NATO SANS CLASSIFICATION

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RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS RECTIFIÉS DU SECRÉTARIAT INTERNATIONAL POUR L'EXERCICE 2013

SUITE DONNÉE

Le 7 août 2015, au terme d'une procédure d'accord tacite, le Conseil a pris note du rapport IBA-AR(2014)19 du Collège international des commissaires aux comptes de l'OTAN joint au C-M(2015)0057 et a souscrit aux recommandations énoncées dans le rapport du Bureau de la planification et de la politique générale des ressources.

(signé) Alexander Vershbow
Secrétaire general délégué

Note : La présente note fait partie du C-M(2015)0057 et doit être placée en tête de ce document.

NATO SANS CLASSIFICATION

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RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS RECTIFIÉS DU SECRÉTARIAT INTERNATIONAL (SI) POUR L'EXERCICE 2013

Note du secrétaire général délégué

1. On trouvera ci-joint le rapport du Collège international des commissaires aux comptes de l'OTAN (IBAN) sur la vérification des états financiers rectifiés du SI pour l'exercice clos le 31 décembre 2013.

2. L'IBAN a émis une opinion avec réserve sur les états financiers 2013 rectifiés du SI et une opinion sans réserve sur leur conformité avec le Règlement financier de l'OTAN et le Règlement du personnel civil de l'OTAN. La réserve s'explique essentiellement par la non-conformité avec le cadre comptable OTAN.

3. La conformité avec le cadre comptable OTAN devrait être réalisable une fois que le système de planification des ressources d'entreprise (ERP) aura été implémenté. Le premier module de ce système a été mis en production début janvier 2015 ; en l'absence de toute difficulté majeure, il faudra probablement attendre deux ans de plus pour que les autres modules soient complètement opérationnels. Ainsi, malgré les améliorations que l'IBAN a consignées dans son rapport sur 2013, il est probable qu'il formule à nouveau une opinion avec réserve pour les états financiers de 2014 en raison des contraintes inhérentes à l'ancien système comptable, à savoir notamment les lacunes du système de gestion des stocks et l'absence d'un module Immobilisations corporelles.

4. Le rapport de l'IBAN a été examiné par le Bureau de la planification et de la politique générale des ressources (RPPB), qui a lui-même établi un rapport, dans lequel il formule des conclusions et des recommandations à l'intention du Conseil.

5. J'estime que les rapports précités ne nécessitent pas d'examen plus approfondi. Par conséquent, **sauf avis contraire me parvenant d'ici au vendredi 7 août 2015 à 16 heures**, je considérerai que le Conseil aura pris note du rapport de l'IBAN diffusé sous la cote IBA-AR(2014)19 et qu'il aura approuvé les recommandations contenues dans le rapport du RPPB.

(signé) Alexander Vershbow

Annexe 1 : Rapport du RPPB et suite donnée
Annexe 2 : Rapport de l'IBAN
2 annexes
1 pièce jointe

Original : anglais

PAGE BLANCHE

RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS RECTIFIÉS 2013 DU SECRÉTARIAT INTERNATIONAL

Projet de rapport du Bureau de la planification et de la politique générale des ressources

Références : (a) IBA-A(2014)214 // IBA-AR(2014)19
(b) BC-D(2015)0050-FINAL

Contexte

1. Dans le présent rapport, le Bureau de la planification et de la politique générale des ressources (RPPB) formule des observations et des recommandations concernant le rapport du Collège international des commissaires aux comptes de l'OTAN (IBAN) cité en référence (a). Le rapport du RPPB est fondé sur l'analyse complète de l'audit à laquelle a procédé le Comité des budgets dans le document cité en référence (b).

2. Le RPPB prend note des conclusions et des recommandations exposées par le Comité des budgets dans son rapport, sur lesquelles s'appuient ses propres discussions, et il y souscrit.

Conclusions du RPPB

3. L'IBAN a émis une opinion sans réserve sur la conformité avec le Règlement financier de l'OTAN (NFR) et le Règlement du personnel civil de l'OTAN (RPC) et une opinion avec réserve sur les états financiers 2013 rectifiés du Secrétariat international (SI). Cela constitue une amélioration par rapport à la déclaration d'abstention qu'il avait formulée au sujet des états financiers de 2012. Dans son rapport sur l'exercice 2013, l'IBAN a formulé six observations et sept recommandations, concernant principalement la non-conformité avec le cadre comptable OTAN. Le SI a souscrit à toutes ces recommandations sauf une, laquelle a trait à l'attribution des responsabilités pour la passation de marchés par l'intermédiaire de l'Agence OTAN d'information et de communication (NCIA).

4. La conformité avec le cadre comptable OTAN devrait être réalisable une fois que le système de planification des ressources d'entreprise (ERP) aura été implémenté. Le premier module de ce système a été mis en production début janvier 2015 ; en l'absence de toute difficulté majeure, il faudra probablement attendre deux ans de plus pour que les autres modules soient complètement opérationnels. Ainsi, malgré les améliorations que l'IBAN a consignées dans son rapport sur 2013, il est probable qu'il formule à nouveau une opinion avec réserve pour les états financiers de 2014 en raison des contraintes inhérentes à l'ancien système comptable, à savoir notamment les

lacunes du système de gestion des stocks et l'absence d'un module Immobilisations corporelles.

4.1. Suite à la mise en production du premier module de l'ERP, la production des états financiers devrait connaître des améliorations, mais il faudra un certain temps avant que les avantages qui y sont associés se concrétisent pleinement. Il faudra aussi un certain temps avant que le personnel puisse reprendre la totalité des activités menées habituellement au sein du Bureau du contrôle financier, et ainsi mieux respecter les délais de publication des états financiers, car il est actuellement mobilisé par l'implémentation des modules suivants.

4.2. L'implémentation de l'ERP ne garantit pas à elle seule la conformité avec le cadre comptable OTAN. Le SI doit dès lors continuer d'œuvrer dans ce but en améliorant les méthodes comptables et l'information financière et en veillant à ce que le personnel amené à utiliser l'ERP soit dûment formé et comprenne bien les principes de la comptabilité d'exercice. Le RPPB a noté qu'il a été indiqué au Comité des budgets que le personnel recevait une formation appropriée et que le SI travaillait à l'adoption des meilleures pratiques et à la normalisation et à l'intégration des processus internes, ce qui devrait lui permettre d'atteindre la conformité avec le cadre comptable OTAN et de donner suite aux constatations relatives à l'établissement et à la publication des états financiers que l'IBAN a exposées dans son rapport sur 2013.

5. Des travaux sont actuellement menés sous la supervision du responsable de la politique en matière d'information financière et avec la participation active de la communauté des contrôleurs des finances en vue de l'élaboration d'une méthode comptable pour les immobilisations corporelles. L'élaboration et la mise en œuvre de toute procédure concernant le recensement, la saisie et le suivi des dépenses relatives aux immobilisations corporelles et incorporelles tout au long de l'exercice devra se fonder sur la méthode comptable applicable à l'ensemble de l'OTAN pour les immobilisations corporelles.

6. Concernant les activités d'acquisition effectuées par l'intermédiaire de la NCIA, la version actuelle des règles et procédures financières (FRP) est en cours de révision, et la nouvelle version tiendra compte des documents d'orientation en matière d'acquisition examinés par le Comité des budgets. Le contrôleur des finances du SI devra veiller à ce que le manuel d'acquisition reste à jour et soit conforme à la version révisée du NFR une fois que celle-ci aura été approuvée par le Conseil. À l'heure actuelle, le SI se dote au cas par cas d'accords avec la NCIA, mais une fois achevée la révision des FRP, il voudra peut-être réexaminer les avantages associés à la mise en place d'un accord plus structuré visant les activités d’acquisition effectuées par l'intermédiaire de cet organisme ou d'autres agences de l'OTAN, s'il y a lieu.

7. Le SI a fait des progrès sur la voie du règlement des questions ayant fait l'objet d'observations au cours de précédents audits puisqu'une suite a été donnée à quatre des onze observations qui subsistaient. Les sept questions encore en souffrance

devraient être réglées d'ici à la fin 2015. Le RPPB continuera, avec l'aide du Comité des budgets, d'assurer le suivi de ces questions.

8. Le contrôleur des finances du SI a examiné les états financiers conformément aux politiques agréées et il n'a pas d'observation particulière à porter à l'attention du RPPB avant que celui-ci ne finalise ses recommandations au Conseil. Enfin, le RPPB estime que le rapport d'audit à l'examen ne contient pas d'informations qui, en vertu de la politique relative à la mise en lecture publique de l'information OTAN, ne peuvent être rendues publiques et, conformément à la politique agréée dans le PO(2015)0052, il recommande par conséquent que le Conseil approuve la mise en lecture publique des états financiers 2013 rectifiés du SI et du rapport de l'IBAN correspondant.

Recommandations du RPPB

9. Le RPPB recommande au Conseil :

(a) de prendre note du présent rapport ainsi que de l'IBA-AR(2014)19 ;

(b) d'entériner les conclusions figurant aux paragraphes 3 à 8 du présent rapport ;

(c) de noter que les comités chargés des ressources entendent continuer d'assurer le suivi des observations formulées lors de précédents audits ;

(d) d'approuver, en vertu de la politique agréée dans le PO(2015)0052, la mise en lecture publique des états financiers 2013 rectifiés du SI et du rapport de l'IBAN correspondant (IBA-AR(2014)19).

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RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS RECTIFIÉS DU SECRÉTARIAT INTERNATIONAL POUR L'EXERCICE 2013

Note du secrétaire général délégué

Le 19 juin 2015, au terme d'une procédure d'accord tacite, le RPPB a approuvé le rapport au Conseil diffusé sous la cote AC-335-N(2015)0050-COR1-REV1.

(signé) Alexander Vershbow

Note : La présente note fait partie de l'AC-335-N(2015)0050-COR1-REV1 et doit être placée en tête de ce document.

Original : anglais

**Note succincte
du Collège international des commissaires aux comptes de l'OTAN
à l'intention du Conseil sur la vérification des états financiers rectifiés
du Secrétariat international pour l'exercice clos le 31 décembre 2013**

Le Secrétariat international (SI) assiste le Conseil de l'Atlantique Nord et ses comités dans leurs travaux. Il comptait 1 169 agents à la fin de 2013, et sa dotation budgétaire pour 2013 s'élevait à 222 millions d'euros (MEUR) au total, dont 187 MEUR de nouveaux crédits autorisés pour 2013.

Le Collège a émis une opinion avec réserve sur les états financiers 2013 rectifiés du SI, qui tient aux éléments suivants :

- Le SI n'a pas systématiquement recensé les charges à payer en fin d'exercice, avec des répercussions sur les soldes inscrits dans l'état de la performance financière sous les rubriques Coûts de fonctionnement, Dépenses d'équipement, Programmes et subventions et Produits des opérations sans contrepartie directe ainsi que dans l'état de la situation financière sous les rubriques Montants à payer et Produits non acquis. Les montants de 2012 présentés pour comparaison s'en trouvent affectés également. Les effets possibles d'erreurs qui n'auraient pas été détectées sur les soldes des Coûts de fonctionnement, des Dépenses d'équipement et des Programmes et subventions ainsi que sur les soldes correspondants des Produits des opérations sans contrepartie directe, des Montants à payer et des Produits non acquis pourraient être significatifs mais ils n'affectent pas l'ensemble des états financiers rectifiés.

- Le SI n'a pas présenté à part les flux de trésorerie relatifs aux activités d'investissement, que le Collège estime à environ 6 400 000 EUR. Cette erreur de classification n'influe pas sur le montant net des flux de trésorerie de 2013, mais elle a une incidence significative sur le solde des flux de trésorerie relatifs aux activités opérationnelles et sur le solde des flux de trésorerie relatifs aux activités d'investissement.

- Dans ses états financiers 2013 rectifiés, le SI n'a pas correctement retraité les montants de 2012 erronés qui étaient fournis à des fins de comparaison, contrairement à ce que prévoient les normes. Il en résulte que l'opinion du Collège sur les états financiers de 2013 est également modifiée en raison des effets que cela pourrait avoir sur la comparabilité des chiffres de 2013 avec ceux de 2012.

Le Collège a néanmoins pu établir que les opérations financières et les informations présentées dans les états financiers étaient, à tous égards significatifs, conformes aux dispositions du Règlement financier de l'OTAN et du Règlement du personnel civil de l'OTAN.

À l'issue de l'audit, le Collège a formulé six observations et sept recommandations. Ses constatations sont récapitulées dans la lettre d'observations et de recommandations (annexe 3).

Les principales constatations sont les suivantes :

- Non-Conformité des Etats Financiers Réctifiés avec le Cadre Comptable OTAN (Normes Comptables Internationales du Secteur Public (IPSAS) Adaptees)
- Non-présentation des flux relatifs aux activités d'investissement dans le tableau des flux de trésorerie
- Absence de retraitement des montants de 2012 fournis pour comparaison
- Publication tardive et erreurs imputables au processus d'établissement et d'examen des états financiers
- Absence d'attribution claire des responsabilités pour la passation de marchés par l'intermédiaire de l'Agence OTAN d'information et de communication (NCIA)
- Absence de confirmation du solde des éléments d'actif et de passif imputables à d'autres entités OTAN en fin d'exercice.

ANNEXE 2
C-M(2015)0057
IBA-AR(2014)19

31 octobre 2014

**COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN
OPINION SUR LA VÉRIFICATION DES ÉTATS FINANCIERS RECTIFIÉS
DU SECRÉTARIAT INTERNATIONAL
POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2013**

OPINION
DU COLLÈGE INTERNATIONAL
DES COMMISSAIRES AUX COMPTES DE L'OTAN
À L'INTENTION DU CONSEIL DE L'ATLANTIQUE NORD

Rapport sur les états financiers rectifiés

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers rectifiés du Secrétariat international (SI), qui se composent de l'état de la situation financière au 31 décembre 2013 et de l'état de la performance financière, de l'état des variations de la situation nette et du tableau des flux de trésorerie pour l'exercice clos à cette date, ainsi que d'un résumé des méthodes comptables importantes et de diverses notes explicatives. Le Collège a également vérifié l'état de l'exécution du budget pour l'exercice clos le 31 décembre 2013.

Responsabilité de la direction

La direction est chargée d'établir les états financiers conformément au cadre comptable OTAN et aux dispositions du Règlement financier de l'OTAN tels qu'ils ont été fixés par le Conseil de l'Atlantique Nord, et de veiller à ce qu'ils donnent une image fidèle de la situation de l'entité.

Responsabilité du Collège

Il incombe au Collège de formuler sur ces états financiers rectifiés une opinion qui soit fondée sur son travail de vérification, lequel aura été effectué conformément aux dispositions de sa charte et aux normes internationales d'audit. Ces normes exigent que le Collège respecte certains principes déontologiques, et qu'il planifie et effectue sa vérification de manière à parvenir à une assurance raisonnable sur le point de savoir si les états financiers sont exempts d'inexactitudes significatives.

Un audit consiste à appliquer des procédures permettant d'obtenir des éléments probants relatifs aux montants et informations figurant dans les états financiers. Les procédures retenues à cette fin sont laissées à l'appréciation de l'auditeur, qui évalue notamment les risques d'inexactitudes significatives dans les états financiers, que celles-ci relèvent d'une fraude ou d'une erreur. Pour l'évaluation de ces risques, le système de contrôle interne sur lequel s'appuient l'établissement et la présentation des états financiers de l'entité concernée est pris en considération, le but étant d'élaborer des procédures d'audit qui soient adaptées à la situation considérée et non pas d'exprimer une opinion sur l'efficacité du système de contrôle interne. Il s'agit aussi de déterminer si les méthodes comptables appliquées sont appropriées et si les estimations comptables faites par la direction sont raisonnables, ainsi que d'évaluer la présentation générale des états financiers.

Le Collège estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Justification de l'opinion avec réserve émise sur les états financiers rectifiés

Le SI n'a pas systématiquement recensé les charges à payer en fin d'exercice. Les charges présentées dans l'état de la performance financière correspondent aux engagements budgétaires et non aux charges à payer. Le fait que ces charges ne soient pas systématiquement recensées se répercute sur les soldes inscrits dans l'état de la performance financière sous les rubriques Coûts de fonctionnement, Dépenses d'équipement, Programmes et subventions et Produits des opérations sans contrepartie directe ainsi que dans l'état de la situation financière sous les rubriques Montants à payer et Produits non acquis. Les montants comparatifs de 2012 présentés pour comparaison s'en trouvent affectés également.

Comme le SI n'a pas recensé toutes les charges à payer, il est difficile de déterminer l'ampleur exacte des erreurs. Les effets possibles d'erreurs qui n'auraient pas été détectées sur les soldes des Coûts de fonctionnement, des Dépenses d'équipement et des Programmes et subventions ainsi que sur les soldes correspondants des Produits des opérations sans contrepartie directe, des Montants à payer et des Produits non acquis pourraient être significatifs mais ils n'affectent pas l'ensemble des états financiers rectifiés.

Dans son tableau des flux de trésorerie, le SI n'a pas présenté à part les flux de trésorerie relatifs aux activités d'investissement ; ceux-ci sont compris dans le solde des flux de trésorerie relatifs aux activités opérationnelles. Le Collège estime que les flux de trésorerie relatifs aux activités d'investissement représentent environ 6 400 000 EUR. Cette erreur de classification n'influe pas sur le montant net des flux de trésorerie de 2013, mais elle a une incidence significative sur le solde des flux de trésorerie relatifs aux activités opérationnelles et sur le solde des flux de trésorerie relatifs aux activités d'investissement.

Dans ses états financiers 2013 rectifiés, le SI n'a pas correctement retraité les montants de 2012 erronés qui étaient fournis à des fins de comparaison. L'état de la situation financière, le tableau des flux de trésorerie et l'information sectorielle de 2012 présentés dans les notes n'ont pas été correctement retraités, contrairement à ce que prévoient. Il en résulte que l'opinion du Collège sur les états financiers de 2013 est également modifiée en raison des effets que cela pourrait avoir sur la comparabilité des chiffres de 2013 avec ceux de 2012.

Opinion avec réserve sur les états financiers rectifiés

L'opinion du Collège est que, à l'exception des effets possibles des questions mentionnées au paragraphe précédent, les états financiers rectifiés donnent, à tous égards significatifs, une image fidèle, conforme au cadre comptable OTAN, de la situation financière du SI au 31 décembre 2013, ainsi que de sa performance financière et de ses flux de trésorerie pour l'exercice clos à cette date.

Rapport sur la conformité

Responsabilité de la direction

En plus d'être responsable, comme il est dit plus haut, de l'établissement et de la présentation des états financiers rectifiés, la direction est chargée de veiller à ce que les opérations financières et les informations présentées dans les états financiers rectifiés soient conformes aux dispositions du Règlement financier de l'OTAN et du Règlement du personnel civil de l'OTAN telles qu'elles ont été fixées par le Conseil de l'Atlantique Nord.

Responsabilité du Collège

En plus d'être responsable, comme il est dit plus haut, de la formulation d'une opinion sur les états financiers, le Collège est chargé de se prononcer sur le point de savoir si les opérations financières et les informations présentées dans les états financiers sont, à tous égards significatifs, conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN. Il lui incombe notamment d'appliquer des procédures lui permettant d'obtenir une assurance raisonnable sur le point de savoir si les fonds ont été utilisés pour le règlement de dépenses autorisées et si les opérations correspondantes ont été exécutées conformément à la réglementation en vigueur dans le domaine financier et en matière de personnel. De telles procédures prévoient notamment l'évaluation des risques de non-conformité significative.

Le Collège estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Opinion sur la conformité

Le Collège estime que les opérations financières et les informations présentées dans les états financiers rectifiés sont, à tous égards significatifs, conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN.

Bruxelles, le 31 octobre 2014

Charilaos Charisis
Président

COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN

LETTRE D'OBSERVATIONS ET DE RECOMMANDATIONS CONCERNANT LE SECRÉTARIAT INTERNATIONAL POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2013

Introduction

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers rectifiés du Secrétariat international (SI) pour l'exercice clos le 31 décembre 2013, et il a émis une opinion avec réserve à leur sujet, ainsi qu'une opinion sans réserve sur la conformité.

Observations et recommandations

À l'issue de l'audit, le Collège a formulé six observations et sept recommandations, qui peuvent être récapitulées comme suit :

Les trois premières observations ont donné lieu à la formulation d'une réserve.

1. Non-conformité des états financiers rectifiés avec le cadre comptable OTAN (normes comptables internationales du secteur public (IPSAS) adaptées) du fait que les charges à payer n'ont pas été systématiquement recensées en fin d'exercice

2. Non-présentation des flux relatifs aux activités d'investissement dans le tableau des flux de trésorerie

3. Absence de retraitement des montants de 2012 fournis pour comparaison

Outre les trois observations ci-dessus, qui ont une incidence sur son opinion, le Collège a formulé les trois observations suivantes :

4. Publication tardive et erreurs imputables au processus d'établissement et d'examen des états financiers

5. Absence d'attribution claire des responsabilités pour la passation de marchés par l'intermédiaire de l'Agence OTAN d'information et de communication (NCIA)

6. Absence de confirmation du solde des éléments d'actif et de passif imputables à d'autres entités OTAN en fin d'exercice.

Le Collège a également fait le point sur la suite donnée aux questions ayant fait l'objet d'observations lors d'audits précédents et il a constaté que quatre d'entre elles avaient été réglées, que deux avaient été rendues caduques par des observations formulées au sujet des états financiers de 2013 et que quatre attendaient toujours d'être réglées.

OBSERVATIONS ET RECOMMANDATIONS

1. NON-CONFORMITÉ DES ÉTATS FINANCIERS RECTIFIÉS AVEC LE CADRE COMPTABLE OTAN (IPSAS ADAPTÉES)

Contexte

1.1 Le cadre comptable OTAN procède de l'adaptation des IPSAS à l'OTAN et se fonde sur les principes de la comptabilité d'exercice. Toutes les entités OTAN doivent se conformer à ce cadre.

Constatations

1.2 Comme indiqué dans les états financiers, les lacunes que présente son système comptable actuel ont empêché le SI de produire des états financiers rectifiés qui respectent pleinement les principes de la comptabilité d'exercice, d'où leur non-conformité avec le cadre comptable OTAN. Le Collège note que des progrès ont été accomplis et que désormais, les états financiers du SI sont davantage en accord avec les principes de la comptabilité d'exercice, même s'ils ne le sont pas encore tout à fait.

1.3 Le SI n'a pas systématiquement recensé les charges à payer en fin d'exercice. En effet, les charges figurant dans l'état de la performance financière correspondent aux engagements budgétaires et non aux charges à payer, tandis que les charges figurant dans l'état de l'exécution du budget correspondent aux paiements effectués en 2013, ajustés dans une certaine mesure pour tenir compte des montants restant à payer en fin d'exercice.

1.4 Le fait que les charges à payer ne soient pas systématiquement recensées se répercute principalement sur les soldes inscrits dans l'état de la performance financière sous les rubriques Coûts de fonctionnement, Dépenses d'équipement et Programmes et subventions ainsi que dans l'état de la situation financière sous les rubriques Produits des opérations sans contrepartie directe, Montants à payer et Produits non acquis. On n'observe en revanche pas de différence significative pour ce qui concerne les Dépenses de personnel.

1.5 Comme le SI n'a pas recensé toutes les charges à payer, il est difficile de déterminer l'ampleur exacte des erreurs. Les effets possibles d'erreurs qui n'auraient pas été détectées sur les soldes des Coûts de fonctionnement, des Dépenses d'équipement et des Programmes et subventions ainsi que sur les soldes correspondants présentés au titre des Produits des opérations sans contrepartie directe, des Montants à payer et des Produits non acquis pourraient être significatifs mais ils n'affectent pas l'ensemble des états financiers.

1.6 Le Collège est conscient du fait que pour atteindre la pleine conformité avec le cadre comptable OTAN ne pourra être obtenue avant l'implémentation du système de planification des ressources d'entreprise (ERP), qui devrait être opérationnel en 2015.

1.7 Par ailleurs, la valeur des stocks est erronée car elle n'a pas été calculée selon la méthode d'évaluation prescrite dans le cadre comptable OTAN du fait des limites inhérentes au système de gestion des stocks en usage (voir note 7 des états financiers rectifiés du SI). Qui plus est, le SI ne dispose pas d'un module Immobilisations corporelles ni d'inventaires valables en la matière auraient été reconstitués rétrospectivement en mai/juin 2014.

Recommandation

1.8 Dans le cadre de l'implémentation de l'ERP, le SI devrait continuer de s'attacher à produire des comptes qui soient conformes au cadre comptable OTAN, ce qui passe notamment par l'amélioration des méthodes comptables et de l'information communiquée. Le SI devrait également veiller à ce que le personnel qui sera amené à utiliser l'ERP reçoive une formation appropriée et plus particulièrement à ce que les divisions comprennent bien les principes de la comptabilité d'exercice.

Commentaire du SI

Approuvé.

2. NON-PRÉSENTATION DES FLUX RELATIFS AUX ACTIVITÉS D'INVESTISSEMENT DANS LE TABLEAU DES FLUX DE TRÉSORERIE

Contexte

2.1 Au paragraphe 18 de l'IPSAS 2 (*Tableaux des flux de trésorerie*), il est stipulé que *« le tableau des flux de trésorerie doit présenter les flux de trésorerie de la période classés en activités opérationnelles, d'investissement et de financement ».* Le SI présente son tableau des flux de trésorerie en appliquant la méthode directe.

Constatations

2.2 Le Collège a constaté que le SI ne présentait pas à part les flux de trésorerie relatifs aux activités d'investissement, c'est-à-dire les paiement effectués pour l'acquisition d'immobilisations corporelles et incorporelles. Ces flux sont compris dans le solde des flux relatifs aux activités opérationnelles. Or, en 2013, le SI a acquis des immobilisations corporelles et incorporelles pour un montant total de 6 400 000 EUR. Même si les versements effectivement effectués à ce titre en 2013 n'atteignent pas forcément ce montant, le Collège estime qu'il y a tout lieu de penser que les flux de trésorerie relatifs aux activités d'investissement représentent tout de même un montant significatif.

Recommandation

2.3 Le Collège recommande au SI de présenter les flux de trésorerie relatifs aux activités d'investissement dans le tableau des flux de trésorerie, de manière à se conformer au cadre comptable OTAN.

Commentaire du SI

Approuvé.

3. ABSENCE DE RETRAITEMENT DES MONTANTS DE 2012 FOURNIS POUR COMPARAISON

Contexte

3.1 Au paragraphe 47 de l'IPSAS 3 (*Méthodes comptables, changements d'estimations comptables et erreurs*), il est stipulé que « *l'entité doit corriger de manière rétrospective les erreurs significatives d'une période antérieure dans le premier jeu d'états financiers après leur découverte [...] par retraitement des montants comparatifs de la ou des périodes antérieures présentées* ».

Constatations

3.2 Pour l'exercice 2013, le SI a présenté des états financiers rectifiés comprenant cinq secteurs. Dans les états financiers de 2012, ces cinq secteurs n'étaient pas correctement consolidés, l'état de la situation financière ne les faisant pas tous apparaître et les opérations intersectorielles n'ayant pas été dûment éliminées[1]. Par ailleurs, en 2013, le SI a constaté les charges et les produits relatifs aux fonds gérés pour le compte de tiers uniquement dans les cas où il jouait le rôle de mandant, alors qu'en 2012, il avait constaté les charges et les produits pour la totalité de ces fonds.

3.3 Le Collège a constaté que, dans ses états financiers 2013 rectifiés, le SI n'avait pas correctement retraité les montants de 2012 fournis pour comparaison afin de tenir compte des changements intervenus en 2013 évoqués ci-dessus. Les montants de 2012 figurant dans l'état de la situation financière et dans le tableau des flux de trésorerie ainsi que l'information sectorielle présentée dans les notes n'ont pas été correctement retraités, contrairement à ce que prévoit le cadre comptable OTAN (IPSAS 3).

Recommandation

3.4 Le Collège recommande au SI de se conformer aux dispositions du cadre comptable OTAN (IPSAS adaptées) s'agissant des informations à fournir.

[1] Voir la lettre que le Collège a adressée à la direction en 2012 (IBA-AML(2013)09).

Commentaire du SI

Approuvé.

4. PUBLICATION TARDIVE ET ERREURS, Y COMPRIS ERREURS DE PRÉSENTATION, IMPUTABLES AU PROCESSUS D'ÉTABLISSEMENT ET D'EXAMEN DES ÉTATS FINANCIERS

Contexte

4.1 Les états financiers doivent être exempts de toute erreur de chiffres, de toute incohérence et de toute autre inexactitude. Chaque entité doit disposer d'un système approprié de contrôle interne, et notamment d'une procédure d'examen, lui permettant de s'assurer de la cohérence et de l'exactitude des informations présentées dans ses états financiers avant leur publication.

Constatations

4.2 Le SI n'a pas respecté l'échéance du 30 avril pour la publication de ses états financiers. Il les a publiés le 15 juillet 2014 dans leur version non vérifiée, et le 9 septembre 2014 dans leur version rectifiée sur la base des constatations du Collège.

4.3 Le Collège est d'avis que, même s'il faut admettre que l'absence d'un système d'information pleinement fonctionnel complique l'établissement des états financiers (voir plus haut), ce retard tient en partie à des défaillances dans le processus de clôture des comptes au SI. Le Collège est bien conscient qu'en 2013 et en 2014, le Bureau du contrôle financier du SI a été accaparé par l'implémentation du nouveau système ERP, par la prise en charge des activités du Centre du personnel et par diverses questions liées au nouveau Siège, ce qui a également contribué au retard avec lequel les états financiers du SI ont été publiés puis rectifiés.

4.4 Le Collège prend note en particulier des éléments suivants :

- Il n'existe pas de procédures écrites pour l'établissement des états financiers (échéances, responsabilités et procédure d'examen). En revanche, un manuel semble avoir déjà été mis au point pour le nouveau logiciel de comptabilité.
- Il n'y a pas de poste de chef comptable. Le contrôleur des finances est surchargé par quantité de tâches opérationnelles et il s'investit complètement dans l'établissement des états financiers plutôt que d'en assurer la coordination et l'examen.
- Des retards sont ainsi à constater dans la préparation des données utilisées pour la consolidation et l'établissement des états financiers, et le rapprochement de ces données exige un travail manuel considérable (par exemple immobilisations corporelles et incorporelles).

- La totalité du processus repose sur les épaules du contrôleur des finances, sans lequel les états financiers ne pourraient pas être produits. Même si celui-ci fait de son mieux, il y a des risques d'erreur, d'incohérence, d'omission, etc.

4.5 Le Collège a relevé plusieurs erreurs de chiffres, incohérences et/ou omissions dans les états financiers qui ont été publiés le 15 juillet 2014 (FC(2014)141), et plus précisément de nombreuses inexactitudes dans la valeur des immobilisations corporelles et incorporelles, des erreurs de chiffres dans le tableau des flux de trésorerie et des incohérences et/ou des omissions dans les notes jointes aux états financiers. Ces erreurs ont été signalées au SI, qui les a corrigées au cours de l'audit. Le 9 septembre 2014, le SI a ainsi publié des états financiers rectifiés (FC(2014)169), que le Collège a vérifiés.

Recommandation

4.6 Le Collège recommande de mettre en place des procédures internes solides qui définissent les responsabilités, les exigences et les échéances internes associées à l'établissement des états financiers, le but étant de faire en sorte que ceux-ci soient publiés dans les délais impartis par le NFR.

4.7 Par ailleurs, le Collège recommande au SI d'élaborer des procédures solides pour le recensement, la saisie et le suivi des dépenses relatives aux immobilisations corporelles et incorporelles tout au long de l'exercice. Le SI devrait veiller à ce que le nouveau système ERP soit doté d'un module Immobilisations qui lui permette d'enregistrer les immobilisations corporelles et incorporelles, et les divisions du SI tenant un registre d'inventaire devraient assurer la coordination voulue.

Commentaire du SI

Le SI souscrit à ces recommandations.

La production des états financiers est un travail collectif, auquel prennent aussi part d'autres personnes que le contrôleur des finances.

S'agissant des délais de publication des états financiers de 2013, il faut tenir compte du fait qu'il a fallu faire davantage avec les mêmes ressources, le dossier ERP étant venu s'ajouter à la charge de travail habituelle. Vu le nombre d'entités pour lesquelles le Bureau du contrôle financier doit établir des états financiers (huit chaque année), il n'a pas été possible de tous les publier avant l'échéance fixée. La question des retards doit être considérée dans sa globalité, sachant par ailleurs que cette année, plusieurs jeux d'états financiers ont été publiés bien avant l'échéance, ce qui constitue un progrès substantiel.

Le risque que les états financiers comportent des erreurs telles que celles relevées par le Collège est spécifiquement évoqué dans la déclaration sur le contrôle interne :

« Mis en place au début des années 1990, le système informatique a été conçu pour suivre l'exécution du budget et effectuer des paiements et non à des fins de comptabilité. Il n'a jamais été mis à jour. Comme ce système ne permet pas de générer des états financiers, une grande partie du travail de compilation et d'analyse s'effectue sur tableur. Il faut apporter des ajustements à la main, ce qui alourdit fortement l'ensemble du processus d'établissement des états financiers des organismes OTAN dont je suis responsable. Ces ajustements constituent donc un facteur de risque d'erreur.

Par ailleurs, le système informatique actuel n'est connecté à aucune des bases de données des Ressources humaines ni à d'autres systèmes informatiques, comme celui de la Section Achats et contrats, ce qui constitue un autre facteur de risque d'erreur. Ainsi, le système de contrôle interne est fortement tributaire du cadre de contrôle, et en particulier des connaissances acquises et des valeurs partagées par le personnel. Dans ce contexte, la moindre défaillance pourrait se révéler problématique. »

Le recensement des immobilisations corporelles est également rendu difficile par la nécessité de concentrer le peu de ressources informatiques disponibles sur l'implémentation de l'ERP plutôt que sur la mise à jour de l'actuel système de contrôle financier. C'est regrettable mais c'est malheureusement le prix à payer dans toute situation de transition. Quoi qu'il en soit, les données sont recueillies de manière à pouvoir ensuite dûment alimenter l'ERP, mais en raison des limitations du système informatique en place, il s'agit d'un processus essentiellement manuel, d'où un risque d'erreur. Les erreurs repérées ont été corrigées au moment de la rectification des états financiers.

5. ABSENCE D'UNE ATTRIBUTION CLAIRE DES RESPONSABILITÉS POUR LA PASSATION DE MARCHÉS PAR L'INTERMÉDIAIRE DE LA NCIA

Contexte

5.1 D'après l'article XXI des règles et procédures financières (FRP), le contrôleur des finances est tenu de garantir que les acquisitions de biens et de services sont effectuées conformément aux dispositions en la matière et que la réglementation est donc bien respectée.

Constatations

5.2 À l'occasion de la vérification des activités d'acquisition, le Collège a repéré un cas (principal contrat d'implémentation du Système de gestion des ressources numériques (DAMS), d'une valeur totale de 899 601 EUR) dans lequel la NCIA a joué le rôle d'agent d'acquisition pour le compte du SI.

5.3 Le Collège a constaté que le SI se servait de la NCIA comme agent d'acquisition dans les cas où il estime que l'expertise de cet organisme peut apporter une valeur ajoutée. Concernant le projet DAMS, il a été décidé de passer par la NCIA car elle était déjà en charge de l'infrastructure TIC du nouveau siège de l'OTAN. La NCIA a fourni au SI un devis (sur la base d'un remboursement des dépenses) et, à part, une proposition couvrant le coût des services à fournir pour le projet.

5.4 Il n'existe pas entre le SI et la NCIA d'accord global qui définisse les rôles et les responsabilités de chacun lorsqu'il est fait appel à la NCIA en tant qu'agent d'acquisition. Ainsi on ne sait pas bien qui, du SI ou de la NCIA, est responsable, entre autres, de la conformité avec les FRP pour ce qui concerne l'appel d'offres et la passation de marchés, la gestion des contrats, les conditions et modalités de paiement en faveur de la NCIA, l'accès à l'information/la documentation, etc.

5.5 Se fondant sur l'avis de son contrôleur des finances, le SI considère que, lorsque la NCIA joue le rôle d'agent d'acquisition pour son compte, c'est à elle qu'incombe la responsabilité de veiller au respect de l'article XX des FRP, concernant les acquisitions et la passation de marchés. Le Collège estime que le contrôleur des finances du SI ne peut pas déléguer à la NCIA la responsabilité qui lui incombe au titre de l'article XX des FRP sans avoir signé au préalable avec cet organisme un accord spécifique qui définisse les rôles et les responsabilités de chacun.

Recommandation

5.6 Le Collège recommande qu'un mémorandum d'accord régissant ce type de relations soit signé entre les deux parties afin de clarifier les rôles et les responsabilités de chacune dans le processus d'acquisition, dans la gestion des contrats, etc.

Commentaire du SI

Lorsque la NCIA joue le rôle de prestataire de services, elle suit ses propres règles, comme toutes les autres entités OTAN. Cette situation est spécifiquement prévue dans le manuel d'acquisition du SI.

Position du Collège

Le Collège réitère sa recommandation, à savoir qu'un mémorandum d'accord est nécessaire pour clarifier les rôles et les responsabilités de chacun s'agissant des exigences en matière d'acquisition, de la gestion des contrats, des conditions et modalités de paiement, etc.

6. ABSENCE DE CONFIRMATION DU SOLDE DES ÉLÉMENTS D'ACTIF ET DE PASSIFIMPUTABLES À D'AUTRES ENTITÉS OTAN EN FIN D'EXERCICE

Contexte

6.1 Le volume des opérations entre entités OTAN est important. Par exemple, la NCIA fournit divers services au SI, qui lui-même fournit des services à l'État-major militaire international (EMI), aux délégations et à d'autres entités OTAN. Ces opérations se traduisent par l'existence en fin d'exercice d'éléments d'actif et de passif, qui sont comptabilisés dans les états financiers de chacune des entités OTAN concernées.

Constatations

6.2 Le Collège a constaté que le SI ne se faisait pas confirmer par les autres entités OTAN concernées (NCIA, EMI, etc.) le solde des éléments d'actif et de passif leur correspondant en fin d'exercice. Ainsi, il n'existe aucune certitude quant au fait que chacun des organismes est d'accord sur le montant des éléments en question.

Recommandation

6.3 Le Collège recommande au SI de se faire confirmer par les autres entités OTAN concernées le solde des éléments d'actif et de passif leur correspondant en prévision de l'établissement des états financiers de 2014.

Commentaire du SI

Le SI souscrit à cette recommandation. Cette démarche a été adoptée en 2013 pour une série d'états financiers publiés par le Bureau du contrôle financier du SI (nouveau siège de l'OTAN, pensions, fonds de couverture médicale des agents à la retraite (RMCF)).

SUITES DONNÉES AUX OBSERVATIONS ANTÉRIEURES

Le Collège a fait le point sur la suite donnée aux observations et recommandations formulées lors de précédents audits. On en trouvera un résumé dans le tableau ci-dessous.

SUITES DONNÉES AUX OBSERVATIONS ANTÉRIEURES

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
1. IBA-AR(2013)24 (exercice 2012), paragraphe 5.2 – Immobilisations corporelles et immobilisations incorporelles		
Le SI n'a constaté aucune immobilisation corporelle dans ses états financiers de 2012, contrairement aux prescriptions de l'IPSAS 17. Il en découle que les comptes contiennent une inexactitude significative au regard des IPSAS, qui constituaient le cadre comptable en vigueur pour les états financiers de 2012, le cadre comptable adapté pour l'OTAN n'ayant été approuvé par le Conseil que le 2 août 2013, soit plus d'un mois après la présentation des comptes à l'audit. **Recommandation du Collège** Le Collège recommande au SI, maintenant qu'a été approuvé un cadre IPSAS adapté, contenant des dispositions différentes de celles de l'IPSAS 17, d'établir une méthode comptable détaillée pour les immobilisations corporelles et de veiller à ce que suffisamment d'informations soient données à ce sujet dans les notes qui seront jointes aux états financiers futurs, conformément aux recommandations formulées par le Collège dans son rapport sur les états financiers 2011 du SI (IBA-AR(2012)39).	Le Collège a relevé des inexactitudes pour ce qui concerne les immobilisations corporelles et les immobilisations incorporelles.	Observation **rendue caduque par l'observation 1 formulée pour l'exercice 2013.**
2. IBA-AR(2013)24 (exercice 2012), paragraphe 5.3 – Perception des recettes provenant des concessions commerciales dans le bâtiment du Siège et gestion des contrats correspondants		
Le Collège a constaté qu'en raison de l'imprécision du mandat régissant les activités commerciales dans le bâtiment du Siège, le loyer annuel et le remboursement des frais de services collectifs n'avaient pas toujours été perçus, contrairement à ce qui est	Durant l'année 2013 et au début de l'année 2014, le SI a perçu le remboursement des frais de services collectifs auprès de quatre concessionnaires présents dans le bâtiment du Siège pour un	Question **restant à régler**.

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
normalement prévu dans les contrats de concession. Par ailleurs, l'un des contrats ne contenait pas de dispositions concernant le remboursement des frais de services collectifs, et deux contrats étaient arrivés à échéance en 2012. **Recommandation du Collège** Le Collège recommande qu'un accord et des instructions soient établis par écrit entre le SI et le Centre du personnel pour spécifier les responsabilités qui incombent à chacun s'agissant des activités commerciales dans le bâtiment du Siège, le but étant que le loyer et le remboursement des frais de services collectifs soient dûment perçus. Le SI devrait aussi faire immédiatement le nécessaire pour recouvrer les sommes encore en souffrance à ce titre. Le Collège recommande également de régulariser les contrats arrivés à échéance, soit en lançant un nouvel appel d'offres soit en les prolongeant.	montant total de 120 000 EUR. Il doit encore percevoir auprès du Centre du personnel le remboursement des frais de services collectifs pour la période 2008-2013, soit 165 000 EUR. Il a émis des factures à l'intention du Centre du personnel mais celles-ci n'ont pas encore été réglées. Par ailleurs, le Service Achats du SI est en train de procéder à la révision et à la modification des contrats de concession en vigueur. Un modèle de contrat de concession a été établi, et, jusqu'à présent, deux contrats ont été modifiés et signés, et les contrats prévoient le remboursement des frais de services collectifs. D'autres contrats sont en cours de modification et de négociation. Le Collège assurera le suivi des travaux du SI portant sur le renouvellement et la modification des contrats de concession en vigueur.	
3. IBA-AR(2013)24 (exercice 2012), paragraphe 5.4 – **Nécessité d'améliorer la régularisation des avances mensuelles aux bureaux externes** Le Collège a constaté que les charges étaient sous-évaluées d'un montant pouvant aller jusqu'à 1 MEUR du fait de la non-régularisation en temps utile des avances versées aux bureaux externes. **Recommandation du Collège** Le Collège recommande au SI de renforcer la coordination avec les bureaux externes s'agissant des procédures et des échéances à respecter pour la régularisation des avances et de consolider les procédures de contrôle interne qu'il applique, surtout en fin d'exercice, pour s'assurer que les charges relatives à l'exercice en cours soient correctement comptabilisées.	Le SI a amélioré les procédures relatives à la régularisation des avances versées aux bureaux externes en 2013. Ceux-ci fournissent tous des justificatifs mensuels des frais exposés. En fin d'exercice, le SI a reçu les justificatifs voulus, et la régularisation des avances de 2013 a été effectuée.	Question **réglée.**

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
4. IBA-AR(2013)24 (exercice 2012), paragraphe 5.5 – **Excédent généré par la vente de carburant aux membres du personnel**		
Le Collège a constaté qu'un excédent de 301 750 EUR avait été généré par la vente de carburant aux membres du personnel pouvant y prétendre. Aucune décision n'a encore été prise quant au sort à réserver à cet excédent (utilisation ou distribution). **Recommandation du Collège** Le Collège recommande au SI de décider du sort à réserver à l'excédent généré par la vente de carburant. Quelle que soit la décision prise, le Collège recommande au SI d'en informer le Comité des budgets.	Aucune décision n'a encore été prise quant au sort à réserver à l'excédent généré par la vente de carburant. Le montant total en jeu fin 2013 était de 324 086 EUR.	Question **restant à régler**.
5. IBA-AR(2013)24 (exercice 2012), paragraphe 5.6 – **Acceptation d'une offre autre que la moins disante sans consultation du Comité des budgets pour approbation, en violation des dispositions de l'article XX des FRP**		
Le Collège a constaté que, contrairement aux prescriptions des FRP, le SI n'a pas informé le Comité des budgets au moment d'accepter une offre autre que la moins disante dont le montant dépassait l'équivalent du niveau E des limites financières établies (LFE). Il a agi de la sorte en se fondant sur l'interprétation du Bureau du contrôle financier, à savoir qu'en vertu de la méthode d'évaluation suivant la procédure du mieux-disant qui est consignée dans le nouveau manuel d'acquisition, il n'est plus nécessaire d'informer le Comité des budgets lorsque ce n'est pas l'offre la moins disante qui est acceptée et que le montant en jeu dépasse l'équivalent du niveau E des LFE. **Recommandation du Collège** Le Collège recommande au SI de demander aux pays d'approuver l'interprétation du Bureau du contrôle financier, à savoir qu'en vertu de la méthode d'évaluation suivant la procédure du mieux-disant consignée dans le nouveau manuel d'acquisition, il n'est plus nécessaire d'informer le Comité des budgets	À sa réunion du 13 févier 2014 (BC-D(2014)0010-REV1), le Comité des budgets a décidé de souscrire à l'approche du SI s'agissant de l'acquisition suivant la procédure du mieux-disant. Cela signifie que l'article XX des FRP ne s'applique qu'aux procédures d'acquisition pour lesquelles le prix de l'offre conforme est le critère retenu pour l'attribution du contrat.	Question **réglée.**

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
en de telles circonstances. Par ailleurs, le SI devrait veiller à ce que cette question soit prise en considération dans le cadre de la révision du NFR et des FRP qui est en cours.		
6. IBA-AR(2013)24 (exercice 2012), paragraphe 5.7 – **Transferts opérés après la révision du budget sans autorisation du contrôleur des finances** Le Collège n'a pas pu obtenir les justificatifs attestant que le contrôleur des finances avait officiellement approuvé les transferts opérés entre et au sein de différents pools de ressources et objectifs globaux après l'approbation du budget révisé. **Recommandation du Collège** Le Collège recommande que les transferts effectués par le contrôleur des finances après l'approbation du budget révisé fassent l'objet d'une approbation explicite et soient étayés par des justificatifs officiels.	Les transferts opérés après l'approbation du budget révisé ont été approuvés par le contrôleur des finances.	Question **réglée.**
7. IBA-AR(2013)24 (exercice 2012), paragraphe 5.8 – **Non-respect des dispositions du Règlement du personnel civil (RPC) en matière de travail par équipes et de compensation des heures supplémentaires** Le Collège a constaté une série de cas dans lesquels des agents ont continué de bénéficier de l'indemnité de travail par équipes pendant plus d'un an alors qu'ils n'y avaient plus droit, et ce parce que les Ressources humaines n'ont jamais donné suite à la demande de modification soumise par la division concernée. Par ailleurs, le Collège a constaté que, dans une certaine division, la gestion de la rémunération des heures supplémentaires n'était pas conforme au RPC pour douze agents travaillant par équipes. C'est là le résultat d'une pratique interne instaurée et approuvée en 1985 par le chef du Personnel sans justification aucune. Le SI a ainsi indûment rémunéré les heures supplémentaires de douze agents en poste depuis 1985. Bien que les montants en jeu	À sa réunion du 13 février 2014 (BC-D(2014)0010-REV1), le Comité des budgets a souscrit « *aux arguments du Secrétariat international, qui estime que, même si ce dispositif n'est pas tout à fait clair ni aisé à appliquer, il s'est révélé pratique et financièrement efficace pour répondre aux besoins opérationnels du Siège actuel ; il [a également noté] que modifier la pratique en place pourrait être risqué sur le plan juridique et coûteux sur le plan financier et, pour ces raisons, il est disposé à accepter, à titre exceptionnel, le maintien du dispositif existant uniquement pour la durée de vie*	Question **réglée.**

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
soient relativement faibles au regard de l'OTAN dans son ensemble, le Collège considère que la pleine conformité avec le RPC et le traitement équitable des agents sont une nécessité, compte tenu par ailleurs du fait que ces montants peuvent être significatifs pour les personnes concernées. **Recommandation du Collège** Le Collège recommande au SI d'appliquer correctement et uniformément dans toutes les divisions les dispositions du RPC en matière de travail par équipes, de manière à garantir que chaque agent perçoive la rémunération qui lui revient. Pour ce faire, les Ressources humaines devraient orienter les divisions et les aider à appliquer la réglementation en vigueur, par exemple en diffusant de nouvelles instructions internes applicables à toutes les divisions ou en proposant des formulaires normalisés. La note diffusée en 1985 devrait être annulée. Le Collège recommande aux Ressources humaines et à la division concernée de travailler ensemble à l'élaboration d'un calendrier de travail par équipes qui permette à cette division de tirer pleinement parti de ce système en utilisant efficacement les ressources disponibles tout en respectant la réglementation en vigueur. Si le SI souhaite maintenir le dispositif actuel jusqu'à l'emménagement dans le nouveau Siège, le Collège lui recommande de solliciter l'approbation des pays. Une fois le déménagement achevé, il faudra mettre en place un nouveau dispositif qui soit pleinement conforme au RPC. Le Collège recommande au SI d'apporter une réponse complète et appropriée aux prochains rapports qu'établira le Service Audit interne. Les réponses indiquant que des travaux complémentaires sont nécessaires devraient être complétées par d'autres réponses officielles une fois ces travaux menés à bien.	*du Siège actuel ».* Le Collège recommande qu'une fois le déménagement achevé, un nouveau dispositif pleinement conforme au RPC soit mis en place. Le Collège fera le point sur la mise en place des nouvelles dispositions applicables au nouveau Siège.	

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
8. IBA-AR(2012)08 (exercice 2010), paragraphe 5.2 – Comptabilisation des fonds relatifs à l'ex-Organisation de production et de logistique OTAN HAWK (OPLOH) Il n'a pas été fait mention des soldes de liquidités de 598 300 EUR et de 89 619 USD détenus par le SI en sa qualité d'agent pour le compte du BGOH ni des paiements d'un montant de 946 319 EUR effectués au cours de l'exercice sous la supervision du SI. **Recommandation du Collège** Le Collège recommande au SI de déterminer la meilleure méthode pour la comptabilisation et la présentation des actifs et des passifs du BGOH ainsi que des mouvements de fonds enregistrés à cet égard au cours de l'exercice.	Le SI a informé le Collège que des états financiers distincts allaient être publiés pour l'OPLOH. Cela n'a pas encore été fait. Le Collège a noté que les derniers paiements relevant du HAWK avaient été effectués et que toutes les activités étaient à présent clôturées, et qu'un excédent de 425 013 EUR restait encore à distribuer aux pays.	Question **restant à régler**.
9. IBA-AR(2012)08 (exercice 2010), paragraphe 5.5 – Rapprochements bancaires non signés En l'absence de signature de l'examinateur des rapprochements bancaires du SI, il n'existe pas de preuve écrite de la réalisation de l'examen. De plus, les rapprochements n'ayant pas été signés par le préparateur, il n'existe pas de preuve écrite du respect du principe de séparation des tâches pour ce contrôle interne. **Recommandation du Collège** Le Collège recommande que, désormais, les rapprochements bancaires soient signés à la fois par le préparateur et par le chef de la trésorerie (ou son adjoint) en sa qualité d'examinateur.	Les rapprochements bancaires ont été signés par le préparateur et par l'examinateur durant l'audit à la demande de l'auditeur. Ces documents devraient être examinés et signés au moment de leur établissement.	Question **restant à régler**.
10. IBA-AR(2009)01 (exercice 2007), paragraphe 5.1 – Retard dans la publication des états financiers **Recommandation du Collège** Le SI devrait élaborer une procédure qui lui permette de procéder à l'établissement, à l'examen et à la publication des états financiers avant l'échéance du 30 avril, même en cas d'application de la méthode « transformationnelle ».	Les états financiers de 2013 ont été publiés le 15 juillet 2014, soit deux mois et demi après l'échéance fixée dans le NFR.	Observation **rendue caduque par l'observation 2 formulée pour l'exercice 2013.**

INTERNATIONAL STAFF

RESTATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

ANNEXES :

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NATO INTERNATIONAL SECRETARIAT STATEMENT OF FINANCIAL POSITION
as at 31 December 2013
(All amounts in Euro)

	Notes	Current Year	Prior Year	Variance
		31-Dec-13	**31-Dec-12**	**CY - PY**
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	3			
Cash		2,249.35	2,176.82	72.53
Current bank accounts		68,565,700.12	46,666,612.49	21,899,087.63
Cash equivalents		0.00	0.00	0.00
Subtotal Cash & Equivalent		68,567,949.47	46,668,789.31	21,899,160.16
Cash Managed for Third Parties	4	11,844,681.60	11,474,849.85	369,831.75
Total Cash and Cash Equivalents		**80,412,631.07**	**58,143,639.16**	**22,268,991.91**
Receivables	**5**			
Contributions from Member Nations Receivables		44,584,206.46	57,045,606.00	-12,461,399.54
Receivables from Nations, Partners and others		1,079,862.85	3,888,896.98	-2,809,034.13
Budget undercall		0.00	2,000,000.00	-2,000,000.00
Receivables from other NATO bodies		34,167.21		34,167.21
Receivables from Staff Members		957,980.24	1,006,849.06	-48,868.82
Receivables from Post Employment Benefit Schemes		90,827.26	0.00	90,827.26
Bank interest accrued		195,586.53	213,096.77	-17,510.24
Total Receivables		**46,942,630.55**	**64,154,448.81**	**-17,211,818.26**
Prepayments	6			
Other receivables		3,220,709.36	2,066,018.68	1,154,690.68
Total Prepayments		**3,220,709.36**	**2,066,018.68**	**1,154,690.68**
Inventories	7			
Office supplies		169,477.42	305,067.31	-135,589.89
Supplies/maintenance		319,380.16	319,895.38	-515.22
Medicine and vaccines		343,582.17	342,458.01	1,124.16
Munitions		30,907.00	29,773.00	1,134.00
Total Inventories		**863,346.75**	**997,193.70**	**-133,846.95**
TOTAL CURRENT ASSETS		**131,439,317.73**	**125,361,300.35**	**6,078,017.38**
NON CURRENT ASSETS				
Receivables		-	0.00	0.00
		-		
Infrastructure, plant and equipment	8	**1,035,768.68**	0.00	1,035,768.68
		-		
Land and buildings	8	-	0.00	0.00
		-		
Intangible assets	**8**	**9,041,200.87**	0.00	9,041,200.87
TOTAL NON CURRENT ASSETS		**10,076,969.55**	**0.00**	**10,076,969.55**
				0.00
TOTAL ASSETS		**141,516,287.28**	**125,361,300.35**	**16,154,986.93**

ANNEX 1 to
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TABLE 2

NATO INTERNATIONAL SECRETARIAT STATEMENT OF FINANCIAL POSITION
as at 31 December 2013
(All amounts in Euro)

	Notes	Current Year	Prior Year	Variance
		31-Dec-13	**31-Dec-12**	**CY - PY**
LIABILITIES				
CURRENT LIABILITIES				
Payables	9			
Payable to Nations				
Interest		109,948.14	225,329.53	-115,381.39
Lapsed credits		10,937,453.63	9,862,045.35	1,075,408.28
Miscellaneous receipts		315,268.95	346,570.05	-31,301.10
US & NL reimbursables		5,022,398.28	4,753,130.51	269,267.77
Project accumulated surplus		565,547.68	0.00	565,547.68
Other payable to Nations		1,699,471.14	4,024,042.44	-2,324,571.30
Total Payable to Nations		**18,650,087.82**	**19,211,117.88**	**-561,030.06**
Payable to Staff		**0.00**	**0.00**	**0.00**
Payable to NATO Bodies				
Stikker fund		95,535.77	95,139.57	396.20
Agencies		1,570.70	0.00	1,570.70
Post Employment Benefit Schemes		0.00	0.00	0.00
Total Payable to NATO Bodies		**97,106.47**	**95,139.57**	**1,966.90**
Payable to Suppliers				
Payable to Suppliers		10,560,332.98	7,098,314.67	3,462,018.31
Accrued expenses		0.00	0.00	0.00
Total Payable to Suppliers		**10,560,332.98**	**7,098,314.67**	**3,462,018.31**
Payable to Others				
Other Accounts Payable		907,288.30	904,102.34	3,185.96
Trust Funds		15,017,577.46	15,021,003.38	-3,425.92
Total Payable to Others		**15,924,865.76**	**15,925,105.72**	**-239.96**
Total Accounts Payable		**45,232,393.03**	**42,329,677.84**	**2,902,715.19**
Unearned Revenue and Advanced Contributions	10			
Unearned revenue from budgetary credits		38,405,800.23	35,280,633.83	3,125,166.40
Unearned revenue from Annex IV - Partners' Accomodation		20,777.72	53,794.98	-33,017.26
Unearned revenue from previous years surplus		0.00	0.00	0.00
Unearned revenue advance called for Y +1		46,917,000.00	46,700,000.00	217,000.00
Unearned revenue inventory		863,346.75	997,193.70	-133,846.95
Total Unearned Revenue and Advanced Contributions		**86,206,924.70**	**83,031,622.51**	**3,175,302.19**
TOTAL CURRENT LIABILITIES		**131,439,317.73**	**125,361,300.35**	**6,078,017.38**
NON CURRENT LIABILITIES	11			
Long-term unearned revenue from PPE		1,035,768.68	0.00	**1,035,768.68**
Long-term unearned revenue from intangible assets		9,041,200.87	0.00	**9,041,200.87**
Provisions		**0.00**	**0.00**	**0.00**
TOTAL NON CURRENT LIABILITIES		**10,076,969.55**	**0.00**	**10,076,969.55**
TOTAL LIABILITIES		**141,516,287.28**	**125,361,300.35**	**16,154,986.93**
NET ASSETS				
Surplus/Deficit of the period		0.00	0.00	0.00
Total Net Assets		**0.00**	**0.00**	**0.00**
TOTAL NET ASSETS		**0.00**	**0.00**	**0.00**

NATO INTERNATIONAL SECRETARIAT STATEMENT OF FINANCIAL PERFORMANCE
As at 31 December 2013
(All amounts in EUR)

	Notes	Civil Budget	PMIS	OSS	Trust Funds	Partners' Accommodation	Neutralisation of Internal Transactions	Total
		Current Year	Current Year	Current Year	Current Year	Current Year		Current Year
		31-Dec-13	31-Dec-13	31-Dec-13	31-Dec-13	31-Dec-13		31-Dec-13
Revenue	12							
Revenue from non exchange transactions		163,146,658.35	-	601,158.21	-	-		163,747,816.56
Revenue from exchange transactions		9,645,844.00	98,161.69	-	1,854,982.67	2,152,908.87		13,751,897.23
Financial Revenue		217,897.51	175.70	1,320.08		-		219,393.29
Other revenue		-	-	-	-	-		-
Long term revenue funding depreciation and impairment		2,131,526.67						2,131,526.67
Internal Transactions		261,234.00	36,392.96			692,933.40	(990,560.36)	-
Total Revenue		**175,403,160.53**	**134,730.35**	**602,478.29**	**1,854,982.67**	**2,845,842.27**	**(990,560.36)**	**179,850,633.75**
Expenses	13							
Wages, salaries and employee benefits		121,095,604.90	115,837.54	402,155.62		-		121,613,598.06
Operating costs: rents, supplies and consumables used		23,867,829.50	18,892.81	118,988.27	-	2,382,245.05		26,387,955.63
Capital Expenditure		3,842,652.22						3,842,652.22
Programmes and grants		23,499,108.77	-	-	1,854,982.67	-		25,354,091.44
Financial Costs		109,264.45	-	-	-	-		109,264.45
Other expenses (interest to nations and transfers)		209,182.06	-	-	-	-		209,182.06
Depreciation		131,526.67	-	-	-	-		131,526.67
Impairment		2,000,000.00	-	-	-	-		2,000,000.00
Internal Transactions		647,991.96		81,334.40		261,234.00	(990,560.36)	-
Total Expenses		**175,403,160.53**	**134,730.35**	**602,478.29**	**1,854,982.67**	**2,643,479.05**	**(990,560.36)**	**179,648,270.53**
Surplus/Deficit for the period	**14**	-	-	-	-	202,363.22	-	202,363.22

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NATO INTERNATIONAL SECRETARIAT STATEMENT OF FINANCIAL PERFORMANCE
As at 31 December 2012
(All amounts in EUR)

	Notes	Civil Budget	PMIS	Agency Reform and OSS	Trust Funds	Partners' Accommodation	Neutralisation of Internal Transactions	Total
		Current Year	Current Year	Current Year	Current Year	Current Year		Current Year
		31-Dec-12	31-Dec-12	31-Dec-12	31-Dec-12	31-Dec-12		31-Dec-11
Revenue	12							
Revenue from non exchange transactions		176,272,517.55	-	151,529.00	-	-		176,424,046.55
Revenue from exchange transactions		9,567,247.77	92,037.72	435,857.47	1,194,226.06	2,106,071.07		13,395,440.09
Financial Revenue		290,741.42	234.62	-		-		290,976.04
Other revenue		-	-	-	-	-		-
Internal Transactions		262,112.00	39,830.97			709,675.00	(1,011,617.97)	-
								-
Total Revenue		**186,392,618.74**	**132,103.31**	**587,386.47**	**1,194,226.06**	**2,815,746.07**	**(1,011,617.97)**	**190,110,462.68**
Expenses	13							
Wages, salaries and employee benefits		127,868,542.54	112,282.36	431,552.16		-		128,412,377.06
Operating costs: rents, supplies and consumables used		22,490,293.39	19,820.95	155,834.31	-	2,607,891.77		25,273,840.42
Capital Expenditure		11,599,242.22						11,599,242.22
Programmes and grants		23,394,293.20	-	-	1,194,226.06	-		24,588,519.26
Financial Costs		65,411.89	-	-	-	-		65,411.89
Other expenses (interest to be reimbursed to nations)		225,329.53	-	-	-	-		225,329.53
Depreciation		-	-	-	-	-		-
Internal Transactions		749,505.97				262,112.00	(1,011,617.97)	-
								-
Total Expenses		**186,392,618.74**	**132,103.31**	**587,386.47**	**1,194,226.06**	**2,870,003.77**	**(1,011,617.97)**	**190,164,720.38**
Surplus/Deficit for the period	**14**	**-**	**-**	**-**	**-**	(54,257.70)		(54,257.70)

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CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES	Note	2013	2012
RECEIPTS / RECETTES	15		
Contributions		179,268,516.22	180,736,192.50
Advances on Civil Budget		640,000.00	2,987,991.00
Other operational revenues		9,593,920.01	8,189,540.36
Financial Revenues		235,058.08	145,872.88
Financial Revenues Y 2012		0.00	60,696.82
Extraordinary revenues		-	-
Others / Autres		15,451,490.11	17,158,690.03
Partner Accomodation		1,935,899.29	1,776,684.94
Contributions paid to incorrect account		760,221.20	10,127,696.85
Net gain on foreign exchange transactions		64,176.76	0.00
TOTAL		**207,949,281.67**	**221,183,365.38**
PAYMENTS / PAIEMENTS	16		
Personnel Costs (RP1)		(119,679,476.25)	(124,351,217.59)
Operating Costs (RP2)		(21,906,518.73)	(22,664,364.45)
Capital Costs (RP3)		(5,286,455.55)	(10,340,298.26)
Programmes (RP4)		(16,685,069.15)	(22,711,892.58)
Partner Accomodation		(1,795,504.16)	(3,493,522.17)
Correction of Contributions paid to incorrect account		(760,221.20)	(10,127,696.85)
Miscellaneous Payments		(19,775,601.60)	(16,181,921.55)
Financial Costs		(42,795.26)	(37,891.87)
Net loss on foreign exchange transactions		(118,479.61)	(6,977.62)
TOTAL		**(186,050,121.51)**	**(209,915,782.94)**
NET CASH FLOW FROM OPERATING ACTIVITIES		**21,899,160.16**	**11,267,582.44**
CASH FLOW FROM INVESTING ACTIVITIES			
PURCHASE OF NON CURRENT ASSETS		-	
		-	
NET CASH FLOW FROM INVESTING ACTIVITIES		**0.00**	**0.00**
CASH FLOW FROM FINANCIAL ACTIVITIES			
RECEIPTS / RECETTES		0.00	0.00
PAYMENTS / PAIEMENTS		0.00	0.00
NET CASH FLOW FROM FINANCING ACTIVITIES		**0.00**	**0.00**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS OF PERIOD	16	**21,899,160.16**	**11,267,582.44**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16	**46,668,789.31**	**31,855,053.34**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**68,567,949.47**	**43,122,635.78**
CASH FLOW FROM THIRD PARTIES	17		
RECEIPTS		13,975,230.31	13,687,213.82
PAYMENTS		(13,605,398.57)	(15,873,238.31)
NET CASH FLOW FROM THIRD PARTIES		**369,831.74**	**-2,186,024.49**

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STATEMENT OF CHANGES IN NET ASSETS/EQUITY AS AT 31/12/2013 (IN EUR)	
	Accumulated surpluses/(deficits)
Balance at 31 December 2011	**0.00**
Revaluation of investments	0.00
Revaluation of investments	0.00
Currency translation differences	0.00
Net gains and losses not recognized in statement of financial performance	0.00
Net surplus/deficit for the period	0.00
Balance at 31 December 2012	**0.00**
Revaluation of investments	0.00
Revaluation of investments	0.00
Currency translation differences	0.00
Net gains and losses not recognized in the statement of financial performance	0.00
Net surplus/deficit for the period	0.00
Balance at 31 December 2013	**0.00**

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(n = 2013) (in EUR)

CHAPTER		BUDGET AUTHORISATIONS			COMMITMENTS	EXPENDITURES	BUDGETARY SURPLUS	
		BUDGET INITIAL : BC-D(2013)0005 REV: BC-D(2013)0215 -	AUTHORIZED TRANSFERS	ADJUSTED CREDITS			Credits carried forward to n+1	Lapsed credits
		(1)	(2)	(3) = (1)+(2)	(4)	(5)	(6) = (4) - (5)	(7) = (3) - (4)
1	**PERSONNEL COSTS**							
	Financial year n	123,184,714.14	2,741.80	123,187,455.94	122,483,905.83	118,550,477.41	3,933,428.42	703,550.11
	Carried forward:							
	Financial year n-1	4,318,647.85	0.00	4,318,647.85	4,257,470.62	3,307,565.72	949,904.90	61,177.23
	Financial year n-2	896,847.81	0.00	896,847.81	113,312.26	113,312.26	0.00	783,535.55
	Financial year n-3	29,295.48	-29,295.48	0.00	0.00	0.00	0.00	0.00
		128,429,505.28	-26,553.68	128,402,951.60	126,854,688.71	121,971,355.39	4,883,333.32	1,548,262.89
2	**OPERATING COSTS**							
	Financial year n	26,613,872.55	-400,000.00	26,213,872.55	23,977,829.50	22,175,953.95	1,801,875.55	2,236,043.05
	Carried forward:							
	Financial year n-1	1,700,465.38	0.00	1,700,465.38	1,427,107.74	1,326,438.95	100,668.79	273,357.64
	Financial year n-2	543,686.47	0.00	543,686.47	53,627.81	53,627.81	0.00	490,058.66
	Financial year n-3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		28,858,024.40	-400,000.00	28,458,024.40	25,458,565.05	23,556,020.71	1,902,544.34	2,999,459.35
3	**CAPITAL COSTS**							
	Financial year n	8,464,705.15	397,258.20	8,861,963.35	8,667,601.22	2,302,461.63	6,365,139.59	194,362.13
	Carried forward:							
	Financial year n-1	9,121,570.48	0.00	9,121,570.48	9,075,233.57	5,061,528.49	4,013,705.08	46,336.91
	Financial year n-2	4,500,499.69	0.00	4,500,499.69	4,334,719.99	736,943.34	3,597,776.65	165,779.70
	Financial year n-3	315,993.89	29,295.48	345,289.37	338,973.98	161,633.98	177,340.00	6,315.39
		22,402,769.21	426,553.68	22,829,322.89	22,416,528.76	8,262,567.44	14,153,961.32	412,794.13
4	**PROGRAMMES TOTAL**							
	Financial year n	28,605,708.00	0.00	28,605,708.00	23,576,070.68	10,069,572.00	13,506,498.68	5,029,637.32
	Carried forward:		0.00					
	Financial year n-1	10,528,718.78	0.00	10,528,718.78	9,889,707.08	5,935,982.43	3,953,724.65	639,011.70
	Financial year n-2	3,304,908.00	0.00	3,304,908.00	3,005,653.41	3,005,653.41	0.00	299,254.59
	Financial year n-3	20,000.00	0.00	20,000.00	13,336.00	13,336.00	0.00	6,664.00
		42,459,334.78	0.00	42,459,334.78	36,484,767.17	19,024,543.84	17,460,223.33	5,974,567.61
	TOTAL CHAPTERS 1 TO 4							
	Financial year n	186,868,999.84	0.00	186,868,999.84	178,705,407.23	153,098,464.99	25,606,942.24	8,163,592.61
	Carried forward:							
	Financial year n-1	25,669,402.49	0.00	25,669,402.49	24,649,519.01	15,631,515.59	9,018,003.42	1,019,883.48
	Financial year n-2	9,245,941.97	0.00	9,245,941.97	7,507,313.47	3,909,536.82	3,597,776.65	1,738,628.50
	Financial year n-3	365,289.37	0.00	365,289.37	352,309.98	174,969.98	177,340.00	12,979.39
		222,149,633.67	0.00	222,149,633.67	211,214,549.69	172,814,487.38	38,400,062.31	10,935,083.98

(n = 2012) (in EUR)

CHAPTER		BUDGET AUTHORISATIONS			COMMITMENTS	EXPENDITURES	BUDGETARY SURPLUS	
		BUDGET INITIAL : BC-D(2012)0011 REV: BC-D(2012)0201-R	AUTHORIZED TRANSFERS	ADJUSTED CREDITS			Credits carried forward to n+1	Lapsed credits
		(1)	(2)	(3) = (1)+(2)	(4)	(5)	(6) = (4) - (5)	(7) = (3) - (4)
1	**PERSONNEL COSTS**							
	Financial year n	128,937,568.67	437,501.98	129,375,070.65	127,868,542.54	123,549,894.69	4,318,647.85	1,506,528.11
	Carried forward:							
	Financial year n-1	4,233,018.94	0.00	4,233,018.94	3,839,798.47	2,942,950.66	896,847.81	393,220.47
	Financial year n-2	566,674.52	0.00	566,674.52	354,104.37	324,808.89	29,295.48	212,570.15
	Financial year n-3	25.25	-25.25	0.00	0.00	0.00	0.00	0.00
	Financial year n-4	2,777.92	-0.48	2,777.44	2,277.44	2,277.44	0.00	500.00
	Financial year n-5	17,831.51	-0.51	17,831.00	17,831.00	17,831.00	0.00	0.00
	Financial year n-6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		133,757,896.81	437,475.74	134,195,372.55	132,082,553.82	126,837,762.68	5,244,791.14	2,112,818.73
2	**OPERATING COSTS**							
	Financial year n	25,953,815.35	-1,431,657.00	24,522,158.35	23,239,799.36	21,539,333.98	1,700,465.38	1,282,358.99
	Carried forward:		0.00					
	Financial year n-1	4,816,495.59	0.00	4,816,495.59	4,710,638.65	4,166,952.18	543,686.47	105,856.94
	Financial year n-2	1,180,348.79	0.00	1,180,348.79	521,931.83	521,931.83	0.00	658,416.96
	Financial year n-3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Financial year n-4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		31,950,659.73	-1,431,657.00	30,519,002.73	28,472,369.84	26,228,217.99	2,244,151.85	2,046,632.89
3	**CAPITAL COSTS**							
	Financial year n	10,638,157.48	1,094,934.26	11,733,091.74	11,599,242.22	2,477,671.74	9,121,570.48	133,849.52
	Carried forward:							
	Financial year n-1	10,552,767.35	0.00	10,552,767.35	10,474,718.83	5,974,219.14	4,500,499.69	78,048.52
	Financial year n-2	2,700,159.08	0.00	2,700,159.08	2,413,362.72	2,097,368.83	315,993.89	286,796.36
	Financial year n-3	63,979.45	0.00	63,979.45	11,127.91	11,127.91	0.00	52,851.54
	Financial year n-4	11,239.27	0.00	11,239.27	10,624.62	10,624.62	0.00	614.65
	Financial year n-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Financial year n-6	158,782.49	-753.00	158,029.49	158,029.49	158,029.49	0.00	0.00
		24,125,085.12	0.00	25,219,266.38	24,667,105.79	10,729,041.73	13,938,064.06	552,160.59
4	**PROGRAMMES TOTAL**							
	Financial year n	27,538,097.00	-100,000.00	27,438,097.00	23,394,293.20	12,865,574.42	10,528,718.78	4,043,803.80
	Carried forward:		0.00					
	Financial year n-1	12,883,168.31	0.00	12,883,168.31	12,312,966.22	9,008,058.22	3,304,908.00	570,202.09
	Financial year n-2	2,613,309.65	0.00	2,613,309.65	2,076,882.40	2,056,882.40	20,000.00	536,427.25
	Financial year n-3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		43,034,574.96	-100,000.00	42,934,574.96	37,784,141.82	23,930,515.04	13,853,626.78	5,150,433.14
	TOTAL CHAPTERS 1 TO 4							
	Financial year n	193,067,638.50	779.24	193,068,417.74	186,101,877.32	160,432,474.83	25,669,402.49	6,966,540.42
	Carried forward:							
	Financial year n-1	32,485,450.19	0.00	32,485,450.19	31,338,122.17	22,092,180.20	9,245,941.97	1,147,328.02
	Financial year n-2	7,060,492.04	0.00	7,060,492.04	5,366,281.32	5,000,991.95	365,289.37	1,694,210.72
	Financial year n-3	64,004.70	-25.25	63,979.45	11,127.91	11,127.91	0.00	52,851.54
	Financial year n-4	14,017.19	-0.48	14,016.71	12,902.06	12,902.06	0.00	1,114.65
	Financial year n-5	17,831.51	-0.51	17,831.00	17,831.00	17,831.00	0.00	0.00
	Financial year n-6	158,782.49	-753.00	158,029.49	158,029.49	158,029.49	0.00	0.00
		232,868,216.62	0.00	232,868,216.62	223,006,171.27	187,725,537.44	35,280,633.83	9,862,045.35

INTERNATIONAL STAFF
BUDGETARY OPERATIONS FOR FINANCIAL YEAR 2013 : USE OF CREDITS BY GLOBAL OBJECTIVE

	GLOBAL OBJECTIVES	BUDGET AUTHORISATIONS			COMMITMENTS	EXPENDITURES	BUDGETARY SURPLUS		Consumption rate budget	Consumption rate adjusted credits
		REVISED BUDGET	AUTHORIZED TRANSFERS	ADJUSTED CREDITS			Credits carried forward to n+1	Lapsed credits		
		(1)	(2)	(3) = (1)+(2)	(4)	(5)	(6) = (4) - (5)	(7) = (3) - (4)	(8) = (4)/(1)	(8) = (4)/(3)
A	ACTIVE OPERATIONS	15,694,308.93	0.00	15,694,308.93	14,963,262.16	13,700,006.44	1,263,255.72	731,046.77	95.34%	95.34%
C	ALLIANCE CAPABILITIES	25,289,625.16	-50,000.00	25,239,625.16	25,173,606.18	20,996,737.37	4,176,868.81	66,018.98	99.54%	99.74%
P	CONSULTAT COOP WITH PARTNERS	29,318,000.82	50,000.00	29,368,000.82	25,246,702.12	17,728,319.02	7,518,383.10	4,121,298.70	86.11%	85.97%
R	PUBLIC RELATIONS	21,754,556.52	-150,000.00	21,604,556.52	20,448,397.48	16,932,489.19	3,515,908.29	1,156,159.04	94.00%	94.65%
N	CONSULTATION PROCESS	20,687,962.93	378,000.00	21,065,962.93	20,675,664.16	20,245,473.65	430,190.51	390,298.77	99.94%	98.15%
M	OPERATIONAL ENVIRONMENT OF THE SITE	25,815,162.24	0.00	25,815,162.24	24,780,847.36	22,194,292.03	2,586,555.33	1,034,314.88	95.99%	95.99%
G	GOVERNANCE AND REGULATION	22,719,417.83	-21,000.00	22,698,417.83	22,643,232.39	17,878,427.91	4,764,804.48	55,185.44	99.66%	99.76%
S	HQ SECURITY	20,716,965.41	-207,000.00	20,509,965.41	20,228,423.72	18,877,447.72	1,350,976.00	281,541.69	97.64%	98.63%
L	PRIOR YEAR CREDITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Z	PENSION SCHEMES	4,873,000.00	0.00	4,873,000.00	4,545,271.66	4,545,271.66	0.00	327,728.34	93.27%	93.27%
	GRAND TOTAL	186,868,999.84	0.00	186,868,999.84	178,705,407.23	153,098,464.99	25,606,942.24	8,163,592.61	95.63%	95.63%

INTERNATIONAL STAFF

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

BUDGETARY OPERATIONS FOR FINANCIAL YEAR 2013 : USE OF CREDITS PER RESOURCE POOL

	RESOURCE POOLS	BUDGET AUTHORISATIONS			COMMITMENTS	EXPENDITURES	BUDGETARY SURPLUS		Consumption rate revised budget	Consumption rate adjusted credits
		REVISED BUDGET	AUTHORIZED TRANSFERS	ADJUSTED CREDITS			Credits carried forward to n+1	Lapsed credits		
		(1)	(2)		(4)	(5)	(6) = (4) - (5)	(7) = (3) - (4)	(8) = (4)/(1)	(8) = (4)/(3)
1	Personnel / Personnel	123,184,714.14	2,741.80	123,187,455.94	122,483,905.83	118,550,477.41	3,933,428.42	703,550.11	99.43%	99.43%
2	Operating costs	26,613,872.55	-400,000.00	26,213,872.55	23,977,829.50	22,175,953.95	1,801,875.55	2,236,043.05	90.10%	91.47%
3	Capital	8,464,705.15	397,258.20	8,861,963.35	8,667,601.22	2,302,461.63	6,365,139.59	194,362.13	102.40%	97.81%
4	Programmes	28,605,708.00	0.00	28,605,708.00	23,576,070.68	10,069,572.00	13,506,498.68	5,029,637.32	82.42%	82.42%
	GRAND TOTAL	186,868,999.84	0.00	186,868,999.84	178,705,407.23	153,098,464.99	25,606,942.24	8,163,592.61	95.63%	95.63%

INTERNATIONAL STAFF

BREAKDOWN OF OBJECTIVES' COMMITMENTS BY RESOURCE POOLS FOR YEAR 2013

GLOBAL OBJECTIVES		Personnel			Operating Credits			Capital			Programmes			
			(1)	(2)		(1)	(2)		(1)	(2)		(1)	(2)	
A	ACTIVE OPERATIONS	13,091,892.93	83.42%	7.01%	1,224,894.00	7.80%	0.66%	172,075.00	1.10%	0.09%	1,205,447.00	7.68%	0.65%	100.00%
C	ALLIANCE CAPABILITIES	19,847,995.16	78.64%	10.62%	1,010,530.00	4.00%	0.54%	0.00	0.00%	0.00%	4,381,100.00	17.36%	2.34%	100.00%
P	CONSULTAT COOP WITH PARTNERS	13,210,700.82	44.98%	7.07%	902,345.00	3.07%	0.48%	0.00	0.00%	0.00%	15,254,955.00	51.94%	8.16%	100.00%
R	PUBLIC RELATIONS	11,268,236.52	52.16%	6.03%	1,661,714.00	7.69%	0.89%	1,020,000.00	4.72%	0.55%	7,654,606.00	35.43%	4.10%	100.00%
N	CONSULTATION PROCESS	19,170,741.43	91.00%	10.26%	1,732,521.50	8.22%	0.93%	162,700.00	0.77%	0.09%	0.00	0.00%	0.00%	100.00%
M	OPERATIONAL ENVIRONMENT OF THE SITE	9,923,240.45	38.44%	5.31%	13,072,943.33	50.64%	7.00%	2,818,978.46	10.92%	1.51%	0.00	0.00%	0.00%	100.00%
G	GOVERNANCE AND REGULATION	17,884,456.22	78.79%	9.57%	939,201.72	4.14%	0.50%	3,791,159.89	16.70%	2.03%	83,600.00	0.37%	0.04%	100.00%
S	HQ SECURITY / SECURITE DU SIEGE	13,917,192.41	67.86%	7.45%	5,669,723.00	27.64%	3.03%	897,050.00	4.37%	0.48%	26,000.00	0.13%	0.01%	100.00%
L	PRIOR YEAR CREDITS	0.00	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00%	0.00%	0.00%
Z	PENSION SCHEMES	4,873,000.00	100.00%	2.61%	0.00	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00%	0.00%	100.00%
	SubTotal	123,187,455.94		55.87%	26,213,872.55		10.99%	8,861,963.35		4.26%	28,605,708.00		15.29%	86.42%
	Grand Total													
	186,868,999.84													

(1) % to total of Global Objective
(2) % to Grand Total

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INTERNATIONAL STAFF

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Financial Year n

CREDIT TRANSFERS BETWEEN GLOBAL OBJECTIVES AUTHORIZED BY THE FINANCIAL CONTROLLER (NFR , ARTICLE 10) INCLUDES INTERNAL TRANSFERS

(EUR)

ORIGIN OF THE CREDITS			CREDITS NEEDED		
GLOBAL OBJECTIVE	AMOUNTS	TOTAL	GLOBAL OBJECTIVE	AMOUNTS	TOTAL
C	50,000.00				
R	150,000.00				
M	400,520.93				
G	24,705.14				
S	378,000.00				
			P	50,000.00	
			N	378,000.00	
			M	400,520.93	
			G	3,705.14	
			S	171,000.00	
TOTAL		1,003,226.07			1,003,226.07

Transfers authorised by FRP X.a - BC-DS(2004)0003 -EM(2004)0683 (transfers no more than 10 % of the original objective credit which received the credits) .

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INTERNATIONAL STAFF

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Financial Year N

CREDIT TRANSFERS BETWEEN GLOBAL OBJECTIVES AUTHORIZED BY THE FINANCIAL CONTROLLER (NFR , ARTICLE 10) EXCLUDES INTERNAL TRANSFERS

(EUR)

ORIGIN OF THE CREDITS			CREDITS NEEDED		
GLOBAL OBJECTIVE	AMOUNTS	SUB - TOTAL	GLOBAL OBJECTIVE	AMOUNTS	SUB - TOTAL
C	50,000.00		P	50,000.00	
R	150,000.00		S	150,000.00	
G	21,000.00		S	21,000.00	
S	378,000.00		N	378,000.00	
TOTAL		**599,000.00**	**TOTAL**		**599,000.00**

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INTERNATIONAL STAFF

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Financial Year N

CREDIT TRANSFERS BETWEEN RESOURCE POOLS AUTHORIZED BY THE FINANCIAL CONTROLLER (NFR , ARTICLE 10)

ORIGIN OF THE CREDITS			CREDITS NEEDED		
RESOURCE POOLS	AMOUNTS	SUB - TOTAL	RESOURCE POOLS	AMOUNTS	SUB - TOTAL
RP1	428,442.41		RP1	428,442.41	
	520.93		RP3	520.93	
		428,963.34			428,963.34
RP2	400,000.00		RP3	400,000.00	
		400,000.00			400,000.00
RP3	171,000.00		RP3	171,000.00	
	3,262.73		RP1	3,262.73	
		174,262.73			174,262.73
RP4	0.00				
		0.00			0.00
TOTAL		**1,003,226.07**			**1,003,226.07**

Transfers authorised by FRP X.a - BC-DS(2004)0003 -EM(2004)0683 (no more than 5 % of the original credit of the resource pool which received the credits).

INTERNATIONAL STAFF

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Financial Year N

CREDIT TRANSFERS BETWEEN RESOURCE POOLS AUTHORIZED BY THE FINANCIAL CONTROLLER
(NFR , ARTICLE 10)

ORIGIN OF THE CREDITS			CREDITS NEEDED		
RESOURCE POOLS	**AMOUNTS**	**SUB - TOTAL**	**RESOURCE POOLS**	**AMOUNTS**	**SUB - TOTAL**
RP1	428,963.34				
RP2	400,000.00				
RP3	174,262.73				
			RP1	431,705.14	
			RP3	571,520.93	
TOTAL		**1,003,226.07**			**1,003,226.07**

**EXPLANATORY NOTES TO NATO INTERNATIONAL STAFF
2013 FINANCIAL STATEMENTS**

NOTE 1: GENERAL INFORMATION

The financial statements cover the budgetary and financial operations relating to the NATO International Staff (IS) budgeted and non-budgeted functions and programs. Funds where the NATO-IS Office of Financial Control (OFC) is the Treasurer for the project (specifically Trust Funds) are also reported.

NOTE 2: ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Declaration of conformity

The NATO-IS financial statements have been prepared in accordance with the NATO Accounting Framework as approved by nations under C-M(2013)0039 on 26 July, 2013 (which adapts a small number of IPSAS standards to better suit the specific requirements of the Alliance), with the .NATO Financial Regulations (NFR), the Financial Rules and Procedures (FRP) and, as decided by the North Atlantic Council on 17 July 2002 on the basis of the International Public Sector Accounting Standards (IPSAS) (Handbook of International Public Sector Accounting Pronouncements 2013 Edition) implemented by the International Public Sector Accounting Standards Board (IPSASB) and based on International Financial Reporting Standards (IFRS/IAS) issued by the IAS Board.

Due to limitations in the current automated accounting system, the IS financial statements are not yet fully IPSAS compliant. The accounting system currently used by NATO-IS is a budgetary driven cash accounting system. It can be analysed as a hybrid system which is essentially budget and cash based. It does not have an accrual based accounting functionality.

Basis of preparation

In the NATO-IS IT financial system, commitments are recorded for budget execution and control purposes, in accordance with NATO Financial Regulations. The commitment of credits is defined as the advance acceptance and recording of the financial consequence resulting from a legal obligation incurred during the financial year. Expenses linked to those commitments are recorded when the settlement of invoices is due. The unexpended balances of committed credits may be carried forward to the following financial years; eventually the unused part lapses.

Expenses reported in the Statement of Financial Performance are based on budgetary credit commitments. As a result of this approach, expenses in the Statement of Financial Performance tend to be overestimated, compared to accruals, and the presentation could be seen as too prudent.

This overestimation is not material for Personnel Costs (which represent 68% of the total) and is limited for Operating Costs since the budgetary controls tend to analyse the commitment requests on an approach similar to accruals (e.g. based on service provided between 1 January and 31 December). In 2013, the OFC continued to apply the process whereby invoices received after 31 December 2013 but relating to 2013 have been taken into account and allocated against the appropriate commitment. As a consequence it is considered that reported expenses are not significantly different from accruals for Personnel and Operating costs.

For Programme credits, on the other hand, the inherent nature of certain operations (e.g. grants) is such that the related project is executed over several years and achievement of objectives is only known at the end.. Commitments relating to Programme credits are generally based on an individual decision taken by the Organisation to award the grant. At that stage the Organisation has not benefited from the outcome of the subsidized event and the beneficiary has not entered into expenses eligible for reimbursement. Therefore, from an accrual perspective this could justify that no liability or expense be recorded. However, from the grantee's perspective the expectation may have been created that it will receive an inflow of cash from the Organisation; and therefore some form of obligation exists on the side of the Organisation. Experience indicates that the vast majority of grants result in the payments of the benefit to the grantees in amounts comparable, if not equal, to the one provided in the award decision. Lapse rates can also be explained by the fact that grantees, for their own reasons, do not always seek the payment of the awarded amounts. It is, however, reasonable on the part of the Organisation to expect that they will seek full payment of the award, and therefore in that respect it is normal that the related transactions be recorded as a commitment by the Organisation. This difference between the expected amounts of the expense or the liability and its actual value is inherent to the use of estimates, for which IPSAS provides.

Similarly, capital expenditures generate lapse rates that result from prudent budgetary evaluation of funding needs. In addition, some commitments are made at the end of the year in relation to special carry-forwards of credits, as provided by Article 11 bis of the NATO Financial Regulations, with approval of the Budget Committee, for specific projects for which no service was provided to the IS, nor goods received by the IS, during the financial year. It is estimated that the use of commitments overestimates expenses by 1-2%.

Contributions are registered as unearned revenue on the date they are called and revenue is recognized afterwards on the basis of related expenditure.

The NATO-IS will transition to full transactional accrual accounting with the implementation of an integrated Enterprise Resource Planning (ERP) solution.

The financial statements have been prepared on a going-concern basis and the amounts shown in these financial statements are presented in EUR. NATO-IS will continue in operation for the foreseeable future. The financial year begins on 1 January and ends on 31 December of the same year.

The following IPSAS have no material effect on the 2013 financial statements of the NATO-IS:

IPSAS 5: Borrowing Costs
IPSAS 6: Consolidated and Separate Financial
IPSAS 7: Investments in Associates.
IPSAS 8: Interests in Joint Ventures
IPSAS 10: Financial Reporting in Hyperinflationary Economies
IPSAS 11: Construction Contracts
IPSAS 16: Investment Property
IPSAS 21: Impairment of non-cash generating assets
IPSAS 26: Impairment of Cash-Generating Assets
IPSAS 27: Agriculture
IPSAS 32: Service Concession Arrangements: Grantor

The Cash Flow Statement has been prepared using the direct method, as recommended under IPSAS 2, item 27. a): "*whereby major classes of gross cash receipts and gross cash payments are disclosed*".

Segment Reporting

A segment is a distinguishable activity or group of activities for which it is appropriate to separately report financial information. For NATO IS the segment information is based on principal activities and different sources of financing for different categories of activities of the organisation. For this purpose, the following segments have been adopted: Civil Budget, Personnel Management Information System, Office of Shared Services, Trust Funds and Partners' Accommodation. Civil Budget operations can be broken down into Global Objectives.

Segment reporting for 2013 follows a more detailed methodology. It is not fully comparable to 2012 in that certain data was not available for 2012. The difference is not material.

Changes in Accounting Policy

In February of 2013 Council decided to adapt a number of IPSAS standards to better suit the specific requirements of the Alliance (C-M(2013)0006). The adaptations were spelled out in C-M(2013)0039 of July 2013, among which were specific items addressing IPSAS 6 Consolidated and Separate Financial Statements, IPSAS 12 Inventories, IPSAS 17 Property Plant and Equipment (PPE) and IPSAS 31, Intangible Assets. The items are detailed below.

Reclassification of financial statements of previous years

Compared to the 2012 financial statements, the breakdown of items of the Statement of Financial Position has been changed, bringing more detail and coherence in particular with relation to segment reporting.

Use of estimates

In accordance with generally accepted accounting principles, the financial statements include amounts based on estimates and assumptions by management, according to the most reliable information available, judgement and assumptions. Estimates include accrued revenue and expenses. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

Foreign currency transactions

The NATO-IS budget is authorized and managed in EUR so contributions are called in EUR. Foreign currency transactions as required are accounted for at the NATO exchange rates prevailing on the date of the transaction. Monetary assets and liabilities at year-end which were denominated in foreign currencies were converted into EUR using the NATO exchange rates applicable at 31 December 2013.

Realised and unrealised gains and losses resulting from the settlement of such transactions and from the revaluation at the reporting dates of monetary assets, and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance.

Financial risks

NATO-IS uses only non-derivative financial instruments as part of its normal operations. These financial elements include cash, bank accounts and deposit accounts.

All the financial instruments are recognised in the Statement of Financial Position at their fair value.

The Organisation is exposed to a variety of financial risks, including foreign exchange risk, credit risk, currency risk, liquidity risk and interest rate risk.

a. Foreign currency exchange risk

The exposure to foreign currency risk is limited as the majority of the NATO-IS's expenditures are made in EUR. The current bank accounts are held in EUR, CAD, CHF, DKK, GBP, NOK and USD. There are accounts with local banks for the Information and Liaison Offices in New York, Moscow, Kyiv, Tbilisi, Chisinau and Tashkent. The currency risk associated with these holdings is considered very limited because the aggregated amount held in these accounts is not more than KEUR 187.

The maximum exposure as at 31 December 2013 is equal to the total amount of bank balances, short term deposits and receivables. There is very limited credit risk associated with the realization of these elements.

b. Credit risk

Concerning cash and cash equivalent, the NATO-IS credit risk is managed by holding current bank accounts and short term highly liquid deposits that are readily convertible to a known amount of cash held with ING Bank (Belgium) which has the following short term credit ratings:

ING Bank	Credit Ratings as at 31.12.2013			
	Fitch	S&P	Moody's	Date of last rating update
Short term	A+	A	A2	17.12.2013

c. Liquidity risk

The liquidity risk, also referred to as funding risk, is based on the assessment as to whether the Organisation will encounter difficulties in meeting its obligations associated with financial liabilities. A liquidity risk could arise from a short term liquidity requirement. There is a very limited exposure to liquidity risk because of the funding mechanism which guarantees contributions in relation to the approved budgets. Some limited risk could be due to the accuracy of budget forecasts. However, past history shows that this process results in surpluses, and the budgetary rules provide for revised budgets.

d. Interest rate risk

Except for certain cash and cash equivalent balances, the NATO-IS financial assets and liabilities do not have associated interest rates. NATO-IS is restricted from entering into borrowings and investments, and, therefore, there is an insignificant interest rate risk. Interest earned is not a budgetary resource but contributes to the surplus owed to Nations.

Current Assets

a. Cash and cash equivalents

Cash and cash equivalents are defined as short-term assets. They include cash in hand, deposits held with banks, other short term highly liquid investments.

b. Funds managed for third parties

Funds managed on behalf of third parties are held in cash and are presented as a liability. They are accounted for when cash is effectively received. They are represented as a separate item in the cash flow statement of the entity in order to avoid any confusion.

c. Receivables

Receivables are stated at net realisable value, after provision for doubtful and uncollectable debts.

Contributions receivable are recognised when a call for contribution, based on the approved budget, has been issued to the funding Nations. These receivables represent the uncollected contributions from Member Nations. No allowance for loss is recorded with respect to Member countries' assessed contributions receivable.

d. Prepayments

A prepayment is a payment in advance of the period to which it pertains and is mainly in respect of advance payments made to third parties.

e. Inventories

As mentioned above, NATO's adaptations of IPSAS were spelled out in C-M(2013)0039 of July 2013, which included IPSAS 12 Inventories. It is described as follows:

Control of NATO-IS Inventories was refined with a set of 10 criteria to be used in assessing the level of control of an asset. A positive response on six of the criteria will lead to the asset being capitalised in the financial statements if it is above the capitalization threshold. This is applied from January, 2013.

Criteria that may indicate control of an asset
The act of purchasing the asset carried out (or resulted from instructions given) by the NATO Reporting Entity.
The legal title is in the name of the NATO Reporting Entity.
The asset is physically located on the premises or locations used by the NATO Reporting Entity.
The asset is physically used by staff employed by the NATO Reporting Entity or staff working under the NATO Reporting Entity's instructions.
The fact that the NATO Reporting Entity can decide on an alternative use of the asset.
The fact that the NATO Reporting Entity can decide to sell or to dispose the asset.
The fact that the NATO Reporting Entity, if it has to remove or destroy the asset, can take the decision to replace it.
The fact that a representative of the NATO Reporting Entity regularly inspects the asset to determine its current condition.
The fact that the asset is used in achieving the objectives of the NATO Reporting Entity.
The fact that the asset will be retained by the NATO Reporting Entity at the end of the activity.

Capitalization thresholds relevant to the financial statement are as follow:

Category	**Threshold**	**Basis**
Consumables	€50,000	Per location/warehouse
Spare Parts	€50,000	Per location/warehouse
Ammunition	€50,000	Per location/warehouse
Strategic stocks	€50,000	Per location/warehouse

Slow moving inventory – Assuming turnover of stock is over a 12 month period, any items not used over a 36 month period will be deemed to be slow moving.

Strategic stock **–** Some complex elements of slow moving stock can be identified as strategic if they are deemed essential to the effective operation of an asset and cannot be readily replaced by commercial off the shelf items or cannot be purchased due to market decisions to close production lines of key inventory items due to the advanced age of the strategic asset to which the stock relates

NATO-IS will capitalise inventory which it controls in its financial statements. Where there is a conflict between more than one NATO Reporting Entity as to the control of inventory, only the end-user entity will report the inventory in its financial statements, based on reliable information provided by the NATO services provider entity as defined in individual agreements between the two entities.

NATO-IS will include transportation costs involved in bringing the inventories to their present location and condition in the initial valuation of inventory. These costs will be measured on the actual cost of transportation per item of inventory or by using an apportionment of the global transportation costs of bringing the inventories to their present location and condition across all inventory items in the period. Transportation costs involved in the subsequent movement of inventory which brings them into operational use will not be included in the value of inventory. The method of measuring these costs will be disclosed.

For inventory held prior to 1 January 2013, and not previously recognized as an asset, NATO-IS provides a brief description of inventory held within its inventory recording systems in the notes to the financial statements.

Where this adaptation conflicts with another requirement of IPSAS this adaptation shall apply. For the remainder, IPSAS 12 shall apply.

Fixed assets (Property, Plant & Equipment and Intangible Assets)

a. Property, Plant & Equipment

As mentioned above, NATO's adaptations of IPSAS were spelled out in C-M(2013)0039 of July 2013, which included IPSAS 17 Property Plant and Equipment. It is described as follows:

Control of NATO PPE was refined with a set of 10 criteria to be used in assessing the level of control of an asset – they are the same as mentioned above under Inventory. A positive response on six of the criteria will lead to the asset being capitalised in the financial statements if it is above the capitalization threshold. This is applied from January 2013.

Capitalization thresholds relevant to the financial statement are as follow:

Category	**Threshold**	**Depreciation life**	**Method**
Land	€200,000	N/A	N/A
Buildings	€200,000	40 years	Straight line
Other infrastructure	€200,000	40 years	Straight line
Installed equipment	€ 30,000	10 years	Straight line
Machinery	€ 30,000	10 years	Straight line
Vehicles	€ 10,000	5 years	Straight line
Aircraft	€200,000	Dependent on type	Straight line
Vessels	€200,000	Dependent on type	Straight line
Mission equipment	€ 50,000	3 years	Straight line
Furniture	€ 30,000	10 years	Straight line
Communications	€ 50,000	3 years	Straight line
Automated information Systems	€ 50,000	3 years	Straight line

In light of the forthcoming move to a New NATO HQ in 2016, it has been decided, in general, that core PPE relating to the current HQ and Building Z will be fully expensed as will any fixed equipment and furniture that is not to be transferred to the New HQ. Only movable items purchased with a view to being used again in the New HQ/Building Z environment will be capitalized.

Where and as appropriate, specific pieces of PPE (for example buildings), will be broken down into component parts to allow depreciation of different parts of the asset at different rates. The IS has considered PP&E acquired prior to 1 January 2013 as fully expensed. For PPE held prior to 1 January 2013, and not previously recognized as an asset, the IS will provide a brief description in the Notes below.

NATO-IS deems that the NAC, by approving this guideline, recognized that the resources necessary to deal with the issues capitalising the legacy assets would exceed the benefits. In light of this and, combined with the fact that substantial assets will not survive the move to the New NATO HQ at the end of 2015, NATO-IS decided to apply the IPSAS principle of balance between Benefit and Cost (IPSAS 1, Appendix A).

b. Intangible Assets

As mentioned above, NATO's adaptations of IPSAS were spelled out in C-M(2013)0039 of July 2013, which included IPSAS 31 Intangible Assets. It is described as follows:

Control of NATO Intangible Assets was refined with a set of 10 criteria to be used in assessing the level of control of an asset – they are the same as mentioned above under Inventory. A positive response on six of the criteria will lead to the asset being capitalised in the financial ftatements if it is above the capitalization threshold. This is applied from January, 2013.

NATO Intangible Assets Capitalization Thresholds – NATO-IS will capitalise each intangible asset item that is above the following agreed NATO thresholds:

Category	Threshold	Depreciation life	Method
Computer software (commercial off the shelf)	€50,000	4 years	Straight line
Computer software (bespoke)	€50,000	10 years	Straight line
Computer database	€50,000	4 years	Straight line
Integrated system	€50,000	4 years	Straight line

NATO-IS will capitalize all controlled intangible assets above the NATO Intangible Asset Capitalization Threshold. For anything below the threshold, the IS will have the flexibility to expense specific items.

NATO-IS will capitalize integrated systems and include research, development, implementation and can include both software and hardware elements. But NATO-IS will not capitalise the following types of intangible assets in their financial statements:

- rights of use(air, land and water);
- landing rights;
- airport gates and slots;
- historical documents; and,
- publications

NATO-IS will capitalize other types of intangible assets acquired after 1 January 2013 including:

- Copyright
- Intellectual Property Rights
- Software development

NATO-IS may consider intangible assets acquired prior to 1 January 2013 as fully expensed. The IS looked as far back as 2006 in establishing values of work in progress, especially software under development.

NATO-IS will report controlled intangible assets in its financial statements. Where there is a conflict between more than one NATO Reporting Entity as to the control of intangible assets, only the end-use entity will capitalise the intangible asset in its financial statements based on reliable information provided by the NATO services provider entity as defined in individual agreements between the two entities.

For intangible assets held prior to the 1 January 2013, and not previously recognized as an asset, NATO-IS will provide a brief description of intangible assets held in its intangible asset recording systems in the notes to the financial statements. Such disclosure will include as a minimum the types of intangible held, locations where intangible assets are held and the approximate number of items held per asset category.

If an intangible asset is upgraded after 1 January 2013, only the portion related to the modification will be capitalized.

Where this adaptation conflicts with another requirement of IPSAS this adaptation will apply. For the remainder, IPSAS 31 shall apply. This adaptation is effective for financial reporting periods beginning on 1 January 2013.

Current liabilities

a. Payables

Payables are amounts due to Nations in relation with budget rules or to third parties for goods received and services provided that remain unpaid. This includes an estimate of accrued obligations to third parties for goods and services received but not yet invoiced.

b. Advances and Unearned revenue

Funds are always called in advance of their need because NATO-IS has no capital that would allow it to pre-finance any of its activities.

Unearned revenue represents participating Nations' contributions which have been called for current budgets but that have not yet been recognised as revenue in the absence of matching expenses.

Advances are recognised when calls in relation to future year budgets are issued.

Leases

In addition to lease agreements that NATO-IS has signed for its own use, lease contracts were signed by NATO-IS for some delegations' accommodation; the related costs are charged back to the occupants in relation to the surface they occupy in the leased buildings.

Revenue and expense recognition

a. Revenue from non-exchange transactions

Revenue comprises contributions from Member nations. Contributions to be called from Member Nations, based on the budget approved by the North Atlantic Council, are initially recorded as unearned revenue liabilities. Because contributions are subject to conditions that, if unfulfilled, require the return of the transferred resources, the entity recognises a liability until the condition is fulfilled.

Assessed contributions for the NATO-IS Civil Budget are accounted for as unearned revenue when called; revenue is recognised and the liability is discharged when the conditions are fulfilled. Revenue is recognised in that it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably. The balance of unspent contributions and other revenues which relate to future periods are deferred accordingly.

In-kind contributions of services are currently not recognised in the Statement of Financial Performance. The number of Voluntary National Contributions (VNCs) staff is disclosed in the "employee disclosure" section below.

b. Revenue from exchange transactions

Resources of revenue from exchange transactions are measured at fair value of the consideration received or receivable and are recognised when goods and services are delivered. This is revenue in relation to the reimbursement of administrative support and common operating costs, PMIS and accommodation costs.

Voluntary contributions such as pledges in relation to Trust Funds are accounted for as unearned revenue when confirmed by the donor, revenue is recognised and the liability is discharged when the conditions are fulfilled.

c. Expenses

Expenses are reported in the Statement of Financial Performance and based on budgetary credit commitments as explained above in "Basis for preparation".

d. Long term unearned revenue

The budget resources provided by Nations for the funding of capital expenditure are recognised as a liability in the Statement of Financial position as long term unearned revenue.

Earned revenue will be progressively recognised from long term unearned revenue, in an amount equal to annual depreciation of the related non current assets, as future economic benefits and service potential will flow to the NATO international Staff when the asset is operational.

NOTE3: CASH AND CASH EQUIVALENTS

The current bank accounts are held in EUR, CAD, CHF, DKK, GBP, NOK and USD. Deposits are held in interest-bearing bank current accounts that are immediately available.

NATO-IS has information and liaison offices in New York, Moscow, Kyiv, Tbilisi, Tashkent and Chisinau. Current accounts of these offices held with local banks. The aggregate holdings in these local currencies amount to approximately KEUR 187.

Cash held for Trust Funds for which NATO-IS is the executing agent and therefore acts as the principal amounted to EUR 3,172,895.86, as listed below:

	AGENCY	CURRENCY	AMOUNT	ACCOUNT NUMBER	CURRENCY	BALANCE
	NATO MANAGED					
46	CRISIS MGMT MAURITANIA			310-1920560-46	EUR	606,618.78
76	NATO JWGDR PROF DEV PROGR			310-1920224-01	EUR	253,806.79
85	NATO TRUST FUND BUILDING INTEGRITY			310-1920518-04	EUR	1,160,361.55
57	N.R.C. WEB SITE			310-1920500-83	EUR	14,579.18
87	NATO-SPS STAND.OFF EXPLOSIV DETECT.			310-1920523-09	EUR	946,535.78
36	NATO SILK AFGHANISTAN PROGRAMME	USD	258,701.07	310-1920544-30	EUR	190,993.78
	Total					3,172,895.86

NOTE 4: FUNDS MANAGED FOR THIRD PARTIES

Funds managed on behalf of third parties are held in cash or as a receivable if they correspond to an unpaid non-budgetary contribution in relation to nationally funded elements. In case of an anticipated contribution, they are accounted for when cash is effectively received. The corresponding amounts are presented as a current liability.

The NATO-IS manages as Treasurer 26 accounts for third parties, essentially for various Trust Fund projects not financed by the common funding principle. A list of these accounts is provided below. For transparency reasons the related cash amounts are disclosed separately in order to avoid any confusion with funds held by NATO IS on its own behalf.

	AGENCY	CURRENCY	AMOUNT	ACCOUNT NUMBER	CURRENCY	BALANCE
	THIRD PARTY					
22	COLONIES VACANCES			310-0966598-79	EUR	119,613.93
24	NATO AIRCRAFT EW TRIAL			310-1101880-46	EUR	500,973.72
27	NATO SWG4 NAVAL EW TRIAL			310-1278152-69	EUR	236,960.23
30	NTF GEORGIA PROF. DEV. PROGR.			310-1920526-12	EUR	293,392.21
33	NATO TRUST FUND TAJIKISTAN II			310-1920540-26	EUR	445,788.64
34	NATO TRUST FUND MOLDOVA II			310-1920542-28	EUR	266,259.31
35	NATO TRUST FUND BOSNIA-HERZEGOVINA II			310-1920543-29	EUR	469,261.49
37	NRC - CAI PHASE IV			310-1920545-31	EUR	289,788.75
38	NRC - HELICOPTER MAINTENANCE			310-1920548-34	EUR	2,002,336.18
		USD	306,875.73	310-1920548-34	EUR	226,493.71
39	NATO TRUST FUND AZERBAIJAN JCP			310-1920550-36	EUR	951,729.12
40	NATO TRUST FUND UKRAINE II PH 2			310-1920549-35	EUR	530,204.41
41	NATO UKRAINE RADACT DISP			310-1920551-37	EUR	84,995.00
42	NATO TRUST FUND GEORGIA IV			310-1920556-42	EUR	308,904.23
43	NATO CNAD VNCF			310-1920555-41	EUR	373,653.63
44	NTF JORDAN III			310-1920558-44	EUR	20,000.00
45	NTF SERBIA IV			310-1920559-45	EUR	814,916.91
47	NRC DISPOSAL EXCESS AMMUN			310-1920561-47	EUR	50,000.00
49	NRC HELICOPTER MAINT PH II			310-1920563-49	EUR	2,584,999.80
52	ASSOCIAT. DU PERSONNEL			310-0961992-32	EUR	86,115.59
63	NATO APM DESTR.BELARUS			310-1918922-57	EUR	22,735.96
66	UKRAINE II SALW MUNITIONS DESTR.			310-1919440-90	EUR	14,338.14
70	NATO TRUST FUND KMELNITSKY			310-1920133-07	EUR	2,514.77
74	NATO TF PROJECT AFGHAN & CENTRAL ASIA	USD	99,251.53	310-1920198-72	EUR	73,275.40
75	NATO US TRAMIL	USD	514,706.62	310-1919684-43	EUR	379,997.50
83	N.R.C. - TMD III			310-1920516-02	EUR	25,047.81
84	NATO TRUST FUND MAURITANIA			310-1920517-03	EUR	670,385.16
	Total					11,844,681.61

NOTE 5: ACCOUNTS RECEIVABLE

Contributions receivable are funds requested from the Nations to finance the 2013 budget and the advances called in relation to the 2014 budget that remain unpaid at year end. One advance for the 2013 budget was called in 2012 (FC(CC)(2012)0015(CBC-02)) and two calls for contributions were issued in 2013: (FC(CC)(2013)0008(CBC-01) in February and FC(CC)(2013)0015(CBC-02) in November. In 2013 an advance was called for the 2014 budget (FC(CC)(2013)0015(CBC-02)). At year-end 2013, outstanding contributions relating to previous financial years were not material.

Receivables from member Nations, Partners and others correspond to amounts due in relation to common operating costs, administrative support, rental of modular buildings, accommodation fees of Partner buildings, items procured on behalf of third parties, etc.

Receivables from staff members correspond to advances to be regularised (education allowances, travel on duty) and loans as provided by the CPRs.

Receivables from the Provident Fund are funds that were advanced by the IS, as manager of the fund, to accelerate the pay out on the retirement of individuals and which is to be recovered.

Undercalled receivables relates to EUR 2,000,000 at the end of 2012 that were not called in 2012. The resulting undercall was regularised in 2013 in accordance with NFRs governing the Call for Contribution process.

NOTE 6: PREPAYMENTS

Other receivables are mainly constituted of other advances to be regularised (NATO Liaison Offices, pre-payments etc.).

NOTE 7: INVENTORIES

Inventories for office supplies, maintenance supplies, medicines and munitions are valued at EUR 863,346.75 based on a hybrid method imposed by the various types of software used in the IS. Inventories represent less than 0.3% of the annual IS budget.

NOTE 8: FIXED ASSETS

See changes in accounting policy.

The following principles have been applied.

Property, Plant and Equipment

Infrastructure, plant and equipment are stated under the accounting principles mentioned in Note 2 above.

This consists principally of costs related to the NR2 and audiovisual equipment.

Network Realignment and Robustness (NR2) is part of a strategic plan to revitalize the management and support of Information and Communications Technology (ICT) within the Headquarters. This element delivered a hardware and software upgrade to the physical infrastructure for which the bulk was delivered prior ro close 2012. Relevant elements completed in 2013 are reported hereunder.

Land and buildings

Land and buildings are shown at fair value, based on internal valuation and judgment on each reporting date.

Belgium has granted to NATO by way of concession a plot of land on which NATO is authorized to erect all necessary buildings and facilities needed to perform its functions. A symbolic price is paid annually for the rent. NATO is the full owner of all structures built thereon. Belgium remains the sole and full owner of the land, which is public domain ("domaine publique"). The concession ends 180 days after NATO has left the buildings and facilities. At the end of the concession, there will be no property rights transferred to NATO. As a consequence, given the indefinite economic life of land and the specific nature of concessions, the use of the land is classified as an operational lease. The rent charged by the host nation is recognised as an expense in the Statement of Financial Performance.

The original buildings of the current HQ site are estimated as having a zero value in consideration of their age, of the terms of the concession agreement, of the limited value for money of an evaluation study and of the planned move to new premises in 2016.

Material and non-recorded items purchased prior to 1 January 2013 are the fourth wing of Building Z assessed at the historical cost of EUR 2.566 million and the Secretary General's residence with an assessed market value of EUR 10,300,000 as at November 2013.

Intangible assets

Intangible assets are stated at historical cost minus accumulated depreciation and any recognized impairment loss.The assets deemed valid are software/hardware systems that are work in progress and will be of continuing use in the new HQ. They are as follows:

- Digital Assests Management System (DAMS) – this is a Public Diplomacy tool that will make NATO's digital assets accessible in multiple formats to the media. It will improve the retrieval and availability of multimedia files to all NATO Staff and will serve as Public Diplomacy's single shared storage platform for all public digital assets.

- Enterprise Resource Planning (ERP) – this Oracle based software will enable NATO-IS to more effectively manage and report on the human and financial resources under its responsibility.by integrating business processes from Finance, Budget, Procurement, Facility Management, and Human Resources (HR).

- Integrated Library System (ILS) – the project is designed to provide an online library automation solution to support the daily operations of the IS Library (which is part of PDD) ranging from cataloguing and circulation procedures to delivering resources and services via its website.

- Web Content Management (WCM) – the project will update and improve the web based content management system for the public facing website of NATO Headquarters.

- Enterprise Information Management (EIM) is a core multi-year program of procedures and integrated software applications to manage information throughout NATO HQ and ensure that information is handled effectively and securely.

- Project Portfolio Management System (PPM) is part of a NATO Resource Reform process under the aegis of the NATO Office of Resources (NOR). The system will provide the necessary functionality for collecting, analysing, validating, recording, consolidating and reporting information on current and planned common funded military resources in terms of Investment, Operation and Maintenance and Manpower costs.

Depreciation

Straight-line depreciation method is used for all categories, with the life cycles being in keeping with those stated in the change in accounting policy.

Impairment of fixed assets

The carrying amounts of fixed assets are reviewed for impairment if events or changes of circumstances indicate that they may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss. Any provision for impairment losses is charged against the Statement of Financial Performance in the year concerned. The only impairment concerns the EIM project wherein there was a loss estimated of EUR 2,000,000 due to an unsuccessful implementation in an early phase of the project..

The values of the PP&E and intangible assets as at 31 December 2013 are presented below:

(amounts in EUR)	Carrying Amount end 2012	Updated accounting policy-start point	Additions	Disposals	Depreciation	Impairment	Carrying Amount end 2013
COMMON FUNDED							
Installed equipment	0	0	383,444	0	0	0	383,444
Machinery	0	0	131,720	0	13,172	0	118,548
Vehicles	0	0	22,486	0	3,373	0	19,113
Communications	0	0	558,530	0	43,866	0	514,663
Land and buildings	0	0	0	0	0	0	0
Intangible assets	0	5,808,285	5,304,032	0	71,115	2,000,000	9,041,201
TOTAL	**0**	**5,808,285**	**6,400,212**	**0**	**131,527**	**2,000,000**	**10,076,970**

NOTE 9: PAYABLES

Payable to Nations

The payable of EUR 109,948.14 represents the net revenue in 2013 from interest, foreign exchange difference gain and bank charges – this figure includes €1,315.08 in interest from the OSS

For the Civil Budget, these receipts are deducted from the contributions due by Nations to fund the Civil Budget in the following year; the deduction is made in the second call. The table below reflects the Civil Budget breakdown (Civil Budget only).

	December 31, 2013	December 31, 2012
Revenue		
Interest	197,180.01	276,359.43
Foreign exchange rate difference/gain	20,717.50	14,381.99
Total revenue	**217,897.51**	**290,741.42**
Expenses		
Bank costs	37,990.26	41,202.28
Foreign exchange rate difference/loss	71,274.19	24,209.61
Total expense	**109,264.45**	**65,411.98**
Net revenue to return to nations	**108,663.06**	**225,329.53**

Lapsed credits are budget funds for which no legal liability exists. They cannot be spent in subsequent years. Lapsed credits are deducted from the contributions due from nations to fund the Civil Budget in the second call of the following year. Lapsed credits for the Civil Budget alone amounted to EUR 10,935,083.98. Lapsed credits for the PMIS amounted to EUR 2,369.65 (there were no other lapsed credits for segments).

Miscellaneous receipts correspond to amounts collected by NATO-IS for services rendered to staff (e.g. private phone calls) or services rendered to and works performed for entities, including delegations, present on the HQ site (e.g. telephone, refurbishment works, cabling). They also include amounts related to Science for Peace and Security grants returned to NATO-IS. These receipts come as a deduction in the calculation of the contributions due from nations to fund the Civil Budget in the following year; the deduction is made in the second call.

The payable of EUR 5,022,398.28 in relation to the reimbursable salaries represents the amount due to the United States (EUR 4,824,187) and the Netherlands (EUR 180,211) for civilian staff members who are paid directly by the United States or Netherlands Governments. This amount payable is usually used by the nations in question applying it against their annual project contribution.

Other payables to Nations consist of monies relating to balances of closed Trusts Funds for which NATO-IS is awaiting instructions on the redistribution of funds (EUR 548,767), to the settlement of the closure of the HAWK Agency (EUR 425,013), to three other projects, “ISAF economic footprint Afghanistan”, “National Kosovo” and “Partnership Network” (EUR 77,141) and to a number of Nations’ voluntary advances (EUR 640,000).

Stikker Fund

The Stikker Fund originates from a donation made by former Secretary General D.U. Stikker in the 1960s. In accordance with the conditions laid down by the donor, the Fund is used for special financial aid to NATO staff in exceptional and distressing circumstances.

Payable to suppliers

Payables to suppliers appear further to the adoption in 2012 of a procedure for registering this liability. This corresponds to invoices dated 2013, relating to 2013, received up to the closure of accounts, but not yet certified and not having given rise to an outflow of cash. Of a total amount of EUR 10,560 million, EUR 8,056,585 million related to Civil Budget transactions.

Payable to others

This item consists mainly of amounts due to executing agents in relation to Trust Funds.
Other payables include deposits in relation to appeals, settlement of salaries for staff leaving the organisation at the end of the year, etc.

NOTE 10: UNEARNED REVENUE AND ADVANCED CONTRIBUTIONS

	December 31, 2013	December 31, 2012
Unearned revenue from budgetary credits	38,405,800.23	35,280,633.83
Unearned revenue from Partner Accommodation	20,777.72	53,794.98
Unearned revenue from previous years' surplus	0	0
Advance contributions	46,917,000.00	46,700,000.00
Unearned revenue inventory	863,346.75	997,193.70
Total Unearned Revenue and Advances	**86,206,924.70**	**83,031,622.51**

Unearned Revenue

Unearned revenue corresponds to contributions called in 2013 or before, but for which corresponding expenses will be incurred after the reporting date of 31 December 2013.

The unearned revenue includes principally those amounts of contributions which will be spent in subsequent years on the NATO Civil Budget as credits carried-forward resulting from the budget execution in accordance with the NATO Financial Regulations or as advances received for the following years' budget.

a. Unearned revenue from Civil Budget execution

EUR 38,400,062.31 was part of calls for the 2013 or prior Civil Budget but is foreseen to be spent in subsequent years. The NATO Financial Regulations provide that credits lapse if the funds are not spent by the end of the second year following the year in which they have been approved. There was also an unearned revenue from OSS in the amount of EUR 5,737.92.

Because the current IT financial system has neither invoice registration functionality nor an accounts payable functionality, the current reporting is based on commitments instead of expenses. As a consequence, unearned revenue is estimated at the amount of credits carried forward (EUR 38,400,062.31). However, these funds can be classified in three indicative categories:

1) Funds for which no purchase order has been issued at year end – this relates to a special carry-forward of credits authorized by the Budget Committee under BC-D(2013)0220 and BC-DS(2013)0066 essentially for the ICT-Revitalization Programme, NOR's Project Portfolio Management, the ERP and PDD DAMS and archival related projects (EUR 7,249,974).

2) Funds for which a purchase order has been issued but the related service provision or delivery of goods had not been completed by year-end - as can typically be the case for some Capital Expenditure and/or can not be precisely assessed for unsettled grants such as those of the Science for Peace and the Security Programme or (estimated amount EUR 25,414,784).

3) Funds for which the service has been rendered or the goods delivered, but the payment has still to be made – typically, this relates to personnel expenditure and the greatest part of Operating Costs (estimated amount EUR 5,735,304).

b. Unearned revenue – Annex IV

When the funding policy for Annex IV was established in 1997 (BC-DS(97)18 Revised), Annex IV had budgetary credits authorised to provide for Partner accommodations on site. These were expanded to create offices in the Manfred Wörner Building. The Civil Budget Committee then decided to have the Partners reimburse the total rent and operational costs in proportion to the space they occupied. Further Nations agreed that financing of Annex IV should be treated separately from the Civil Budget. They also agreed that Annex IV would, in future, be funded by Partners rental payments, therefore Annex IV is not subject to the lapse rules foreseen in NATO's Financial Regulations.

The unearned revenue corresponds to commitments carried forward (e.g. invoices not yet paid or received). In addition, due to the limitations of the current financial software which does not allow the calculation of separate net assets for this budget, the accumulated financial results of Annex IV are shown in a specific commitment carried forward from one year to another. This commitment receives each year the cumulative result of the budget, being the difference between contributions and expenditures represented by commitments: a surplus of EUR 210,539.84 at the end of 2013 (surplus of EUR 8,689.82 at the end of 2012).

The IS contributes to this budget in proportion to the surface occupied by its services and receives income for common operating costs (see Notes 12 and 13).

Advances

Advances called amounting to EUR 46,717,000 relate to funding the 2014 Civil Budget (FC(CC)(2013)0015(CB-02) and an advance of EUR 200,000 was called for the OSS relating to the 2014 budget.

NOTE 11: LONG TERM UNEARNED REVENUE

The long term unearned revenue is unearned revenue in relation to net carrying amounts of PP&E and intangible assets. Revenue is recognised over the estimated life cycle of the PP&E and the intangible assets when PP&E and intangible assets are recognized.

NOTE 12: REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the result can be measured reliably.

Revenue from non-exchange transactions

The total revenue from non-exchange transactions is EUR 163,739,749.25 with NATO-IS representing EUR 163,138,591.04. Contributions, when called, are booked as unearned revenue and subsequently recognised as revenue when earned. The revenue recognition is matched with the recognition of expenses against the budgets.

Revenue from exchange transactions

The total revenue from exchange transactions .is broken down as follows: EUR 9,545,325.00 revenue in relation to the reimbursement to the Civil Budget of administrative support and common operating costs + EUR 100,519.00 revenue received from concessions + EUR 98,161.69 in contributions from other NATO bodies to cover the expenses of the PMIS system according to their proportion of established posts + EUR 1,854,982.67 as revenue matching the costs of activites undertaken by NATO-IS as executive agent for Trust funds, and EUR 2,152,908.87 in rent charged principally to Partner Countries for office space at NATO HQ (Buildings V/VA/Woerner).

Financial Revenue

Financial revenue of EUR 219,393.29 (being principally EUR 217,897.51 from the Civil Budget) is revenue from exchange transactions measured at fair value received or receivable for interests and foreign exchange gains.

Internal Transactions

Internal Transactions correspond to transactions between segments for services provided or goods delivered, and to the matching revenue.

In 2013 internal transactions corresponded to the rental cost for space occupied by NATO-IS in the V and VA buildings for Partner accommodation (EUR 611,599) and to its share of the PMIS costs (EUR 36,392.96). Conversely NATO-IS charged common operating costs for V and VA buildings (EUR

261,234). The OSS received a cash advance from the IS in 2013 (EUR 200,000) and paid back IS advances (EUR 350,000), it also paid rent for office space in the V and VA buildings for Partner accommodation (EUR 81,334.40). The PMIS received a cash advance from NATO-IS (EUR 75,000). This comment applies to Note 13 as well.

NOTE 13: EXPENSES

Wages, salaries and employee benefits

The personnel related costs include all staff expenses, as well as other non-salary related expenses in support of common funded activities. The amounts include expenses for salaries and emoluments for approved NATO-IS positions and temporary personnel, for other salary related and non-related allowances including overtime, medical exams, recruitment, installation and removal and for contracted consultants and training in accordance with Civilian Personnel Regulations.

Operating costs: rents, supplies and consumables used

The operating costs relate primarily to costs necessary to the day to day operation of the HQ, as well as travel expenses.

Capital expenditure

Capital expenditure relates to items such as IT, security, television and radio studios and the Media Operations Centre.

Programmes and grants

The majority of grants are considered expended when the decision to attribute the grant is taken. Programmes and grants is a broad term that covers activities with Partners and NATO nations ranging from funding seminars and conferences through NGOs, to bringing groups of experts to NATO HQ for briefings and attributing grants in the framework of the Science for Peace Security Programme (the latter being the main component). It also includes the cost of running NATO Information and Liaison Offices in Russia, Ukraine, Georgia, Moldova and New York.

Programmes and grants expenses include advances paid to beneficiaries of grants. This is an area where NATO-IS is not fully compliant with IPSAS. and is unlikely to be in the near future in light of the adjustments of the current IT budgeting system it would require.

Financial costs

Financial costs include expenses for banking costs and foreign exchange losses.

Other expenses

Other expenses is the amount of net interest revenue that will be returned to the Nations, and is booked as a payable in the Statement of Financial Position. The breakdown of this amount is explained in Note 9. Additionally revenue received from concessions and transferred to third parties (including the Staff Centre) amounts to EUR 117,519 and is reported.

NOTE 14: RESULT OF THE PERIOD

The result of the period is EUR 202,363.22. The surplus is realised from the activities in support of Partner accommodation.

NOTE 15: CASH FLOW STATEMENT – IN FLOWS

Other Operating Revenue

Other operating revenue is comprised of inflows in common operating funds and in administrative support.

Others

This refers to a variety of receipts not attributable to Civil Budget operations including the following approximate figures:

1) Recovery of EUR 3.1 million from the Provident Fund for advances made to departing staff for payment of their capital
2) EUR 3.11 million in contributions received for the Von Karman Institute and paid out again
3) EUR 3.5 million in miscellaneous 2011 invoices for which funds were received in 2012 (including missions, telephone calls etc)
4) EUR 0.87 million in contributing Nations' funds from trust funds that have ended and are being held until re-directed as per instructions from the Nations involved.
5) EUR 1.55 million in rent from nations for the NG-NZ building.

National Contributions paid to incorrect account

This covers contributions inadvertently paid by Nations to NATO-IS for the New NATO HQ or to Pension Fund accounts, which are then re-directed to the correct accounts.

NOTE 16: CASH FLOW STATEMENT – OUT FLOWS

Correction of National Contributions Paid to Incorrect Account

This covers the re-direction of contributions inadvertently paid by nations to NATO-IS in lieu of the New NATO HQ or to Pension Fund accounts.

Miscellaneous Payments

The figure includes items covered under Notes 13 and 15 "Others" above.

Cash Flows related to investment activities

Cash flows related to investment activities could not be indentified due to IT system limitations.

Cash and Cash Equivalents

The columns for 2012 and 2013 are not directly comparable due to the change in methodology for funds held for third parties. As from 2013, the latter are limited to funds for which NATO-IS acts as agent and no longer includes PMIS, OSS and Trust Funds for which NATO-IS is the executing agent (EUR 3,531,520.91 end 2012). The cash held for third parties (EUR 15,021,003.36 end 2012) has therefore been reduced to EUR 11,474,849.85 when using the new approach. Cash held by NATO-IS as principal has become EUR 46,668,789.31 wheras it was EUR 43,122,635.78 in the approach taken end 2012. The total amount of cash remains unchanged at EUR 58,143,639.16 at end 2012.

NOTE 17: BUDGET INFORMATION AND RECONCILIATION WITH CASH FLOWS

Civil Budget

Presently, the NATO Civil Budget is not publicly available.

Presentation of budget information in the financial statements

The initial approved Civil Budget corresponds to total credits authorised by the North Atlantic Council, normally at the end of the previous financial year. During the year the budget is adjusted as required. The final authorisation is the approved credit situation as reported at the end of the financial year including budgetary increases/decreases approved by the Budget Committee and transfers approved by the Budget Committee or by the Financial Controller, depending on thresholds.

The actual amounts referred to by IPSAS 24 (“amounts that result from execution of the budget”) are considered to be the commitment of credits.

The Civil Budget is based on an Objective Based Budgeting (OBB) system which links financial and human resources to Global Objectives. Contributions to these Global Objectives by IS Divisions and Independent Offices are broken down into Operational Objectives. The OBB system is based on eight Global Objectives which are defined at a political and strategic level of the Organization.
The eight objectives are set out below:

A	ACTIVE OPERATIONS
C	ALLIANCE CAPABILITIES
P	CONSULTATION AND COOPERATION WITH PARTNERS
R	PUBLIC RELATIONS
N	CONSULTATION PROCESS
M	OPERATIONAL ENVIRONMENT OF THE HEADQUARTERS SITE
G	GOVERNANCE AND REGULATION
S	HEADQUARTERS SECURITY

The budget classification is also based on the economic nature of the expenses broken down into four Resource Pools as follows:

Resource Pool 1: Personnel
Resource Pool 2: Operations and Maintenance
Resource Pool 3: Capital
Resource Pool 4: Programmes

All budget transactions, commitments and payments are tracked according to a classification by Objective and by Resource Pool.

An analysis of budget execution is provided at Annexes 5 to 10.

Lapse Rates

The overall lapse rate at the end of 2013 was EUR 10,935 million, of which lapsed credits related to the 2013 approved budget (excluding carried forward from previous budget years) amounted to EUR 8.164 million. The following table puts the evolution of lapsed credits in context.

in EUR	Financial year 2009	Financial year 2010	Financial year 2011	Financial year 2012	Financial year 2013
Civil Budget	3,151,322.57	4,555,397.41	3,671,208.45	9,862,045.35	10,935,083.98
ANNEX IV: SPECIAL CAPITAL EXPENDITURE RELATED TO OUTREACH PROGRAMME - Lapsed credits	0.00	49,241.13	0.00	0.00	0.00
TOTAL LAPSED CREDITS	3,151,322.57	4,604,638.54	3,671,208.45	9,862,045.35	10,935,083.98
- as a % of the budget	1.4%	2.0%	1.60%	4.44%	5.18%
miscelleanous receipts	601,332.69	589,529.79	410,770.61	346,570.05	315,268.95
net financial results	509,387.81	352,154.07	398,408.65	225,329.53	108,633.06
overcall of contributions	0.00	0.00	0.00	0.00	0.00
TOTAL SURPLUS TO BE DISTRIBUTED	4,262,043.07	5,546,322.40	4,480,387.71	10,433,944.93	11,358,985.99

The high level of lapsed credits come from current year programme credits in the amount of EUR 5.029 million, essentially for projects that did not receive approval as opposed to under spent. For previous years the comparable figures were EUR 4.043 million in 2012 (for similar reasons to 2013), EUR 0.308 million in 2011 and EUR 0.522 million in 2010.

Reconciliation of the Budget Execution Statement and the Cash Flow Statement

The Civil Budget is prepared for the same period (1 January to 31 December) and encompasses the same entity (NATO International Staff) as these financial statements but the basis is different. Consequently, the reconciliation is done with the Cash Flow Statement, in accordance with IPSAS 24. In addition, NATO-IS manages a series of non-appropriated funds and acts as a service provider for other NATO bodies and Member Nations.

The budget and accounting bases differ. The NATO-IS Civil Budget is prepared and executed on a commitment basis; it is not prepared on an accrual basis. The main causes for differences are the following.

1) The commitment of credits is the advance acceptance and recording of the financial consequence resulting from a legal obligation incurred during the financial year. As a consequence credits are allocated, and commitments are approved, for goods and services to be delivered at a later stage. Commitments are settled when an invoice is presented for payment, and not when the service is rendered or goods delivered as is the case for expenses under accrual accounting. All invoices received after 31 December 2013, but relating to 2013, have been taken into account and allocated against the appropriate commitment.

2) In budget accounting, credits related to grants are committed when the grant is attributed and are carried-forward until the beneficiary has completed its mission and provided the necessary justifications (within the two year carry forward principle) and is paid. Advances paid to the grantee are directly imputed to the commitment; the remaining commitment of credits is carried forward. Under accrual accounting the expense would be taken into consideration when the beneficiary has fulfilled its obligation. Similarly under budget accounting, commitments for capital expenditures are made during the year the purchase order is issued, not when the related works (for instance) are completed.

3) Unliquidated commitments are carried forward and added to the budget of the following financial year in relation to an existing legal commitment or if a special agreement is given by the Budget Committee. Outstanding commitments can be carried forward for two years. As a consequence, the services or goods received may relate to a commitment of credits from previous years' budgets.

4) Commitments, because they are an advance acceptance, and because payments cannot be made above approved credit levels, typically include an estimation factor and are (if only slightly) higher than the actual amount eventually paid. This results in commitments being higher than the actual expenses and in credits eventually lapsing. The overall lapse rate (lapses/commitments) for 2013 is 4.4%. Lapse rates for Personnel, Operations and Maintenance or Capital (respectively 0.6%, 8.5% and 2.2% in 2012) tend to be smaller than for Programmes (17.6% in 2013) because they can be estimated more accurately.

5) Commitments are only made in respect of future payments relating to the initial purpose of the commitment. Commitments for capital expenditures are normally made in the year during which the purchase order is issued. In accrual accounting, the related costs would not appear in the Statement of Financial Performance but in the Balance Sheet and only upon reception of the works, goods or services. Conversely, there is no budgetary commitment of credits for non cash flow transactions such as capital depreciation or provisions which would normally appear in the Statement of Financial Performance under accrual accounting.

6) On an exceptional basis, the Budget Committee may approve the carry-forward of credits without any prior legal commitment, for instance for projects at their initiation stage or planned expenditures. In accrual accounting there would be no expense recorded.

7) The balance of unused budgetary credits (not committed) lapses and is returned to Nations at year-end. Lapses may include cases where a project was eventually not completed or started, and therefore lead to no expense.

As required by IPSAS 24, actual amounts as presented in the Budget Execution Statement are to be reconciled to the actual amounts in the financial statements with the Cash Flow Statement. Actual amounts concerning the budget are the amounts of committed credits. The differences between the budget actual amounts and the Cash Flow Statement are due to the difference in bases.

Reconciliation between budget execution and out-flows of cash:

The NATO-IS 2013 budget authorization (final revised) amounted to EUR 222,149,633.67 of which:

1) EUR 35,280,633.83 corresponded to the carry forward of credits from the previous financial years;

2) EUR 186,869,999.84 (including Provident Fund and Defined Contribution Pension Scheme contributions) related to the specific budget authorisation for the financial year 2013 revised budget;

The actual commitments in 2013 amounted to EUR 211,214,549 and, therefore, the difference with the final budget authorization, amounting to EUR 10,935,083.98 lapsed. As such the latter amount becomes part of the annual 2013 budget surplus and should be returned to the contributing Nations in the following year (with the last call issued in 2014) unless they should decide to re-use this surplus.

Based on the committed credits, an amount of EUR 172,814,487 was considered as expended; due to 2013 invoices paid in 2013 or received at the date of closure of the accounts. Of these, EUR 10,560,332.98 were 2013 related, pending certification and were not yet paid. The difference with the committed credits amounted to EUR 38,400,062.31 and was carried-forward. As explained under Note 10, this included an amount of EUR 7,249,974 of special carry-forward for specific purposes, as agreed by the Budget Committee.

The out-flows of cash in 2013 amounted to EUR 200,414,300 of which EUR 161,141,968 related to budget operations and EUR 39,259,255 related to non-appropriated funds and miscellaneous transactions. The difference of EUR 11,659,719 between the expenditures in the budget execution statement and the cash flow statement is explained as follows.

1) Concerning Personnel Costs: The difference relates mainly to US reimbursable staff. The corresponding expenses are credited to the US account. There is no related cash flow. They might be used as a US contribution to the Civil Budget. There are also EUR 0.489 million in invoices relating to 2012, received but not paid pending certification but considered spent from a budget perspective.

2) Concerning Operating Costs: The difference relates mainly to supplier account invoices relating to 2013 received but not paid pending certification but considered spent from a budget perspective, in the order of EUR 3.2 million as well as to advances and pre-payments to be regularized, and to the net NATO-IS contribution for offices it occupies in buildings used for Partner accommodation (Annex IV) which is treated as an internal transaction with no cash flow.

3) Concerning Capital Expenditure: The difference relates mainly to invoices relating to 2013, received but not paid pending certification (EUR 2.89 million) but considered spent from a budget perspective.

4) Concerning Programme Costs: The main difference relates to (EUR 901 million) advances to external offices (Kyiv, Moscow) to be regularized and to invoices relating to 2013, received but not paid pending certification (EUR 1.35 million) but considered spent from a budget perspective.

Reconciliation between budget funding and in-flows of cash:

		BUDGET		ACTUALS			DIFFERENCE		DIFFERENCE		
		Initial	Final	Commitment	Expenses in Budget Statement	Cash Flow 2013	Commitment minus exp in budget statement	Exp in budget statement minus cash flow	BASIS	TIMING	ENTITY
U	Personnel Costs	128,429,505	128,402,952	126,854,689	121,971,355	119,139,595	4,883,333	2,831,761	2,831,761		
s	Operating Costs	28,858,024	28,458,024	25,458,565	23,556,021	20,030,848	1,902,544	3,525,172	3,525,172		
e	Capital Costs	22,402,769	22,829,323	22,416,529	8,262,567	5,286,456	14,153,961	2,976,112	2,976,112		
o	Programmes Costs	42,459,335	42,459,335	36,484,767	19,024,544	16,685,069	17,460,223	2,339,475	2,339,475		
f	**SUBTOTAL Budgetary Operations**	**222,149,634**	**222,149,634**	**211,214,550**	**172,814,487**	**161,141,968**	**38,400,062**	**11,672,520**	**11,672,520**		
F	Non-budgetary Operations					39,272,332		-39,272,332			-39,272,332
u n	**SUBTOTAL Non-budgetary Operations**					**39,272,332**		**-39,272,332**	**0**	**0**	**-39,272,332**
d	**SUBTOTAL**	**222,149,634**	**222,149,634**	**211,214,550**	**172,814,487**	**200,414,300**	**38,400,062**	**-27,599,813**	**11,672,520**	**0**	**-39,272,332**

The following table analyses the funding mechanism of the Civil Budget for 2013.

BUDGET AUTHORIZATIONS	in EUR		REFERENCES
Current year credits	186,869,000.00		INITIAL : BC-D(2013)0005
Re-use of 2011 Lapsed credits	0.00		
Re-use of part of 2012 Lapsed credits	0.00		
Credits carried forward from previous years	35,280,633.83		BC-D(2013)0097
NET TOTAL		222,149,633.83	
UNSPENT BALANCE OF THE YEAR 2012		45,714,579.24	BC-D(2013)0097
Credits carried forward from previous years	35,280,633.83		
Lapsed credits from previous year	9,862,045.35		
Miscellaneous income previous year	346,570.53		
Net Interests previous year	225,329.53		
RE-USE OF 2012 LAPSED CREDITS		0.00	
CONTRIBUTIONS CALLED		168,628,495.59	
Advance 2013	46,700,000.00		FC(CC)(2012)0015(CBC-02)
1st instalment	93,451,750.00		FC(CC)(2013)0008(CBC-01)
2nd instalment	28,476,746.00		FC(CC)(2013)0015(CBC-02)
Rounding budget 2013	-0.41		
OTHER INCOME FROM THE FINANCIAL YEAR		9,806,559.00	
Common operating costs	4,036,825.00		FC(CC)(2013)0015(CBC-02)
Administrative Support	5,769,734.00		FC(CC)(2013)0015(CBC-02)
UNDERCALL 2012 - included in 2sd instalment		-2,000,000.00	
NET TOTAL		222,149,633.83	

Of the total 2013 NATO Civil Budget budget authorization, an amount of EUR 35,280,633.83 corresponded to credits carried-forward from previous financial years The related amounts were fully funded by contributions called before 1 January 2012.

The amount of EUR 186,869,000 related specifically to the final revised budget authorisation for financial year 2013. In order to fund this element, the net contributions due by Nations amounted to EUR 168,628,495. The difference corresponds to the surplus reimbursable to Nations amounting to EUR 18,240,505 which is broken down as per the table below.

Reconciliation authorised budget 2013 and net calls for 2013	
a. Budget authorisation 2013	186,869,000.00
b. Lapsed credits 2012	- 9,862,045.35
c. Miscellaneous income from 2012	- 346,570.53
d. Interest from 2012	- 225,329.53
e. Administrative support income	- 5,769,734.00
f. Common operating costs income	- 4,036,825.00
g. Undercall from 2012	+2,000,000.00
Total net callable in relation to the 2013 budget (= a – b – c – d –e – f + g)	168,628,495.59

(there is a small difference of EURO 0.16 due to the fact that CBMS does not round figures)

It should be noted that EUR 2,000,000 originated from credits lapsed at the end of 2011. The funds were not called in 2012, resulting in an undercall of EUR 2,000,000, which was regularized in 2013.

Contributions called from Nations in 2013 amounted to EUR 168,611,495.43 of which EUR 46,717,000 was called in 2013 as an advance for 2014. EUR 46,700,000 was called in 2012 as an advance for 2013.

The total in-flow of cash related to contributions called amounted to EUR 177,007,257.63 (of which EUR 137,636,987 relates to the current year and EUR 18,532,345 to previous years' contributions due). In addition, EUR 20,650,925 was received in relation to the advance called for 2014 and EUR 640,000 was received as a voluntary advance for the 2014 budget. The differences with amounts called resulted in outstanding amounts receivable.

The in-flows of cash for administrative support, common and operating costs were respectively EUR 3,833,468.86 and EUR 5,769,734.45. The difference from the invoices raised is the outstanding amounts receivable (respectively EUR 0 and EUR 203,666.93).

The in-flows of cash related to non-appropriated fund operations amounted to EUR 35, 432,831.

Personnel Management Information System (PMIS)

The PMIS budget for 2013 was approved by the Budget Committee in the amount of EUR 137,100 (BC-D(2013)0014). Its funding is provided through contributions by the NATO bodies who are members of the PMIS in proportion to their staffing levels. In 2013 EUR 2,369.65 lapsed and will be deducted from the amounts due by the NATO bodies participating in this system in 2013.

PMIS 2013					
	Approved Budget	Commitments	Payments	Lapsed	Carried-Forward
Salaries	115,837.54	115,837.54	115,837.54	-	-
Operations and maintenar	21,262.46	18,892.81	18,892.81	2,369.65	-
Total	**137,100.00**	**134,730.35**	**134,730.35**	**2,369.65**	**-**

Office of Shared Services Budget

An amount of MEUR 5.8 was made available for the pre-financing of the initial Agency Reform transition costs as part of the MTRP 2012-2016 (C-M(20110067). The Budget Committee agreed a framework mechanism for the management and control of the funds related to the initial transition costs and subsequently to the budget allocation of the pre-financed credits to allow full oversight (BC-D(2012)0202-REV1 and BC-D(2011)0209-ADD1). Council agreed this as part of the 2012 Military Budget Recommendations (C-M(2011)0099). The full implementation of OSS at NATO was estimated to cost between MEUR 24.2 and 28.3 as described in the Office of Shared Services Business Case (PO(2011)0239). In considering the Office of Shared Services (OSS) request for the 2013 budget, Nations requested that the Chairman BC inform the Chairman RPPB of the BC's intention to use the pre-financing agreed in 2012 to cover the 2013-2015 costs of the OSS within the agreed total pre-financing amount of EUR 5.8 million (OCB(2012)0039 and BC-DS(2012)0041).

The BC agreed to the 2013 pre-financed allocation of EUR 795,500 and that any unused funds from 2012 could be used in 2013 and onwards in 2014 and 2015 for the OSS. From this amount EUR 89,872.01 was not used and has been carried forward for future use. An amount of EUR 1,305,200 remains frozen.

Office of Shared Services				(in EUR)
		2012	2013	Cumulative Total
Approved Annual Tranche		241,400.00	795,500.00	**1,036,900.00**
Commitments		160,748.27	521,143.89	**681,892.16**
Unused Annual Credits		**80,651.73**	**274,356.11**	**355,007.84**

Office of Shared Services 2013					
	Approved Budget	Commitments	Payments	Not Used	Carried-Forward
Salaries	666,443.43	402,155.62	396,985.00	264,287.81	5,170.62
Operations and maintenan	129,056.57	118,988.27	118,420.97	10,068.30	567.30
Total	**795,500.00**	**521,143.89**	**515,405.97**	**274,356.11**	**5,737.92**

Office of Shared Services 2012					
	Approved Budget	Commitments	Payments	Not Used	Carried-Forward
Salaries	206,200.00	128,289.98	128,289.98	77,910.02	-
Operations and maintenan	35,200.00	32,458.29	32,458.29	2,741.71	-
Total	**241,400.00**	**160,748.27**	**160,748.27**	**80,651.73**	**-**

The 2012 chart above is different from that shown in 2012; it has been updated to reflect payments amounting to EUR 39,319.06 that were regularized.

		(in EUR)
Original Overall Allocation	(a)	5,800,000.00
Approved Annual Tranches	(b)	1,036,900.00
Unused Credits	(c)	355,007.84
Remaining Resources	**(d) = (a-b+c)**	**5,118,107.84**

In 2012, the NATO IS pre-financed the OSS 2012 budget with EUR 241,400; the undercall was dealt with in the military budget calls in 2013. The call for contributions for 2013 was in two calls (FC(CC)20130007(MB-01) and FC(CC)(2013)0012 (MB-02) for the budget of EUR 795,500. Additionally, an advance call was made for 2014 of EUR 200,000.

NOTE 18: SEGMENTS

The tables below provide segment information for financial performance, financial position and cash flow statements for 2013.

NATO INTERNATIONAL SECRETARIAT STATEMENT OF FINANCIAL POSITION
as at 31 December 2013
(All amounts in Euro)

	IS	PMIS	OSS	TRUST FUNDS	PARTNER ACCOMODATION	BUILDINGS	INTER ENTITY	Current Year 31-Dec-13
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents								
Cash	2,249.35							2,249.35
Current bank accounts	65,245,854.04	44,773.14	102,177.08	3,172,895.86				68,565,700.12
Cash equivalents	0.00							0.00
Subtotal Cash & Equivalent	65,248,103.39	44,773.14	102,177.08	3,172,895.86	0.00	0.00	0.00	68,567,949.47
Cash Managed for Third Parties				11,844,681.60				11,844,681.60
Total Cash and Cash Equivalents	**65,248,103.39**	**44,773.14**	**102,177.08**	**15,017,577.46**	**0.00**	**0.00**	**0.00**	**80,412,631.07**
Receivables								
Contributions from Member Nations Receivables	44,125,181.46		459,025.00					44,584,206.46
Receivables from Nations, Partners and others	851,979.18				302,883.67		-75,000.00	1,079,862.85
Budget undercall	0.00							0.00
Receivables from other NATO bodies		34,167.21			45,620.91		-45,620.91	34,167.21
Receivables from Staff Members	957,957.29		22.95					957,980.24
Receivables from Post Employment Benefit Schemes	90,827.26							90,827.26
Bank interest accrued	194,266.45		1,320.08					195,586.53
Total Receivables	**46,220,211.64**	**34,167.21**	**460,368.03**	**0.00**	**348,504.58**	**0.00**	**-120,620.91**	**46,942,630.55**
Prepayments								
Other receivables	3,220,709.36							3,220,709.36
Total Prepayments	**3,220,709.36**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3,220,709.36**
Inventories								
Office supplies	169,477.42							169,477.42
Supplies/maintenance	319,380.16							319,380.16
Medicine and vaccines	343,582.17							343,582.17
Munitions	30,907.00							30,907.00
Total Inventories	**863,346.75**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**863,346.75**
TOTAL CURRENT ASSETS	**115,552,371.14**	**78,940.35**	**562,545.11**	**15,017,577.46**	**348,504.58**	**0.00**	**-120,620.91**	**131,439,317.73**
NON CURRENT ASSETS								
Receivables								-
								-
Infrastructure, plant and equipment	1,035,768.68							**1,035,768.68**
								-
Land and buildings	0.00							-
								-
Intangible assets	9,041,200.87							**9,041,200.87**
TOTAL NON CURRENT ASSETS	**10,076,969.55**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10,076,969.55**
TOTAL ASSETS	**125,629,340.69**	**78,940.35**	**562,545.11**	**15,017,577.46**	**348,504.58**	**0.00**	**-120,620.91**	**141,516,287.28**

NATO INTERNATIONAL SECRETARIAT STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

(All amounts in Euro)

	IS	PMIS	OSS	TRUST FUNDS	PARTNER ACCOMODATION	BUILDINGS	INTER ENTITY	Current Year 31-Dec-13
LIABILITIES								
CURRENT LIABILITIES								
Payables								
Payable to Nations								
Interest	108,633.06		1,315.08					109,948.14
Lapsed credits	10,935,083.98	2,369.65						10,937,453.63
Miscellaneous receipts	315,268.95							315,268.95
US & NL reimbursables	5,022,398.28							5,022,398.28
Project accumulated surplus	0.00		355,007.84		210,539.84			565,547.68
Other payable to Nations	1,699,208.68		262.46					1,699,471.14
Total Payable to Nations	**18,080,592.95**	**2,369.65**	**356,585.38**	**0.00**	**210,539.84**	**0.00**	**0.00**	**18,650,087.82**
Payable to Staff	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Payable to NATO Bodies								
Stikker fund	95,535.77							95,535.77
Agencies	45,620.91	76,570.70					-120,620.91	1,570.70
Post Employment Benefit Schemes	0.00							0.00
Total Payable to NATO Bodies	**141,156.68**	**76,570.70**	**0.00**	**0.00**	**0.00**	**0.00**	**-120,620.91**	**97,106.47**
Payable to Suppliers								
Payable to Suppliers	10,443,145.96				117,187.02			10,560,332.98
Accrued expenses	0.00							0.00
Total Payable to Suppliers	**10,443,145.96**	**0.00**	**0.00**	**0.00**	**117,187.02**	**0.00**	**0.00**	**10,560,332.98**
Payable to Others								
Other Accounts Payable	907,066.49		221.81					907,288.30
Trust Funds				15,017,577.46				15,017,577.46
Total Payable to Others	**907,066.49**	**0.00**	**221.81**	**15,017,577.46**	**0.00**	**0.00**	**0.00**	**15,924,865.76**
Total Accounts Payable	**29,571,962.08**	**78,940.35**	**356,807.19**	**15,017,577.46**	**327,726.86**	**0.00**	**-120,620.91**	**45,232,393.03**
Unearned Revenue and Advanced Contributions								
Unearned revenue from budgetary credits	38,400,062.31		5,737.92					38,405,800.23
Unearned revenue from Annex IV - Partners' Accomoda	0.00				20,777.72			20,777.72
Unearned revenue from previous years surplus	0.00							0.00
Unearned revenue advance called for Y +1	46,717,000.00		200,000.00					46,917,000.00
Unearned revenue inventory	863,346.75							863,346.75
Total Unearned Revenue and Advanced Contributions	**85,980,409.06**	**0.00**	**205,737.92**	**0.00**	**20,777.72**	**0.00**	**0.00**	**86,206,924.70**
TOTAL CURRENT LIABILITIES	**115,552,371.14**	**78,940.35**	**562,545.11**	**15,017,577.46**	**348,504.58**	**0.00**	**-120,620.91**	**131,439,317.73**
NON CURRENT LIABILITIES								
Long-term unearned revenue from PPE	1,035,768.68							1,035,768.68
Long-term unearned revenue from intangible assets	9,041,200.87							9,041,200.87
Provisions	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
TOTAL NON CURRENT LIABILITIES	**10,076,969.55**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10,076,969.55**
TOTAL LIABILITIES	**125,629,340.69**	**78,940.35**	**562,545.11**	**15,017,577.46**	**348,504.58**	**0.00**	**-120,620.91**	**141,516,287.28**
NET ASSETS								
Surplus/Deficit of the period								0.00
Total Net Assets								**0.00**
TOTAL NET ASSETS	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

INTERNATIONAL STAFF

CASH FLOW STATEMENT

	IS plus Partner Bldg.	PMIS	OSS	TRUST FUNDS	INTERNAL	
CASH FLOW FROM OPERATING ACTIVITIES	**2013**	**2013**	**2013**	**2013**	**2013**	**2013**
RECEIPTS / RECETTES						
Contributions	177,007,257.63		777,875.00	1,483,383.59		179,268,516.22
Advances on Civil Budget	640,000.00					640,000.00
Other operational revenues	9,603,203.31	99,877.18	22,122.61		-131,283.09	9,593,920.01
Financial Revenues	216,281.77	239.62	521.13	18,015.56		235,058.08
Financial Revenues Y 2012	-					0.00
Extraordinary revenues	-					-
Others / Autres	15,803,466.93	75,000.00	200,000.00		-626,976.82	15,451,490.11
Partner Accomodation	1,935,899.29					1,935,899.29
Contributions paid to incorrect account	760,221.20					760,221.20
Net gain on foreign exchange transactions	64,176.76					64,176.76
TOTAL	**206,030,506.89**	**175,116.80**	**1,000,518.74**	**1,501,399.15**	**-758,259.91**	**207,949,281.67**
PAYMENTS / PAIEMENTS						
Personnel Costs (RP1)	(119,139,594.84)	(115,837.54)	(424,043.87)			(119,679,476.25)
Operating Costs (RP2)	(20,030,848.30)	(18,892.81)	(133,078.03)	(1,854,982.68)	131,283.09	(21,906,518.73)
Capital Costs (RP3)	(5,286,455.55)					(5,286,455.55)
Programmes (RP4)	(16,685,069.15)					(16,685,069.15)
Partner Accomodation	(1,795,504.16)					(1,795,504.16)
Correction of Contributions paid to incorrect account	(760,221.20)					(760,221.20)
Miscellaneous Payments	(20,051,122.73)	(934.56)	(350,521.13)		626,976.82	(19,775,601.60)
Financial Costs	(37,743.74)	(5.00)	(5.00)	(5,041.52)		(42,795.26)
Net loss on foreign exchange transactions	(118,479.61)					(118,479.61)
TOTAL	**(183,905,039.28)**	**(135,669.91)**	**(907,648.03)**	**(1,860,024.20)**	**758,259.91**	**(186,050,121.51)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**22,125,467.61**	**39,446.89**	**92,870.71**	**-358,625.05**	**0.00**	**21,899,160.16**
CASH FLOW FROM INVESTING ACTIVITIES						
PURCHASE OF NON CURRENT ASSETS						-
						-
NET CASH FLOW FROM INVESTING ACTIVITIES	**0.00**					**0.00**
CASH FLOW FROM FINANCIAL ACTIVITIES						
RECEIPTS / RECETTES	0.00					0.00
PAYMENTS / PAIEMENTS	0.00					0.00
NET CASH FLOW FROM FINANCING ACTIVITIES	**0.00**					**0.00**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS OF PERIOD	**22,125,467.61**	**39,446.89**	**92,870.71**	**-358,625.05**	**0.00**	**21,899,160.16**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**43,122,635.78**	**5,326.25**	**9,306.37**	**3,531,520.91**		**46,668,789.31**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**65,248,103.39**	**44,773.14**	**102,177.08**	**3,172,895.86**		**68,567,949.47**
CASH FLOW FROM THIRD PARTIES						
RECEIPTS	13,975,230.31					13,975,230.31
PAYMENTS	(13,605,398.57)					(13,605,398.57)
NET CASH FLOW FROM THIRD PARTIES	**369,831.74**					**369,831.74**

With regard to the Partner Accommodation segment, the 2013 financial year resulted in a surplus of EUR 202,363.22 (deficit of EUR 54,257.70 in 2012). However, the commitments carried-forward from previous years resulted in a deficit of EUR 513.20 (surplus of EUR 31,152.14 in 2012) as the result of an under-estimation of amounts due to miscellaneous suppliers. The surplus from the previous year (i.e. end 2012) amounted to EUR 8,689.82. As a consequence, at the end of 2013, there was a surplus of EUR 210,539.84.

NOTE 19: WRITE-OFFS

Type of property	Year of purchase	Purchase value (EUR)	Reference
Furniture and miscellaneous	1959-2012	95,839	EM(IFM)(2013) 0080
Security equipment	1983-2009	76,705	2062/AC, 3541/AC and 3994/AC purchase orders that included supplier taking back written off equipment
Computer and electronic material	1977-2011	172,021	EM(IFM)(2013) 0080
1 tractor and 2 vehicles	1998-2007	53,665	EM(IFM)(2013) 0080

NOTE 20: LEASES

An analysis of lease contracts was conducted and it was considered that some of them had characteristics that could have led them to be considered as finance leases (in the IPSAS 13 sense) in particular as relates to the rent of portacabins for temporary accommodation (e.g. Buildings V, VA) and the Manfred Wörner building. However in consideration of the fact that NATO-IS will move to new premises in 2016, the rental period will be shorter than the remaining economic life of this equipment. As a consequence, all leases in NATO IS are classified as operating leases. Fees payable under these lease agreements are accounted as expenses in the Statement of Financial Performance on a straight-line basis over the relevant lease term.

Belgium has granted to NATO by way of concession a plot of land on which NATO is authorized to erect all necessary buildings and facilities needed to perform its functions. A symbolic price is paid annually for the rent. NATO is the full owner of all constructions made. Belgium remains the sole and full owner of the land, which is public domain (“domaine public”). The concession ends 180 days after NATO has left the buildings and facilities. At the end of the concession, there will be no property rights transferred to NATO. As a consequence, given the indefinite economic life of land and the specific nature of concessions, the use of the land is classified as an operational lease. The rent charged by the host nation is recognised as an expense in the statement of financial performance.

The operating leases at the reporting date can be classified into three categories for which the annual lease amount for year 2013 is set out below:

- Temporary building offices : EUR 3,894,663 (in 2012 EUR 3,914,245)
- Transport equipment : EUR 165,771 (in 2012 EUR 176,005)
- Photocopiers : EUR 328,479 (in 2012 EUR 341,974)

NOTE 21: RESTRICTIONS ON FIXED ASSETS

There are no restrictions on fixed assets.

NOTE 22: CONTINGENT LIABILITIES

A number of contingent liabilities have been identified, but the total possible obligation relating to these items is not expected to be material.

NOTE 23: CONTINGENT ASSETS

Nothing to report.

NOTE 24: EMPLOYEE DISCLOSURE

Accounting for employee benefits is accounting for any liability in relation to all forms of consideration given by an entity in exchange of service rendered by employees.

At 31 December 2013, NATO-IS had an approved Personnel Establishment of 1169 positions funded by the Civil Budget of which 1084 were occupied as of December 2013. Also, NATO-IS receives “in kind” services provided by nationally funded personnel known as Voluntary National Contributions (VNCs). During 2013, 97 VNCs worked for the IS at HQ. Another 6 civilian and 3 military VNCs worked in the SCR’s office in Kabul, 6 worked in Georgia for PASP and DPP had 14 VNCs located in Pristina, Kosovo, who man the NATO Advisory Team (NAT).

At 31 December 2013, NATO-IS had 7455 days of untaken leave. The value of this is not recognised in the financial statements.

The NATO-IS manages centrally three pension schemes, namely the Defined Benefit Pension Scheme (DBPS), the Provident Fund and the Defined Contribution Pension Scheme (DCPS), as well as the Retirees Medical Claims Fund (RMCF), covering staff employed by all NATO bodies. NATO wide financial statements are issued by the NATO-IS Office of Financial Control for the three pension schemes and the RMCF; therefore, no related assets or liabilities are recognised in these financial statements.

Three staff are affiliates of the NATO Provident Fund (the Fund), which is a defined contribution pension scheme which provides retirement benefits to civilian staff recruited by NATO before 1 July 1974 and who decided not to join the Defined Benefit Pension Scheme set up at this date. Benefits are paid upon retirement as one lump sum, being the total of the individual right acquired. Monthly contributions, paid directly into the Fund, are made by staff and NATO, being 7% and 14% respectively of basic salary.

431 staff members participate in the Defined Contribution Pension Scheme (DCPS) administered by NATO. The DCPS provides that the NATO-IS budget makes a 12% monthly matching contribution to the staff members contributions for current service. 644 employees participate in NATO's Defined Benefit Pension Scheme (DBPS): a deduction of 9% of their salaries is made and contributed to the annual financing of this Plan. In addition, the NATO-IS budget makes a monthly matching contribution of 18% to the DBPS. These contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the entity. Consequently, the NATO-IS has neither DBPS nor DCPS liability for its staff members. Also, 13 staff members are employed on reimbursable basis with an agreement between NATO-IS and the United States. Their salary is paid directly by the US using national salary scales and the US is reimbursed the costs corresponding to the grade of the post occupied by the staff member (see also Note 9). Those individuals are paid and accrue pension rights under a United States pension scheme. A similar agreement exists with the Netherlands and currently applies to 1 staff member.

The contributions for pensions paid are as follows:

2012	Staff	Employer	Total
Provident Fund	30,540.60	61,081.20	91,621.80
Co-ordinated Pension Scheme	4,544,457.00	-	4,544,457.00
Defined Contribution Pension Scheme	2,283,809.40	3,264,348.91	5,548,158.31
TOTAL	**6,858,807.00**	**3,325,430.11**	**10,184,237.11**

2013	Staff	Employer	Total
Provident Fund	7,855.80	15,711.60	23,567.40
Co-ordinated Pension Scheme	4,111,835.86	-	4,111,835.86
Defined Contribution pension Scheme	2,432,014.96	3,522,959.25	5,954,974.21
TOTAL	6,551,706.62	3,538,670.85	10,090,377.47

NOTE 25: KEY MANAGEMENT PERSONNEL

The North Atlantic Council is the governing body of NATO. It approves the Civil Budget further to screening and recommendation by the Budget Committee (BC) and the Resource Policy and Planning Board (RPPB). Members of the North Atlantic Council, the BC and the RPPB are nominated by their respective national authorities. They are paid on the basis of applicable national pay scales. They do not receive from NATO any additional remuneration for their responsibilities or access to benefits.

For the purposes of IPSAS 20 implementation, key management personnel of the International Staff are the Secretary General, the Deputy Secretary General, the Director of the Private Office, the seven Assistant Secretary Generals, the Senior Civilian Representative in Afghanistan and the three Directors of Independent Offices (Security, Resources and Financial Control). The aggregate remuneration and the number of individuals on a full time equivalent basis are:

Aggregate remuneration: EUR 3,476,179
Number of persons: 14

The Secretary General is provided with accommodation at no cost in premises belonging to the Organisation. The residence is serviced by three established posts. The operating and maintenance costs of the residence are EUR 156,485 in 2013. The residence was assessed in November of 2013 as being worth EUR 10,300,000. The Deputy Secretary General is provided with an approved special allowance to contribute towards the lease of accommodation suitable for representation at the Ministerial and distinguished visitor level. The Secretary General is entitled upon departure to a special leaving allowance, equal to one year's basic salary if a full four year term was served.

On 1 June, 2013, the NAC approved changes to the Representation Allowance system. A key element was that in lieu of monthly allowances being paid out and then reimbursed by the recipients if unused, recipients now submit receipts and are then reimbursed up to the allocated ceiling. The OFC is responsible for the day to day verification, with IBAN able to disallow expenses if deemed necessary.

A total of 13 senior staff are entitled to a Representation Allowance the use of which is subject to a specific control by the OFC. This includes the Secretary General, the Deputy Secretary General, the Director of the Private Office and the seven Assistant Secretary Generals. The gross amount paid was EUR 119,611.50 in 2013. The gross amount paid in 2012 was EUR 172,501. Unused funds and disallowed expenses are returned to the Organisation, for 2012 this was in the order of EUR 14,000.

Key management staff have access to a pool of vehicles for official business.

There is no other remuneration or benefits to key management personnel and their family members. Key management personnel is entitled to receive loans which are also available to other members of the NATO International Staff.

NOTE 26: RELATED PARTIES

There have been the following related party relations.

Member Nations and NATO bodies

NATO-IS performs certain administrative support and common operating services for which in 2013 a total amount of, respectively EUR 5,769,734 (EUR 5,677,550.86 in 2012) and EUR 4,036,825 (EUR 4,151,808.91 in 2012) was charged to other NATO bodies and Member Nation delegations. These amounts come as a deduction to the budget contributions due from Nations to fund the Civil Budget.

Belgium provides military personnel in support of activities related to security (Delegation Militaire de la Sécurité Technique) and to communications (Communications Branch of the Situation Centre), for which respectively EUR 474,872.31 (EUR 382,142.63 in 2012) and EUR 1,743,873.75 (EUR 1,708,830.38.87 in 2012) were charged by the Belgian Ministry of Defence and paid by the Civil Budget.

Thirteen NATO-IS staff members are employed on a reimbursable basis with an agreement between NATO-IS and the United States. Their salaries are paid directly by the US using national salary scales and the US is reimbursed the costs corresponding to the grade of the posts occupied by these staff members (see also Note 9). A similar arrangement exists for Netherlands staff and one, individual benefits from it.

Member and Partner Nations

The NATO-IS Office of Financial Control is the Treasurer for the operations related to 32 Trust Funds which were active in 2013. The Trust Funds were authorized under NATO's Partnership for Peace Programme, the Mediterranean Dialogue Programme, the NATO-Russia Council, the NATO-Ukraine Commission and the NATO-Georgia Commission. The OFC also received financial resources on a bilateral ad-hoc basis from nations in support of specific activities conducted by NATO-IS or as a complement to the Civil Budget funding for certain activities. For Trust Funds a Lead Nation (NATO member) is normally designated. Partner nations can also participate in such additional funding. No management fees are charged by the IS to cover the related costs.

The table below analyses the payments and receipts linked to trust funds:

	Opening balances	Contributions received	Disbursements	Interest/Gain on exchange	Bank charges/Loss on exchange	Refunds of closed accts	Closing balances
TRUST FUNDS							
NTF-GEO - PROF.DEV.PGR.	383,743.62	126,908.48	217,785.54	2,358.70	1,833.05		293,392.21
NTF - GEORGIA III	325,571.92	0.00	0.00	3,463.94	5.00	329,030.86	0.00
NTF - TAJIKISTAN II	232,219.34	212,280.89	0.00	1,293.41	5.00		445,788.64
NTF - MOLDOVA III	591,191.45	473,109.37	800,000.00	1,963.49	5.00		266,259.31
NTF - BOSNIA-HERZ. II	960,226.39	503,397.56	1,000,000.00	5,660.69	23.15		469,261.49
NTF - AZERBAIJAN JCP	514,039.88	833,353.60	400,000.00	4,358.79	23.15		951,729.12
NTF - UKRAINE II PH 2	246,388.58	296,440.76	14,236.58	1,628.75	17.10		530,204.41
NTF - NATO-UKRAINE RADACT DISP	0.00	85,000.00	0.00		5.00		84,995.00
NTF - GEORGIA IV	88,690.59	220,176.81	0.00	41.83	5.00		308,904.23
NTF - JORDAN III	0.00	20,000.00	0.00		0.00		20,000.00
NTF - SERBIA IV	0.00	814,929.01	0.00		12.10		814,916.91
NTF - BELARUS - APM	22,595.97	0.00	0.00	144.99	5.00		22,735.96
NTF - UKRAINE II - SALW	14,251.75	0.00	0.00	91.39	5.00		14,338.14
NTF - KMELNITSKY	56,989.70	100,000.00	155,000.00	584.52	59.45		2,514.77
NTF - JORDAN I	419,732.02	0.00	0.00	3,187.46	5.00	422,914.48	0.00
NTF - MAURITANIA	518,898.01	261,660.14	115,000.00	4,838.06	11.05		670,385.16
NTF - JORDAN III	198,821.45	10,000.00	190,305.04	3,254.61	11.05	21,759.97	0.00
NRC - CAI PHASE III	9,957.53	0.00	0.00	152.84	5.00	10,105.37	0.00
NRC - CAI PHASE IV	82,215.58	456,452.84	250,000.00	1,125.33	5.00		289,788.75
NRC - HELICOPTER MAINTENANCE	3,406,060.60	4,003,000.00	5,425,000.00	18,280.58	5.00		2,002,336.18
NRC - HELICOPTER MAINTEN. (USD)	316,800.77	0.00	85,988.88		4,318.18		226,493.71
NRC - DISP EXCESS AMMUNITION	0.00	50,000.00	0.00		0.00		50,000.00
NRC - HELICO MAINTENANCE II	0.00	4,085,000.00	1,500,000.00		0.20		2,584,999.80
NRC - AFGHAN. & ASIA (USD)	198,365.48	941,443.01	1,061,646.36		4,886.73		73,275.40
NRC - CAI PHASE II	48,570.39	0.00	0.00	383.31	5.00	48,948.70	0.00
NRC - TMD III	24,893.06	0.00	0.00	159.75	5.00		25,047.81
NATO CNAD VNCF	299,600.00	123,875.21	50,000.64	190.11	11.05		373,653.63
Sub-total 2013	8,959,824.08	13,617,027.68	11,264,963.04	53,162.55	11,271.26	832,759.38	10,521,020.63
NATO MANAGED TRUST FUNDS							
CRISIS MGMT IN MAURITANIA	0.00	606,618.78	0.00		0.00		606,618.78
JWGDR	309,877.57	74,792.81	132,696.86	2,213.37	380.10		253,806.79
NTF BLDG INTEGRITY	1,165,436.03	297,164.40	307,583.83	5,957.48	612.53		1,160,361.55
NRC - WEB SITE	55,840.49	3,500.00	44,998.32	242.01	5.00		14,579.18
NATO EXPLOSIVES DET.	1,853,738.74	0.00	916,800.66	9,602.70	5.00		946,535.78
NATO SILK AFGHANISTAN (USD)	146,628.08	501,307.60	452,903.00		4,038.89		190,993.78
Sub-total 2013	3,531,520.91	1,483,383.59	1,854,982.67	18,015.56	5,041.52	0.00	3,172,895.86
TOTAL 2013	12,491,344.99	15,100,411.27	13,119,945.72	71,178.11	16,312.78	832,759.38	13,693,916.49

Employee Benefits

NATO-IS is responsible for the management at the NATO-wide level for the three pension systems (Provident Fund, Defined Benefit Pension Scheme, Defined Contribution Pension Scheme) and the Retirees Medical Claims Fund. Separate financial statements are issued by the NATO-IS Office of Financial Control. No management fees corresponding to the related costs incurred by NATO-IS are charged to these entities.

Staff Centre

In October 2013, Nations approved a new mandate for the Staff Centre under C-M(2013)0054 with a view to transitioning to a fully customer funded model in 2016. An Executive Board was established in 2013 to provide oversight of Staff Centre operations. The Chairman of the Board is nominated by the

Secretary General and is currently the ASG EM. Other members of the Board include other Executive Management staff, the IMS Executive Officer and the Director of the Staff Centre. Two members of the Budget Committee attend ex-officio.

Appendix 1 Annex 1 of the C-M outlines under the heading of Category A, all activities that can receive Civil Budget funding. The total amount of expenditures paid by the Civil Budget in that respect amounted to EUR 995,856 in 2013 (EUR 1,127,020.25 in 2012).

In addition, NATO-IS provided administrative support and common operating services to the Staff Centre in an estimated amount of respectively EUR 274,145 and EUR 643,107 (EUR 272,607 and EUR 648,093 in 2012).

With regard to the principle of consolidation of Morale and Welfare Activities, the recent decision by the Council (C-M(2013)0006) adopting a way-ahead on the implementation of IPSAS states that, “NATO entities should capture financial information in support of morale and welfare activities by way of a note disclosure to the financial statements and not consolidated in the Financial Statements”. This Council decision applies as from reporting year 2013.

The Staff Centre has its own financial statement.