

	NATO	NORTH ATLANTIC COUNCIL
	OTAN	CONSEIL DE L'ATLANTIQUE NORD

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6 December 2016

DOCUMENT
C-M(2016)0067-AS1 (INV)

**IBAN AUDIT ON THE 2015 FINANCIAL STATEMENTS OF THE NATO PROVIDENT
FUND**

ACTION SHEET

On 6 December 2016, under the silence procedure, the Council noted the IBAN report attached to C-M(2016)0067 (INV) on the 2015 financial statements of the NPF and agreed the RPPB recommendation regarding public disclosure.

(Signed) Rose E. Gottemoeller
Deputy Secretary General

NOTE: This Action Sheet is part of, and shall be attached to C-M(2016)0067 (INV).

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21 November 2016

DOCUMENT
C-M(2016)0067 (INV)
Silence Procedure ends:
6 Dec 2016 17:00

IBAN AUDIT ON THE 2015 FINANCIAL STATEMENTS OF THE NATO PROVIDENT FUND

Note by the Deputy Secretary General

1. I attach the International Board of Auditors for NATO (IBAN) report on the audit of the 2015 financial statements of the NATO Provident Fund (NPF).
2. The IBAN report on the NPF sets out an unqualified opinion on the financial statements and an unqualified opinion on compliance.
3. The IBAN report has been reviewed by the Resource Policy and Planning Board (RPPB) (see Annexes).
4. I do not believe that this matter requires discussion in the Council. Consequently, **unless I hear to the contrary by 17:00 hours on Tuesday, 6 December 2016**, I shall assume that the Council has noted the IBAN report on the 2015 financial statements of the NPF and agreed the RPPB recommendation regarding public disclosure.

(Signed) Rose E. Gottemoeller

3 Annexes
1 Enclosure

Original: English

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**IBAN AUDIT ON THE 2015 FINANCIAL STATEMENTS OF THE NATO PROVIDENT
FUND**

Report by the Resource Policy and Planning Board

References:

- a) IBA-A(2016)100 – IBAN audit report
- b) FC(2015)037 – letter from Financial Controller of International Staff

Introduction

1. This report contains the RPPB's observations and recommendations on the IBAN audit of the 2015 financial statements of the NPF (reference a)).

Discussion

2. The Board is pleased to note that the IBAN have issued an unqualified audit opinion on the financial statements and an unqualified opinion on compliance. The Board also notes that there were no observations included in the audit report.

3. The Financial Controller of the International Staff has confirmed (reference b) that there are no issues that would prevent the financial statements from being publicly disclosed.

Recommendation

4. The RPPB recommends that Council:
- a) note the IBAN report (IBA-A(2016)100) along with the present report;
 - b) agree to the public disclosure of this report, the IBAN audit (reference a)) and the associated 2015 financial statements of the NPF, in line with the agreed policy in PO(2015)0052.

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**Summary Note for Council
by the International Board of Auditors for NATO (Board)
on the audit of the Financial Statements of the NATO Provident Fund
for the year ended 31 December 2015**

The Board audited the NATO Provident Fund which provides retirement benefits to civilian staff who joined NATO before 1 July 1974, and who are not members of the NATO Pension Scheme. The value of the Fund's net assets available for benefits at 31 December 2015 was EUR 4.9 million. As at that date, there were 7 members contributing to the Fund.

The Board issued an unqualified opinion on the NATO Provident Fund's Financial Statements and on compliance for the year ended 31 December 2015.

During the audit, the Board had no observations to be included in the audit report.

The International Staff had no comments on the report.

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INTERNATIONAL BOARD OF AUDITORS FOR NATO

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF

THE NATO PROVIDENT FUND

FOR THE YEAR ENDED 31 DECEMBER 2015

**AUDITOR'S REPORT TO THE NORTH ATLANTIC COUNCIL
AND STAFF MEMBERS AFFILIATED TO THE NATO PROVIDENT FUND**

Report on the Financial Statements

The International Board of Auditors for NATO (Board) has audited the attached financial statements of NATO Provident Fund, which comprise the Statement of Net Assets Available for Benefits as at 31 December 2015, the Statement of Changes in Net Assets Available for Benefits and the Explanatory Notes, including a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standard (IAS) 26 *Accounting and Reporting by Retirement Benefit Plans*¹ and the requirements of the NATO Financial Regulations as authorised by the North Atlantic Council (NAC). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, which is conducted in accordance with our Charter and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

¹ As the NATO Accounting Framework does not have a standard specific to accounting and reporting by retirement benefit plans, the NATO International Staff presents the Provident Fund's Financial Statements in accordance with IAS 26.

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

Opinion on Financial Statements

In our opinion, the financial statements present fairly, in all material respects, the financial position of the NATO Provident Fund as of 31 December 2015, and the changes in financial position thereof for the year then ended in accordance with IAS 26.

Other Matters

The NATO International Staff (IS) implemented a new accounting software in January 2015. This software, Enterprise Resource Planning (ERP), was planned to be used by the IS to perform the 2015 accounting for the NATO Provident Fund. The IS experienced some issues with the ERP software and its implementation. This was one factor contributing to the delayed issuance of several other 2015 financial statements for which the IS is responsible for preparing. However, due to the very low number of transactions and limited balances related to the Provident Fund, the IS was able to, outside the new accounting system, manually prepare the Provident Fund Financial Statements using alternative information sources. We were able to perform audit procedures using these alternative sources of information. Our opinion is not qualified in respect to this matter.

Report on Compliance

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the financial transactions and information reflected in the financial statements are in compliance with the NATO Financial Regulations and the NATO Civilian Personnel Regulations as authorised by the North Atlantic Council (NAC).

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, our responsibility includes expressing an opinion on whether the financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the NATO Financial Regulations and the NATO Civilian Personnel Regulations. This responsibility includes performing procedures to obtain reasonable assurance about whether the funds have been used for the settlement of authorised expenditure and whether their operations have been carried out in compliance with the financial and personnel regulations in force. Such procedures include the assessment of the risks of material non-compliance.

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

Opinion on Compliance

In our opinion, in all material respects the financial transactions and information reflected in the financial statements are in compliance with the NATO Financial Regulations and the NATO Civilian Personnel Regulations.

Brussels, 23 August 2016

Lyn Sachs
Chairman

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The NATO Provident Fund

**FINANCIAL STATEMENTS
2015**

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Jens STOLTENBERG
Secretary General


Stephane CHAGNOT
Financial Controller

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The NATO Provident Fund
Statement of Net Assets Available for Benefits

(All amounts in EUR)	Notes	Current Year	Prior Year
		31-Dec-2015	31-Dec-2014
Assets			
Cash and Cash Equivalents	(3)	1,122,140.38	26,692.73
Investments	(4)	5,427,652.55	9,637,413.21
Accounts Receivable			
Outstanding Contributions	(5)	0.00	0.00
Bank interest accrued	(6)	8.34	202.21
Rounding on Net Asset Value		0.00	0.00
Total assets		6,549,801.27	9,664,308.15
Liabilities			
Payable to former staff	(7)	1,653,406.67	0.00
Payable to the IS	(8)	0.00	0.00
Bank charges to be paid	(6)	6.05	12.10
Miscellaneous Gains/Losses	(9)	6,781.51	6,832.62
Rounding on Net Asset Value		0.05	0.05
Total Liabilities		1,660,194.28	6,844.77
Net assets available for benefits		4,889,606.99	9,657,463.38

The NATO Provident Fund
Statement of Changes in Net Assets Available for Benefits

(All amounts in EUR)	Notes	Current Year	Prior Year
		31-Dec-2015	31-Dec-2014
Increase in net assets			
Change in value of the Fund	(10)	243,792.44	406,327.76
Contributions	(11)	120,970.80	212,362.26
Housing loan reimbursements	(12)	32,239.36	60,199.56
Net Gains Invested	(13)	0.00	8,154.40
Total increase in net assets available for benefits		397,002.60	687,043.98
Decrease in net assets			
Accounts closed (Staff)	(14)	4,877,598.03	2,345,059.65
OAP, Housing Loans and Advances on Full Settlement	(15)	287,000.00	678,886.11
Administrative expenses	(16)	201.51	256.50
Bank costs	(16)	59.45	76.55
Total decrease in net assets available for benefits		5,164,858.99	3,024,278.81
Net change for the year		-4,767,856.39	-2,337,234.83
Net assets available for benefits, beginning of year		9,657,463.38	11,994,698.21
Net assets available for benefits, end of year		4,889,606.99	9,657,463.38

**EXPLANATORY NOTES TO THE 2015 FINANCIAL STATEMENTS
OF THE NATO PROVIDENT FUND****NOTE 1: GENERAL INFORMATION****Description of the Provident Fund**

The NATO Provident Fund (the Fund) 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.

The Provident Fund is a cash purchase pension scheme. Both staff and NATO contribute to the Scheme. There is no long term liability for NATO related to the Provident Fund.

An account is opened for each member of the Fund. Contributions are invested according to a strategy approved by the Provident Fund Board of Supervisors and applicable to all members. Contributions are invested in a single fund, currently transferred to an insurance company which guarantees a minimum rate of return. Members can check the status of their accounts via a secure web portal.

Upon departure, the member's account is disinvested.

The number of affiliates is decreasing steadily. At end 2015, 7 staff members were affiliated to the Fund (17 at end 2014 and 23 at end 2013). It is forecast that all members will have left the Fund by 2019.

The rules and principles governing the Provident Fund are provided under Annex VII of the NATO Civilian Personnel Regulations.

Financing

Monthly contributions are made by staff and NATO, being 7% and 14% respectively of basic salary.

Governance

The Fund is administered in accordance with the NATO Civilian Personnel Regulations (CPRs), Annex VII (A, B and C). The NATO Secretary General is responsible for its administration and is assisted by a consultative committee (Board of Supervisors) to carry out this task.

The CPRs (Annex VII.A. Article 3) state that the Board is chaired by the Assistant Secretary General, Executive Management and as Chairman of the Board is responsible for the administration and management of the Fund.

The Board consists of the Chair, six representatives of the administrative services of various NATO bodies, and six representatives of staff affiliated to the Provident Fund.

In 2013, in consideration of the reduced number of members, the Board decided it would only meet in cases of significant or unforeseen events affecting the Fund. As a consequence, it has not met since.

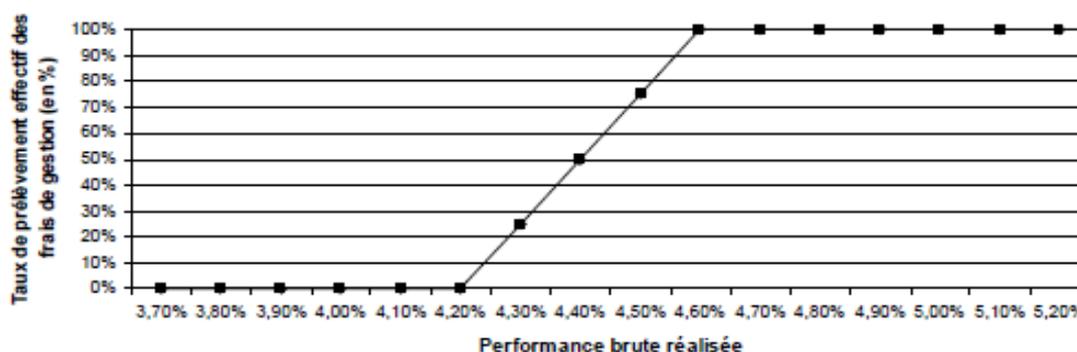
Board members do not receive any additional remuneration for their responsibilities or access to benefits from NATO.

Investment Strategy

In 2007, per PO(2007)0059), Council approved rules adapting the governance of the Fund as well as a new financial management approach in order to address the issue of the decreasing number of affiliates.

Throughout the years, the Fund has consistently been managed with the aim of obtaining a steady return against a low degree of risk. In 2008, the Board approved a solidarity-based investment strategy to address the investment needs of the Fund and following an open call for bids, an insurance company, SOGECAP, was selected on 4 June 2009. SOGECAP's insurance contract guarantees the capital and a minimum net annual return of 3% through 2016.

SOGECAP is contractually committed to reduce its fees if the gross return is below 4.6%. The diminution is gradual (see graph below) if the gross return is lower. No management fees are charged if the gross return is less than 4.2%.



NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

Declaration of conformity

The financial statements of the NATO Provident Fund have been prepared in accordance with the NATO Financial Regulations and International Accounting Standard 26, "Accounting and Reporting by Retirement Benefit Plans". The NATO Accounting Framework, which is an adapted version of the International Public Sector Accounting Standards (IPSAS), does not have a specific standard for accounting and reporting by retirement benefit plans.

The accounting system currently used by the Fund is accrual based.

Basis of presentation

The financial statements have been prepared on a going-concern basis: the Provident Fund will continue operating for the foreseeable future.

In accordance with the Regulations of the Provident Fund all amounts are expressed in Euro.

Changes in accounting policy

There are no changes to report.

Foreign currency transactions

All contributions are made and accounted for in euro.

The amounts standing to the credit of affiliates should be paid in the currency of the country where the body employing them is located. All affiliates are currently employed in bodies based in the Euro zone. However, depending on their nationality, staff might request the redemption of their holdings in a currency other than Euro. Transfers are made at the NATO parity rates prevailing on the date the account is closed.

Cash and Equivalents

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

Invested Funds

At the end of each reporting period, a valuation of the Fund is made by the insurance company at market value.

Contributions

Employer and employee contributions are jointly received on the Provident Fund account from the various NATO payroll centres on a monthly basis. They are received and accounted for in euro. An accrued amount is booked for amounts due but not received by year end.

Receivables

Receivables are stated at net realisable value. No allowance for loss is recorded for receivables relating to NATO bodies' statutory contributions.

Payables

Payables are amounts due to third parties based on goods received or services provided that remain unpaid. This includes, as required, an estimate of accrued obligation for goods received or services provided but not yet invoiced.

Financial Risks**Financial instruments**

The Provident Fund uses only non-derivative financial instruments as part as its normal operations. These financial elements include cash bank accounts, deposit accounts, accounts receivable and funds invested with SOGECAP.

All financial instruments are recognised in the statement of financial position at their fair value.

The Provident Fund is exposed to a variety of financial risks, including credit risk, market (price) risk and liquidity risk. The maximum exposure as at 31 December 2015 is equal to the total amount of bank balances, short term deposits, investment funds, and receivables.

Credit risk

The Provident Fund incurs credit risks from cash and cash equivalent held with banks and receivables. There is very limited credit risk associated with the realization of these elements.

Concerning cash and cash equivalents, the Provident Fund 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 29/03/2016		
	Fitch	Moody's	S&P
Short term	F1	P1	A1

SOGECAP was rated A for long-term and A-1 for short-term counterparty credit risk and insurer financial strength by S&P on 3 December 2015.

At year end 2015, SOGECAP had a solvency ratio of 108% (108% in 2014).

SOGECAP is wholly owned by SOCIETE GENERALE which is rated as follows:

Société Générale	Credit Ratings as at 29/03/2016		
	Fitch	Moody's	S&P
Short term	F1	P1	A-1
Long term	A	A2	A

Concerning receivables, the credit risk is managed by maintaining control procedures over receivables. These consist essentially of contributions due by NATO agency payroll centres. This risk is considered limited since these agencies are funded by member nations which are considered credit worthy.

Currency risk

The Provident Fund is exposed to foreign currency exchange risk arising from fluctuations in currency rates. This risk is limited since the scheme receives contributions only in Euro, the investments underlying the insurance contract are in Euro and members' holdings are accounted for in Euro. However, staff may request payment of their holdings in a currency other than Euro and currency fluctuations may occur between the date the staff formally retires and the date the payment is made.

Liquidity risk

A liquidity risk could arise from a short term liquidity requirement. There is a very limited exposure to liquidity risk because contributions needed to pay the insurance premiums are paid by NATO bodies which receive contributions from member states funding the related budgets, or income from their customers which generally are other NATO bodies funded through their approved budgets. On occasion, the International Staff makes cash advances to ease-up payment procedures. With regard to capital, the insurance contract guarantees the payment of the affiliates' accounts due upon closure of their account in the Provident Fund.

Interest rate risk

The Provident Fund is restricted from entering into borrowings.

The contract with the insurance company guarantees a minimum rate of return of 3% per annum for each year until 2016.

NOTE 3: CASH AND CASH EQUIVALENTS

Besides the funds managed by SOGECAP, the Provident Fund holds one bank account to collect contributions to be transferred to SOGECAP for investment and to transfer funds to the affiliates after redemption by SOGECAP. This amount corresponds to the funds held on the bank account at the year end.

Cash held end 2014 is essentially made of staff member contributions for the month of December 2014 waiting to be transferred. Cash held end 2015 also included funds received from the fund manager awaiting detailed payment instructions from beneficiaries.

NOTE 4: INVESTMENTS

The decrease in the invested amounts is due to the reduction in the number of Provident Fund members.

In 2015 the gross and net returns to NATO were both 3.40% (3.80% in 2014). In accordance with the contract, SOGECAP received no management fee.

The funds underlying the insurance contract are invested in the "Top Croissance 6" mutual fund, which had a total amount of assets under management of EUR 13.3 billion. At 31 December 2015, the asset distribution was as follows:

Asset Allocation

Asset class	Weight in the fund (%) As of 31/12/2015	Weight in the fund (%) As of 31/12/2014
Fixed Income (fixed rate)	79.9	86.7
Fixed Income (variable rate)	1.7	1.8
Convertible Bonds	0.4	0.4
Equities and Equity Mutual Funds	8.6	8.1
Mutual funds (bonds)	5.3	0.0
Real Estate	3.8	2.6
Liquidity	0.3	0.3

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Bonds portfolio rating breakdown.

RATING	end 2015	end 2014
AAA	10.9%	10.6%
AA	50.9%	53.1%
A	23.3%	21.4%
BBB	12.2%	14.4%
BB	2.2%	0.5%
B	0.5%	0%
	100.0%	100%

Sovereign bond allocation by country:

Sovereign bonds country allocation in %	end 2015	end 2014
Australia	1.52	1.55
Austria	0.33	0.34
Belgium	2.63	2.30
Canada	1.68	0.00
Finland	0.35	0.36
France	62.10	67.97
Germany	0.11	0.59
Ireland	1.54	0.52
Italy	6.10	6.53
Luxembourg	3.80	0.00
Netherlands	3.24	2.30
Norway	0.50	0.31
Spain	5.70	5.85
Sweden	0.84	0.89
Switzerland	0.00	0.31
Supranational	0.00	4.81
Other	2.98	1.32
United Kingdom	3.77	2.54
USA	2.81	1.51
	100.00	100.00

NOTE 5: OUTSTANDING CONTRIBUTIONS RECEIVABLE

Contributions are paid on a monthly basis. Receivables relate to outstanding contributions due at the end of the year but paid in the following year. As at 31 December 2015, there were no uncollected contributions for covered parties.

NOTE 6: INTERESTS AND BANK CHARGES

This corresponds to interests earned on the transition bank account and received during the following year and to related bank charges due.

NOTE 7: PAYABLE TO FORMER STAFF - CLOSED ACCOUNTS TO BE SETTLED.

This corresponds to the value of the affiliates' accounts closed in December and loans to current affiliates to be paid to them at the beginning of the following year.

The reduction of the amount from year to year is linked to the holdings of staff in such situation. End 2015 some settlements to beneficiaries were pending and were all paid at the date of issuance of these financial statements. There were no amounts to be paid to departing staff end 2014.

NOTE 8: PAYABLE TO THE IS

This corresponds to amounts due to the NATO International Staff for advances it may make to settle the accounts of affiliates. There were no such advances at end 2015.

NOTE 9: MISCELLANEOUS GAINS/LOSSES

This corresponds to the cumulative amount of miscellaneous net income, essentially interests net of bank charges and fees on premiums. The Board of Supervisors agreed that the balance of bank interest above Euro 5,000.00 be distributed to affiliates' accounts rather than be used for payment of bank fees. (CSCP-R(2011)0001 dated 4 March 2011).

NOTE 10: UNREALISED GAIN IN VALUE OF THE FUND

The unrealised change in the value of the Fund is calculated as follows:

	2015	2014
Balance beginning of year	9,657,463.38	11,994,698.21
Staff members contributions	120,970.80	212,362.26
Loan reimbursements	32,239.36	60,199.56
Accumulated interest invested	0	8,154.40
Accounts closed	-4,877,598.03	-2,345,059.65
O.A.P., Loans and advances	-287,000.00	-678,886.11
Administrative expenses	-201.51	-256.50
Bank charges	-59.45	-76.55
(a)	4,645,814.55	9,251,135.62
(b) Net assets available end of year	4,889,606.99	9,657,463.38
(b) - (a)	243,792.44	406,327.76

NOTE 11: CONTRIBUTIONS

Monthly contributions are made by staff and NATO, being 7% and 14% (netted as required from any OAP contribution, see Note below) respectively of basic salary. They are to be transferred as premiums to the insurance company and are credited to the individual account of the affiliates. The decrease in contributions is due to the reducing membership of the Provident Fund.

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Contributions (in EUR)	2015	2014
Employer	80,647.20	141,574.84
Employee	40,323.60	70,787.42
TOTAL	120,970.80	212,362.26

NOTE 12: HOUSING LOAN REIMBURSEMENTS BY STAFF

According to the CPRs, Articles 54.1 and 54.2, each member of the Fund is entitled to withdraw an amount from his (her) account: for payment to an old-age pension scheme (OAP) or the pension scheme applying in his (her) national administration; or to ease a housing problem.

Housing Loans reimbursements are usually handled via deductions from their salaries and amounts are re-credited to the member's account. Staff may make exceptional reimbursement.

NOTE 13: NET GAINS INVESTED

The Board of Supervisors' decision (CSCP-R(2011)0001 dated 4 March 2011) stated that the balance of bank interest above Euro 5,000.00 should be distributed to affiliates' accounts rather than be used for payment of bank fees. There was no amount invested in 2015 (EUR 8,154.40 invested in 2014).

NOTE 14: ACCOUNTS CLOSED

Corresponds to the final settlement for staff who left the Organisation in the course of the year. On the long run, the evolution is driven by the declining membership of the Fund. However, given the small number of departing staff, this evolution can be irregular from one year to the other.

NOTE 15: OLD AGE PENSIONS, HOUSING LOANS AND ADVANCES ON FULL SETTLEMENT PAID TO STAFF

Staff can request, to have one-third of the amount of their individual account, paid in advance (not earlier than three months prior to their date of departure). The advance is made by each NATO entity, which is reimbursed when the affiliates' portfolio is disinvested.

According to the CPRs, Articles 54.1 and 54.2, each member of the Fund is entitled to withdraw an amount from his (her) account: for payment to an Old Age Pension scheme (OAP) or the pension scheme applicable in his (her) national administration, or to ease a housing problem.

The breakdown between Old Age Pensions contributions, housing loans and advances on Full Settlements paid to affiliates at their request is as follows:

In EUR	2015	2014
Old Age Pensions	0.00	0.00
Housing Loans	0.00	267,000.00
Advances on Full Settlement	287,000.00	411,886.11
TOTAL	287,000.00	678,886.11

NOTE 16: MISCELLANEOUS EXPENSES

These are essentially fees on premiums (0.18%).

NOTE 17: CONTINGENT ASSETS

None to report.

NOTE 18: CONTINGENT LIABILITIES

There are no material contingent liabilities arising from legal actions and claims that are likely to result in significant liability to the Provident Fund.

NOTE 19: RELATED PARTY TRANSACTIONS

The following party transactions took place during the year ended 31 December 2015.

NATO International Staff, in particular Executive Management – Human Resources and the Office of Financial Control, are responsible for the day-to-day management of the Provident Fund.

Administrative support provided by NATO International Staff for the administration of the Fund is charged to other NATO bodies according to a cost share which takes into account the number of their affiliates. This includes the cost of International Staff - Office of Financial Control personnel (50% Full Time Equivalent of an A2/A3 grade staff). Costs related to the outsourced administration of affiliates' holdings (including Internet services service so that affiliates can see the value of their Fund on a monthly basis) are funded through the NATO Civil Budget.

In specific circumstances cash advances are made by the International Staff to ease-up payment procedures. Reimbursement to the NATO International Staff account is done as soon as technically possible.

The Fund does not hold any securities of the employer sponsor or, directly, of its related parties.

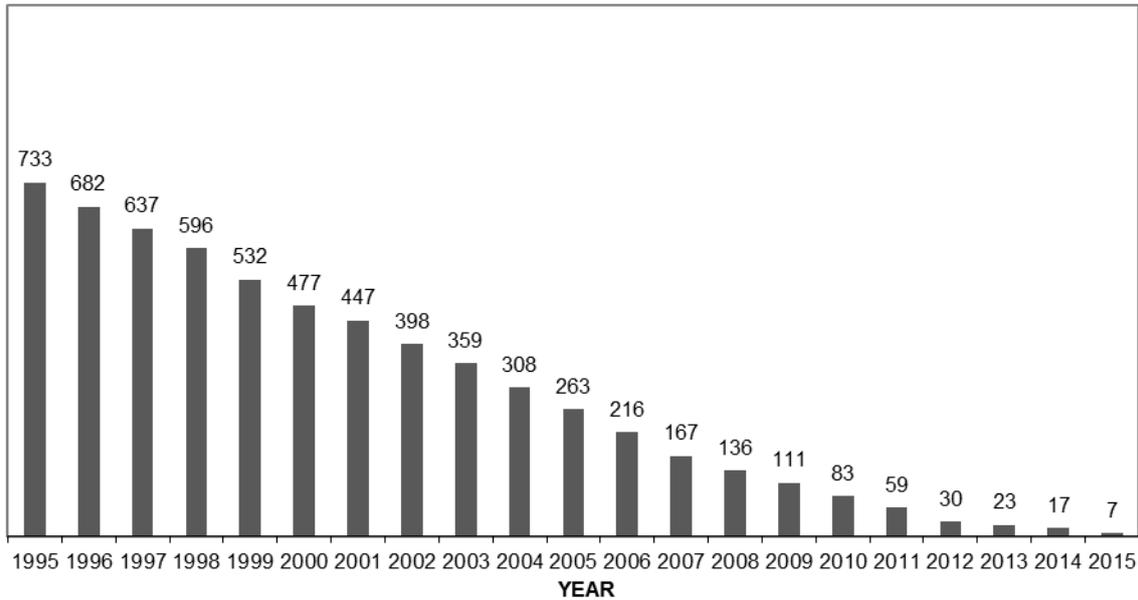
NOTE 20: KEY MANAGEMENT PERSONNEL

For the purpose of these financial statements, key management personnel are considered to be the Assistant Secretary General for Executive Management and the Financial Controller of the International Staff. Their remuneration is entirely covered by the NATO International Staff.

Members of the Provident Fund Board of Supervisors do not receive any additional remuneration or benefits in return for their responsibilities. The Board of Supervisors is chaired by the Assistant Secretary General for Executive Management. The International Staff Financial Controller is a member of the Board.

NOTE 20: STATISTICAL INFORMATION

NUMBER OF AFFILIATES TO THE PROVIDENT FUND
NOMBRE D' AFFILIES AU FONDS DE PREVOYANCE 1995 - 2015



* * * * *

List of acronyms:

- CPRs: Civilian Personnel Regulations
- FTE: Full Time Equivalent
- IPSAS: International Public Sector Accounting Standards
- OAP: Old Age Pension
- PF: Provident Fund