



NORTH ATLANTIC COUNCIL
CONSEIL DE L'ATLANTIQUE NORD

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11 February 2025

**DOCUMENT
PO(2025)0019-AS1**

IBAN ANNUAL ACTIVITY REPORT 2023

ACTION SHEET

On 11 February 2025, under the silence procedure, the Council noted the RPPB report attached to PO(2025)0019, agreed its conclusions and recommendations, noted the IBAN Report and agreed to the public disclosure of the IBAN Report.

(Signed) Mark RUTTE
Secretary General

NOTE: This Action Sheet is part of, and shall be attached to PO(2025)0019.

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4 February 2025

DOCUMENT
PO(2025)0019
Silence Procedure Ends:
11 Feb 2025 – 17.30

To: Permanent Representatives (Council)

From: Secretary General

IBAN ANNUAL ACTIVITY REPORT 2023

1. I attach the Resource Policy and Planning Board (RPPB) report on the International Board of Auditors for NATO (IBAN) Annual Activity Report 2023.
2. I do not believe this issue requires further discussion in Council. Therefore, **unless I hear to the contrary by 17.30 on Tuesday, 11 February 2025**, I shall assume the Council noted the RPPB report, agreed its conclusions and recommendations, noted the IBAN Report and agreed to the public disclosure of the IBAN Report.

(Signed) Mark RUTTE

1 Annex
1 Enclosure

Original: English



IBAN ANNUAL ACTIVITY REPORT 2023**Report by the Resource Policy and Planning Board**

References:

- | | | |
|----|------------------------|---|
| A. | IBA-A(2024)0048 | IBAN Annual Activity Report 2023 |
| B. | PO(2015)0052 | Wales Summit tasker on transparency and accountability |
| C. | AC/4-D(2023)0004 (INV) | Investment Committee Tasking to close-out completed projects outcome – Report to the RPPB |

INTRODUCTION

1. The International Board of Auditors for NATO (IBAN) Annual Activity Report presents a detailed overview of all IBAN activities undertaken in the calendar year 2023, in terms of financial statements audits, performance audits and NATO Security Investment Programme (NSIP) audits. Additionally, the IBAN report contains information on the IBAN's mandate and role, usage of resources (human and financial), IBAN's performance and other developments in IBAN as the external auditor of NATO¹.

AIM

2. This report highlights key aspects as discussed during the Resource Policy and Planning Board (RPPB) meeting held on 24 September 2024 on the IBAN Annual Activity Report 2023. The aim is to enable the RPPB to reflect on strategic issues or concerns stemming from the IBAN's audit activity of NATO Reporting Entities and to recommend courses of action to Council as applicable, which have the potential to improve transparency, accountability and consistency.

DISCUSSION

3. The RPPB noted the IBAN Annual Activity Report and recognized the significant work done by the IBAN in the calendar year 2023.

4. The RPPB expressed concerns related to the significant decrease of resources dedicated to NSIP audits (7%) as compared to the calendar year 2022 (14%). This decrease could have potential adverse effects taking into account the trajectory agreed at the Madrid Summit (annual increase of the NSIP budget by 25%) in combination with the existing backlog of NSIP audits. In IBAN's view, one contributing factor to the backlog is represented by the Joint Final Inspection and Formal Acceptance (JFAI) report: this is a prerequisite of the NSIP audit work, therefore it needs to be approved by the Investment Committee in order for the NSIP audit to be planned.

1. On 24 September 2024, the IBAN presented the IBAN Annual Activity Report 2023 to the RPPB.

5. The RPPB recalls the Council tasking to close out completed projects, with roughly 94% of the overall value of EUR 5.1 billion either fully closed, audited and awaiting closure or submitted for audit, which the Investment Committee assessed as essentially completed (reference C). In reference C, the RPPB agreed that the remainder of the projects shall be handled as part of quarterly monitoring and reporting procedures by the Investment Committee. As a result, the Investment Committee will continue to oversee project closure as per extant policies and procedures and will enhance monitoring and reporting mechanisms for project closure beyond the Council tasking. The RPPB highlights the importance of resources dedicated to NSIP audits and will closely monitor this going forward.

6. The RPPB also noted the unsatisfactory level of KPIs achieved by the IBAN (38%), while noting that staff resources were constrained, and expects that this trend will not continue in 2024. IBAN explained that the KPIs were self-imposed and despite current staff constraints, their level of ambition was not lowered.

7. The RPPB noted IBAN's statement that they informed Council that due to resource constraints they were not in a position to complete the audits of six reporting entities as per their reporting requirements to Council in accordance with NFR article 15.2.

CONCLUSIONS

8. IBAN provides independent assurance and advice to Council and directly contributes to the promotion of transparency and accountability across NATO. In 2023 IBAN implemented its mandate by issuing 42 auditor's opinions (on financial statements and on compliance), 57 NSIP Independent External Auditor's Reports and undertaking one performance audit.

9. The RPPB expressed their concern over the significant decrease of resources dedicated to NSIP audits. The RPPB highlights the importance of resources dedicated to NSIP audits in order to decrease the existing backlog and will closely monitor this going forward.

10. The RPPB also noted the unsatisfactory level of KPIs achieved by the IBAN (38%), while noting that staff resources were constrained.

11. The RPPB noted IBAN's statement that they informed Council that due to resource constraints they were not in a position to complete the audits of six reporting entities as per their reporting requirements to Council in accordance with NFR article 15.2.

RECOMMENDATIONS

12. The Resource Policy and Planning Board recommends that the Council:

12.1. note this report, the conclusions and concerns in paragraphs 8 to 11 and the IBAN Annual Activity Report at reference A;

12.2. approve the public disclosure of the IBAN Annual Activity Report in reference A and this report in line with agreed policy at reference B.



International Board of Auditors for NATO
Collège international des auditeurs externes de l'OTAN

Brussels - Belgium



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IBA-A(2024)0048
26 June 2024

To: Secretary General
(Attn: Director of the Private Office)

Cc: NATO Permanent Representatives
Chair, Resource Policy & Planning Board
Resource Policy and Planning Board representatives, NATO delegations
Private Office Registry

Subject: ***International Board of Auditors for NATO (IBAN) Annual Activity Report 2023
– IBA-M(2024)0001***

IBAN submits herewith the approved Annual Activity Report 2023 for distribution to the Council. Considering its strategic and forward-looking nature, I would be pleased to present the Report to the Council for discussion.

As required by the C-M(90)46, IBAN discussed the Annual Activity Report with the Competent National Audit Bodies (CNAB) representatives and aggregated their comments which are attached as a separate document for Council information but not for public disclosure.

Yours sincerely,

Radek Visinger
Chair

Attachments: As stated above.

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2023





SERVING THE NATIONS

Mission

Through its audits, IBAN provides the North Atlantic Council and the governments of NATO member states with assurance that financial reporting is true and fair and funds have been properly used for the settlement of authorised expenditure. In addition, IBAN reviews the operations of NATO Agencies and Commands to determine if they are being carried out effectively and economically.

Independence

IBAN and its individual members are responsible for their work only to the Council. They shall neither seek nor receive instructions from any authorities other than the Council. The IBAN's budget is independent from that of the NATO International Staff.

Integrity

IBAN conducts its work in a fair, objective, balanced, unbiased and non-political manner, using all relevant evidence in its analysis and formulations of audit opinions.

Professionalism

IBAN's audit work is planned, executed and reported in accordance with the auditing principles and guidelines of the International Organisation of Supreme Audit Institutions, and in accordance with the additional terms of reference defined in our Charter. Board Members and auditors have the necessary competencies and qualifications to perform their work.

FOREWORD BY THE CHAIR

This report contains a comprehensive and thorough account of the activities carried out by the International Board of Auditors for NATO (IBAN) in the implementation of its Council approved mandate during the financial year 2023.

In 2023 our audit scope covered more than Euro (EUR) 8 billion of expenditures for financial statement and NSIP audits (this does not include amounts from financial statements that are either classified or non-disclosed to the public). We issued 16 financial statements audit reports of the 22 NATO Reporting Entities for the 2022 financial year by the deadline of 31 August 2023. The delays in issuing the other six reports were caused by a lack of audit staff resources during 2023. Of those six reports, five were issued before 31 December 2023 and the remaining report was issued in early 2024. We audited EUR 315 million worth of NSIP expenditures and issued 57 Independent External Auditor's Reports to Council on Cost Statements presented by territorial Host Nations, NATO Agencies and Strategic Commands. We issued one performance audit report and one special report to Council. We also issued four audit reports on financial statements of non-NATO bodies to their respective governing bodies.

Through our three core values of independence, integrity, and professionalism, we execute our audit mandate on behalf of the Council. Our assurance and advice to Council focusses on the raising and spending of the funds collected by the Organisation and by which the Nations contribute resources, for the efficient conduct of the missions and the effective achievement of the objectives of NATO. After Council's approval, our audit reports are normally disclosed and published on IBAN's website. Our work directly contributes to promoting and strengthening financial transparency and accountability as key principles of good governance of NATO.



Radek Visinger
Chair
International Board of Auditors for NATO



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E. Glossary of Terms and Abbreviations/Acronyms

IBAN online:
<http://www.nato.int/issues/iban>



CHAPTER 1

IBAN AS EXTERNAL AUDITOR FOR NATO

CHAPTER 1***IBAN AS EXTERNAL AUDITOR FOR NATO***

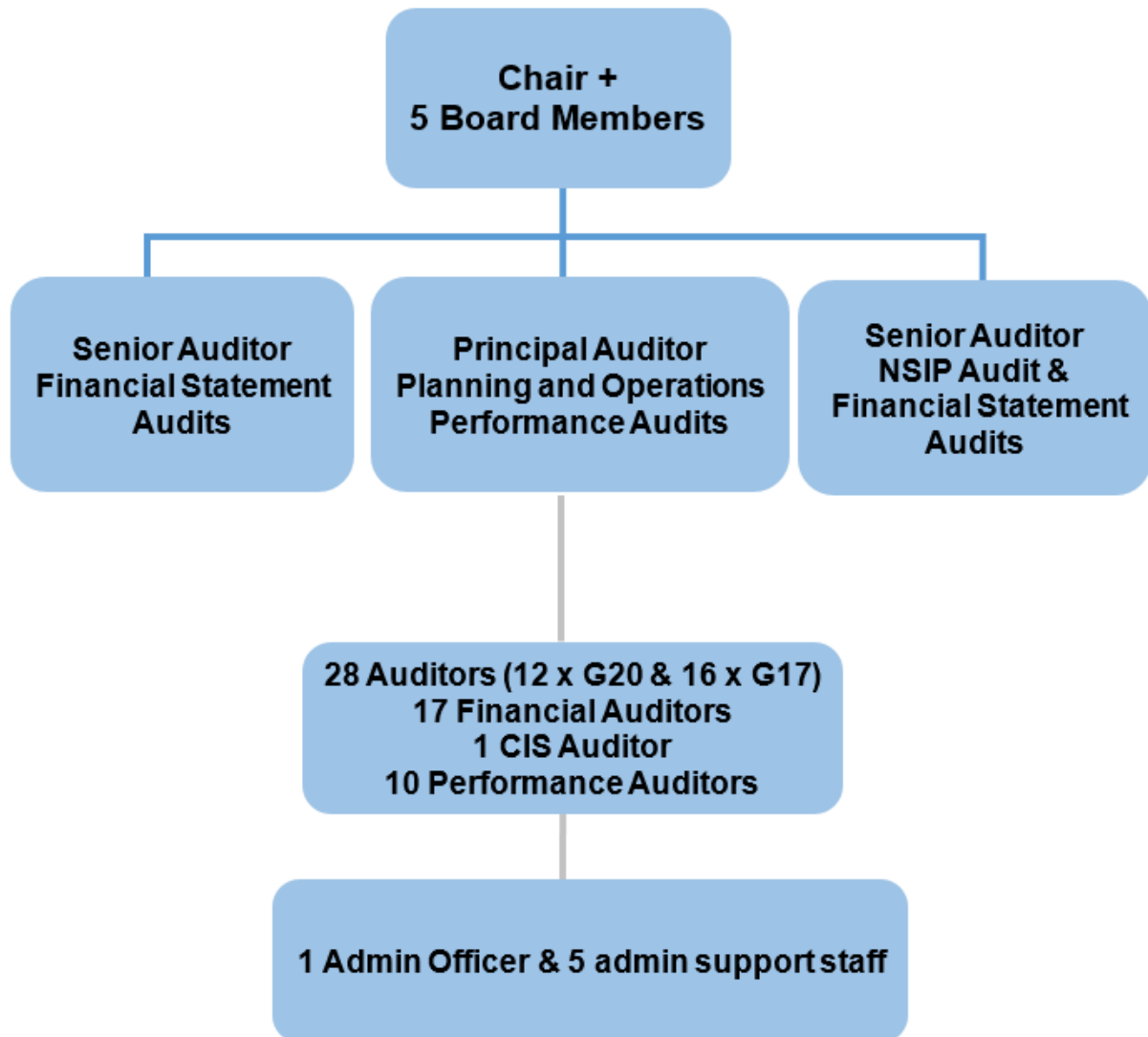
1.1 The International Board of Auditors for NATO (IBAN) is the independent, external audit body for NATO. The forerunners of IBAN were chartered in 1953 by the North Atlantic Council (Council) and consisted of two separate audit boards: one responsible for the audit of NATO financial accounts and one for the audit of NATO investment programme funds. The two boards were merged in 1967 to become the IBAN.

1.2 Under its Council approved Charter, IBAN is responsible for the financial statements audits and performance audits of all NATO Reporting Entities and of the NATO Security and Investment Programme (NSIP) expenditures, as well as for the financial statements audits of non-NATO multi-nationally funded entities where NATO has a particular interest. Our primary mandate is to provide independent assurance and advice to the Council and the Governments of Member States that:

- the financial statements of the NATO bodies present fairly their financial position, financial performance, and cash flows, and that the funds have been properly used for the settlement of authorised expenditure and are in compliance with the regulations in force;
- the activities of the NATO bodies, operations, and programmes have been carried out with efficiency, effectiveness and economy; and
- the expenditures incurred by member states (Host Nations) or NATO bodies in respect of the NSIP have been carried out in compliance with the regulations in force.

1.3 IBAN is composed of six independent Board Members appointed by the Council from among candidates nominated by the Member Countries. The IBAN and its individual members are responsible for their work only to the Council. Board Members serve for a non-renewable four-year term and are granted a security clearance and fully paid for by their respective national administrations. IBAN's Charter provides that the Board Members can be from all NATO Member States, regardless of size, so that each Nation has the opportunity to be a part of NATO's external audit structure on a voluntary and rotational basis. This results in collective ownership of, and collective responsibility for NATO's external audit function. Since IBAN's establishment, Board Members from 18 different NATO Nations have served on the Board. During 2023, Board Members from the Nations of Belgium, Canada, Czech Republic, France, Germany, Greece, and Italy were at IBAN. In 2023, Board Members were from national Supreme Audit Institutions (SAIs) and ministries; two of them, including the former Chair Daniela Morgante (IT), left IBAN by the end of July and were replaced by new colleagues. The Council appointed a new Chairperson as of 01 August 2023.

1.4 The Board Members are supported by audit and administrative staff that are paid for by NATO common funding. The IBAN's organisation in 2023 is shown below in Figure 1.



1.5 During 2023, twenty-five official Board meetings were held to discuss and approve audit reports, strategic and programme documents and other IBAN-internal material.

1.6 IBAN is responsible only to the Council, although it engages and works closely with many other subordinate NATO governing bodies. NATO committees include the Deputy Permanent Representatives Committee (DPRC), Resource Policy and Planning Board (RPPB), Budget Committee (BC), and Investment Committee (IC). In addition, we present our financial statements audit reports and performance audit reports to the relevant governing body, either one of the committees above or, in the case of NATO agencies and some non-NATO bodies, to the relevant Agency Supervisory Board, Board of Directors, or Steering Committee.

1.7 IBAN's ambition is to be an organisation that is conscious, forward-looking, driven by internal development to be ready to meet emerging challenges, and aspires to contribute to improvements and reforms in NATO as a whole. IBAN aims to achieve this by the following:

- Further promote IBAN's workforce professional development and sharing of corporate knowledge
- Increase audit efficiency and effectiveness in order to ensure the timeliness and improve the content of our audit reports
- Continuously improve IBAN Human Resource practices
- Improve visibility of IBAN with key internal and external stakeholders



CHAPTER 2

OUR KEY ACTIVITIES & USAGE OF RESOURCES

CHAPTER 2**OUR KEY ACTIVITIES AND USAGE OF RESOURCES**

2.1 To execute our mandate, we perform annual financial statements audits of 22 NATO Reporting Entities. In addition, IBAN carries out performance audits of selected NATO Bodies, operations, or programmes: in 2023 we issued one performance audit report to Council. We also audit NSIP expenditures and carried out 57 such audits in 2023.

2.2 Lastly, we also perform financial statements audits of some non-NATO multi-nationally funded or sponsored bodies with close cooperative links to NATO, usually on a cost reimbursable basis.

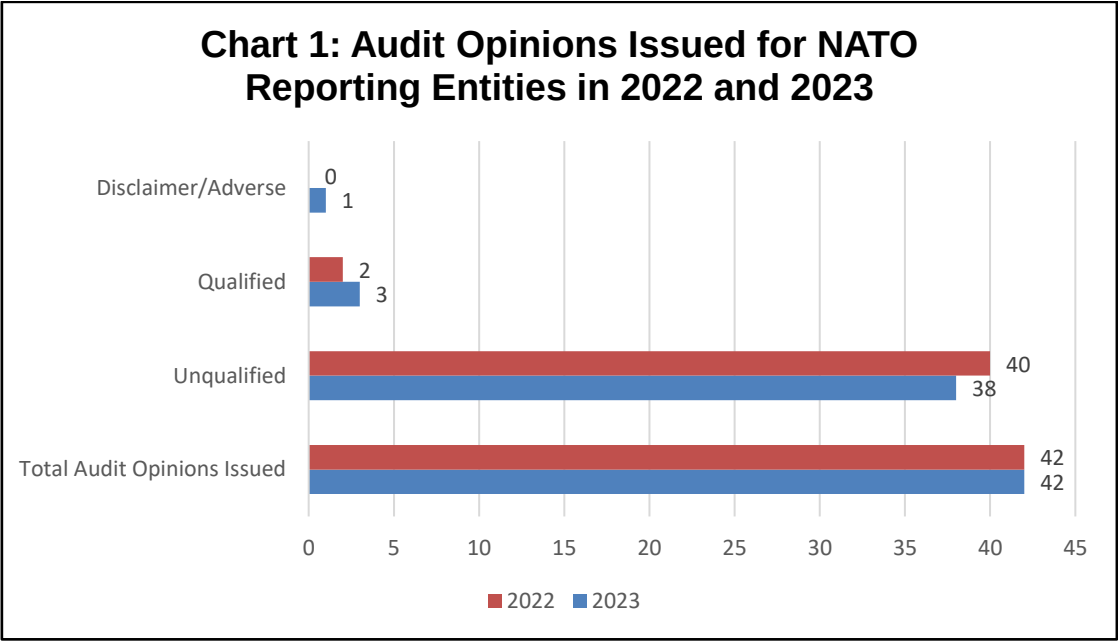
2.3 In 2023, our total audit scope covered more than EUR 8 billion of expenditures for financial statements and the NSIP (this does not include amounts from financial statements that are either classified or non-disclosed to the public).

2.4 The quality of IBAN audit reports is our main concern. As per our Charter, all IBAN audits are conducted in accordance with the principles of the auditing standards of the International Organisation of Supreme Audit Institutions (INTOSAI).

FINANCIAL STATEMENTS AUDIT

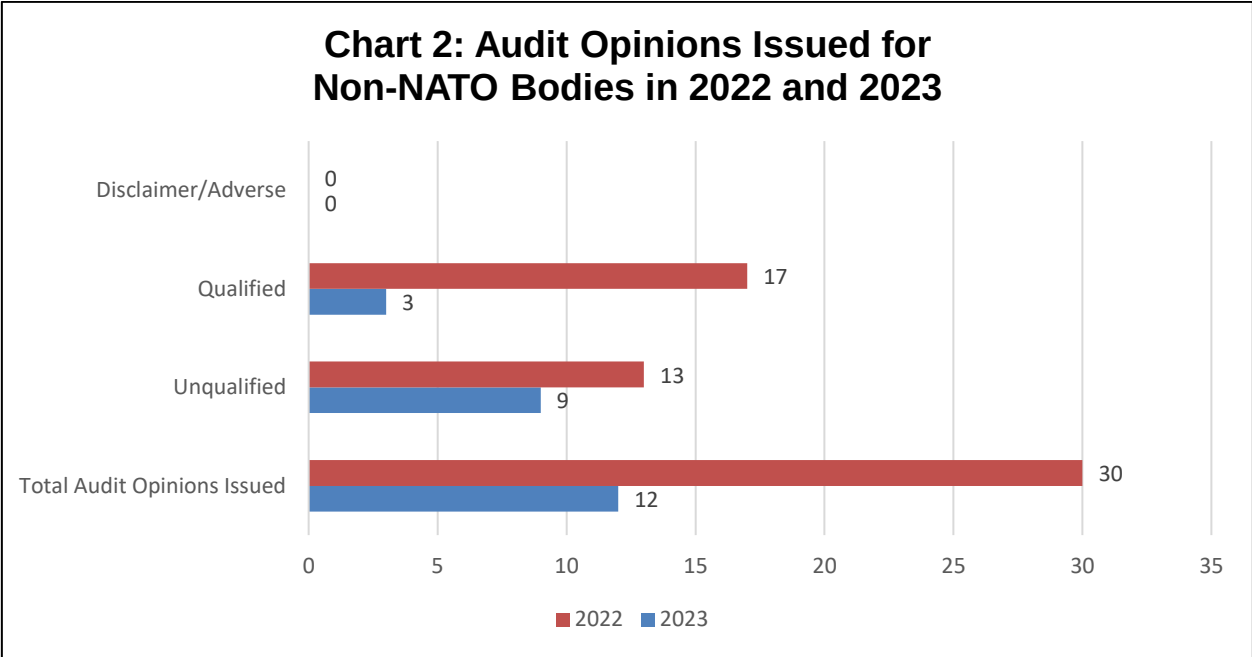
2.5 In 2023, we issued 21 audit reports on financial statements of NATO Reporting Entities and four audit reports on non-NATO bodies. Each audit report contains an independent external auditor's report, accompanied by observations and recommendations, per financial year audited. The independent external auditor's report includes an opinion on the financial statements and an opinion on compliance. An opinion can be unqualified, qualified, adverse, or a disclaimer of opinion. In accordance with auditing standards, three types of paragraphs may also be communicated in the auditor's report. These paragraphs are "Key Audit Matters", "Emphasis of Matter" and "Other Matter". In 2023, we issued 54 audit opinions on NATO Reporting Entities and non-NATO bodies, 47 were unqualified, six were qualified, and one was an adverse opinion.

2.6 In the 21 audit reports for the NATO Reporting Entities, we issued 20 (95%) unqualified audit opinions and one (5%) adverse opinion on the financial statements, and 18 (86%) unqualified audit opinions and three (14%) qualified opinion on compliance. In total, we issued 38 unqualified audit opinions, three qualified opinions and one adverse opinion on NATO Reporting Entities in 2023. The total number of audit opinions for NATO Reporting Entities issued in 2023, compared to 2022, is shown in Chart 1 below.



2.7 Non-NATO multi-nationally funded and/or sponsored bodies are organisations that share a close relationship with NATO, but are not part of the organisation, as they do not operate under one of NATO’s juridical personalities. Currently, there are more than 50 such bodies. They have their own governance and oversight structures and are not subject to governance by Council. If Council agrees, IBAN may be appointed as the external auditor of such a body. Most audits of these bodies by IBAN are carried out, on a rotating basis, every three to four years and subject to the availability of IBAN staff resources. Normally, IBAN audits a maximum of six to seven such bodies each year.

2.8 In the four audit reports for the non-NATO bodies, covering in total six financial years, we issued five (83%) unqualified audit opinions, and one (17%) qualified opinion on the financial statements, as well as four (67%) unqualified audit opinions and two (33%) qualified opinions on compliance. In total, we issued nine unqualified audit opinions and three qualified opinions on non-NATO bodies in 2023. The total number of audit opinions for non-NATO bodies issued in 2023, compared to 2022, is shown in Chart 2 below. Data between years for the non-NATO bodies is not generally comparable, as the non-NATO bodies audit universe is variable each year.



PERFORMANCE AUDIT

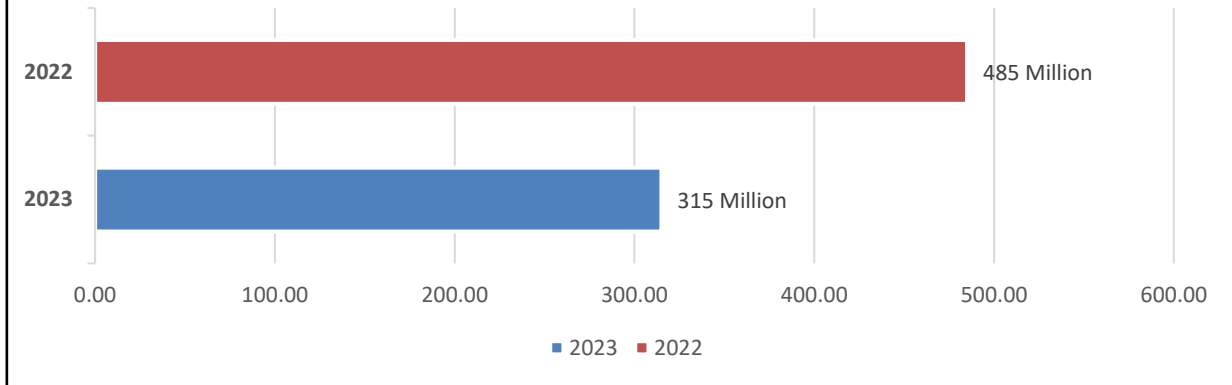
2.9 It is our aim to carry out at least one substantial performance audit per year, complemented by a number of smaller performance audits.

2.10 In 2023, we issued one performance audit report to Council. This report was the Follow-Up Performance Audit Report on the Lessons Learned Process for NATO Military Exercises. During 2023, we conducted four performance audit surveys, and started two full performance audits.

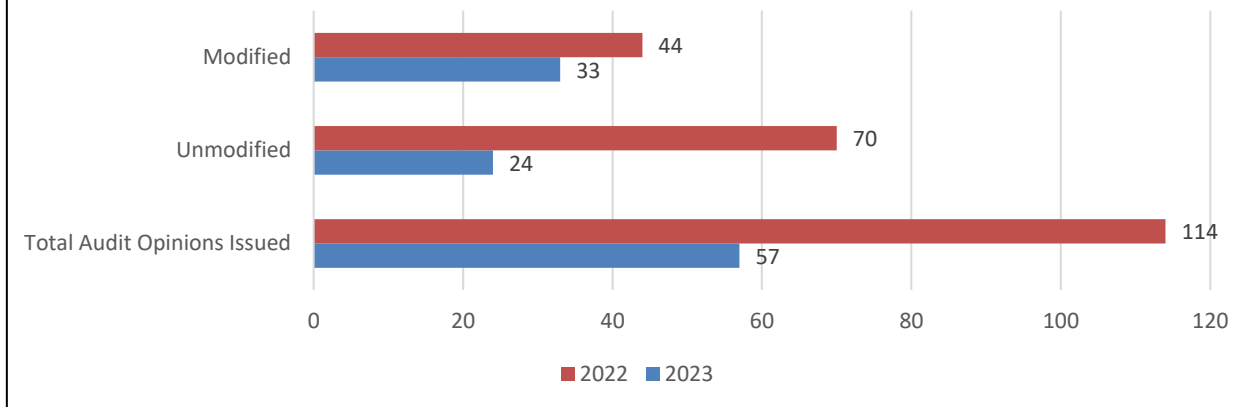
NSIP AUDIT

2.11 In 2023, we audited EUR 315 million worth of NSIP expenditures. The amount audited in 2023 compared to 2022 is shown in Chart 3 below. We issued 57 auditor’s reports on Cost Statements presented by territorial Host Nations, NATO Agencies and Strategic Commands. Out of 57 audit opinions provided in the auditor’s reports, 24 (representing the 42%) were unmodified and 33 (equal to 58%) were modified. The total number of NSIP audit opinions issued in 2023, compared to 2022, is shown in Chart 4 below.

**Chart 3: NSIP Amounts Audited (MEUR)
in 2022 and 2023**



**Chart 4: NSIP Audit Opinions Issued
in 2022 and 2023**



OUR ANNUAL MEETING WITH THE NATIONAL AUDIT BODIES

2.12 Each year IBAN normally meets with the Competent National Audit Bodies (CNABs), which are, in majority, represented by the Nations' SAIs. During this meeting, the CNABs discuss the Annual Activity Report and have an exchange of views on a variety of auditing topics with the IBAN.

2.13 IBAN held a hybrid in-person and virtual CNAB meeting on 07 June 2023 to discuss the 2022 Annual Activity Report.

OUR STAFF

2.14 IBAN had an authorised post strength of 31 auditor posts in 2023. IBAN's audit staff establishment was one G22 grade Principal Auditor, two G22 grade Senior Auditors, 12 G20 grade auditors, and 16 G17 grade auditor posts. Nine of these auditor posts were requested in the 2023 budget and approved by Council. Recruitment for these posts is currently underway, but it is unlikely that all posts will be filled by the end of 2024, because of the long process related to staff security clearances. In 2023, four audit staff were on-boarded (two each financial and performance auditors) and five staff departed (four financial and one performance auditor). Overall, in 2023, IBAN had a vacancy rate of 39% at the end of the year for auditor posts. In addition, we have one Administrative Officer and five Administrative Staff, who provide essential support to our audit teams as well as the general operations and administration of IBAN.

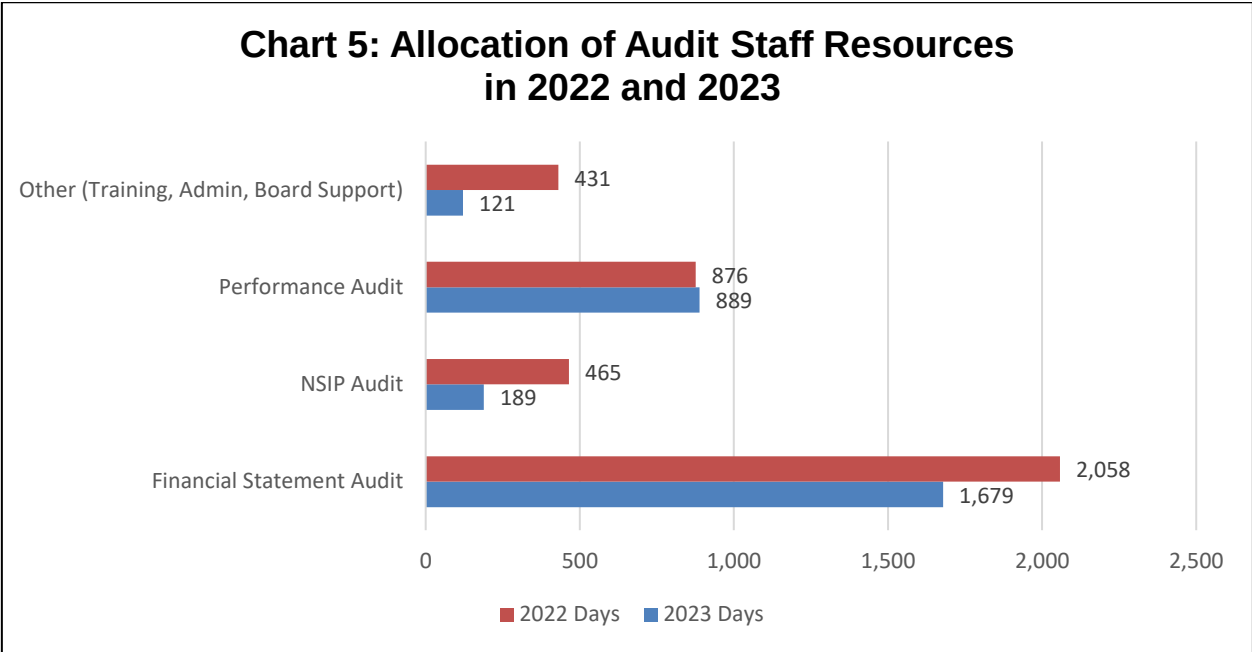
2.15 Of the 28 auditor posts at G20 and G17 grade, 17 (61%) are designated as financial auditors, 10 (36%) are designated as performance auditors, and one is a full time Communications and Information Systems auditor (3%). Our NSIP audit work programme is carried out by both financial and performance auditors.

2.16 Our audit staff is a diverse group of individuals skilled in a variety of audit disciplines and includes chartered accountants and performance audit specialists. Approximately 75% of IBAN's audit staff serving at the end of 2023 were seconded from Member State Supreme Audit Institutions (SAIs) or are former employees of SAIs. The remainder include individuals recruited from other national audit bodies or the private sector. By Council decision, 75% of our auditor positions are posts for which rotation is desirable. As a result, audit staff are usually employed for a maximum of six to nine years. This policy of rotation ensures that the IBAN does not remain a static organisation and that audit practices and methodology can be refreshed with the influx of new staff.

2.17 The IBAN strives to provide our staff with relevant and sufficient professional training in accordance with the auditing standards of INTOSAI. We plan for each auditor to receive one to two weeks of training per year. This training can be group training on specific audit topics as well as individual training within NATO or with external bodies on topics related to audit or personal development. In 2023, the group staff training was concentrated in one week between 16 and 20 January 2023. Further, IBAN retains its capability to be deployed for audit purposes for field work related to NATO operations and missions. During 2023, several members of the audit staff and one Board Member attended a special NATO civilian pre-deployment training course.

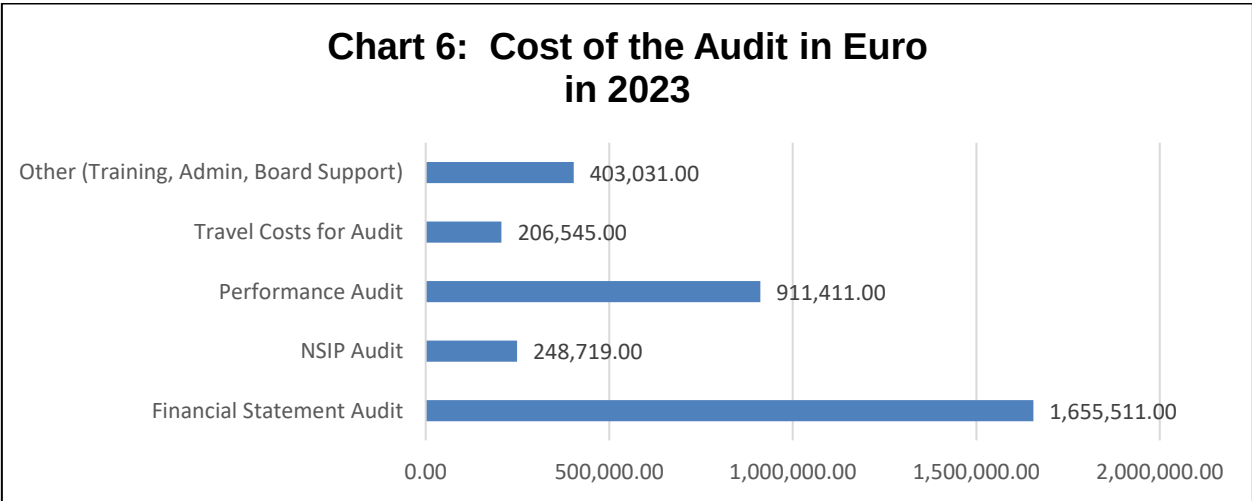
2.18 Chart 5 below shows the use of our audit staff resources in 2023 with the number of days expended on each type of activity compared to 2022. In 2023, we used a total of 2,878 auditor staff days. Of these, 2,757 days (96%) were expended on audits. The remaining 121 days (4%) were expended on staff training, administrative activities, and supporting the work of the Board itself. As a percentage of the staff days assigned only to audit work, performance audit represented 32% of the IBAN's audit days, which exceeded our Council mandated minimum target of at least 25%. The audit resources for financial

statements audits in terms of audit days was 61%. Resources in terms of audit days for NSIP audits in 2023 were 7%.



OUR BUDGET

2.19 IBAN’s approved budget in 2023 amounted to EUR 5.2 million, the majority of which relates to staff costs and the additional posts approved by Council. The actual direct cost (audit staff salary and travel costs) of the audits and other IBAN activities for 2023 is shown in Chart 6 below in EUR. The total direct cost of audit only activities was EUR 3 million in 2023 (EUR 1,096 per audit day).



2.20 By decision of the Council, IBAN audits of non-NATO multi-nationally funded and/or sponsored entities are to be done on a full cost reimbursable basis. However, Council decided that the audits of the AFNORTH School, SHAPE International School, NATO Missile Firing Installation, and the NATO Parliamentary Assembly would be done at no charge. These four audits are programmed and conducted every year in addition to any other audits of non-NATO bodies. The costs to be reimbursed include staff hours expended on the audit by IBAN staff, travel and per diem costs of IBAN auditors and Board Members. This charge is a full cost reimbursement rate and includes salaries, pension contributions, administrative support costs, and common operating costs.

2.21 As a result of the 2012 Business Case on Strengthening the External Audit Function in NATO, the Council decided that revenue generated from the audits of these bodies is to be re-allocated to the IBAN to support more performance audit work. Potential use of this income for performance audit could include, but is not limited to:

- Cost of travel related to performance audits.
- Reimbursement of costs of national experts from Member State Supreme Audit Institutions to assist on performance audits.
- Engagement of consultant or contractor experts in support of performance audit.

2.22 Table 1 below shows the opening balance of funds in Euro from the audits of non-NATO bodies, the amount earned in 2023, the amount spent by IBAN, and the closing balance for the year. IBAN used EUR 31,316 of our funds from audits of non-NATO bodies to support our performance audit work in 2023. These funds were used for travel costs directly related to our performance audits.

Table 1: Funds from audits of Non-NATO bodies in Euro	
	2023
Starting balance	278,931
Income	31,852
Spent	31,316
Ending balance	279,467

Source: Office of Financial Control, International Staff.



CHAPTER 3

FINANCIAL AUDIT

CHAPTER 3**FINANCIAL AUDIT**

3.1 As shown in Chart 5, financial audits are IBAN's core business and consume the majority of our time and financial budget. Financial audits are generally performed on an annual basis and contribute to the strengthening of accountability and corporate governance within NATO. We aim to achieve this objective by the following:

- Provide independent assurance that the financial statements present fairly the financial position and financial performance of the entity and that the funds have been properly used in compliance with the regulations in force
- Contribute to the development of a sound and consistent financial reporting environment
- Enhance relationships with our key stakeholders.

3.2 Each year we audit the financial statements of NATO agencies, military commands, project offices, and benefit plans. In addition, we also audit some non-NATO multi-nationally funded or sponsored bodies in which NATO has a particular interest, such as the different NATO Rapid Deployable Corps and the NATO Parliamentary Assembly. In 2023, our audit scope for financial statement audits amounted to over EUR 8 billion (this does not include amounts from financial statements that are either classified or non-disclosed to the public).

3.3 The external audit of NATO Reporting Entities is performed by the IBAN in accordance with Article 14 of the NATO Financial Regulations (NFRs). IBAN operates in accordance with its Charter approved by the Council. According to Article 35 of the NFRs, annual financial statements shall be submitted for audit to IBAN not later than 31 March following the end of the financial year. Article 15 of the NFRs states that IBAN must present to the Council its final reports, including factual and formal comments, together with the audited financial statements, not later than 31 August, following the end of the Financial Year.

3.4 NATO Reporting Entities have a varying degree of autonomy in managing their operations. All NATO Reporting Entities are subject to the NATO Accounting Framework (NAF) and the NFRs that are approved by the Council and which together provide a high-level financial and budgetary framework. These NFRs may also apply to some of the non-NATO multi-national bodies via an explicit provision in their memoranda of understanding. However, many have their own accounting principles, standards, and financial rules.

AUDIT METHODOLOGY AND CONDUCT OF AUDITS

3.5 The objective of the audit of financial statements is to provide assurance that:

- these statements present fairly, in all material respects, the financial position of the NATO Reporting Entities (including NATO agencies, military commands, project offices, benefit plans, and the results of their operations), in accordance with the NAF (an adapted version of IPSAS) or other applicable financial reporting framework for non-NATO bodies;
- the funds have been properly used for the settlement of authorised expenditure and are in compliance with the regulations in force.

3.6 We conduct our audits in accordance with financial auditing standards formed by the principles of the auditing standards of the INTOSAI and in accordance with the additional terms of reference defined in our Charter. In October 2023, the Board approved a document setting out the financial auditing standards adopted by IBAN for the conduct of financial audits. These auditing standards, based on the International Standards of Supreme Audit Institutions (ISSAI), are understood to include:

- Fundamental Principles of Public Sector Auditing (ISSAI 100-129);
- Organisational Requirements of Supreme Audit Institutions (130-199);
- Financial Audit Principles (ISSAI 200-299);
- Compliance Audit Principles (ISSAI 400-499);
- Financial Audit Standards (ISSAI 2000-2899);
- Compliance Audit Standards (ISSAI 4000-4899);
- Board decisions deviating or providing clarifications to the Financial Audit Standards (ISSAI 2000-2899) and Compliance Audit Standards (ISSAI 4000-4899): applying a risk-based approach across NATO Reporting Entities.

3.7 After each financial statements audit, we issue an audit report with an opinion on the financial statements and on compliance, as well as observations and recommendations. The opinion can be unqualified, qualified, disclaimed, or adverse. In accordance with auditing standards, three types of paragraphs may also be communicated in the auditor's report. These are "Key Audit Matters", "Emphasis of Matter" and "Other Matter" paragraphs.

3.8 Audits are generally conducted on the auditee site by auditors, under the supervision of our Board Members and Senior Auditors. All NATO Reporting Entities are in principle audited every year. Non-NATO bodies are usually audited on a rotational basis strictly by request, but some, such as the NATO Parliamentary Assembly and the NATO Missile Firing Installation, are audited each year.

3.9 During the course of the audit, we communicate each tentative audit finding at working level to the auditee. We ask the auditee to inform us of factual corrections, objections, and editorial suggestions related to tentative audit findings, prior to the drafting of the audit report. This helps ensure that quality management is embedded throughout the audit process. After the end of the onsite audit work, IBAN approves a draft audit report, which is sent to the auditee for factual and formal comments, including on the assessment of prior years' observations. We review any factual comments received and these are used to amend the report if necessary, but are not included in the final report as separate comments. Any formal comments on the draft audit report is incorporated in the report, together with the IBAN's position thereon, as appropriate.

FINANCIAL STATEMENTS AUDIT WORK IN 2023

3.10 As stated above, in 2023 we issued a total of 25 Financial Statements Audit Reports on NATO and non-NATO bodies, comprising 27 audit opinions each, on the financial statements and on compliance, for a total of 54 audit opinions. Of the 25 Audit Reports, 21 were for NATO Reporting Entities and four were for non-NATO bodies. Of the 54 audit opinions issued, 47 were with unqualified audit opinions, six were with qualified audit opinions, and one was an adverse audit opinion.

3.11 Of the five Audit Reports we issued with six qualified opinions and one adverse opinion on the financial statements and/or compliance, three were for NATO Reporting Entities (see Annex A) and the other two (covering two financial years each) were for non-NATO bodies. Of the 21 Audit Reports issued for NATO Reporting Entities, two were issued with a qualified opinion and one was issued with both an adverse opinion and a qualified opinion. The financial audit observations and recommendations issued in 2023 included observations on a range of issues or errors which affected the audit opinion when material, or other paragraphs in the auditor's report (Key Audit Matters, Emphasis of Matter or Other Matter) when significant. In addition, other observations deemed less significant for governance were communicated directly to the management of NATO and non-NATO bodies in Management Letters. In 2023, IBAN issued five Management Letters for NATO Reporting Entities and one Management Letter to a non-NATO body. Each year we follow-up on the status of all observations raised in prior years' audit reports for NATO Reporting Entities. In 2023, 91% of our prior recommendations to auditees for NATO Reporting Entities were closed or in progress by the next audit cycle.

3.12 IBAN completed the process for recruiting the additional financial auditor posts that were approved by Council in December 2022. However, for this calendar year, constraints outside of our control, affecting current staff resources, prevented IBAN's ability to meet the 31st of August deadline. Therefore, due to this situation, IBAN prioritised audits of common funded entities and customer funded agencies, in order to ensure that these audits are completed within the 31 August deadline. These constraints impacted the following six NATO Reporting Entities, in respect of which IBAN was not in the position to complete the audits within the deadline, as shown in table 1 below:

Table 2: NATO Reporting Entities audit reports issued after 31 August 2023	
NATO Reporting Entity	Date Audit Report Issued
NATO Airborne Early Warning and Control Programme Management Agency (NAPMA)	November 2023
NATO European Fighter Aircraft Development, Production and Logistic Management Organisation (NEFMO)	November 2023
NATO Eurofighter 2000 and Tornado Management Agency (NETMA)	November 2023
NATO Helicopter Design and Development Production and Logistics Management Organisation (NAHEMO)	November 2023
NATO Multi-Role Combat Aircraft Development Production and In-Service Support Management Organisation (NAMMO)	November 2023
NATO Medium Extended Air Defence System Design and Development, Production and Logistics Management Organisation in Liquidation (NAMEADSMO i.L)	March 2024

3.13 In 2023, IBAN agreed to audit six financial statements resubmitted after the 31 March deadline by five NATO Reporting Entities. One of those NATO Reporting Entities requested IBAN to audit a second resubmission of their Financial Statements. These resubmissions corrected material misstatements or disclosures identified during the audit. Without these restated financial statements resubmitted after 31 March, the number of financial statements containing material errors would, in principle, have increased.

REPORT TO COUNCIL ON MAIN FINDINGS FROM THE 2022 FINANCIAL STATEMENTS AUDITS

3.14 The IBAN aims to produce the report to Council on main findings from the financial statements audits annually. The purpose of this special report is to provide a detailed overview to Council on the main findings from the audit of the financial statements of NATO Reporting Entities. The report includes detailed information on the reasons for IBAN qualified audit opinions and, where relevant, other paragraphs, a summary of observations and recommendations, and IBAN's main findings by theme or audit area. Overall, this report provides a concise and detailed overview on IBAN's financial statements audit work and outcomes for internal and external stakeholders, which increases the transparency and accountability of NATO's use of public resources.

3.15 IBAN issued an audit report to Council for 21 out of the total 22 NATO Reporting Entities in 2023. The IBAN aims to issue the Report to Council on Main Findings from the 2022 Financial Statements Audits in 2024, following the issuance to Council of the last audit report on the 2022 Financial Statements.



CHAPTER 4

PERFORMANCE AUDIT

CHAPTER 4**PERFORMANCE AUDIT**

4.1 The IBAN's audit mandate includes performance auditing. In exercising this mandate, IBAN provides independent analysis and recommendations to the Council on the effectiveness, efficiency and economy of specific NATO bodies, operations, programmes and projects. Our strategy is to increase the number of performance audits performed, focussing on the identification of opportunities for cost savings and more effective operations and activities by NATO.

4.2 To achieve this, we aim to conduct performance audits that meet the following criteria:

- Select audit topics of common interest to Council and the Nations.
- Perform audits that contribute to accountability and transparency within NATO.
- Where possible, conduct cross-cutting audits that contribute to recommendations to be applied NATO-wide.

4.3 It is our aim to carry out at least one substantial performance audit per year, complemented by a number of smaller studies or follow-up performance audit reports. Follow-up performance audit refers to our review of the corrective actions taken by an audited entity in reaction to the results of our performance audit. IBAN usually performs selected follow-up performance audits within two to four years of the original audit.

4.4 In 2023 we issued one performance audit report to Council. This report was the Follow-Up Performance Audit Report on the Lessons Learned Process for NATO Military Exercises. During 2023, we conducted four performance audit surveys, and started two full performance audits, which are currently ongoing.

PERFORMANCE AUDIT PLANNING

4.5 Performance audit planning is prepared by the IBAN's Performance Audit Working Group, comprised of Board Members, the Principal Auditor and full-time performance auditors. The Working Group's role is to assist the IBAN by preparing material for decision and performing an advisory role within the IBAN with regard to Performance Auditing. The Working Group's tasks include the following:

- Risk assessment of NATO bodies, programmes, and operations;
- Topic monitoring, including evaluating potential topics and assisting colleagues in preparing Performance Audit Proposals;

- Review Performance Audit Proposals and prepare recommendations to the Board;
- Support the IBAN by engaging with external stakeholders on performance audit related issues;
- Propose new guidance and methodology, and
- Prepare and share with the RPPB the IBAN's annual Performance Audit Programme in order to receive their feedback on our planning of performance audit topics.

4.6 Each year the Working Group develops a comprehensive Performance Audit Programme, which prioritises our performance audit work for the next two years and identifies the resources needed for performance audit. The plan is designed to help us become more transparent in communicating how and what we choose to audit to NATO stakeholders in NATO. The programme includes performance audit topic proposals based upon input from Board Members, audit staff, and NATO resource committee Chairs and members.

4.7 NATO entities whose programmes and activities are subject to performance audits and special reports to the Council include those, which use common funds (such as the military commands) or are customer/joint/multi-nationally funded (such as the NATO agencies). The most important NATO entities, which comprise our “audit universe” for performance audit, include the following:

- Allied Command Operations (ACO),
- Allied Command Transformation (ACT),
- NATO Communications and Information Agency (NCIA),
- NATO Support and Procurement Agency (NSPA),
- NATO International Staff (IS), and
- NATO Security Investment Programme (NSIP).

4.8 The Board decided that the following priorities should guide the IBAN performance audit planning process:

- Subjects of common interest to the Council and the Nations.
- Audits that contribute to accountability and transparency within NATO.
- Cross cutting, NATO-wide audits.

4.9 Performance audit topic proposals are then grouped into five main themes or areas:

- Budget, planning and resource management.
- Human Resources and staff expenses.
- Procurement.
- Capability development and delivery.

- Readiness.

PERFORMANCE AUDIT REPORT ISSUED IN 2023

Follow-Up Performance Audit Report on the Lessons Learned Process for NATO Military Exercises

4.10 In this report we assessed (1) the extent to which NATO took actions in addressing the IBAN recommendations included in the 2016 audit report and (2) the current status and assess progress made since 2016 on the lessons learned process for NATO exercises in the NATO bodies selected for the 2016 audit report.

4.11 This report has not yet been made public by Council.



CHAPTER 5

AUDIT OF THE NATO SECURITY INVESTMENT PROGRAMME

CHAPTER 5**AUDIT OF THE NATO SECURITY INVESTMENT PROGRAMME**

5.1 IBAN provides independent assurance that the expenditures incurred by Member Countries and by NATO entities in respect of NSIP were carried out in compliance with the regulations in force. Through its performance audits, IBAN may also analyse and evaluate the efficiency, effectiveness and economy of the programme's management and procedures. We aim to achieve the following:

- Provide independent assurance that NSIP expenditures are carried out in compliance with the regulations in force;
- Contribute to the improvement of NSIP management; and
- Enhance relationships with key NSIP stakeholders.

5.2 NATO established the Infrastructure Programme in 1951 to provide common funded capabilities that exceed the military requirements of individual Member States. The Nations share the cost of the Programme based on agreed percentages. Council made major changes to the Programme in 1994 and renamed it the NSIP. In 2018, Council approved a new Common Funded Capability Delivery Governance Model for NSIP. The new governance model is currently under implementation.

5.3 The Programme is overseen by the Investment Committee (IC), on behalf of Council and individual projects are implemented by a "Host Nation" (a Member State, a NATO Strategic Command or a NATO Agency), who is responsible for the implementation of the authorised NSIP project.

AUDIT METHODOLOGY AND CONDUCT OF NSIP AUDITS

5.4 As seen above, the objective of such audit is to provide independent assurance to Council that the NSIP expenditures, incurred by Host Nations and presented in the Cost Statement, were carried out in compliance with the regulations in force. We undertake our audits in accordance with the principles of the auditing standards of the International Organisation of Supreme Audit Institutions (INTOSAI) as per Article 15 of the IBAN Charter. After each NSIP audit, we issue an Independent External Auditor's Report to Council, by delegation to the Investment Committee, with an opinion on the expenditures presented in the Cost Statements. Opinions can either be unmodified or modified (see Glossary of Terms in Annex E).

5.5 When the works related to an NSIP project is physically complete, the project must be subject to a technical inspection and formal acceptance of the works by NATO, according to NSIP Regulations. The IC approval of the technical inspection (also called Joint Final Acceptance Inspection – JFAI) serves as the formal acceptance by NATO that the project is physically complete, militarily and technically acceptable, and that the responsibility of the Host Nation for completion of the works has been fully discharged by NATO.

The technical inspection and the formal JFAI report accepted by the Investment Committee provides IBAN with audit evidence of the existence of the asset developed or constructed and the implementation of the physical scope as authorised (technically in line with requirements). The technical inspection and subsequent formal acceptance and discharge by the Investment Committee of the works implemented is the first part of a dual-discharge process in NSIP.

5.6 After the technical inspection of the completed project, IBAN performs an audit of the incurred expenditure presented in the cost statements and issues the Independent External Auditor's Report to the Council, by delegation to the IC. This report provides independent assurance to Council that such expenditure incurred by Host Nations is carried out in compliance with the regulations in force. According to the NSIP regulations for technical inspections (AC/4-D/2074), IBAN also has a duty to report "*any material facts which were unknown or erroneously put to the inspection team or to the Committee*". The independent assurance provided by IBAN, in the form of an audit opinion, assists the IC, acting on behalf of Council, in discharging the Host Nation from their financial responsibilities.

5.7 The actual discharge of Host Nations is based on the IC approval of a List of Completed Projects, in accordance with existing agreed NSIP regulations. This document is the final step in the project implementation process and, once approved by the IC, discharges the Host Nations from their financial responsibilities for these projects, on behalf of Council. The technical and financial closure of NSIP projects and discharge of Host Nations responsibilities is a key element in ensuring proper transparency and accountability on the use of NATO common funds.

5.8 According to Investment Committee Implementation Management Procedure, an audit request shall be submitted to IBAN not later than six months following the request for a technical inspection of the project. To initiate a financial audit, the Host Nation must submit a cost statement of project expenditures incurred to IBAN for audit. From an audit perspective and consistent with current practice, the Host Nation is required to prepare and sign the cost statement by a responsible staff at an accountable level. Cost statements are the means through which the Host Nation presents a completed project for audit. By signing the cost statement, the Host Nation confirms that sufficient verification and internal controls are in place to ensure that all expenditures incurred are complete, correct, and compliant NSIP regulations in force.

5.9 IBAN conducts its NSIP audits in different phases, including audit planning, audit fieldwork and audit reporting. As part of the audit fieldwork phase, our audit teams perform audit tests and generally conduct on-site visits at the premises of the Host Nations, in order to have extensive dialogue and interactions with the auditees.

NSIP AUDIT ACTIVITY IN 2023

5.10 In 2023, IBAN used 7% of the available staff resources on the audit of NSIP projects

expenditures, compared to 14% in 2022. This was because of a lack of audit staff resources in 2023.

5.11 As already stated, IBAN issued 57 Independent External Auditor’s Reports on cost statements presented by territorial Host Nations, NATO Agencies and Strategic Commands. Out of 57 audit opinions provided in the auditor’s reports, 24 were unmodified and 33 were modified. As a percentage of auditor’s reports issued, 42% had unmodified audit opinions and 58% had modified audit opinions. Table 3 below shows IBAN’s NSIP audit activity for 2023 in comparison to 2022.

Table 3: NSIP AUDIT ACTIVITY 2023		
	2023	2022
Amount audited ⁽¹⁾	315 MEUR	485 MEUR
Auditor’s Reports issued	57	114

Note 1: Amount in cost statements presented by Host Nations for audit.

5.12 The 57 auditor’s reports covered expenditures of EUR 315 million, which represents approximately 3% of the entire population of open NSIP projects (expenditure of EUR 9.5 billion reported as at December 2023). The total amount audited by IBAN and financially closed after the IC discharge of the Host Nation’s responsibilities adds up to over 76% of the total cumulative NSIP expenditure (see Annex B).

5.13 IBAN’s audit of NSIP projects expenditures decreased in 2023, with a lower amount audited compared to 2022 and a lower number of Auditor’s Reports issued. The number of audits conducted each year depends on audit requests received from Host Nations and available IBAN resources.

5.14 One of the main reasons for modified audit opinions (22 out of 33 auditor’s reports) related to expenditures incurred outside the authorised scope of work and therefore not compliant with NSIP regulations and authorisation granted.

5.15 Another reason for modified audit opinions (13 out of 33 auditor’s reports) related to missing or incomplete project financial documentation, such as signed contracts, invoices and bidding documents. Due to missing documentation, we could not reconcile and agree expenditures with signed contracts, nor could we verify whether expenditures incurred and presented in the Cost Statement were within the authorised scope of work. We therefore concluded that the expenditures reported in the Cost Statements were not compliant with NSIP regulations.

5.16 In other cases, the modified audit opinion was due to expenditures incurred in excess of the authorisations granted.

5.17 We also raised seven Other Matter paragraphs in 2023 related to expenditures not claimed, but within the authorised scope of work. Other Matter paragraphs are communicated if IBAN considers it necessary to communicate a matter other than those related to expenditures presented in the cost statements that, in our judgement, is relevant

to users' understanding of the audit, the auditor's responsibilities or the auditor's report. This may relate to additional expenditures incurred within the authorised scope of work in accordance with NSIP regulations, but not included in the cost statement.

5.18 The Investment Committee Implementation Management Procedure requires an audit request, to be submitted to IBAN not later than six months following the request for a technical inspection of the project. As the technical inspection and formal JFAI report provides IBAN with audit evidence of the existence of the asset developed or constructed and the implementation of the physical scope as authorised (technically in line with requirements), IBAN will only proceed with the audit once the JFAI report is accepted by the Investment Committee.

5.19 On average, for the projects audited in 2023, the audit requests were submitted to IBAN five years after the request for technical inspection.

REPORT TO COUNCIL ON SUMMARY OF RESULTS OF 2022-2021 NSIP AUDITS AND IMPLEMENTATION OF NSIP SPECIAL REPORTS RECOMMENDATIONS

5.20 In May 2023, the IBAN issued its "Report to Council on Summary of the Results of 2022-2021 NSIP Audits and Implementation of NSIP Special Reports Recommendations" (IBA-AR(2023)0007). The purpose of the report is to provide an overview to Council on the audit results from the 2022 and 2021 NSIP audits and to review the status of implementation of IBAN recommendations from two prior Special Reports on NSIP. The IBAN aims to produce this report annually, and it should normally be made available to the public upon approval by the Council.

5.21 The report includes detailed information on the reasons for IBAN modified audit opinions and, where relevant, other paragraphs, a summary of the main non-compliance issues leading to a modified audit opinion, and a follow-up on the implementation of IBAN recommendations from two Special Reports on NSIP. Overall, the report provides easy to understand aggregated information on the results of our NSIP audits, which enables the Council to better oversee and account for the NSIP, as well as to strengthen transparency and accountability of the use of resources by NATO.



CHAPTER 6

PERFORMANCE OF IBAN

CHAPTER 6

PERFORMANCE OF IBAN

OUR ANNUAL PERFORMANCE

6.1 The Strategic Plan for 2022-2026 provides information on IBAN's vision, mission statement, and three core values: Independence, integrity and professionalism. It details four strategic goals related to our work, with specific objectives and strategies to achieve them. These strategic goals are the following:

Goal 1: Contribute to the strengthening of accountability and corporate governance within NATO

Goal 2: Contribute to the improvement of the effectiveness, efficiency, and economy of NATO activities

Goal 3: Contribute to the improvement of the NSIP management and accountability

Goal 4: Develop IBAN as an innovative and proactive audit organisation

6.2 Our 2023 Annual Performance Plan derives from the goals and objectives in the 2022-2026 Strategic Plan. The Annual Performance Plan includes specific key performance indicators and targets for the various objectives for 2023 to measure our performance.

PERFORMANCE RELATED TO GOAL 1

6.3 Our objectives related to Goal 1 were to provide independent assurance that the financial statements present fairly the financial position and performance of the entity, contribute to the development of a sound and consistent financial reporting environment, and enhance relationships with key stakeholders. The associated performance measure and target used to evaluate the achievement of the objectives in 2023 is shown below.

#	<i>Key Performance Indicator</i>	<i>Target</i>	<i>Actual</i>
1	% of audit opinions on NATO Reporting Entities given by 31 August on auditable signed financial statements.	100%	73%
2	Issue the Annual Activity Report to the Council by the end of April.	Y/N	Y

6.4 The first performance measure was not met, as we did not issue all audit opinions by 31 August 2023 on NATO Reporting Entities from whom we received auditable financial statements by 31 March 2023. This was due to constraints outside of our control, affecting current staff resources, which prevented IBAN's ability to meet the 31 August deadline. Therefore, due to this situation, IBAN prioritised audits of common funded entities and customer funded agencies, in order to ensure the completion of such audits within

the 31 August deadline. The second performance measure was achieved as we issued the Annual Activity Report in April 2023.

PERFORMANCE RELATED TO GOAL 2

6.5 Our objectives related to Goal 2 were to audit subjects of common interest to the Council and the Nations, perform audits that contribute to accountability and transparency within NATO, and perform cross-cutting audits that contribute to recommendations to be applied NATO – wide. The associated performance measures and targets used to evaluate the implementation of the objectives are shown in the table below.

#	<i>Key Performance Indicator</i>	<i>Target</i>	<i>Actual</i>
1	Issue at least 2 performance audits per year.	100%	50%
2	Perform follow-up on prior performance audit reports.	1	1

6.6 IBAN issued one performance audit report in 2023. This was mainly due to staff rotation and to the decision of not pursuing full audit implementation of two performance audit topics, based upon the results of the survey work. We then launched new performance audit surveys.

PERFORMANCE RELATED TO GOAL 3

6.7 Our objectives related to Goal 3 were to contribute to the improvement of NSIP management, provide assurance of NSIP accountability, and improve our efficiency and effectiveness. The associated performance measure and target used to evaluate the achievement of the objectives in 2023 is shown in the table below.

<i>Key Performance Indicator</i>	<i>Target</i>	<i>Actual</i>
% of acceptable and complete audit requests scheduled within 12 months of their receipt.	90%	36%

6.8 We did not meet the target for 2023 as we were only able to schedule 36% of acceptable and complete requests for NSIP audit within 12 months of their receipt. In 2022, mainly towards the end of the year, we received an increased number of audit requests from Host Nations compared to prior years. We were not able to schedule them all in 2023 within 12 months of their receipt with available staff resources. The main reason for the increased number of audit requests was due to Council tasking Host Nations to close projects physically completed by 2014, but not yet technically inspected and audited, at the latest by the end of 2022. Approximately 60% of the audit requests received, but not scheduled within 12 months, relate to this Council assignment.

PERFORMANCE RELATED TO GOAL 4

6.9 Our objectives under Goal 4 were to further promote IBAN's professional development and corporate knowledge sharing, increase financial audit efficiency and effectiveness in order to improve the timeliness and content of our financial audit reports, and improve our visibility. The performance measures and targets used to evaluate the achievement of the objectives are shown in the table below and were partially met.

#	Key Performance Indicator	Target	Actual
1	Proactively develop and offer independent analysis and opinion to NATO governing bodies on financial, NSIP, and performance issues.	Y/N	Y
2	Publish articles on the IBAN internet website on IBAN activities or subjects of interest.	2	0
3	# of public events (conferences, seminars, courses, lectures, presentations) with auditees and stakeholders.	2	1

6.10 The first performance measure was met. The other two performance measures were not met due to resource and time constraints.

2024 ANNUAL ACTION AND PERFORMANCE PLAN

6.11 Our 2024 Annual Action and Performance Plan, which is based upon our 2022-2026 Strategic Plan, is included in this report at Annex C.

Approved by the Board on 26 April 2024





ANNEXES

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ANNEX A
IBA-M(2024)0001LIST OF REPORTS ISSUED IN 2023
RESULTING FROM FINANCIAL STATEMENTS AND PERFORMANCE AUDITS

LIST OF IBAN FINANCIAL STATEMENTS AUDIT REPORTS ISSUED IN 2023						
Subject and Financial Year		IBAN Report Number	Audit Opinion	IBAN Issue Date	NAC Approval Date	Available to Public Yes/No/Pending/NA
NATO Military Commands						
1.	Allied Command Operations (ACO) 2022	IBA-AR(2023)0012	U	25.08.2023	12.01.2024	Yes
2.	Allied Command Transformation (ACT) 2022	IBA-AR(2023)0011	U	25.08.2023	19.01.2024	Yes
NATO Agencies, Civil-Military Bodies, Special Projects, and Pension Schemes						
3.	BICES Group Executive (BGX) 2022	IBA-AR(2023)0008	U	25.08.2023	12.01.2024	No (NATO RESTRICTED)
4.	International Military Staff (IMS), NATO Standardisation Agency (NSA) (including Partnership for Peace (PfP), Mediterranean Dialogue (MD) Istanbul Cooperation Initiative (ICI) and Other Military Cooperation (OMC) 2022	IBA-AR(2023)0018	U	25.08.2023	12.01.2024	Yes
5.	International Staff 2022	IBA-AR(2023)0015	U	29.08.2023	12.01.2024	Yes
6.	Defence Innovation Accelerator for the North Atlantic's (DIANA) 2022	IBA-AR(2023)0023	U	29.08.2023	12.01.2024	Yes
7.	Munitions Safety Information Analysis Centre (MSIAC) 2022	IBA-AR(2023)0009	U	29.08.2023	12.01.2024	Yes
8.	NATO Airborne Early Warning and Control Programme Management Agency (NAPMA) 2022	IBA-AR(2023)0025	U	22.11.2023	12.01.2024	Yes
9.	NATO Alliance Ground Surveillance Management Organisation (NAGSMO) 2022	IBA-AR(2023)0013	U	25.08.2023	12.01.2024	Yes
10.	NATO Communications and Information Organisation (NCIO) 2022	IBA-AR(2023)0022	U	31.08.2023	12.01.2024	Yes
11.	NATO Coordinated Pension Scheme 2022	IBA-AR(2023)0019	U	29.08.2023	12.01.2024	Yes
12.	NATO Defense College (NDC) 2022	IBA-AR(2023)0017	U	25.08.2023	12.01.2024	Yes
13.	NATO Defined Contribution Pension Scheme (NATO DCPS) 2022	IBA-AR(2023)0021	U	29.08.2023	12.01.2024	Yes
14.	NATO EF 2000 and Tornado Development, Production	IBA-AR(2023)0026	U	22.11.2023	12.01.2024	Yes

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ANNEX A
IBA-M(2024)0001

LIST OF IBAN FINANCIAL STATEMENTS AUDIT REPORTS ISSUED IN 2023						
	Subject and Financial Year	IBAN Report Number	Audit Opinion	IBAN Issue Date	NAC Approval Date	Available to Public Yes/No/ Pending/NA
	and Logistics Management Agency (NETMA) 2022					
15.	NATO European Fighter Aircraft Development, Production and Logistic Management Organisation (NEFMO) 2022	IBA-AR(2023)0028	U	22.11.2023	12.01.2024	No (COMMERCIALY SENSITIVE)
16.	NATO FORACS Office (NFO) 2022	IBA-AR(2023)0010	U	29.08.2023	12.01.2024	Yes
17.	NATO Helicopter Management Organisation (NAHEMO) 2022	IBA-AR(2023)0024	A (FS); Q (C)	22.11.2023	Pending	Pending
18.	NATO Multi-Role Combat Aircraft Development Production And In-Service Support Management Organisation (NAMMO) 2022	IBA-AR(2023)0027	U	22.11.2023	12.01.2024	Yes
19.	NATO Retirees Medical Claims Fund (RMCF) 2022	IBA-AR(2023)0020	U	29.08.2023	12.01.2024	Yes
20.	NATO Support and Procurement Organisation (NSPO) 2022	IBA-AR(2023)0014	U (FS); Q (C)	29.08.2023	12.01.2024	Yes
21.	Science and Technology Organisation (STO) 2022	IBA-AR(2023)0016	U	25.08.2023	12.01.2024	Yes
Non-NATO multi-national bodies						
22.	AFNORTH International School 2022	IBA-AR(2023)0003	U (FS); Q (C)	26.04.2023	NA	NA
23.	Headquarters NATO Rapid Deployable Corps – Spain's (HQ NRDC-SP) 2019-2021	IBA-AR(2023)0001	2019: Q (FS) 2020: Q (C) 2021: U	24.05.2023	NA	NA
24.	Shape International School 2021	IBA-AR(2023)0006	U	24.05.2023	NA	NA
25.	NATO Parliamentary Assembly (NPA) 2022	IBA-AR(2023)0004	U	08.03.2023	NA	NA
LIST OF IBAN PERFORMANCE AUDIT REPORTS ISSUED IN 2023						
Performance Audit Reports						
26.	IBAN Report on the Summary of Results of 2022-2021 NSIP Special Reports Recommendations	IBA-AR(2023)0007	NA	24.05.2023	12.01.2024	Yes
27.	IBAN Follow-Up Performance Audit Report on the Lessons Learned Process for NATO Military Exercises	IBA-AR(2023)0002	NA	26.04.2023	Pending	Pending

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U = Unqualified
Q = Qualified
A = Adverse
D = Disclaimer
FS = Financial Statements
C = Compliance
NA = Not Applicable

Since the 2013 financial year, public disclosure of IBAN reports is applicable to unclassified reports (financial statements and performance audits) of NATO Reporting Entities.

CUMULATIVE NSIP EXPENDITURE BY HOST NATION AS AT END 2023

Host Nation	Expenditure Reported (1) (2)	Expenditure Financially closed – (2) (3)	Expenditure Financially closed
Albania	0	-	-
Belgium	935	724	77%
Bulgaria	128	19	15%
Canada	81	80	99%
Croatia	11	-	0%
Czech Republic	142	72	51%
Denmark	753	727	97%
Estonia	121	34	28%
France	1,031	979	95%
Germany	6,174	5,561	90%
Greece	1,956	1,553	79%
Hungary	189	101	54%
Iceland	39	-	0%
Italy	2,487	1,915	77%
Latvia	47	33	71%
Lithuania	72	37	51%
Luxembourg	59	59	100%
Montenegro	-	-	-
Netherlands	1,015	889	88%
Norway	2,343	2,159	92%
North Macedonia	-	-	-
Poland	669	224	33%
Portugal	611	571	93%
Romania	101	19	19%
Slovakia	40	31	77%
Slovenia	43	6	14%
Spain	250	165	66%
Türkiye	4,654	4,089	88%
United Kingdom	2,743	2,482	90%
United States of America	1,794	1,275	71%
Sub-Total Territorial Nations	28,488	23,803	84%
ACT	33	2	6%
NADGEMO	33	33	100%
NCIA	7,626	3,826	50%
NSPA	1,723	886	51%

Host Nation	Expenditure Reported (1) (2)	Expenditure Financially closed – (2) (3)	Expenditure Financially closed
SHAPE	992	872	88%
Sub-Total NATO Bodies (4)	10,408	5,619	54%
Total	38,896	29,423	76%

- (1) Source: IBAN based on NATO Office of Resources, International Staff data on annual expenditures for NSIP.
- (2) All amounts are expressed in EUR million.
- (3) Expenditure for projects financially closed after final discharge by the Investment Committee of the Host Nation based on the List of Completed Projects.
- (4) NATO Bodies NSIP expenditure is included in their audited Annual Financial Statements.

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International Board of Auditors for NATO Annual Action and Performance Plan 2024

INTRODUCTION

The International Board of Auditors for NATO (IBAN) is the independent external auditor of NATO. Its primary function is to enable the North Atlantic Council and the governments of member countries to satisfy themselves that common funds have been properly used for the settlement of authorised expenditures. The IBAN carries out financial, compliance, and performance audits in the various NATO Reporting Entities and audits the expenditure related to the NATO Security Investment Programme (NSIP). The IBAN's vision is to be the respected voice of accountability and performance evaluation within NATO. The core values of the IBAN are ***Independence***, ***Integrity*** and ***Professionalism***.

This Annual Action and Performance Plan for 2024 is based upon the goals and objectives identified in the 2022-2026 Strategic Plan. It includes key performance indicators and targets for the various objectives to be achieved during 2024.

GOAL 1: CONTRIBUTE TO THE STRENGTHENING OF ACCOUNTABILITY AND CORPORATE GOVERNANCE WITHIN NATO

IBAN contributes to the strengthening of accountability and corporate governance within NATO in a number of ways, including through its financial audits and specific reviews of matters closely related to accountability and corporate governance, such as internal control. While financial audits are generally performed on an annual or multi-annual basis, specific reviews are performed on more of an ad-hoc basis. IBAN carries out its audit mandate in accordance with INTOSAI standards.

Objective 1: Provide independent assurance that the financial statements present fairly the financial position, financial performance, and cash flows, of the entity and that the funds were properly used for the settlement of authorised expenditure in compliance with the regulations in force.

- We will continue to improve the quality, user friendliness and timeliness of our financial audit reports. We aim to make relevant audit recommendations that strengthen accountability and provide support to governance in NATO, and monitor their implementation.

Objective 2: Contribute to the development of a sound and consistent financial reporting environment in NATO.

- Make a continual assessment of the implementation of the NATO Accounting Framework and NATO Financial Regulations and provide recommendations to improve compliance. Provide coordinated advice in order to achieve a consistent application of the NATO Accounting Framework and NATO Financial Regulations

across NATO. Advocate for the simplification of NATO's Financial Reporting and Accountability Framework to improve the quality of financial information in support of decision-making by governance and the accountability needs of relevant external stakeholders.

- IBAN aims to continue providing annual cross-cutting overviews on the main findings from the financial statements audits and to intensify its efforts to produce special reports on strategic issues.

Objective 3: Enhance relationships with key NATO stakeholders.

- We seek to develop and maintain transparency and relationships with our key NATO stakeholders and auditees through regular consultations to better determine their needs and expectations. We liaise with committee chairpersons and other relevant stakeholders to offer IBAN's expertise and assistance in the area of accountability and governance.

The associated performance measures and targets to be used to evaluate the achievement of the objectives are shown in the table below.

KPI's

#	<i>Key Performance Indicator</i>	<i>Target</i>
1	% of audit opinions on NATO Reporting Entities given by 31 August on auditable signed financial statements.	100%
2	Issue the Annual Activity Report to the Council by the end of April.	Y/N

GOAL 2: CONTRIBUTE TO THE IMPROVEMENT OF THE EFFECTIVENESS, EFFICIENCY, AND ECONOMY OF NATO ACTIVITIES

IBAN's audit mandate includes performance auditing of the activities of NATO bodies, operations, programmes and projects.

As IBAN understands that a major challenge for NATO's future is to enhance the effectiveness, efficiency, and economy of its activities, IBAN refocuses its strategy towards a higher percentage of proactive performance audits, focused on identification of opportunities for cost savings and more effective operations and activities by NATO.

IBAN provides independent analysis and evaluation to the Council on the effectiveness, efficiency and economy of specific NATO bodies, operations, programmes and projects. IBAN makes forward-looking recommendations aimed at process and service improvements and, when possible, optimising value for money

while delivering required outputs. IBAN carries out its audit mandate in accordance with INTOSAI standards.

Objective 1: Focus on subjects of common interest to the Council and the Nations.

- Together with other selection criteria, we intend to focus on activities and initiatives that are considered to be important to the overall success of the Alliance, including new initiatives and important changes to the Alliance. By reporting directly to the Council, IBAN can contribute to and support high-level decision-makers in improving the performance of NATO.

Objective 2: Conduct audits that contributes to accountability and transparency within NATO.

- NATO faces challenges to implement good governance principles such as accountability and transparency. This has been evident through several recent audits. As we refer to INTOSAI standards, it is relevant also to give priority to these subjects that in many countries are seen as prerequisites for achieving good results in a transparent and accountable way. IBAN aims to organise conferences and seminars to disseminate information on these issues, in order to raise awareness on their importance in the NATO community as well as with external stakeholders. We aim to provide a web-based platform to let the NATO community profit from our releasable documents and increase IBAN's visibility.

Objective 3: Perform cross-cutting audits that contribute to recommendations to be applied NATO-wide.

- In general, cross-cutting audits add more complementary value than audits of individual entities. The ability to recommend good practice across NATO is contributing to better and more unified solutions. Even though cross-cutting audits normally are more cumbersome to conduct than single entity audits, they should be given priority as recommendations based on benchmarking and good practice are applicable NATO-wide and therefore adds more value.

The associated performance measures and targets to be used to evaluate the achievement of the objectives are shown in the table below.

KPI's

#	<i>Key Performance Indicator</i>	<i>Target</i>
1	Issue at least 2 performance audits per year.	100%
2	Perform follow-up work on prior performance audit reports.	1

GOAL 3: CONTRIBUTE TO THE IMPROVEMENT OF THE NSIP MANAGEMENT AND ACCOUNTABILITY

IBAN provides independent assurance that the expenditures incurred by member states and by NATO entities for the implementation of the NSIP is compliant with the regulations in force. The IBAN also analyses and evaluates the economy, efficiency and effectiveness of programme management, procedures, and specific outputs. IBAN carries out its audit mandate in accordance with INTOSAI standards.

Objective 1: Provide independent assurance that NSIP expenditures are carried out in compliance with the regulations in force.

- To strengthen accountability and governance of the NSIP, our audit work provides audit opinions on expenditures incurred for individual NSIP projects. We aim to plan and conduct our audits based on audit requests received from Nations and NATO Bodies in order to deliver our audit reports to Council in a timely manner within current available resources.

Objective 2: Contribute to the improvement of NSIP management.

- Make continual assessments of NSIP regulations and provide advice to Nations in order to achieve improved NSIP management and consistent application of regulations across Host Nations.

Objective 3: Enhance relationships with key NSIP stakeholders.

We seek to maintain transparency and relationship with our key NSIP stakeholders and auditees through regular consultations to better determine their needs and expectations. We liaise with committee chairpersons and other relevant stakeholders to offer IBAN's expertise and assistance in the area of accountability and governance.

The associated performance measures and targets to be used to evaluate the achievement of the objectives are shown in the table below.

KPI

#	<i>Key Performance Indicator</i>	<i>Target</i>
1	% of acceptable and complete audit requests scheduled within 12 months of their receipt.	90%

GOAL 4: DEVELOP IBAN AS AN INNOVATIVE AND PROACTIVE AUDIT ORGANISATION

In order to achieve the objectives of Goals 1 to 3, IBAN must be an organisation that is innovative and proactive to meet the continuous developments and changes in its dynamic operational environment.

Objective 1: Further promote IBAN's workforce professional development and sharing of corporate knowledge.

- Enhance workforce mentoring of IBAN staff by improving their knowledge of professional standards, best practices, new audit developments, as well as an understanding of NATO's current challenges. We aim to provide an internal web-based platform to ensure the sharing of experience acquired by our auditors and provide professional training to facilitate individual learning.

Objective 2: Increase audit efficiency and effectiveness in order to ensure the timeliness and improve the content of our audit reports.

- Continuously review our audit practices to ensure we deliver financial audit reports of NATO Reporting Entities to Council by 31 August of each year.
- Improve our audit practices by promoting and developing workplace innovation and efficiencies, such as through remote access to auditee IT systems, increased use of IT audit techniques, data analytics, and remote teleworking for staff.

Objective 3: Continuously improve IBAN Human Resource practices.

- Maintain a plan for staff succession and attracting qualified individuals from the public and private sector.
- Maintain clear and consistent communication to staff and application of IBAN Human Resource policies.
- Assist staff transitioning out of IBAN with information, such as career advice and contacts with other audit organisations.

Objective 4: Improve visibility of IBAN with key internal and external stakeholders.

- We regularly attend Council and committee meetings on matters of importance to the IBAN. Our aim is to publicise IBAN's work, including individual audit reports, and the annual activity report, strategic plan and annual performance plan to raise awareness of IBAN activities both internally and externally. This aim will also be achieved by organising dissemination activities and providing a web-based platform where the NATO community can access our releasable documents. We will further develop and maintain professional contacts and cooperation with

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Supreme Audit Institutions of NATO Nations and with other like-minded international audit organisations, and in particular with the INTOSAI.

The associated performance measures and targets to be used to evaluate the achievement of the objectives are shown in the table below.

KPI's

#	<i>Key Performance Indicator</i>	<i>Target</i>
1	Proactively develop and offer independent analysis and opinion to NATO governing bodies on financial, NSIP, and performance issues.	Y/N
2	Publish articles on the IBAN internet website on IBAN activities or subjects of interest.	2
3	# of public events (conferences, seminars, courses, lectures, presentations) with auditees and stakeholders.	2

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IBAN ANNUAL FINANCIAL STATEMENTS AUDIT UNIVERSE

IBAN Annual Financial Statements Audit Universe	FY 2022 Total Expenses ¹
<i>NATO Common Funded Bodies or Activities</i>	
Allied Command Operations	1,178
Allied Command Transformation	174
International Military Staff	39
International Staff	338
NATO Coordinated Pension Scheme (Defined Benefit)	248
NATO Defence College	13
NATO Defined Contribution Pension Scheme	161
NATO Retiree's Medical Claim Fund	96
Science and Technology Organisation	34
<i>Sub-total</i>	2,285
<i>NATO Joint/Multi-Nationally Funded Bodies or Activities</i>	
Defence Innovation Accelerator for the North Atlantic	1
Munitions Safety Information Analysis Centre	2
NATO AEW&C Programme Management Agency	19
NATO Alliance Ground Surveillance Management Organisation in Liquidation	3
NATO Battlefield Information Collection & Exploitation Systems Group Executive	Non-disclosed ²
NATO Communications and Information Organisation	722
NATO Eurofighter 2000 and Tornado Development Production and Logistics Management Agency	50
NATO European Fighter Aircraft Development, Production and Logistics Management Organisation	Non-disclosed ³
NATO Multi-Role Combat Aircraft Development and In-Service Support Management Organisation	0
NATO Helicopter Design and Development Production and Logistics Management Organisation	14
NATO Medium Extended Air Defence System Design and Development, Production and Logistics Management Organisation in Liquidation	1
NATO Naval Forces Sensor and Weapons Accuracy Check Sites Office	1
NATO Support and Procurement Organisation	3,191
<i>Sub-total</i>	3,956
<i>NATO Joint/Multi-Nationally Funded Bodies or Activities Operational Budget Expenditures⁵</i>	
NATO Alliance Ground Surveillance Management Organisation in Liquidation (EUR)	11
NATO Alliance Ground Surveillance Management Organisation in Liquidation (USD)	43
NATO Helicopter Design and Development Production and Logistics Management Organisation	1,236
NATO Medium Extended Air Defence System Design and Development, Production and Logistics Management Organisation in Liquidation	0
NATO Multi-Role Combat Aircraft Development and In-Service Support Management Organisation	608
NATO European Fighter Aircraft Development, Production and Logistics Management Organisation	Non-disclosed ³
<i>Sub-total</i>	1,898

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Non-NATO Multi-Nationally Funded or Sponsored Bodies⁴	
AFNORTH International School	5
NATO Missile Firing Installation	8
NATO Parliamentary Assembly	4
SHAPE International School	7
Sub-total	24
Grand total	8,163

- ¹ All amounts in Millions of EUR (MEUR). Non-EUR amounts converted to EUR at 31 December rates.
- ² The NATO Battlefield Information Collection & Exploitation Systems Group Executive financial information is classified and not disclosed to the public.
- ³ The NATO European Fighter Aircraft Development, Production and Logistics Management Organisation financial information is commercially sensitive and not disclosed to the public.
- ⁴ By Council decision, the IBAN does not charge for the audits of the AFNORTH School, SHAPE International School, NATO Missile Firing Installation, and the NATO Parliamentary Assembly. In addition, these four entities are audited on an annual basis so are included in the annual financial statement audit universe. Non-NATO bodies do not share NATO's legal status, but may have a close relationship with the organisation. They have their own governance structures and are not subject to oversight by Council. The IBAN also audits an additional variable number of these bodies on a full cost reimbursable basis annually by request and if audit resources are available to do so.
- ⁵ The financial statements of NATO Procurement, Logistics or Service Organizations (NPLSO) include an operational budget execution report in accordance with the Regulations for NPLSO (C-M(2009)0079). Operational budget expenditures relate to expenditures incurred as an agent on behalf of third party participating NATO Nations and are not included in the NATO Reporting Entities' expenses. The Financial Statements of NAMMO and NEFMO are prepared on the basis that they are agents instead of principals. Therefore, NAMMO and NEFMO's operational expenditures are not reported as an expense in their respective Statement of Financial Performance. These expenditures continue to be reported in their respective operational budget execution report annexed to the Financial Statements, which is subject to audit by IBAN.

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Glossary of Terms

Financial Statement Audit Opinion

In accordance with auditing standards, audit opinions on financial statements and on compliance can be unqualified, qualified, a disclaimer, or adverse:

- An unqualified opinion is when IBAN issues an opinion that the financial statements and budget execution report are stated fairly and that nothing has come to our attention that causes us to believe that funds have not been properly used for the settlement of authorised expenditure or are not in compliance with the rules and regulations.
- A qualified opinion means that IBAN was generally satisfied with the presentation of the financial statements, but that some key elements of the statements were not fairly stated or affected by a scope limitation, or specific issues have come to our attention that causes us to believe that funds have not been properly used for the settlement of authorised expenditure or are not in compliance with the rules and regulations.
- A disclaimer is issued when the audit scope is severely limited and IBAN cannot express an opinion, or when there are material uncertainties affecting the financial statements or the use of funds.
- An adverse opinion is issued when the effect of an error or disagreement is so pervasive and material to the financial statements that IBAN concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

Three types of paragraphs may also be communicated in the independent external auditor's report, in accordance with auditing standards. These are Key Audit Matters, Emphasis of Matter and Other Matter.

NSIP Audit Opinion

In accordance with auditing standards, audit opinions on the expenditures incurred presented in the cost statements of the projects can be either unmodified or modified:

- An unmodified opinion is when IBAN issues an opinion on compliance of expenditures incurred in the Cost Statement and prepared by the Host Nation stating that nothing has come to our attention that causes us to believe that the expenditures incurred have not been carried out in compliance with the NSIP Regulations in force.

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- A modified opinion means one of the following:
 - IBAN issues an opinion on compliance of expenditures incurred presented in the cost statement and prepared by the Host Nation stating that some elements of the Cost Statement are affected by a scope limitation, or that specific issues have come to our attention that causes us to believe that some expenditures incurred have not been carried out in compliance with the NSIP Regulations in force.
 - IBAN issues an opinion on compliance of expenditures incurred presented in the cost statement prepared by the Host Nation, stating that the effect of an error, missing documentation or a disagreement is so pervasive and material that IBAN concludes that all expenditures incurred of the project have not been carried out in compliance with the NSIP Regulations in force.
 - IBAN cannot express an opinion on the expenditures incurred because the cost statement is missing, the inherent documentation was intentionally not provided, or because the scope of the audit is severely limited due to material uncertainties affecting whether expenditures incurred have been carried out in compliance with the NSIP Regulations in force.

Three types of paragraphs may also be communicated in the independent external auditor's report, in accordance with auditing standards. These are Key Audit Matters, Emphasis of Matter and Other Matter.

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IBA-M(2024)0001**Abbreviations/Acronyms**

ACO	Allied Command Operations
ACT	Allied Command Transformation
BC	Budget Committee
Board/IBAN	International Board of Auditors for NATO
BGX	BICES Group Executive
CEPS	Central Europe Pipeline System
CIS	Communications and Information Systems
CNAB	Competent National Audit Bodies
Council	North Atlantic Council
CPR	Civilian Personnel Regulations
DCPS	NATO Defined Contribution Pension Scheme
DIANA	Defence Innovation Accelerator for the North Atlantic
DPRC	Deputy Permanent Representatives Committee
EUR	Euro
FRP	Financial Rules and Procedures
FORACS	NATO Naval Forces Sensors and Weapon Accuracy Check Sites
IC	Investment Committee
IMS	International Military Staff
INTOSAI	International Organisation of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IS	International Staff
JFAI	Joint Final Acceptance Inspection
KPI	Key Performance Indicator
MC	Military Committee
MEADS	Medium Extended Air Defence System
MEUR	Millions of Euro
MSIAC	Munitions Safety Information Analysis Centre
NADGEMO	NATO Air Defence Ground Environment Management Office
NAEW&C	NATO Airborne Early Warning and Control
NAF	NATO Accounting Framework
NAGSMO i.L	NATO Alliance Ground Surveillance Management Organisation in liquidation
NAHEMA	NATO Helicopter for the 1990s Design and Development, Production and Logistics Management Agency
NAHEMO	NATO Helicopter for the 1990s Design and Development, Production and Logistics Management Organisation
NAMEADMSO i.L	NATO Medium Extended Air Defence System Management Organisation in liquidation
NAMFI	NATO Missile Firing Installation
NAMMO	NATO Multi-role Combat Aircraft Development Production and In-Service Support Management Organisation
NAPMA	NATO AEW&C Programme Management Agency

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NAPMO	NATO Airborne Early Warning and Control Programme Management Organisation
NOR	NATO Office of Resources
NPA	NATO Parliamentary Assembly
NCIA	NATO Communications and Information (NCI) Agency
NCIO	NATO Communications and Information Organisation
NDC	NATO Defence College
NEFMO	NATO European Fighter Aircraft Development, Production and Logistics Management Organisation
NETMA	NATO EF 2000 and Tornado Development, Production and Logistics Management Agency
NFO	NATO FORACS Office
NFR	NATO Financial Regulations
NSIP	NATO Security Investment Programme
NSPA	NATO Support and Procurement Agency
NSPO	NATO Support and Procurement Organisation
PP&E	Property, Plant and Equipment
RMCF	Retirees Medical Claims Fund
RPPB	Resource Policy and Planning Board
SACT	Supreme Allied Commander Transformation
SAI	Supreme Audit Institution
SHAPE	Supreme Headquarters Allied Powers Europe
STO	Science & Technology Organisation
USD	United States of America Dollar



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