their review. At this point, the scheme has already been reviewed by the Section and the Office and their comments have been attended to. At this point, the next review will be conducted by United Nations Headquarters in New York.	Implemented	X			
7	2012-2013	38	(a) Review, test and combine its individual disaster recovery plans into one comprehensive plan that considers all the critical business systems and their dependencies.	The Tribunal has combined all of its individual disaster recovery plans into one comprehensive plan.	Implemented	X			
			(b) Conduct a periodic review of the audit logs of the databases and improve the system control to protect the audit logs from being manipulated.	The Tribunal is still in the process of implementing the recommendation and expects to have it fully implemented by 30 August 2015.	In progress as explained in the management reply		X		
			(c) Conduct meetings regularly, as stipulated in the terms of reference for review and timely prioritization of information and communications technology projects.	The Registrar appointed new members of the Information and Communications Technology Committee, expanding its membership and mandate to include the International Residual	Implemented	X			

						Status after verification			
Number	*Financial period first made*	*Paragraph reference*	*Recommendations*	*Action reported by management*	*Board assessment*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
				Mechanism for Criminal Tribunals (the Residual Mechanism). The Committee now has 12 senior members of the Tribunal and the Residual Mechanism staff in both The Hague and Arusha. However, it has proven a challenge to schedule meetings at which all 12 members could be present. The Committee recently adopted changes to their terms of reference which allow them to consider cases by e-mail circulation rather than by meeting in person. The Tribunal has been considering cases under the newly flexible structure, and have noted with pleasure the efficiencies it has brought.					
Total						**6**	**1**		
Percentage of total number of recommendations						**86**	**14**		

Chapter III
Certification of the financial statements

Letter dated 20 July 2015 from the Assistant Secretary-General, Controller, addressed to the Chair of the Board of Auditors

The financial statements of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the year ended 31 December 2014 have been prepared in accordance with financial rule 106.10 of the Financial Regulations and Rules of the United Nations.

The summary of significant accounting policies applied in the preparation of the present statements is included as notes to the financial statements. The notes provide additional information on and clarification of the financial activities undertaken by the Tribunal during the period covered by the statements, for which the Secretary-General has administrative responsibility.

I certify that the appended financial statements of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the year ended 31 December 2014, numbered I to V, are correct.

(*Signed*) Bettina Tucci **Bartsiotas**
Assistant Secretary-General, Controller

Chapter IV
Financial report for the year ended 31 December 2014

A. Introduction

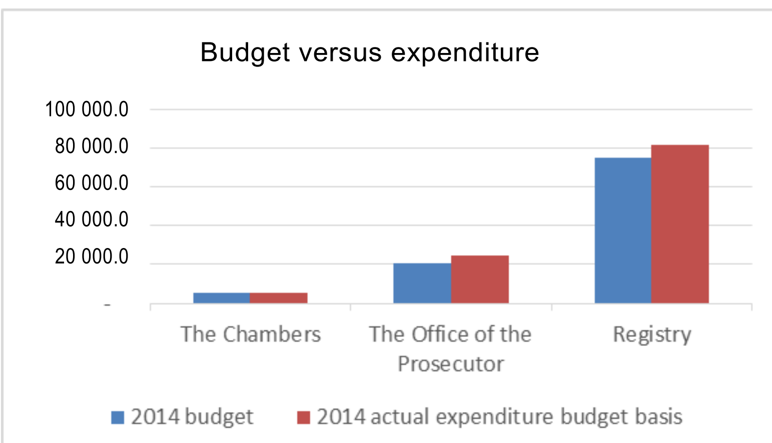
1. The Registrar has the honour to submit the financial report on the accounts of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the year ended 31 December 2014.

2. The present report is designed to be read in conjunction with the financial statements. The annex includes supplementary information that is required to be reported to the Board of Auditors under the Financial Regulations and Rules of the United Nations.

3. On 25 May 1993, the Security Council passed resolution 827 (1993) formally establishing the International Criminal Tribunal for the former Yugoslavia. In the same resolution, the Council adopted the statute that determined the Tribunal's jurisdiction and organizational structure, as well as the criminal procedure in general terms.

4. The Tribunal consists of three organs: the Chambers, which are organized into three Trial Chambers and an Appeals Chamber; the Office of the Prosecutor; and a Registry which services both the Chambers and the Prosecutor.

5. In 2014, the Tribunal continued to focus on the completion of all trials and appeals, rendering two appeals judgements. Nine cases, including four trials and five appeals, remain. All 161 indicted individuals are accounted for. At the close of the reporting period, 16 people were in appeal proceedings and 4 were on trial; those outputs were produced with a budget of $100.7 million, some $111.4 million in expenditures on a budget basis. The comparative budget and expenditures of the three organs of the Tribunal are presented below.



B. Adoption of the International Public Sector Accounting Standards

6. For the first time, the financial statements of the Tribunal have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). In 2013 and prior years, the financial statements were prepared in accordance with the United Nations system accounting standards (UNSAS).

7. The adoption of IPSAS has been accepted as best practice for accounting and reporting by the public sector and not-for-profit governmental organizations. The Tribunal adopted IPSAS on 1 January 2014, in accordance with General Assembly resolution 60/283, which cited IPSAS benefits for improving the quality, comparability and credibility of financial reporting across the United Nations system.

Highlights of key changes to the financial statements of the Tribunal

8. Financial statements prepared in accordance with IPSAS use full accrual-based accounting, which is a significant change from the modified cash basis of accounting previously applied under UNSAS. Accrual-based accounting requires the recognition of transactions and events when they occur and the presentation of all assets and liabilities as at the reporting date. Accordingly, the accounting policies of the Tribunal have been updated to IPSAS; the summary of significant accounting policies, presented in note 3 to the financial statements, reflects that update.

9. Under UNSAS, physical assets and intangibles were expensed when purchased and did not appear on the balance sheet; under IPSAS, the Tribunal has reported property, plant and equipment and intangible assets net of related depreciation/ amortization on the face of the financial statements. Assets qualifying as financial instruments are now fair valued, and therefore the Tribunal's share of the investments of the United Nations cash pool reflects market-to-market adjustments; also for the first time, the Tribunal has created allowance accounts to value doubtful accounts receivable in accordance with IPSAS.

10. Under UNSAS only some liabilities were recognized; under IPSAS all liabilities are recognized. In preparation for IPSAS financial statements, the Tribunal had already recognized its long-term employee benefits liabilities of after-service health insurance, unused annual leave, accrued repatriation benefits and judges' honorariums and allowances. The liabilities for the Tribunal include provisions for valid claims (legal or constructive) that can be reliably estimated.

11. Expenses are now recorded in the financial statements only when goods and/or services have been received and not, as was the case under UNSAS, when commitments have been made. Therefore, under IPSAS, commitments against budgets do not qualify as an expense in the financial statements. The Tribunal now reports on the face of the financial statements expenses related to depreciation/amortization of assets and actuarial service costs on its employee benefit liabilities.

12. IPSAS requires significantly more note disclosures in the financial statements; some of the new areas of note disclosures for the Tribunal include the reporting of explanations of material budget versus actual variances, reporting on key management personnel, reporting on details of measurement of employee benefit

liabilities, reporting on details of the life cycle of plant, property and equipment and reporting on investment risks.

13. Of note is that the budget of the Tribunal continues to be prepared on a modified cash basis. As the accounting basis for the budget differs from the basis applied to the financial statements, reconciliation between expenditure on the budget basis and the statement of cash flows is provided in note 6.

14. In order to transition to IPSAS, the financial position as at 31 December 2013 was restated and IPSAS-compliant opening balances were compiled as at 1 January 2014, which resulted in an adjustment to the net asset position of the Tribunal (see statement III). Owing to the change of accounting basis, in the first year of the adoption of IPSAS a full suite of comparative information for the prior year is not provided in the financial statements.

C. Overview of the financial statements for the year ended 31 December 2014

15. Financial statements I, II, III, IV and V show the financial results of the Tribunal's activities and its financial position as at 31 December 2014. The notes to the financial statements explain the Tribunal's accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.

Revenue

16. In 2014 revenue totalled $101.204 million. The main sources of revenue were assessed contributions of $100.701 million received from Member States, $0.438 million from investment revenue and revenue of $0.065 million received for rendering services. The revenue for rendering services includes rental of premises and disposal of property, plant and equipment.

Expenses

17. For the year ended 31 December 2014, expenses totalled $111.677 million. The main expense categories were staff costs of $85.402 million or 76.5 per cent, judges' honorariums and allowances of $5.308 million or 4.8 per cent, contractual services of $9.788 million or 8.8 per cent, travel of $0.907 million or 0.8 per cent, depreciation and amortization of $0.773 million or 0.7 per cent and other operating expenses of $9.289 million or 8.3 per cent. Information for 2013 is not presented since it was prepared on an UNSAS (modified cash) basis, which is not comparable.

18. Total personnel cost, which includes staff costs and judges' honorariums and allowances, amounted to $90.710 million; that amount represents 89.6 per cent of the total revenue, which was reported at $101.204 million for the year.

Operating results

19. The net deficit of expenses over revenue in 2014, measured under IPSAS, was $10.473 million, as expenses were greater than revenue by 10.3 per cent.

Assets

20. Assets as at 31 December 2014 totalled $102.238 million compared to the position at 31 December 2013 (adjusted for IPSAS compliance) of $114.401 million, reflecting the reduced level of operations in 2014.

21. The main assets as at 31 December 2014 were cash and cash equivalents and investments totalling $71.364 million representing 69.8 per cent of the total assets, and assessed contributions receivable from Member States of $26.002 million, or 25.4 per cent. The remaining assets consist of other accounts receivable and property, plant and equipment.

22. Cash and cash equivalents and investments of $71.364 million as at 31 December 2014, other than small amounts held in field office imprest accounts, were held in the United Nations main cash pool. That represents a decrease of $4.397 million compared to the balances held as at the end of 2013, a reflection of the reduced level of operations in 2014.

Liabilities

23. Liabilities as at 31 December 2014 totalled $95.951 million compared to the balance as at 31 December 2013 of $91.097 million.

24. The largest liability was the employee benefits earned by staff members and retirees; primarily they were liabilities for after-service health insurance. The liabilities accounted for $54.255 million, representing 56.5 per cent of the Tribunal's total liabilities, and are explained in detail in note 13 to the financial statements. The increase of the liabilities is caused primarily by recognized actuarial losses and changes in valuation in accordance with IPSAS 25.

25. Also of significance were liabilities related to the judges' honorariums and allowances of $30.578 million. That amount primarily includes the judges' pension and relocation allowances and ex gratia payments to ad litem judges, which increased by $2.33 million from the previous year, again owing to recognized actuarial losses.

Net assets

26. The movement in net assets during the year reflects a decrease of $17.017 million from $23.304 million in 2013, after restating for IPSAS compliance, to $6.287 million in 2014, as a result of the operating deficit of $10.543 million compounded by actuarial losses of $6.544 million. The net effect of the changes resulting from the adoption of IPSAS adjustments amounted to a $0.694 million decrease in restated net assets as at 1 January 2014.

Liquidity position

27. As at 31 December 2014, the liquidity position of the Tribunal was healthy; the entity had sufficient liquid assets to settle its obligations. Liquid funds totalled $74.302 million (cash and cash equivalents of $17.704 million, short-term investments of $28.501 million and accounts receivable of $28.097 million), whereas total current liabilities amounted to $14.025 million and total liabilities amounted to $95.951 million.

28. The table below summarizes four key liquidity indicators for the financial year ended 31 December 2014 with comparatives for the year ended 31 December 2013.

Key liquidity indicators

	Year ended 31 December	
Liquidity indicator	*2014*	*2013*
Ratio of liquid assets to current liabilities	5.30:1	4.42:1
Ratio of liquid assets less accounts receivable to current liabilities	3.29:1	2.48:1
Ratio of liquid assets to total assets	0.73:1	0.73:1
Average months of cash, cash equivalents and investments on hand[a]	7.7	n/a

[a] Comparative not available.

29. The ratio of liquid assets to current liabilities indicates the ability of the Tribunal to pay its short-term obligations from its liquid resources. The ratio of 5.30:1 indicates that current liabilities are covered in excess of five times by liquid assets, and therefore there are sufficient liquid assets available to fully pay liabilities should the need arise. An increase in the value of that ratio from 4.42:1 in the prior year indicates an increase in liquidity resulting from increased current assets as at the end of 2014. When accounts receivable are excluded from the analysis, the coverage of current obligations is at 3.29 for the current year and 2.48 for the previous year.

30. As at 31 December 2014, the Tribunal's total liquid assets was about 73 per cent of its total assets and it held sufficient cash and cash equivalents and investments to cover its estimated average monthly expenses (less depreciation and amortization) of $9.242 million for about 7.7 months.

31. However, as at the reporting date, the Tribunal had liabilities for employee benefits and judges' honorariums and allowances of $84.833 million that were more than total cash and cash equivalents and investments of $71.364 million; of note was that no amounts were reserved in the accounts to cover those liabilities to be paid in the future.

Annex

Supplementary information

1. The present annex provides supplementary information that the Registrar is required to report.

Write-off of losses of cash and receivables

2. Pursuant to the financial rule 106.7 (a), there were no write-off cases of cash or receivables during 2014 with respect to the Tribunal.

Write-off of losses of property

3. Pursuant to the financial rule 106.7 (a), total write-offs of property for the Tribunal with respect to the financial statements amounted to $0.06 million during 2014. The write-offs resulted from factors such as theft, obsolescence and normal wear and tear.

Ex gratia payments

4. There were no ex gratia payments by the Tribunal during 2014.

Chapter V

Financial statements for the year ended 31 December 2014

International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

I. Statement of financial position as at 31 December 2014

(Thousands of United States dollars)

	Note	*31 December 2014*	*1 January 2014*
Assets			
Current assets			
Cash and cash equivalents	7	17 704	9 041
Investments	7	28 501	37 757
Assessed contributions receivable	7	26 002	33 594
Other accounts receivable	7, 8	683	1 144
Other assets	9	1 412	1 874
Total current assets		**74 302**	**83 410**
Non-current assets			
Investments	7	25 159	28 963
Property, plant and equipment	10	2 656	2 028
Intangible assets	11	105	–
Other assets	9	16	–
Total non-current assets		**27 936**	**30 991**
Total assets		**102 238**	**114 401**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	9 949	6 288
Employee benefits liabilities	13	2 756	4 686
Judges' honorariums and allowances liabilities	14	753	792
Provisions	15	22	–
Advance receipts	16	371	504
Other liabilities	17	174	6 619
Total current liabilities		**14 025**	**18 889**

	Note	*31 December 2014*	*1 January 2014*
Non-current liabilities			
Employee benefits liabilities	13	51 499	44 755
Judges' honorariums and allowances liabilities	14	29 825	27 453
Other liabilities	17	602	–
Total non-current liabilities		**81 926**	**72 208**
Total liabilities		**95 951**	**91 097**
Net of total assets and total liabilities		**6 287**	**23 304**
Net assets			
Accumulated surpluses, unrestricted	18	6 287	23 304
Total net assets		**6 287**	**23 304**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

II. Statement of financial performance for the year ended 31 December 2014

(Thousands of United States dollars)

	Note	*31 December 2014*
Revenue		
Assessed contributions	19	100 701
Investment revenue	7	438
Other exchange revenue	19	65
Total revenue		**101 204**
Expenses		
Employee salaries, allowances and benefits	20	85 402
Judges' honorariums and allowances	20	5 308
Contractual services	20	9 788
Travel	20	907
Depreciation and amortization	10, 11	773
Other operating expenses	20	9 289
Other expenses	20	210
Total expenses		**111 677**
Deficit for the year		**(10 473)**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

III. Statement of changes in net assets for the year ended 31 December 2014

(Thousands of United States dollars)

	Accumulated surpluses, unrestricted	*Total net assets*
Net assets as at 31 December 2013 (UNSAS)	**23 998**	**23 998**
IPSAS adjustments (note 4)		
Initial recognition of allowance for doubtful receivables	(62)	(62)
Initial recognition of plant, property and equipment	2 028	2 028
Adjustment to deferred charges	(20 805)	(20 805)
Derecognition of unliquidated obligations	30 531	30 531
Initial recognition of accruals	(6 198)	(6 198)
Change in valuation of annual leave employee benefits liabilities	(3 830)	(3 830)
Initial recognition of employee benefits liabilities	(630)	(630)
Initial adjustment to staff receivables	(1 728)	(1 728)
Total IPSAS adjustments	**(694)**	**(694)**
Restated net assets as at 1 January 2014 (IPSAS)	**23 304**	**23 304**
Changes in net assets		
Actuarial losses on employee benefits liabilities (note 13)	(5 308)	(5 308)
Actuarial losses on judges' honorariums and allowances liabilities (note 14)	(1 236)	(1 236)
Deficit for the year	(10 473)	(10 473)
Total changes in net assets	**(17 017)**	**(17 017)**
Net assets as at 31 December 2014	**6 287**	**6 287**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

IV. Statement of cash flows for the year ended 31 December 2014

(Thousands of United States dollars)

	Note	*31 December 2014*
Cash flows from operating activities		
Deficit for the year		(10 473)
Non-cash movements		
Depreciation and amortization	10, 11	773
Actuarial losses on employee benefits liabilities		(6 543)
Changes in assets		
Decrease in assessed contributions receivable		7 592
Decrease in other accounts receivable		461
Decrease in deferred charges		462
Changes in liabilities		
Increase in accounts payable and accrued liabilities		3 661
Increase in employee benefits liabilities		4 814
Increase in judges' honorariums and allowances liabilities		2 333
Increase in provisions		22
Decrease in advance receipts		(133)
Decrease in other liabilities		(5 843)
Investment revenue presented as investing activities		(438)
Net cash flows used in operating activities		**(3 312)**
Cash flows from investing activities		
Net receipts from main cash pool investments		13 060
Investment revenue presented as investing activities		438
Acquisitions of property, plant and equipment		(1 448)
Disposals of property, plant and equipment		47
Acquisitions of intangible assets		(122)
Net cash flows from investing activities		**11 975**
Cash flows from financing activities		
Net cash flows from financing activities		–
Net increase in cash and cash equivalents		**8 663**
Cash and cash equivalents, beginning of year		9 041
Cash and cash equivalents, end of year	7	**17 704**

The accompanying notes to the financial statements are an integral part of these financial statements.

International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

V. Statement of comparison of budget and actual amounts for the year ended 31 December 2014

(Thousands of United States dollars)

	Budget (appropriation)[a]				
	Original biennium	*Original annual*	*Final annual*	*Actual expenditure (budget basis)*	*Difference*[b] *(percentage)*
The Chambers	10 988	5 494	5 382	5 397	0.3
The Office of the Prosecutor	40 368	20 184	20 419	24 684	20.9
Registry	150 332	75 166	74 870	81 298	8.6
Total	**201 688**	**100 844**	**100 671**	**111 379**	**10.4**

[a] Original and final budget amounts relate to the current year 50 per cent proportion of publicly available biennial budgets as allocated to each component in performance reports to the General Assembly for the Tribunal (see A/69/599). The relevant element of assessed contributions is recognized as revenue at the beginning of each year in the biennium.

[b] Actual expenditure (budget basis) less final budget. Differences greater than 10 per cent are considered in note 6.

The accompanying notes to the financial statements are an integral part of these financial statements.

International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991
Notes to the financial statements

Note 1
Reporting entity

The United Nations and its activities

1. The United Nations is an international organization founded in 1945 after the Second World War. The Charter of the United Nations, which was signed on 26 June 1945 and became effective on 24 October 1945, set out the United Nations primary objectives as follows:

(a) The maintenance of international peace and security;

(b) The promotion of international economic and social progress and development programmes;

(c) The universal observance of human rights;

(d) The administration of international justice and law.

2. These objectives are implemented through the United Nations major organs as follows:

(a) The General Assembly focuses on a wide range of political, economic and social issues, as well as financial and administrative aspects of the United Nations;

(b) The Security Council is responsible for various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(c) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(d) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions.

3. The United Nations is headquartered in New York; has major offices in Geneva, Vienna and Nairobi; and has peacekeeping and political missions, economic commissions, tribunals, training institutes and other centres around the world.

Reporting entity

4. The International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 was established by the Security Council in its resolutions 808 (1993) and 827 (1993). The Tribunal consists of three organs:

(a) The Chambers are organized into three Trial Chambers and an Appeals Chamber. Each Trial Chamber is composed of three permanent judges and a maximum of six ad litem judges. Ad litem judges are appointed by the Secretary-General at the request of the President of the Tribunal to sit on one or more specific trials, allowing for efficient use of resources in accordance with the court's changing caseload. Article 12 (1) of the Tribunal's statute allows the appointment of a maximum of 12 ad litem judges. Three judges are assigned to hear each case, and at least one judge per case must be a permanent judge;

(b) The Trial Chambers must ensure that each trial is fair, expeditious and conducted in compliance with the Rules of Procedure and Evidence of the Tribunal, with full respect accorded to the rights of the accused and appropriate consideration given to the protection of victims and witnesses. The Appeals Chamber consists of 12 permanent judges, 5 of whom are permanent judges of the Tribunal and 7 of whom are permanent judges of the International Criminal Tribunal for Rwanda. Each appeal is heard and decided by a bench of five judges of the Appeals Chamber;

(c) The Office of the Prosecutor, responsible for the investigation and prosecution of persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991, acts independently as a separate organ of the Tribunal;

(d) A Registry, which services both the Chambers and the Prosecutor and is responsible for the administration and servicing of the Tribunal.

5. The seat of the Tribunal is located in The Hague, Netherlands.

6. The Tribunal is regarded as an autonomous financial reporting entity which neither controls nor is controlled by any other United Nations reporting entity. Due to the uniqueness of the governance and budgetary process of each of the United Nations reporting entities, the Tribunal is not deemed to be subject to common control. Therefore the financial statements include only the operations of the Tribunal.

Note 2
Basis of preparation and authorization for issue

Basis of preparation

7. In accordance with the Financial Regulations and Rules of the United Nations, the financial statements are prepared on an accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS). In accordance with the requirements of IPSAS, the financial statements, which present fairly the assets, liabilities, revenue and expenses of the Tribunal, comprise the following:

(a) Statement I: Statement of financial position;

(b) Statement II: Statement of financial performance;

(c) Statement III: Statement of changes in net assets;

(d) Statement IV: Statement of cash flows on an indirect basis;

(e) Statement V: Statement of comparison of budgets and actual amounts;

(f) Summary of significant accounting policies and other explanatory notes.

8. The financial statements have been prepared on a going-concern basis and the accounting policies, as summarized in note 3, have been applied consistently in the preparation and presentation of the financial statements. The going-concern assertion is based on the positive historical trend of collection of assessed contributions, the net assets position and the approval by the General Assembly of the revised budget requirements for the biennium 2014-2015, which occurred in December 2014.

9. This is the first set of financial statements prepared in compliance with IPSAS, which includes the application of certain transitional provisions as identified below. Prior to 1 January 2014, the financial statements were prepared in accordance with the United Nations System Accounting Standards (UNSAS), a modified cash basis of accounting.

10. The adoption of the new accounting standards, including the related IPSAS-compliant policies, has resulted in changes to the assets and liabilities recognized by the Tribunal. Accordingly, the last audited statement of assets, liabilities and reserves and fund balances as at 31 December 2013 has been revised and the resulting changes are summarized in the statement of changes in net assets.

Authorization for issue

11. The financial statements are certified by the Controller and approved by the Secretary-General of the United Nations. In accordance with financial regulation 6.2, the Secretary-General transmits these financial statements as at 31 December 2014 to the Board of Auditors. In accordance with financial regulation 7.12, the reports of the Board of Auditors, together with the audited financial statements, shall be transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions.

Measurement basis

12. The financial statements, which are for the year 2014 from 1 January to 31 December, are prepared using the historic cost convention except for certain assets as stated in note 3.

Functional and presentation currency

13. The functional currency and the presentation currency of the Tribunal is the United States dollar. The financial statements are expressed in thousands of United States dollars unless otherwise stated.

14. Foreign currency transactions are translated into United States dollars at the United Nations operational rate of exchange as at the date of the transaction. The United Nations operational rate of exchange approximate the spot rates prevailing as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, other than the functional currency, are translated at the year-end

operational rate of exchange. Non-monetary foreign currency items measured at historical cost or fair value are translated at the operational rate of exchange prevailing as at the date of the transaction or when the fair value was determined.

15. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the statement of financial performance on a net basis.

Materiality and use of judgement and estimation

16. Materiality is central to the preparation and presentation of the Tribunal's financial statements and its materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and the retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would impact the conclusions or decisions of the users of the financial statements.

17. Preparing financial statements in accordance with IPSAS requires the use of estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

18. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of employee benefits; selection of useful lives and the depreciation and amortization method for property, plant and equipment and intangible assets; impairment of assets; classification of financial instruments; inflation and discount rates used in the calculation of the present value of provisions; and the classification of contingent assets and liabilities.

Transitional provisions for the International Public Sector Accounting Standards

19. As permitted on first-time adoption of IPSAS, the following transitional provisions have been applied:

(a) IPSAS 1: Presentation of financial statements: comparative information is provided only for the statement of financial position;

(b) IPSAS 4: Effects of changes in foreign exchange rates: the cumulative translation differences that may have existed at the date of first-time adoption of IPSAS are deemed to be zero;

(c) IPSAS 17: Property, plant and equipment, allows a transitional period of up to five years prior to full recognition of capitalized property, plant and equipment. The Tribunal partially invoked that transitional provision and has not recognized leasehold improvements;

(d) IPSAS 31: Intangible assets, is applied prospectively. A number of key systems, whose software costs were incurred prior to 1 January 2014, are not recognized in opening balances due to the Tribunal invoking that transitional provision.

Future accounting pronouncements

20. The progress and impact of the following significant future IPSAS Board accounting pronouncements on the Tribunal's financial statements continues to be monitored:

(a) Reporting service performance information: to use a principles-based approach to develop a consistent framework for reporting service performance information of public sector programmes and services that focuses on meeting the needs of users;

(b) Social benefits: the project objective is to identify the circumstances and manner in which expenses and liabilities of certain social benefits should be reflected in the financial statements;

(c) Public sector combinations: the project will prescribe the accounting treatment for public sector combinations and develop a new standard that sets out the classification and measurement of public sector combinations, namely, transactions or other events that bring two or more separate operations into a single public sector entity;

(d) Public sector-specific financial instruments: to develop that accounting guidance, the project will focus on issues related to public sector-specific financial instruments which are outside the scope of those covered by IPSAS 28: Financial instruments: presentation; IPSAS 29: Financial instruments: recognition and measurement; and IPSAS 30: Financial instruments: disclosures.

Future requirements

21. On 30 January 2015, the IPSAS Board published five new standards: IPSAS 34: Separate financial statements; IPSAS 35: Consolidated financial statements; IPSAS 36: Investments in associates and joint ventures; IPSAS 37: Joint arrangements; and IPSAS 38: Disclosure of interests in other entities. Application of those standards is required for periods beginning on or after 1 January 2017. The impact of the standards on the Tribunal's financial statements is being evaluated for application of the new standards by 1 January 2017.

Note 3
Significant accounting policies

Financial assets: classification

22. The Tribunal classifies its financial assets in one of the following categories at initial recognition and re-evaluates the classification at each reporting date (see table below). Classification of financial assets primarily depends on the purpose for which the financial assets are acquired.

Categories of financial assets

Classification	*Financial assets*
Fair value through surplus or deficit	Investments in main cash pool
Loans and receivables	Cash and cash equivalents and receivables

23. All financial assets are initially measured at fair value. The Tribunal initially recognizes financial assets classified as loans and receivables on the date that they originated. All other financial assets are recognized initially on the trade date, which is the date the Tribunal becomes party to the contractual provisions of the instrument.

24. Financial assets with maturities in excess of 12 months as at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currencies are translated into United States dollars at the United Nations operational rate of exchange prevailing as at the reporting date with net gains or losses recognized in surplus or deficit in the statement of financial performance.

25. Financial assets at fair value through surplus or deficit are those that have been either designated in that category at initial recognition or are held for trading or are acquired principally for the purpose of selling in the short term. The assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are presented in the statement of financial performance in the year in which they arise.

26. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time-proportion basis using the effective interest rate method on the respective financial asset.

27. Financial assets are assessed at each reporting date to determine whether there is an objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in value of the asset. Impairment losses are recognized in the statement of financial performance in the year they arise.

28. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Tribunal has transferred substantially all risks and rewards of the financial asset.

29. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial assets: investment in the main cash pool

30. The United Nations Treasury invests funds pooled from the United Nations Secretariat entities and other participating entities. The pooled funds are combined in two internally managed cash pools. Participation in the cash pools implies sharing the risk and returns on investments with the other participants. Since the funds are commingled and invested on a pool basis, each participant is exposed to the overall risk of the investments portfolio to the extent of the amount of cash invested.

31. The Tribunal's investment in the main cash pool (the main pool) is included as part of cash and cash equivalents, short-term investments and long-term investments in the statement of financial position depending on the maturity of the investments.

Financial assets: cash and cash equivalents

32. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Financial assets: receivables from non-exchange transactions, contributions

33. Contributions receivable represent uncollected revenue from assessed contributions committed to the Tribunal by Member States and non-Member States. Those non-exchange receivables are stated at nominal value, less impairment for estimated irrecoverable amounts, the allowance for doubtful receivables. For assessed contributions receivable, the allowance for doubtful receivables is calculated as follows:

(a) Receivables of Member States that are subject to Article 19 of the Charter of the United Nations on the restriction of General Assembly voting rights due to arrears equalling or exceeding the amount of the contributions due from it for the preceding two full years and that are past due in excess of two years: 100 per cent allowance;

(b) Receivables that are past due in excess of two years for which the Assembly has granted special treatment with regard to payment: 100 per cent allowance;

(c) Receivables that are past due in excess of two years for which Member States have specifically contested the balance: 100 per cent allowance;

(d) For receivables with approved payment plans, no allowance for doubtful debt will be established; rather, disclosures will be made in the notes to the financial statements.

Financial assets: receivables from exchange transactions, other receivables

34. Other receivables primarily include amounts receivable for goods or services provided to other entities and receivables from staff. Receivables from other United Nations reporting entities are also included in that category. Material balances of other receivables are subject to specific review and an allowance for doubtful receivables assessed on the basis of recoverability and ageing.

Other assets

35. Other assets include education grant advances and prepayments that are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

Heritage assets

36. Heritage assets are not recognized in the financial statements but significant heritage assets are disclosed in notes to the financial statements.

Property, plant and equipment

37. Property, plant and equipment are classified into different groupings of similar nature, functions, useful life and valuation methodologies as: vehicles; temporary and mobile buildings; communication and information technology equipment; machinery and equipment; furniture and fixtures; and real estate assets (building, infrastructure and assets under construction). Recognition of property, plant and equipment is as follows:

(a) Property, plant and equipment are capitalized when their cost per unit is greater or equal to the threshold of $5,000, or $100,000 for buildings, leasehold improvements, infrastructure assets and self-constructed assets;

(b) All property, plant and equipment other than real estate assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs;

(c) Owing to the absence of historical cost information, real estate assets are initially recognized at fair value using a depreciated replacement cost methodology. Baseline costs per baseline quantity have been calculated by collecting construction cost data, utilizing in-house cost data (where it exists) or using external cost estimators for each catalogue of real estate assets. The baseline costs per baseline quantity adjusted for price escalation factor, size factor and location factor are applied to value the real estate asset and determine the replacement cost;

(d) For property, plant and equipment acquired at nil or nominal cost, such as donated assets, the fair value as at the date of acquisition is deemed to be the cost to acquire equivalent assets.

38. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land and assets under construction, which are not subject to depreciation. Significant components of major owned buildings with different useful lives are depreciated using the components approach. Depreciation commences in the month when the Tribunal gains control over an asset in accordance with international commercial terms and no depreciation is charged in the month of retirement or disposal. Given the expected pattern of usage of property, plant and equipment, the residual value is nil unless residual value is likely to be significant. The estimated useful lives of property, plant and equipment classes are set out in the table below.

Estimated useful lives of property, plant and equipment classes

Class	*Subclass*	*Estimated useful life*
Communication and information technology equipment	Information technology equipment	4 years
	Communication and audiovisual equipment	7 years
Vehicles	Light wheeled vehicles	6 years
	Heavy wheeled and engineering support vehicles	12 years
	Specialized vehicles, trailers and attachments	6-12 years
Machinery and equipment	Light engineering and construction equipment	5 years
	Medical equipment	5 years
	Security and safety equipment	5 years
	Water treatment and fuel distribution equipment	7 years
	Transportation equipment	7 years
	Heavy engineering and construction equipment	12 years
	Printing and publishing equipment	20 years
Furniture and fixtures	Library reference material	3 years
	Office equipment	4 years
	Fixtures and fittings	7 years
	Furniture	10 years
Buildings	Temporary and mobile buildings	7 years
	Fixed buildings	Up to 50 years
	Finance lease or donated-right-to-use buildings	Shorter of term of arrangement or life of building
Infrastructure assets	Telecommunications, energy, protection, transport, waste and water management, recreation, landscaping	Up to 50 years
Leasehold improvements	Fixtures, fittings and minor construction work	Shorter of lease term or 5 years

39. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation are incorporated in the financial statements to reflect a residual value of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets, which revealed that the majority of such assets had relatively short useful lives of 10 years or less.

40. The Tribunal elected to use the cost model for measurement of property, plant and equipment after initial recognition instead of the revaluation model. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Tribunal and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

41. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from its carrying amount. Those gains or losses are recognized in the statement of financial performance within other revenue or other expenses.

42. Impairment assessments are conducted during annual physical verification procedures and when events or changes in circumstance indicate that carrying amounts may not be recoverable. Land, buildings and infrastructure assets with a year-end net-book-value greater than $500,000 are reviewed for impairment at each reporting date. The equivalent threshold for other property, plant and equipment items (excluding assets under construction and leasehold improvements) is $25,000.

Intangible assets

43. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss. For intangible assets acquired at nil or nominal cost including donated assets, the fair value as at the date of acquisition is deemed to be the cost to acquire. The threshold for recognition is $100,000 for internally generated intangible assets and $5,000 per unit for externally acquired intangible assets.

44. Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with the development of software for use by the Tribunal are capitalized as an intangible asset. Directly associated costs include software development employee costs, consultant costs and other applicable overhead costs.

45. Intangible assets with definite useful lives are amortized on a straight-line method over their estimated useful lives starting from the month of acquisition or when the intangible assets become operational. The useful lives of major classes of intangible assets have been estimated in the table below.

Estimates of useful lives of major classes of intangible assets

Class	*Range of estimated useful life*
Software acquired externally	3-10 years
Software and websites internally developed	3-10 years
Licences and rights	2-6 years (period of licence/right)
Copyrights	3-10 years
Assets under development	Not amortized

46. Annual impairment reviews of intangible assets are conducted where assets are under development or have an indefinite useful life. Other intangible assets are subject to impairment review only when indicators of impairment are identified.

Financial liabilities: classification

47. Financial liabilities are classified as "other financial liabilities". They include accounts payable, judges' benefits liabilities, unspent funds held for future refunds and other liabilities such as balances payable to other United Nations system entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of less than 12 months are recognized at their nominal value. The Tribunal re-evaluates classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled or expired.

Financial liabilities: accounts payable and accrued liabilities

48. Accounts payables and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. They are stated at invoiced amounts, less discounts as at the reporting date. Payables are recognized and subsequently measured at their nominal value, as they are generally due within 12 months.

Financial liabilities: judges' honorariums and allowances liabilities

49. Judges' honorariums and allowances liabilities comprise judges' pensions, judges' relocation allowance and ad litem judges' ex gratia payments.

50. **Judges' pensions**. Upon retirement, judges who have met certain eligibility requirements are entitled to a pension which is not payable by the United Nations Joint Staff Pension Fund. As the nature of the pension is consistent with a post-employment benefit, the liability is valued using the same basis as post-employment employee benefits. The valuation represents the present value of pension costs for retired judges and the post-retirement costs for active judges. Actuarial gains/losses on the valuation are recognized through the statement of changes in net assets.

51. **Judges' relocation allowances**. Pursuant to General Assembly resolution 65/258, the Tribunal judges are entitled to a relocation allowance equal to that of

International Court of Justice judges. The liability is calculated based on the rate applicable to each judge and the time value of money is not material.

52. **Ad litem judges' ex gratia payments**. Ad litem judges are entitled to a one-time ex gratia payment upon completion of service for a continuous period of more than three years. The liability is calculated based on the monthly rate applicable to each eligible ad litem judge and the time value of money is not material.

Advance receipts and other liabilities

53. Other liabilities consist of advance receipts relating to contributions or payments received in advance, liabilities for conditional funding arrangements, assessed contributions received for future years and other deferred revenue. Advance receipts are recognized as revenue at the start of the relevant financial year or based on the Tribunal's revenue recognition policies.

Leases: the Tribunal as lessee

54. Leases of property, plant and equipment where the Tribunal has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payments. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the lease term based on the effective interest rate method.

55. Leases where all of the risks and rewards of ownership are not substantially transferred to the Tribunal are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance as an expense on a straight-line basis over the period of the lease.

Donated rights to use

56. The Tribunal occupies land and buildings and uses infrastructure assets, machinery and equipment through donated-rights-to-use agreements granted primarily by host Governments at nil or nominal cost. Based on the term of the agreement, and the clauses on transfer of control and termination contained in the agreement, the donated-right-to-use arrangement is accounted for as an operating lease or finance lease.

57. In the case of operating leases, an expense and a corresponding revenue equal to the annual market rent of similar properties is recognized in the financial statements. In the case of a finance lease (principally with a lease term of more than 35 years for premises), the fair market value of the property is capitalized and depreciated over the shorter of the useful life of the property or the term of the arrangement. In addition, a liability for the same amount is recognized, which is progressively recognized as revenue over the term period.

58. Long-term donated-rights-to-use building and land arrangements are accounted for as operating leases where the Tribunal does not have exclusive control over the building and title to the land is not granted.

59. The threshold for the recognition of revenue and expense is a yearly rental value equivalent of $5,000 for each donated-rights-to-use premises, land, infrastructure, machinery and equipment.

Employee benefits

60. Employees comprise staff members, as described under Article 97 of the Charter of the United Nations, whose employment and contractual relationship is defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. Employee benefits are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

Short-term employee benefits

61. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. Short-term employee benefits comprise first-time employee benefits (assignment grants), regular daily/weekly/monthly benefits (wages, salaries, allowances), compensated absences (paid sick leave, maternity/paternity leave) and other short-term benefits (death grant, education grant, reimbursement of taxes, home leave) provided to current employees based on services rendered. All such benefits which are accrued but not paid are recognized as current liabilities within the statement of financial position.

Post-employment benefits

62. Post-employment benefits comprise after-service health insurance, end-of-service repatriation benefits and annual leave that are accounted for as defined benefit plans in addition to the United Nations Joint Staff Pension Fund.

Defined benefit plans

63. Defined benefit plans are those where the Tribunal's obligation is to provide agreed benefits and therefore the Tribunal bears the actuarial risks. The liability for defined benefit plans is measured at the present value of the defined benefit obligation. Changes in the liability for defined benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The Tribunal has elected to recognize changes in the liability for defined benefit plans from actuarial gains and losses directly through the statement of changes in net assets. As at the end of the reporting year, the Tribunal did not hold any plan assets as defined by IPSAS 25: Employee benefits.

64. The defined benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds with maturity dates approximating those of the individual plans.

65. After-service health insurance provides worldwide coverage for necessary medical expenses of eligible former staff members and their dependents. Upon end of service, staff members and their dependents may elect to participate in a defined benefit health insurance plan of the United Nations, provided they have met certain

eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007, and five years for those who were recruited prior to that date. The after-service health insurance liability represents the present value of the share of the Tribunal's medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the valuation is to consider contributions by all plan participants in determining the Tribunal's residual liability. Contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff is also deducted to arrive at the Tribunal's residual liability, in accordance with cost-sharing ratios authorized by the General Assembly.

66. Repatriation benefits: upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant which is based upon length of service, and travel and removal expenses. A liability is recognized from when the staff member joins the Tribunal and is measured as the present value of the estimated liability for settling those entitlements.

67. Annual leave: the liabilities for annual leave represent unused accumulating compensated absence up to a maximum of 60 days, whereby an employee is entitled to monetary settlement of that balance upon separation from service. Therefore the Tribunal recognizes as a liability the actuarial value of the total accumulated leave days of all staff members as at the date of statement of financial position. Annual leave benefits are considered to be a post-employment defined benefit and as such are recognized on the same actuarial basis as other defined benefit plans.

Pension plan: United Nations Joint Staff Pension Fund

68. The Tribunal is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined benefit plan. As specified by article 3 (b) of the Regulations of the Pension Fund, membership of the Pension Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

69. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result being that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Pension Fund. The Tribunal, in line with other participating organizations, is not in a position to identify the Tribunal's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Therefore, the Tribunal has treated the plan as if it were a defined contribution plan in line with the requirements of IPSAS 25. The Tribunal's contributions to the Pension Fund during the financial year are recognized as employee benefit expenses in the statement of financial performance.

Termination benefits

70. Termination benefits are recognized as an expense only when the Tribunal is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

Other long-term employee benefits

71. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service.

Provisions

72. Provisions are liabilities recognized for future expenditure of uncertain amount or timing. A provision is recognized if, as a result of a past event, the Tribunal has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured as the best estimate of the amount required to settle the present obligation as at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount expected to be required to settle the obligation.

Contingent liabilities

73. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Tribunal; or present obligations that arise from past events but that are not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations; or the amount of the obligations cannot be reliably measured.

Contingent assets

74. Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the effective control of the Tribunal.

Commitments

75. Commitments are future expenses to be incurred by the Tribunal on contracts entered into by the reporting date and that the Tribunal has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to the Tribunal in future years, non-cancellable minimum lease payments and other non-cancellable commitments.

Non-exchange revenue: assessed contributions

76. Assessed contributions for the Tribunal are assessed and approved for a two-year budget period. The relevant portion of assessed contributions is recognized as revenue at the beginning of the year. Assessed contributions include the amounts assessed to the Member States to finance the activities of the Tribunal in accordance with the scale of assessments determined by the General Assembly. Revenue from assessed contributions from Member States and from non-Member States is presented in the statement of financial performance.

Non-exchange revenue: other

77. In-kind contributions of goods, above a recognition threshold of $5,000 per discrete contribution, are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the Tribunal and the fair value of those assets can be measured reliably. Contributions in kind are initially measured at their fair value as at the date of receipt determined by reference to observable market values or by independent appraisals. The Tribunal has elected not to recognize but to disclose in-kind contributions of service above a threshold of $5,000 in the notes to the financial statements.

Exchange revenue

78. Exchange transactions are those in which the Tribunal sells goods or services. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met.

79. Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to governments, United Nations entities or other partners is recognized when the service is performed. Exchange revenue also includes income from the rental of premises, the sale of used or surplus property, services to visitors from guided tours and income from net gains resulting from currency exchange adjustments.

Investment revenue

80. Investment revenue includes the Tribunal’s share of net main pool income and other interest income. The net main pool income includes any gains and losses on the sale of investments, which are calculated as the difference between the sales proceeds and book value. Transaction costs that are directly attributable to the investment activities are netted against income and the net income is distributed proportionately to all main pool participants based on their daily balances. The main pool income also includes unrealized market gains and losses on securities, which is distributed proportionately to participants based on their year-end balances.

Expenses

81. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets, and are recognized on an accrual

basis when goods are delivered and services are rendered regardless of the terms of payment.

82. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments. The allowances and benefits include other staff entitlements, including pension and insurance and assignment, repatriation, hardship and other allowances.

83. Contractual services include non-employee compensation such as consultant fees and related allowances and benefits. Other operating expenses include any maintenance, utilities, training, security services, shared services, rental, insurance, allowance for bad debt and write-off expenses.

Note 4
First implementation of the International Public Sector Accounting Standards: opening balances

84. On 1 January 2014, the Tribunal adopted IPSAS accrual-based financial accounting standards; the conversion to full accrual accounting resulted in significant changes to accounting policies and in the types and measurement of assets, liabilities, revenue and expenses recognized. Adjustments and reclassifications were made to the UNSAS statement of assets, liabilities and reserves and fund balances as at 31 December 2013 to arrive at the 1 January 2014 IPSAS opening statement of financial position.

85. The net effect of the changes resulting from the adoption of IPSAS adjustments amounted to a $0.694 million decrease in net assets. Line-by-line adjustments to net assets are shown in the statement of changes in net assets.

Note 5
Segment reporting

86. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity’s past performance in achieving its objectives and for making decisions about the future allocation of resources.

87. The financial statements represent the activities of the Tribunal, which comprises one activity which was established under a single Security Council resolution. While the budgetary process includes a breakdown that reflects the organizational structure of the Chambers, the Prosecutor and the Registry, none of those organs meet the definition of a segment, as they do not represent different activities for which financial information is reported separately in order to evaluate past performance in achieving their objectives and making decisions about the future allocation of resources.

88. Therefore, for segment reporting purposes, the Tribunal has one segment.

Note 6
Comparison to budget

89. The statement of comparison of budget and actual amounts (statement V) presents the difference between budget amounts, which are prepared on a modified cash basis, and actual expenditure on a comparable basis.

90. Approved budgets are those that authorize expenses to be incurred and are approved by the General Assembly. The Assembly, in its resolution 68/256, approved the Tribunal budget appropriations for the biennium 2014-2015. Annual budget apportionments are funded by assessments to Member States: 50 per cent in accordance with the scale of assessments applicable to the United Nations regular budget and 50 per cent in accordance with the scale of assessments applicable to peacekeeping operations.

91. The original budget for 2014 reflects the proportion of the biennium budget allocated to 2014. The final budget reflects the original budget appropriation with any amendments as allocated to each component in performance reports to the General Assembly for the Tribunal (see A/69/599). Differences between original and final budget amounts, all of which are smaller than 10 per cent, relate to exchange rate, inflation and vacancy changes. Explanations for material differences, (i.e., those greater than 10 per cent) between the final budget amounts and actual expenditure on modified cash basis are considered in the table below.

Differences between original and final budget amounts

Budget area	*Material differences greater than 10 per cent*
Chambers	Non-material difference.
Office of the Prosecutor	Expenditure 20.9 per cent more than final budget. The variance in expenditure is attributed mainly to a reduction in workload in the second year of the biennium in line with the Tribunal completion strategy, and it is currently projected that there will be a reduction in resource utilization in the second year of the biennium.
Registry	Non-material difference.

Reconciliation between actual amounts on a comparable basis and the statement of cash flows

92. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts and the actual amounts in the statement of cash flows is set out in the table below.

Reconciliation of actual amounts on a comparable basis to statement of cash flows
(Thousands of United States dollars)

	Operating	*Investing*	*Financing*	*Total*
Actual amounts on comparable basis (statement V)	**(109 856)**	**(1 523)**	**–**	**(111 379)**
Basis differences	5 708	438	70	6 216
Presentation differences	100 766	13 060	–	113 826
Actual amounts in statement of cash flows (statement IV)	**(3 382)**	**11 975**	**70**	**8 663**

93. Basis differences comprise the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results to the statement of cash flows, the modified cash elements, such as unliquidated obligations that are

commitments against budget but do not represent a cash flow, outstanding assessed contributions and payments against prior year obligations that do not apply to 2014, must be eliminated. Similarly, IPSAS-specific differences such as cash flows relating to the acquisition of property, plant and equipment or intangibles; indirect cash flows relating to changes in receivables due to movements in the allowance for doubtful receivables; and accrued liabilities are included as basis differences to reconcile to the statement of cash flows.

94. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts which include the latter not presenting income and the net changes in main pool balances. Other presentation differences are that the amounts included in the statement of comparison of budget and actual amounts are not segregated into the operating, investing and financing activities.

95. Entity differences arise when the budget omits programmes or entities that are part of the Tribunal as reported in the statement of cash flows or vice versa. The differences represent cash flows to/from fund groups other than the Tribunal that are reported in the financial statements. There are no entity differences.

96. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As the budget reflects the 2014 proportion of the biennium, there are no timing differences.

Status of appropriations

97. In accordance with General Assembly resolution 69/255 for the Tribunal, gross appropriations for the biennium 2014-2015 and gross assessments for each year are set out in the table below.

Gross appropriations

	Gross appropriation
Initial appropriation for the biennium 2014-2015 (General Assembly resolution 68/256)	201 688
First performance report for the biennium 2014-2015 (A/69/599)	(348)
Estimated income for the biennium 2014-2015	(286)
Revised appropriation for the biennium 2014-2015	**201 055**
Assessment for 2014	(100 671)
Remaining assessment applicable to 2015	**100 384**

Note 7
Financial instruments

(Thousands of United States dollars)

	31 December 2014
Financial assets	
Fair value through the surplus or deficit	
Short-term investments, main pool	28 501
Long-term investments, main pool	25 159
Total fair value through the surplus or deficit investments	**53 660**
Loans and receivables	
Cash and cash equivalents, main pool	14 700
Cash and cash equivalents, other	3 004
Subtotal, total cash and cash equivalents	**17 704**
Assessed contributions receivable	26 002
Other receivables (note 8)	683
Other assets (excludes deferred charges) (note 9)	1 428
Total loans and receivables	**45 817**
Total carrying amount of financial assets	**99 477**
Of which relates to financial assets held in the main pool	68 360
Financial liabilities at amortized cost	
Accounts payable and accrued liabilities (note 12)	9 949
Other liabilities (note 17)	776
Total carrying amount of financial liabilities	**10 725**

(Thousands of United States dollars)

	31 December 2014
Summary of net income from financial assets	
Share of main pool net interest and gains	500
Other investment loss	(62)
Total	**438**

Note 8
Other accounts receivable: receivables from exchange transactions

(Thousands of United States dollars)

	31 December 2014
Governments	125
Staff members	26
Vendors	37
United Nations entities	127
Others	368
Total	**683**

98. Material balances of other receivables were subject to specific review and it was determined that no allowance for doubtful debt will be established on the basis of recoverability and ageing of the existing receivables balances.

Note 9
Other assets

(Thousands of United States dollars)

	31 December 2014
Other	1 428
Total	**1 428**
Current	1 412
Non-current	16
Total	**1 428**

99. Other assets refers to deferred expenditure, namely, education grant advances for 0.28 million and prepayments for 1.10 million, the latter including 1.05 million related to the rental of premises for the main building of the Tribunal for the first quarter of 2015. The items are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

Note 10
Property, plant and equipment

100. In accordance with IPSAS 17, opening balances are initially recognized at cost or fair value as at 1 January 2014 and measured at cost thereafter. Machinery and equipment, information technology and communications and vehicles are valued using the cost method; to make the determination of opening balances, all items with a zero net book value as at the IPSAS adoption date (based on the agreed useful lives) are included in the gross value of property, plant and equipment.

101. During the year, Tribunal wrote down property, plant and equipment by an amount of $0.06 million owing to obsolescence. As at the reporting date, the Tribunal did not identify any additional impairments. The Tribunal has no significant heritage assets as at the reporting date.

Property, plant and equipment

(Thousands of United States dollars)

	Machinery and equipment	*Vehicles*	*Information technology and communications*	*Furniture and fixtures*	*Total*
Cost as at 1 January 2014	**350**	**966**	**8 146**	**183**	**9 645**
Additions	–	88	1 344	16	1 448
Disposals	(64)	(13)	(2 424)	(11)	(2 512)
Cost as at 31 December 2014	**286**	**1 041**	**7 066**	**188**	**8 581**
Accumulated depreciation as at 1 January 2014	**321**	**770**	**6 355**	**156**	**7 603**
Depreciation	–	43	709	5	757
Disposals	(64)	(13)	(2 347)	(11)	(2 435)
Accumulated depreciation as at 31 December 2014	**257**	**800**	**4 717**	**150**	**5 925**
Impairment losses as at 1 January 2014	**–**	**–**	**(14)**	**–**	**(14)**
Net carrying amount					
1 January 2014	29	196	1 777	26	2 028
31 December 2014	**29**	**241**	**2 349**	**38**	**2 656**

Note 11
Intangibles

102. All intangible assets acquired before 1 January 2014 are subject to IPSAS transitional provisions and are therefore not recognized. Intangibles acquired in the year 2014 relate to software licenses.

Intangibles

(Thousands of United States dollars)

	31 December 2014
Cost as at 1 January 2014	**–**
Additions	122
Cost as at 31 December 2014	**122**
Accumulated amortization as at 1 January 2014	**–**
Amortization	17
Accumulated amortization as at 31 December 2014	**17**
Net carrying amount	
1 January 2014	–
31 December 2014	**105**

Note 12
Accounts payable and accrued liabilities

(Thousands of United States dollars)

	31 December 2014
Vendors	468
Staff members	93
Accrued expenses	2 509
Other	6 879
Total	**9 949**

Note 13
Employee benefits liabilities

Employee benefits liabilities

(Thousands of United States dollars)

	31 December 2014
After-service health insurance	36 684
Annual leave	6 586
Repatriation grants	8 229
Subtotal, defined benefits liabilities	**51 499**
Accrued salaries and allowances	2 756
Total	**54 255**
Current	2 756
Non-current	51 499
Total	**54 255**

103. The liabilities arising from post-employment benefits are determined by independent actuaries and are established in accordance with the Staff Rules and Staff Regulations of the United Nations. The most recent actuarial valuation was conducted as at 31 December 2014 (see table above).

Actuarial valuation: assumptions

104. The Tribunal reviews and selects assumptions and methods used by the actuaries in the year-end valuation to determine the expense and contribution requirements for employee benefits. The principal actuarial assumptions used to determine the employee benefit obligations in the 31 December 2014 full valuation are set out in the table below.

Principal actuarial assumptions

(Percentage)

Assumptions	*After-service health insurance*	*Repatriation benefits*	*Annual leave*
Discount rates, 31 December 2013	4.95	4.34	4.43
Discount rates, 31 December 2014	4.06	3.54	3.56
Inflation, 31 December 2013	4.50-7.30	2.50	–
Inflation, 31 December 2014	4.50-6.80	2.25	–

105. Discount rates are based on a weighted blend of three discount rate assumptions based on the currency denomination of the different cash flows: United States dollars (Citigroup Pension Discount Curve), euros (euro-area government yield curve) and Swiss francs (Federation bonds yield curve). Consistent with the decrease observed since 31 December 2013 of interest rates of all maturities in the three areas, lower discount rates were applied in the 2014 valuation.

106. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The healthcare cost trend rate assumption reflects the current short-term expectations of the insurance plan cost increases and economic environment. Medical cost trends assumptions that were used for the valuation as at 31 December 2013, which included escalation rates for future years, were maintained since no significant evolution regarding medical cost trends has been observed. As at 31 December 2014, the escalation rates were a flat healthcare yearly escalation rate of 5.0 per cent for non-United States medical plans and healthcare escalation rates of 6.8 per cent for all other medical plans (except 6.1 per cent for the United States Medicare plan and 5.0 per cent for the United States dental plan), grading down to 4.5 per cent over nine years.

107. With regard to valuation of repatriation benefits as at 31 December 2014, inflation in travel costs was assumed at 2.25 per cent based on the projected United States inflation rate over the next 10 years.

108. Annual leave balances were assumed to increase at the following annual rates during the staff member’s projected years of service: 1 to 3 years, 10.9 days; 4 to 8 years, 1 day; and over 8 years, 0.5 days up to the maximum 60 days. Since the annual leave actuarial valuation method under UNSAS was not in compliance with IPSAS, the actuarial valuation method for the 1 January 2014 IPSAS opening balances and the 31 December closing balances was changed from the straight-line to the attribution method. The opening balances impact of that change was an increase in liability of $3.830 million, which is disclosed in the statement of changes in net assets.

109. Assumptions regarding future mortality are based on published statistics and mortality tables. Salary increases, retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation.

Movement in employee benefits liabilities accounted for as defined benefits plans

(Thousands of United States dollars)

	After-service health insurance	*Repatriation benefits*	*Annual leave*	*Total*
Net defined benefit liability as at 1 January 2014	**28 544**	**11 263**	**3 651**	**43 458**
IPSAS 25 adoption	–	–	3 830	3 830
Current service cost	352	555	519	1 426
Interest cost	1 402	459	312	2 173
Past service costs/curtailments/settlements	–	–	–	–
Total costs recognized in the statement of financial performance	**1 754**	**1 014**	**4 661**	**7 429**
Transfers	(1 711)	(119)	(219)	(2 049)
Actuarial (gains)/losses recognized directly in the statement of changes in net assets	8 539	(2 590)	(641)	5 308
Actual benefits paid	(442)	(1 339)	(866)	(2 647)
Net recognized liability as at 31 December 2014	**36 684**	**8 229**	**6 586**	**51 499**

Discount rate sensitivity analysis

110. The changes in discount rates are driven by the discount curve, which is calculated based on corporate and government bonds. The bonds markets vary during the reporting year and the volatility affects the discount rate assumption. Should the discount rate assumption vary by 1 per cent, its impact on the obligations would be as shown in the table below.

Impact on obligations of changes in discount rate

(Thousands of United States dollars)

Discount rate sensitivity to end-of-year employee benefit liabilities	*After-service health insurance*	*Repatriation benefits*	*Annual leave*
Increase of discount rate by 1 per cent	(6 732)	(879)	(675)
Decrease of discount rate by 1 per cent	7 247	1 000	798

Medical costs sensitivity analysis

111. The principal assumption in the valuation of after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability owing to changes in the medical cost rates while holding other assumptions constant; such as the discount rate. Should the medical cost trend assumption vary by 1 per cent, it would affect the measurement of the defined benefit obligations as shown in the table below.

One per cent movement in the assumed medical cost trend rates

(Thousands of United States dollars)

	Increase	*Decrease*
Effect on defined benefit obligation	7 402	(6 687)
Effect on aggregate of the current service cost and interest cost	438	(377)

Other defined benefit plan information

112. The General Assembly, in its resolution 67/257, endorsed the decision of the International Civil Service Commission to support the recommendation of the United Nations Joint Staff Pension Fund to raise the mandatory age of retirement to 65 years for new staff effective 1 January 2014. Actuaries determined that the increase in the normal age of retirement would not have a material effect on the valuation of the liabilities.

Accrued salaries and allowances

113. Accrued salaries and allowances as at 31 December 2014 consist of accruals for home leave ($0.8 million) and repatriation allowance ($2.0 million). The Tribunal recognized no termination benefits in the year.

United Nations Joint Staff Pension Fund

114. The Regulations of the United Nations Joint Staff Pension Fund state that the Pension Board shall have an actuarial valuation made of the Pension Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

115. The Tribunal's financial obligation to the Pension Fund consists of its mandated contribution, at the rate established by the General Assembly (currently at 7.90 per cent for participants and 15.80 per cent for member organizations) together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the 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 Pension Fund as at the valuation date. Each member organization shall contribute to the deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

116. The actuarial valuation performed as at 31 December 2013 revealed an actuarial deficit of 0.72 per cent (1.87 per cent in the 2011 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as at 31 December 2013 was 24.42 per cent of pensionable remuneration, compared to the actual contribution rate of 23.7 per cent. The next actuarial valuation will be conducted as at 31 December 2015.

117. As at 31 December 2013, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 127.50 per cent (130.00 per

cent in the 2011 valuation). The funded ratio was 91.20 per cent (86.20 per cent in the 2011 valuation) when the current system of pension adjustments was taken into account.

118. After assessing the actuarial sufficiency of the Pension Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2013, for deficiency payments under article 26 of the Regulations of the Pension Fund, as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Pension Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as at the valuation date. At the time of the present report, the General Assembly had not invoked the provision of article 26.

119. In December 2012 and April 2013, the General Assembly authorized an increase to age 65 in the normal retirement age and in the mandatory age of separation respectively for new participants of the Pension Fund, with effect not later than from 1 January 2014. The related change to the Pension Fund's Regulations was approved by the Assembly in December 2013. The increase in the normal retirement age is reflected in the actuarial valuation of the Pension Fund as at 31 December 2013. The United Nations Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board on the audit every year. The Pension Fund publishes quarterly reports on its investments and these can be viewed by visiting the Pension Fund at www.unjspf.org.

120. During 2014, the Tribunal's contributions paid to the Pension Fund amounted to $15.986 million.

Note 14
Judges' honorariums and allowances liabilities

Judges' honorariums and allowances liabilities
(Thousands of United States dollars)

	31 December 2014
Judges' pension (defined benefit valuation)	29 236
Judges' relocation allowances	961
Ad litem judges' ex gratia payments	381
Total	**30 578**
Current	753
Non-current	29 825
Total	**30 578**

121. The key assumption for the valuation of judges' pension benefits liabilities is the discount rate of 3.57 per cent (31 December 2013: 4.46 per cent). The inflation assumption for relocation allowances is 2.25 per cent (31 December 2013: 2.50 per cent).

Movement in judges' benefits liabilities accounted for as defined benefits plans

(Thousands of United States dollars)

	Total
Net defined benefit liability as at 1 January 2014	**27 040**
Current service cost	1 073
Past service costs/curtailments/settlements	2 359
Total costs recognized in the statement of financial performance	**30 472**
Actuarial losses recognized directly in the statement of changes in net assets	(1 236)
Net recognized liability as at 31 December 2014	**29 236**

Note 15
Provisions

Movement in provisions

(Thousands of United States dollars)

	Litigation and claims
Opening balance as at 1 January 2014	**22**
Additional provisions made	–
Closing balance as at 31 December 2014	**22**

122. The Tribunal carried forward an obligation made at the opening balance in connection with a United Nations Appeals Tribunal case on conversion to permanent contract for six litigants at an amount of €3,000 in non-pecuniary damages each.

Note 16
Advance receipts

123. Advance receipts represent contributions or payments received in advance which amount to $0.371 million.

Note 17
Other liabilities

(Thousands of United States dollars)

	31 December 2014
Finance lease (note 23)	776
Other	–
Total	**776**
Current	174
Non-current	602
Total	**776**

Note 18
Net assets

124. Net assets comprise the accumulated surpluses/deficits which represent the residual interest in the assets of the Tribunal after deducting all its liabilities.

Note 19
Revenue

Assessed contributions

125. Assessed contributions of $100.7 million have been recorded for the Tribunal in accordance with the Financial Rules and Regulations of the United Nations, the relevant resolutions of the General Assembly and the policies of the United Nations.

Other exchange revenue

126. Other exchange revenue comprises revenue for services rendered and other miscellaneous income generated on the disposal of used property, plant and equipment.

Other exchange revenue

(Thousands of United States dollars)

	31 December 2014
Rental of premises	46
Other	19
Total	**65**

Note 20
Expenses

Employee salaries, allowances and benefits

127. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments; allowances and benefits include other staff entitlements, including pension and insurance, staff assignment, repatriation, hardship and other allowances, as set out in the table below.

Employee salaries, allowances and benefits

(Thousands of United States dollars)

	31 December 2014
Salaries and allowances	85 402
Current portion of movement in employment benefits liabilities	–
Total	**85 402**

Judges’ honorariums and allowances

128. Honorariums and allowances include pensions, ad litem judges’ ex gratia payments and relocation and other allowances, as shown in the table below.

Honorariums and allowances

(Thousands of United States dollars)

	31 December 2014
Honorariums	4 524
Pension, former Judges	784
Total	**5 308**

Contractual services

129. Contractual services expenses include non-employee compensation and allowances consist of defence counsel and consultant fees, as shown in the table below.

Contractual services

(Thousands of United States dollars)

	31 December 2014
Defense counsel	3 989
Detention services	3 658
Translation and verbatim reporting	1 255
Other	886
Total	**9 788**

Travel

130. Travel expenses include all staff and non-staff travel that is not considered to be an employee allowance/benefit, as shown in the table below.

Travel

(Thousands of United States dollars)

	31 December 2014
Staff travel	474
Non-staff travel	433
Total	**907**

Other operating expenses

131. Other operating expenses include maintenance, utilities, shared services, rental, insurance, allowance for bad debt and write-off expenses, as shown in the table below.

Other operating expenses

(Thousands of United States dollars)

	31 December 2014
Utilities	722
Rent, premises and equipment	5 724
Maintenance, premises	1 412
Supplies	208
Communications	499
Other	724
Total	**9 289**

Other expenses

132. Other expenses relate to hospitality and official functions, foreign exchange losses, losses on sale of property, plant and equipment and donation/transfer of assets, as shown in the table below.

Other expenses

(Thousands of United States dollars)

	31 December 2014
Foreign exchange losses	208
Hospitality	2
Total	**210**

Note 21
Financial instruments and financial risk management

Main pool

133. In addition to directly held cash and cash equivalents, the Tribunal participates in the United Nations main pool. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale, and because of the ability to spread yield curve exposures across a range of maturities. The allocation of main pool assets (cash and cash equivalents, short-term investments and long-term investments) and income is based on each participating entity's principal balance. As at 31 December 2014, the main pool held total assets of $9,462.8 million; of this amount $68.4 million was due to the Tribunal (see table below).

Summary of assets and liabilities in the main pool

(Thousands of United States dollars)

	31 December 2014
Fair value through the surplus or deficit	
Short-term investments	3 930 497
Long-term investments	3 482 641
Total fair value through the surplus or deficit investments	**7 413 138**
Loans and receivables	
Cash and cash equivalents, main pool	2 034 824
Accrued investment income	14 842
Total loans and receivables	**2 049 666**
Total carrying amount of financial assets	**9 462 804**
Main pool liabilities	
Payable to the Tribunal	68 360
Payable to other main pool participants	9 394 444
Total carrying amount of financial liabilities	**9 462 804**
Main pool net assets	–
Summary of net income from main pool	
Investment revenue	62 511
Financial exchange (losses)	(7 064)
Unrealized (losses)	(3 084)
Bank fees	(214)
Net income from main pool	**52 149**

Financial risk management: overview

134. The Tribunal has exposure to the following financial risks: credit risk, liquidity risk and market risk.

135. The present note presents information on the Tribunal's exposure to those risks; the objectives, policies and processes for measuring and managing risk; and the management of capital.

Financial risk management: framework

136. The Tribunal's risk management practices are in accordance with the Financial Regulations and Rules of the United Nations and Investment Management Guidelines (the Guidelines). The Tribunal defines the capital that it manages as the aggregate of its net assets, which is composed of accumulated fund balances. Its objectives are to safeguard its ability to continue as a going concern, to fund its operations and to fulfil its mandated objectives. The Tribunal manages its capital in the light of global economic conditions, the risk characteristics of the underlying assets and its current and future working capital requirements.

137. The United Nations Treasury is responsible for investment and risk management for the main pool, including conducting investment activities in accordance with the Guidelines.

138. The investment management objectives are to preserve capital and ensure sufficient liquidity to meet operating cash needs while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market rate of return component of the objectives.

139. An investment committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates thereto. Other than disclosed, the Tribunal has not identified any further risk concentrations arising from financial instruments.

Credit risk

140. Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments and deposits with financial institutions and credit exposures to outstanding receivables. The carrying value of financial assets less impairment is the maximum exposure to credit risk.

Credit risk management

141. The Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The main pool does not invest in derivative instruments such as asset-backed, mortgage-backed securities or in equity products.

Credit risk: receivables

142. A large portion of receivables is due from entities which do not have significant credit risk. As at the reporting date, the Tribunal does not hold any collateral as security for receivables.

143. The Tribunal evaluates the allowance of doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the Tribunal will not collect the full amount due. Balances credited to the allowance for doubtful receivables account are utilized when management approves write-offs under the Financial Regulations and Rules or are reversed when previously impaired receivables are received.

Credit risk: assessed contributions

144. The ageing of assessed contributions receivable and associated allowance is set out in the table below.

Ageing of assessed contributions receivable

(Thousands of United States dollars)

	Gross receivable	*Allowance*
Neither past due nor impaired	–	–
Less than one year	12 510	–
One to two years	7 017	–
Over two years	6 524	49
Total	**26 051**	**49**

145. Countries subject to Article 19 are considered to be those for which the General Assembly has decided that failure to pay the minimum amount under Article 19 was due to conditions beyond their control and which are permitted to vote despite their accumulated arrears (see resolution 69/4). In accordance with past practice, it is considered that there are no Member States with valid multi-year payment plans.

Credit risk: cash and cash equivalents

146. The Tribunal held cash and cash equivalents of $17.7 million as at 31 December 2014, which is the maximum credit exposure on these assets.

Credit risk: main pool

147. The Guidelines require that investments not be made in issuers whose credit ratings are below specifications, and also provide for maximum concentrations with given issuers. Those requirements were met at the time the investments were made. The credit ratings used are those determined by major credit-rating agencies; Standard & Poor's, Moody's and Fitch are used to rate bonds and discounted instruments, and the Fitch viability rating is used to rate bank term deposits. Credit ratings for the main pool as at 31 December 2014 are set out in the table below.

Credit ratings for the main pool as at 31 December 2014

Bonds	S&P: 31.2% AAA, 59.8% AA+/AA/AA- and 1.3% A+; 7.7% not rated by S&P; Moody's: 69.3% Aaa and 30.7% Aa1/Aa2/Aa3; Fitch: 52.2% AAA, 21.4% AA+/AA/AA- and 26.4% not rated
Discounted instruments	S&P: 100% A-1+; Moody's: 70.0% P-1; 30.0% not rated; Fitch: 90.0% F1+ and 10.0% not rated
Term deposits	Fitch: 64.1% aa- and 35.9% a+/a/a-

148. The United Nations Treasury actively monitors credit ratings and, given that the Tribunal only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Liquidity risk

149. Liquidity risk is the risk that the Tribunal might not have adequate funds to meet its obligations as they fall due. The Tribunal's approach to managing liquidity

is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Tribunal's reputation.

150. The Financial Regulations and Rules of the United Nations require that expenses be incurred after receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are only permitted if specified risk management criteria are adhered to with regard to the amounts receivable.

151. The Tribunal and the United Nations Treasury perform cash flow forecasting and monitor rolling forecasts of liquidity requirements to ensure that they have sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The Tribunal maintains a large portion of its investments in cash equivalents and short-term investments sufficient to cover its commitments as and when they fall due.

Liquidity risk: main pool

152. The main pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within one day's notice to support operational requirements. Main pool liquidity risk is therefore considered to be low.

Liquidity risk: financial liabilities

153. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. That is highly unlikely due to receivables, cash and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations. As at the reporting date, the Tribunal has not pledged any collateral for any liabilities or contingent liabilities and in the year no accounts payable or other liabilities were forgiven by third parties. Maturities for financial liabilities based on the earliest date at which the Tribunal can be required to settle each financial liability are set out in the table below.

Maturities for financial liabilities as at 31 December 2014

(Undiscounted thousands of United States dollars)

	Within 3 months	*3 to 12 months*	*> 1 year*	*Total*
Accounts payable	9 949	–	–	9 949
Other liabilities	416	129	602	731
Total	**10 365**	**129**	**602**	**10 680**

Market risk

154. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the Tribunal's income or the value of its financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the Tribunal's fiscal position.

Market risk: currency risk

155. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Tribunal has transactions, assets and liabilities in currencies other than in its functional currency and is exposed to limited currency risk arising from fluctuations in exchange rates. Management policies and the Guidelines require the Tribunal to manage its currency risk exposure. Given the Tribunal's share of the main pool and that the main pool is predominantly denominated in United States dollars, the Tribunal has limited currency risk relating to main pool assets. Therefore, in conjunction with the low risk for other financial instruments, the Tribunal considers currency risk to be low.

Market risk: interest rate risk

156. Interest rate risk is the risk of variability in financial instruments' fair values or future cash flows due to a change in interest rates. In general, as interest rates rise, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, with duration being a number expressed in years. The larger the duration, the greater the interest rate risk.

157. Fixed-rate cash and cash equivalents and investments are the Tribunal's interest-bearing financial instruments. The main pool is its main exposure to interest risk. As at the reporting date, the main pool invested primarily in securities with shorter terms to maturity, with the maximum being less than five years. The average duration of the main pool was 1.1 years, which is considered to be an indicator of low risk.

Market risk: main pool interest rate risk sensitivity analysis

158. The analysis shows how the fair value of the main pool as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. As the investments are accounted for at fair value through surplus or deficit, the change in fair value represents the increase/decrease of the surplus or deficit and net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown in the table below (100 basis points equals 1 per cent). The basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis as at 31 December 2014

Shift in yield curve Basis points	-200	-150	-100	-50	0	50	100	150	200
Increase/(decrease) in fair value (Millions of United States dollars)									
Tribunal share of main pool sensitivity	1.48	1.11	0.74	0.37	–	(0.37)	(0.74)	(1.11)	(1.48)

Market risk: other

159. The main pool is not exposed to significant other price risk, as it does not sell short, or borrow securities or purchase securities on margin, which limits the potential loss of capital. The Tribunal is not exposed to significant other price risk as it has limited exposure to price-related risk related to expected purchases of certain commodities used regularly in operations. A change in those prices may alter cash flows by an immaterial amount.

Accounting classifications and fair value

160. The carrying value of fair value through surplus or deficit investments is fair value. For cash and cash equivalents, receivables and payables, carrying value is a fair approximation of fair value.

Fair value hierarchy

161. The table analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices);

(c) Level 3: Inputs for the asset or liabilities that are not based on observable market data (i.e., unobservable inputs).

162. The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date and is determined by the independent custodian based on the valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held in the main pool is the current bid price.

163. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximize the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

164. The following fair value hierarchy presents the main pool assets that are measured at fair value as at the reporting date (see table below). There were no level 3 financial assets nor any liabilities carried at fair value or any significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy

(Thousands of United States dollars)

	Level 1	*Level 2*	*Total*
Financial assets at fair value through surplus or deficit			
Main pool			
Bonds, Non-United States agencies	2 154 956	–	2 154 956
Bonds, Non-United States sovereigns	691 489	–	691 489
Bonds, Supranationals	440 169	–	440 169
Bonds, United States treasuries	1 297 290	–	1 297 290
Discounted instruments	999 234	–	999 234
Term deposits	–	1 830 000	1 830 000
Total main pool	**5 583 138**	**1 830 000**	**7 413 138**

Note 22
Related parties

Key management personnel

165. Key management personnel are those with the ability to exercise significant influence over financial and operating decisions. For the Tribunal, key management personnel comprises the Under Secretary-General-level President and Prosecutor roles, the Registrar at the Assistant Secretary-General level (who together constitute the Coordination Council of the Tribunal) and the Tribunal Registry's Chiefs of Administration. Those persons have the relevant authority and responsibility for planning, directing and controlling the Tribunal's activities.

166. The aggregate remuneration paid by the Tribunal includes net salaries, post adjustments and entitlements such as allowances, grants and subsidies, and employer pension and health insurance contributions as set out in the table below.

Compensation of key management personnel

(Thousands of United States dollars)

	Coordination Council	*Other leadership*	*Total*
Number of positions, full-time equivalents	**3**	**1**	**4**
Aggregate remuneration	820	220	1 040
Other compensation/entitlements	14	21	35
Total remuneration for the year	**834**	**241**	**1 075**
Outstanding loans and advances as at 31 December 2014	–	–	–

167. As at 31 December 2014, after-service health insurance, repatriation and leave benefits for key management personnel included in employee benefits liabilities were $0.8 million as determined by actuarial valuation.

168. No close family members of key management personnel were employed by the Tribunal at the management level. Advances made to key management personnel are

those made against entitlements in accordance with Staff Rules and Staff Regulations; any such advances against entitlements are widely available to all staff of the Tribunal.

Related entity transactions

169. In the ordinary course of business, to achieve economies in executing transactions, financial transactions are often executed by one financial reporting entity on behalf of another and then subsequently settled.

Trust fund activities

170. The following fund, which supports the activities of the Tribunal, is structured as a trust fund and accordingly appears in volume I, United Nations (A/70/5 (Vol. I)). The reserves and fund balances of the related trust fund as at 31 December 2014 are set out in the table below.

Activities related to reporting entity funded by trust funds

(Thousands of United States dollars)

	Reserves and fund balance as at 31 December 2014
Voluntary fund to support the activities of the International Tribunal Established by Security Council resolution 827 (1993)	1 044

Balances reflected in the Tax Equalization Fund

171. The financial statements report employee benefits expenses on a net of tax basis. The tax liabilities relating to operations are reported separately as part of the Tax Equalization Fund in the financial statements of volume I, United Nations, which also has a financial reporting date of 31 December.

172. The Tax Equalization Fund was established under the provisions of General Assembly resolution 973 (X) to equalize the net pay of all staff members whatever their national tax obligations. The Tax Equalization Fund operationally reports as income the staff assessment in respect of staff members financed under the regular budget and the Tribunal and assessed peacekeeping operations. The Tax Equalization Fund includes as expenditure the credits against the assessments for the regular budget, peacekeeping and the Tribunal, in respect of Member States that do not levy taxes on the United Nations income of their nationals.

173. Member States that do levy income taxes on their nationals working for the Tribunal do not receive the credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes they had to pay on their United Nations income. Such reimbursements for taxes paid are reported as expenditure by the Tax Equalization Fund. Staff members financed by extra-budgetary funds who are required to pay income tax are reimbursed directly from the resources of those funds.

174. As at 31 December 2014, as reflected in the latest unaudited financial statements for volume I, United Nations, the cumulative surplus of the Tax Equalization Fund payable to the United States of America was $36.8 million. In addition, the Tax Equalization Fund had an estimated tax liability of $23.3 million relating to the 2014 and prior tax years which was disbursed in the first two quarters

of 2015. The Tax Equalization Fund had fund balances and reserves of $36.5 million.

Note 23
Leases and commitments

Finance leases

175. The Tribunal has entered into a finance lease for the value of $0.9 million for the use of equipment. Total finance lease payments recognized in expenditure for the year were $0.1 million. The net year-end carrying value included in property, plant and equipment is $0.8 million. Future minimum finance lease payments under non-cancellable arrangements are set out in the table below.

Obligations for finance leases as at 31 December 2014

(Thousands of United States dollars)

	Minimum lease payments
Due in less than 1 year	174
Due 1 to 5 years	602
Total minimum finance lease obligations	**776**
Future finance charges	–
Future minimum finance lease obligations (undiscounted)	**776**

Operating leases

176. The Tribunal enters into operating leases for the use of premises and equipment. The total operating lease payments recognized in expenditure for the year were $4.6 million for premises and $1.1 million for equipment. Future minimum lease payments under non-cancellable arrangements are set out in the table below.

Obligations for operating leases as at 31 December 2014

(Thousands of United States dollars)

	Minimum lease payments
Due in less than 1 year	5 291
Due 1 to 5 years	5 934
Due later than 5 years	–
Total minimum operating lease obligations	**11 224**

177. These contractual leases are typically between one to seven years, with some leases allowing extension clauses and/or permitting early termination within 30, 60 or 90 days. The amounts present future obligations for the minimum contractual term, taking into consideration contract annual lease payment increases in accordance with lease agreements. No agreements contain purchase options.

Open contractual commitments

178. The commitments for property, plant and equipment (including contractual commitments for assets under construction) and goods and services contracted but not delivered as at the reporting date are set out in the table below.

Open contractual commitments

(Thousands of United States dollars)

	As at 31 December 2014
Goods and services	694
Total open contractual commitments	**694**

Note 24
Contingent liabilities and contingent assets

179. In the normal course of operations, the Tribunal is subject to claims which can be categorized as corporate and commercial, administrative law, and other, such as guarantees. As at the reporting date, there were no contingent assets or liabilities.

Note 25
Future operations

180. The Security Council decided, in its resolution 1966 (2010), to establish the International Residual Mechanism for Criminal Tribunals (the Residual Mechanism), with two branches, in order to carry out a number of essential functions, such as the trial of fugitives, after the closure of the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the former Yugoslavia. The Arusha branch commenced operations on 1 July 2012 and The Hague branch on 1 July 2013 for an initial period of four years. During the initial period of the Residual Mechanism's work, there has been a temporary overlap with the International Criminal Tribunal for Rwanda and the International Criminal Tribunal for the former Yugoslavia as those institutions complete remaining work on any trial or appeal proceedings that are pending as at the commencement dates of the respective branches of the Residual Mechanism. The Residual Mechanism coexisted with both Tribunals during the year and shared resources and provided mutual support and coordination.

181. The President of the International Criminal Tribunal for Rwanda submitted a letter to the Security Council on 15 May 2015 (S/2015/340) to transmit the assessments of the President and the Prosecutor on the implementation of the completion strategy for the International Criminal Tribunal for Rwanda. Also on 15 May 2015, the President of the International Criminal Tribunal for the former Yugoslavia submitted a letter (S/2015/342) to transmit the assessments of the President and the Prosecutor on the implementation of that Tribunal's completion strategy, the support for the Residual Mechanism and the completion of the trials and appeals procedures.

182. On 18 December 2014, the Security Council requested in its resolutions 2193 (2014) and 2194 (2014) that the International Criminal Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda, respectively, take

all possible measures to expeditiously complete all their remaining work, to prepare their closure and to ensure a smooth transition to the Residual Mechanism.

Note 26
Events after the reporting date

183. There have been no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

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