

NATO SANS CLASSIFICATION

29 mai 2020

DOCUMENT
C-M(2020)0012-AS1

**RAPPORT
DU COLLÈGE INTERNATIONAL DES AUDITEURS EXTERNES DE L'OTAN
SUR LA VÉRIFICATION DES ÉTATS FINANCIERS 2018
DU CENTRE D'INFORMATION ET D'ANALYSE
SUR LA SÉCURITÉ DES MUNITIONS (MSIAC)**

NOTE SUR LA SUITE DONNÉE

Le 28 mai 2020, au terme d'une procédure d'accord tacite, le Conseil a pris note du rapport du RPPB annexé au C-M(2020)0012 et approuvé les conclusions et les recommandations qu'il contient concernant la dérogation aux articles 24.2 et 29.3 du Règlement financier de l'OTAN, laquelle doit permettre au MSIAC de recourir aux excédents cumulés pour financer des besoins urgents et constituer une réserve opérationnelle plafonnée à 650 000 euros. Le Conseil a également approuvé la communication au public du rapport du RPPB, du rapport de l'IBAN et des états financiers 2018 du MSIAC.

(signé) Jens Stoltenberg
Secrétaire général

NB : La présente note fait partie du C-M(2020)0012 et doit être placée en tête de ce document.

NATO SANS CLASSIFICATION



NATO SANS CLASSIFICATION

7 mai 2020

DOCUMENT

C-M(2020)0012

Procédure d'accord tacite :

28 mai 2020 17:30

CONSEIL DE L'ATLANTIQUE NORD

**RAPPORT
DU COLLÈGE INTERNATIONAL DES AUDITEURS EXTERNES DE L'OTAN
SUR LA VÉRIFICATION DES ÉTATS FINANCIERS 2018
DU CENTRE D'INFORMATION ET D'ANALYSE
SUR LA SÉCURITÉ DES MUNITIONS (MSIAC)**

Note du secrétaire général

1. On trouvera ci-joint le rapport du Collège international des auditeurs externes de l'OTAN (IBAN) sur la vérification des états financiers 2018 du Centre d'information et d'analyse sur la sécurité des munitions (MSIAC). L'IBAN a émis une opinion sans réserve sur les états financiers et une opinion avec réserve sur la conformité pour l'exercice 2018.
2. Le rapport de l'IBAN a été examiné par le Bureau de la planification et de la politique générale des ressources (RPPB) (voir annexe).
3. Je ne pense pas que cette question doive être examinée plus avant. Par conséquent, **sauf avis contraire me parvenant d'ici au jeudi 28 mai 2020 à 17h30**, je considérerai que le Conseil aura pris note du rapport du RPPB et approuvé les conclusions et les recommandations qu'il contient concernant la dérogation aux articles 24.2 et 29.3 du Règlement financier de l'OTAN, laquelle doit permettre au MSIAC de recourir aux excédents cumulés pour financer des besoins urgents et constituer une réserve opérationnelle plafonnée à 650 000 euros. Je considérerai également que le Conseil aura approuvé la communication au public du rapport du RPPB, du rapport de l'IBAN et des états financiers 2018 du MSIAC.

(signé) Jens Stoltenberg

1 annexe
1 pièce jointe

Original : anglais

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RAPPORT
DU COLLÈGE INTERNATIONAL DES AUDITEURS EXTERNES DE L'OTAN
SUR LA VÉRIFICATION DES ÉTATS FINANCIERS 2018
DU CENTRE D'INFORMATION ET D'ANALYSE
SUR LA SÉCURITÉ DES MUNITIONS (MSIAC)

Rapport du Bureau de la planification et de la politique générale des ressources
(RPPB)

Références :

- A. IBA-AR(2019)0018 – Rapport de l'IBAN sur la vérification des états financiers 2018 du Centre d'information et d'analyse sur la sécurité des munitions (MSIAC)
- B. FC(2020)0015 – Approbation d'une dérogation au NFR pour la réserve opérationnelle du MSIAC
- C. C-M(2015)0025 – Règlement financier de l'OTAN (NFR)
- D. PO(2015)0052 – Mandat issu du sommet du pays de Galles concernant la transparence et l'obligation de rendre compte

INTRODUCTION

1. Le présent rapport du RPPB concerne le rapport du Collège international des auditeurs externes de l'OTAN (IBAN) sur la vérification des états financiers 2018 du MSIAC. L'IBAN a émis une opinion sans réserve sur les états financiers et une opinion avec réserve sur la conformité (référence A).

OBJET

2. Le présent rapport fait le point sur le rapport de l'IBAN afin de permettre au RPPB de réfléchir aux questions ou préoccupations d'ordre stratégique découlant de la vérification des états financiers de l'entité concernée et, s'il y a lieu, de recommander une ligne de conduite au Conseil, dans le cadre d'une démarche propre à accroître la transparence, à améliorer le compte rendu et à renforcer la cohérence.

3. Par ailleurs, le RPPB recommande au Conseil d'approuver une dérogation au NFR qui permettrait de régler la question relative à l'utilisation par le MSIAC d'excédents cumulés comme réserve opérationnelle, qui avait fait l'objet d'une observation dans le rapport d'audit de 2015 et qui n'est toujours pas réglée.

EXAMEN DE LA QUESTION

4. L'IBAN n'a formulé aucune nouvelle observation ou recommandation à l'issue de la vérification des états financiers 2018 du MSIAC. À la date de l'établissement du rapport de l'IBAN, deux questions ayant fait l'objet d'observations lors d'un audit précédent restaient à traiter, dont une justifiant le maintien de la réserve émise au sujet de la conformité.

5. Fin 2018, le fonds de réserve du MSIAC affichait un solde de 219 kEUR, compte non tenu des 420 kEUR d'excédents afférents à l'exercice considéré. L'IBAN a recommandé au MSIAC de se conformer à l'article 29.3 du NFR (référence C) et de limiter les avoirs en caisse au minimum requis pour couvrir les paiements prévus jusqu'à la réception de la tranche de contribution suivante. En l'état, la situation n'est pas conforme au NFR et continue de justifier la formulation d'une réserve sur la conformité. En 2019, l'IBAN a été informé que le MSIAC n'avait pas cherché à obtenir sur ce point une dérogation à la version révisée du NFR.

6. En 2020, sur recommandation de son Comité directeur, le MSIAC a sollicité l'approbation d'une dérogation au NFR qui lui permettrait de recourir aux excédents cumulés pour financer des besoins urgents et constituer une réserve opérationnelle plafonnée à 650 kEUR (référence B). La réserve est actuellement alimentée exclusivement par les contributions financières directes des pays signataires du mémorandum d'entente du MSIAC. Elle n'est pas financée sur des fonds communs ni sur d'autres fonds OTAN. Le Comité directeur du MSIAC reste convaincu qu'une telle réserve est indispensable pour répondre aux besoins des pays membres du Centre, qui doivent pouvoir bénéficier de l'expertise technique, des produits et des outils nécessaires au traitement de questions relatives à la sécurité des explosifs. Par ailleurs, une réserve plafonnée à 650 kEUR permettrait de garantir la continuité des activités si un ou plusieurs pays membres venaient à quitter le MSIAC ou de financer les indemnités de perte d'emploi si le Comité directeur décidait de suspendre les activités du Centre.

7. Le RPPB rappelle que le Conseil a déjà approuvé des demandes similaires émanant des organes directeurs du Bureau des FORACS OTAN¹, de la NAPMO², de la NAGSMO³ et de la NSPO⁴, et il souscrit donc à la décision du Comité directeur du MSIAC de maintenir une réserve opérationnelle plafonnée à 650 kEUR. Il note que, selon le plan financier quinquennal du MSIAC, le solde de la réserve, qui était de 620 kEUR en 2019, diminuera déjà en 2020 et qu'il sera ramené progressivement à quelque 400 kEUR d'ici 2023.

¹ C-M(2018)0032.

² PO(2015)0751.

³ C-M(2017)0011.

⁴ C-M(2017)0048.

8. S'agissant de l'autre question restant à traiter, le RPPB encourage le MSIAC à en faire davantage pour mettre en place une politique de gestion des risques, étant entendu que les efforts du Centre doivent être proportionnels à sa taille et à l'importance de ses activités et de ses opérations.

CONCLUSIONS

9. Le RPPB note que, concernant la première des questions restant à traiter par le MSIAC, son comité directeur souhaite être autorisé à recourir aux excédents cumulés du Centre pour financer des besoins urgents et constituer une réserve opérationnelle (référence B). Il rappelle que le Conseil a déjà approuvé des demandes similaires.

10. Par ailleurs, le RPPB encourage le MSIAC à mettre en place une politique de gestion des risques, étant entendu que les efforts du Centre doivent être proportionnels à sa taille et à l'importance de ses activités.

RECOMMANDATIONS

11. Le Bureau de la planification et de la politique générale des ressources recommande au Conseil :

11.1. de prendre note du présent rapport et du rapport de l'IBAN cité en référence A ;

11.2. de noter que le Comité directeur du MSIAC a réaffirmé qu'il considérait que le maintien d'une réserve opérationnelle était essentiel ;

11.3. de souscrire à l'approche adoptée par l'organe directeur du MSIAC, qui consiste à recourir aux excédents cumulés pour financer des besoins urgents et constituer une réserve opérationnelle plafonnée à 650 kEUR (référence B) ;

11.4. d'approuver les conclusions figurant aux paragraphes 9 et 10 du présent rapport ;

11.5. d'approuver la communication au public du présent rapport, du rapport de l'IBAN et des états financiers 2018 du MSIAC, en vertu de la politique agréée dans la référence D.



NORTH ATLANTIC TREATY ORGANIZATION
ORGANISATION DU TRAITE DE L'ATLANTIQUE NORD

INTERNATIONAL BOARD OF AUDITORS FOR NATO
COLLEGE INTERNATIONAL DES AUDITEURS EXTERNES DE L'OTAN

NATO UNCLASSIFIED

(Releasable to Australia, Finland, Republic of Korea, and Sweden)

Enclosure to
C-M(2020)0012



IBA-A(2019)0139
25 October 2019

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

Cc: Chairman, MSIAC Steering Committee
Project Manager, MSIAC
Financial Controller, International Staff
Chairman, Resource Policy & Planning Board
Branch Head, Secretariat and Finance Branch, NATO Office of Resources
Private Office Registry

Subject: *International Board of Auditors for NATO (IBAN) Auditor's Report and Letter of Observations and Recommendations on the audit of the Munitions Safety Information Analysis Center (MSIAC) Restated Financial Statements for the year ended 31 December 2018 – IBA-AR(2019)0018*

IBAN submits herewith its approved Auditor's Report (Annex 2) and Letter of Observations and Recommendations (Annex 3) with a Summary Note for distribution to the Council (Annex 1).

IBAN's report sets out an unqualified opinion on the Financial Statements of the MSIAC and a qualified opinion on compliance for financial year 2018.

Yours sincerely,

Dr. Hans Leijtens
Chairman

Attachments: As stated above.

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Communicable à l'Australie, à la Finlande, à la République de Corée, à la Suède

ANNEXE 1

Note succincte du Collège international des auditeurs externes de l'OTAN à l'intention du Conseil sur la vérification des états financiers rectifiés du Centre d'information et d'analyse sur la sécurité des munitions (MSIAC) pour l'exercice clos le 31 décembre 2018

Le Centre d'information et d'analyse sur la sécurité des munitions (MSIAC) constitue, au sein de l'Alliance, un organe de coordination destiné à faciliter les programmes OTAN et nationaux de conception de munitions. Le MSIAC est dirigé et géré par un comité directeur et un directeur de projet. En 2018, la dotation budgétaire du MSIAC (reports compris) s'élevait à 1,81 million d'euros (MEUR), et les dépenses au titre du budget ont représenté 1,77 MEUR.

Le Collège international des auditeurs externes de l'OTAN (IBAN) a émis une opinion sans réserve sur les états financiers du MSIAC pour l'exercice clos le 31 décembre 2018 et une opinion avec réserve sur la conformité pour cet exercice.

Lors de son audit, l'IBAN n'a pas relevé de questions autres que celles qui avaient déjà fait l'objet d'observations à l'issue de l'audit précédent.

L'IBAN a fait le point sur la suite donnée aux questions ayant fait l'objet d'observations lors de l'audit précédent et a constaté que deux questions restaient à traiter. Une observation continue de justifier la réserve émise au sujet de la conformité (voir annexe 3).

L'opinion (annexe 2) et la lettre d'observations et de recommandations (annexe 3) ont été transmises au MSIAC, qui a indiqué qu'il n'avait pas de commentaire officiel à formuler.

L'IBAN a par ailleurs adressé à la direction du MSIAC une lettre faisant le point sur la suite donnée aux observations formulées lors de précédents audits (référence : IBA-AML(2019)0013).

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ANNEXE 2
IBA-AR(2019)0018

25 octobre 2019

COLLÈGE INTERNATIONAL DES AUDITEURS EXTERNES DE L'OTAN

**OPINION SUR LES ÉTATS FINANCIERS RECTIFIÉS
DU CENTRE D'INFORMATION ET D'ANALYSE
SUR LA SÉCURITÉ DES MUNITIONS
(MSIAC)**

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2018

OPINION DU COMMISSAIRE AUX COMPTES

À L'INTENTION DU CONSEIL DE L'ATLANTIQUE NORD

Vérification des états financiers

Opinion sur les états financiers

Le Collège international des auditeurs externes de l'OTAN (IBAN) a procédé à la vérification des états financiers rectifiés du Centre d'information et d'analyse sur la sécurité des munitions (MSIAC) portant sur la période de 12 mois ayant pris fin le 31 décembre 2018. Diffusés sous la cote FC(2019)0037-REV1 et soumis à l'IBAN le 27 août 2019, ces états financiers se composent de l'état de la situation financière au 31 décembre 2018, de l'état de la performance financière, de l'état des variations de l'actif net/situation nette et du tableau des flux de trésorerie pour la période de 12 mois ayant pris fin le 31 décembre 2018, ainsi que d'un résumé des méthodes comptables importantes et d'autres notes explicatives. Ils contiennent en outre un rapport sur l'exécution du budget portant sur la période de 12 mois ayant pris fin le 31 décembre 2018.

L'opinion de l'IBAN est que les états financiers rectifiés donnent une image fidèle et exacte de la situation financière du MSIAC au 31 décembre 2018 ainsi que de sa performance financière, de ses flux de trésorerie et de l'exécution du budget pour la période de 12 mois ayant pris fin le 31 décembre 2018, en application des dispositions comptables et des normes de compte rendu du cadre comptable OTAN.

Justification de l'opinion émise sur les états financiers

Le Règlement financier de l'OTAN (NFR) prévoit que l'audit externe des organismes OTAN établis en vertu du Traité de l'Atlantique Nord est effectué par le Collège international des auditeurs externes de l'OTAN (IBAN).

L'IBAN a effectué son audit sur la base des normes internationales des institutions supérieures de contrôle des finances publiques (ISSAI 1000-1810), définies par l'Organisation internationale des institutions supérieures de contrôle des finances publiques (INTOSAI), ainsi que des dispositions complémentaires figurant dans sa propre charte.

L'IBAN est indépendant, ainsi que le prévoit le Code de déontologie de l'INTOSAI, et il s'est acquitté de ses responsabilités dans le respect des dispositions de ce code. Les responsabilités des membres de l'IBAN sont décrites de manière plus détaillée dans la section « Responsabilités de l'IBAN concernant la vérification des états financiers » et dans sa charte. L'IBAN estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Responsabilité de la direction concernant les états financiers

La responsabilité de la direction concernant les états financiers est définie dans le NFR. Les états financiers du Centre d'information et d'analyse sur la sécurité des munitions (MSIAC) sont établis en application des dispositions comptables et des normes de compte rendu du cadre comptable OTAN tel qu'approuvé par le Conseil. Il incombe au contrôleur des finances de soumettre les états financiers à l'IBAN au plus tard le 31 mars qui suit la fin de l'exercice visé dans les états financiers.

Les états financiers sont signés par le chef de l'organisme OTAN concerné (le directeur de projet du MSIAC) et par le contrôleur des finances (du Secrétariat international). En apposant leur signature sur ces documents, ceux-ci confirment que des mesures de gouvernance financière, des mécanismes de gestion des ressources, des contrôles internes et des systèmes d'information financière ont été mis en place et maintenus afin de garantir une utilisation efficace et efficiente des ressources.

Cette confirmation couvre l'élaboration, la mise en place et le maintien d'un ensemble de contrôles internes de nature à permettre l'établissement et la présentation d'états financiers qui soient auditables et exempts d'inexactitudes significatives, que celles-ci relèvent d'une fraude ou d'une erreur. Elle couvre aussi le compte rendu relatif à la capacité de l'entité à poursuivre son activité, la présentation, le cas échéant, des questions relatives à la continuité de l'activité, et l'application du principe comptable de continuité d'activité, à moins qu'il soit prévu de liquider l'entité ou de mettre un terme à son activité ou qu'il ne soit pas réaliste de procéder de la sorte.

Responsabilités de l'IBAN concernant la vérification des états financiers

L'audit a pour objectif de permettre à l'IBAN d'obtenir une assurance raisonnable sur le point de savoir si les états financiers considérés dans leur ensemble sont exempts d'inexactitudes significatives, que celles-ci relèvent d'une fraude ou d'une erreur, et de formuler une opinion à leur sujet. L'assurance raisonnable correspond à un degré de certitude élevé, mais elle ne garantit pas qu'un audit effectué conformément aux ISSAI permettra dans tous les cas de détecter les inexactitudes significatives. Les inexactitudes, qui peuvent résulter d'une fraude ou d'une erreur, sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce que, considérées isolément ou collectivement, elles influent sur les décisions économiques que les utilisateurs des états financiers prennent en se fondant sur ceux-ci.

Dans le cadre d'audits effectués conformément aux ISSAI, les auditeurs font appel à leur jugement professionnel et à leur esprit critique tout au long de la planification et de la réalisation du travail. Cela nécessite de tenir compte des particularités que présentent les entités du secteur public. L'IBAN s'attache aussi :

- à recenser et à évaluer les risques d'inexactitudes significatives dans les états financiers, que celles-ci relèvent d'une fraude ou d'une erreur, à concevoir et à mettre en œuvre des procédures d'audit sensibles à ces risques ainsi qu'à obtenir

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ANNEXE 2
IBA-AR(2019)0018

par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion ; le risque de non-détection d'une inexactitude significative relevant d'une fraude est plus élevé que le risque de non-détection d'une inexactitude significative relevant d'une erreur car la fraude peut résulter d'une collusion, d'une falsification, d'omissions intentionnelles, de fausses déclarations ou du contournement du contrôle interne ;

- à acquérir une connaissance du contrôle interne qui soit pertinente pour l'audit, le but étant d'élaborer des procédures d'audit qui soient adaptées à la situation considérée et non pas d'exprimer une opinion sur l'efficacité du système de contrôle interne de l'entité ;
- à déterminer si les méthodes comptables appliquées sont appropriées et si les estimations comptables et les informations connexes fournies par la direction sont raisonnables ;
- à se prononcer sur le caractère approprié ou non de l'utilisation du principe comptable de la continuité d'activité et à déterminer, à partir des éléments probants obtenus par l'audit, s'il existe une incertitude significative du fait d'événements ou de circonstances susceptibles de remettre fondamentalement en cause la capacité de l'entité à poursuivre son activité ; si l'IBAN juge qu'une telle incertitude existe, il est tenu d'appeler l'attention, dans son opinion, sur les informations correspondantes figurant dans les états financiers ou, si ces informations sont incomplètes, de formuler une opinion modifiée ; les conclusions de l'IBAN sont fondées sur les éléments probants en sa possession à la date d'établissement de son rapport d'audit ; il n'est toutefois pas exclu que l'entité soit amenée à cesser son activité en raison d'événements ou de circonstances futurs ;
- à évaluer la présentation générale, la structure et le contenu des états financiers, y compris les informations fournies, et à déterminer si les états financiers rendent compte fidèlement des opérations et des événements qui en font l'objet.

L'IBAN est tenu de communiquer avec les organes chargés de la gouvernance, et notamment de les informer du périmètre et du calendrier de la mission d'audit qu'il prévoit d'effectuer, des principales conclusions de l'audit et des lacunes significatives qu'il aura éventuellement constatées dans le contrôle interne au cours de l'audit.

L'opinion que l'IBAN formule à l'intention du Conseil de l'Atlantique Nord doit aider ce dernier à s'acquitter de son rôle. C'est la raison pour laquelle l'IBAN est responsable de ses travaux et de son opinion devant le seul Conseil.

Vérification de la conformité

Opinion avec réserve sur la conformité

Sur la base des procédures qu'il a appliquées, l'IBAN estime qu'à l'exception de la question mentionnée dans la section suivante, rien, dans son audit des états financiers, ne lui donne de raison de penser que les fonds n'ont pas été régulièrement employés à l'acquittement de dépenses autorisées ou qu'ils ne sont pas conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN.

Justification de l'opinion avec réserve émise sur la conformité

L'IBAN a constaté qu'au 31 décembre 2018, le MSIAC détenait 219 000 EUR d'excédents cumulés (auxquels vont venir s'ajouter 420 000 EUR d'excédents afférents à l'exercice considéré). Ces excédents constituent une réserve, destinée à financer des besoins urgents. L'existence d'une telle réserve contrevient aux articles 24.2 et 29.3 du Règlement financier de l'OTAN, qui prévoient respectivement que les autorisations non engagées tombent en annulation en fin d'exercice et que le montant de chaque tranche soit calculé de façon que le total des avoirs en caisse reste limité au minimum requis pour couvrir les paiements prévus jusqu'à la réception de la tranche suivante. Le MSIAC n'a pas sollicité l'approbation par le Conseil d'une dérogation aux articles 24.2 et 29.3 du NFR à ce propos.

L'IBAN a effectué la vérification portant sur la conformité sur la base des normes internationales des institutions supérieures de contrôle des finances publiques (ISSAI 4000), définies par l'Organisation internationale des institutions supérieures de contrôle des finances publiques (INTOSAI), ainsi que des dispositions complémentaires figurant dans sa propre charte.

Responsabilité de la direction concernant la conformité

Tous les membres du personnel – civils et militaires – de l'OTAN sont tenus de respecter le Règlement financier de l'OTAN ainsi que les règles et procédures financières qui s'y rattachent et les directives d'application particulières, dont le Règlement du personnel civil de l'OTAN fait partie.

Le directeur de projet est responsable et tenu comptable d'une saine gestion financière. Les organismes OTAN doivent administrer leurs finances en s'appuyant sur les principes suivants : adéquation, bonne gouvernance, obligation de rendre compte, transparence, gestion des risques et contrôle interne, audit interne, audit externe, prévention et détection des fraudes.

Responsabilité de la direction concernant la conformité

Selon sa charte, en plus d'être responsable de fournir une assurance raisonnable quant à la question de savoir si les états financiers considérés dans leur ensemble sont exempts d'inexactitudes significatives, l'IBAN doit chaque année rendre au Conseil un avis indépendant lui assurant que les fonds ont été régulièrement employés à l'acquittement de dépenses autorisées (adéquation) et qu'ils sont conformes aux règles en vigueur (régularité). Par « adéquation », on entend le respect des principes généraux régissant une gestion financière saine ainsi que la conduite des membres de l'administration. Par « régularité », on entend le respect de critères officiels tels que les règlements, règles et procédures applicables.

Il incombe ainsi à l'IBAN d'appliquer des procédures lui permettant d'obtenir en toute indépendance une assurance sur le point de savoir si les fonds ont été régulièrement employés à l'acquittement de dépenses autorisées et si les opérations correspondantes ont été exécutées conformément à la réglementation en vigueur. De telles procédures prévoient notamment la prise en compte des risques de non-conformité significative.

Bruxelles, le 25 octobre 2019



Hans Leijtens
Président

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ANNEXE 3
IBA-AR(2019)0018

25 octobre 2019

COLLÈGE INTERNATIONAL DES AUDITEURS EXTERNES DE L'OTAN

**LETTRE D'OBSERVATIONS ET DE RECOMMANDATIONS
CONCERNANT LE CENTRE D'INFORMATION ET D'ANALYSE
SUR LA SÉCURITÉ DES MUNITIONS**

(MSIAC)

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2018

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Communicable à l'Australie, à la Finlande, à la République de Corée, à la Suède

ANNEXE 3
IBA-AR(2019)0018

Introduction

Le Collège international des auditeurs externes de l'OTAN (IBAN) a procédé à la vérification des états financiers rectifiés du Centre d'information et d'analyse sur la sécurité des munitions (MSIAC) pour l'exercice clos le 31 décembre 2018. Il a émis une opinion sans réserve à leur sujet et une opinion avec réserve sur la conformité.

Observations et recommandations

L'IBAN n'a pas eu d'observation à formuler à l'issue de l'audit.

L'IBAN a fait le point sur la suite donnée aux questions ayant fait l'objet d'observations lors de précédents audits et a constaté que deux questions restaient à traiter. Une observation continue de justifier la réserve émise au sujet de la conformité.

L'IBAN a par ailleurs adressé à la direction du MSIAC une lettre faisant le point sur la suite donnée aux observations formulées lors de précédents audits (référence : IBA-AML(2019)0013).

NATO SANS CLASSIFICATION

Communicable à l'Australie, à la Finlande, à la République de Corée, à la Suède

ANNEXE 3
IBA-AR(2019)0018

SUITES DONNÉES AUX OBSERVATIONS ANTÉRIEURES

L'IBAN a fait le point sur la suite donnée aux questions ayant fait l'objet d'observations lors de précédents audits. On trouvera dans le tableau ci-après un récapitulatif de ces observations et des mesures prises par l'entité ainsi qu'un état de la question.

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
(1) Exercice 2015 IBA-AR(2018)0001, paragraphe 1 RECOURS A UN FONDS DE RESERVE DE GESTION CONTREVENANT A LA VERSION REVISEE DU REGLEMENT FINANCIER DE L'OTAN Recommandation du Collège Le Collège recommande au MSIAC de se conformer à l'article 29.3 du NFR et de limiter les avoirs en caisse au minimum requis pour couvrir les paiements prévus jusqu'à la réception de la tranche de contribution suivante. Si, néanmoins, le Comité directeur du MSIAC reste convaincu de la nécessité d'une telle réserve de gestion, il doit solliciter l'approbation par le Conseil d'une dérogation aux articles 24.2 et 29.3 du NFR.	Le solde du fonds de réserve a été ramené de 474 000 EUR à 219 000 EUR. Toutefois, ce montant ne tient pas compte des 420 000 EUR d'excédents afférents à l'exercice considéré, qui feront partie des excédents cumulés en 2019. Cette situation n'est pas conforme au NFR et continue donc de justifier la formulation d'une réserve sur la conformité. Le Collège ne sait pas où en est le MSIAC dans sa démarche d'obtention d'une dérogation à la version révisée du NFR.	Question à traiter.
(2) Exercice 2015 IBA-AR(2018)0001, paragraphe 6 EFFORTS SUR LA VOIE DE LA CONFORMITE AVEC LA VERSION REVISEE DU REGLEMENT FINANCIER DE L'OTAN, ET EN PARTICULIER AVEC LES ARTICLES RELATIFS AU CONTROLE INTERNE, A LA GESTION DES RISQUES ET A L'AUDIT INTERNE. Recommandation du Collège Le Collège formule les recommandations ci-après. a) Le MSIAC devrait publier une politique de gestion des risques et faire en sorte que des registres de risques soient mis en place et utilisés.	a) Aucune politique spécifique de gestion des risques n'a encore été établie, mais un registre des risques	Question à traiter.

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ANNEXE 3
IBA-AR(2019)0018

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
b) En application des FRP XII, alinéa 3) (e), le MSIAC devrait se doter d'un cadre de contrôle interne spécifique pour l'évaluation de son système de contrôle interne, prévue par l'article 12 du NFR. Étant donné que d'autres entités OTAN, dont l'ACT et la NAPMA, ont déjà adopté le cadre de contrôle interne du COSO, susceptible d'être utilisé par des entités de toutes tailles, le MSIAC devrait envisager d'adopter lui aussi ce cadre. c) En coordination avec le Secrétariat international, lorsqu'il y a lieu, le MSIAC devrait entamer un travail d'évaluation et de consignation du fonctionnement du système de contrôle interne et des procédures de gestion des risques, afin de se conformer aux articles 11 et 12 du NFR, aux FRP XI et XII et au cadre de contrôle interne qu'il aura choisi. d) Le MSIAC devrait veiller, en recourant à l'externalisation si elle est jugée plus intéressante sur le plan financier, à ce que les activités d'audit interne comportent une analyse de la gestion des risques et du contrôle interne dans l'ensemble du MSIAC.	opérationnels a été mis en place et dûment utilisé. b) Le MSIAC ne s'est pas encore doté d'un cadre de contrôle interne spécifique. (c) L'IBAN n'a pas trouvé trace d'un quelconque travail d'évaluation et de consignation du fonctionnement du système de contrôle interne et des procédures de gestion des risques. d) Aucune analyse de ce type n'a été notifiée ni constatée.	

Une question est considérée comme étant « à traiter » lorsqu'aucun progrès notable n'a encore été réalisé en vue de son règlement. Une question est considérée comme étant « en cours de traitement » lorsque l'organisme OTAN visé a commencé à mettre en œuvre la recommandation correspondante ou lorsque certains éléments de la recommandation (mais pas tous) ont été suivis d'effets. Une question est considérée comme étant « traitée » lorsque la recommandation correspondante a été mise en œuvre ou qu'elle a été rendue ou est devenue caduque.

NATO UNCLASSIFIED

FC(2019)0035-REV1

NATO MSIAC

FINANCIAL STATEMENTS Financial Year 2018

Annexes:

- 1 Statement of Financial Position
- 2 Statement of Financial Performance
- 3 Cash Flow Statement
- 4 Statement of Changes in Net Assets
- 5 Statement of Budget Execution
- 6 Explanatory notes to the financial statements



Dr. M. SHARP
Project Manager MSIAC



S. CHAGNOT
Financial Controller NATO-IS

NATO UNCLASSIFIED

ANNEX 1 to
FC(2019)0035-REV1NATO MSIAC
Statement of financial position
As at 31 December 2018

(in EUR)				
	Notes	Current Year	Prior Year	Variance
		2018	2017	CY - PY
Assets				
<i>Current assets</i>				
Cash and cash equivalents	3 & 4	1,382,075.21	1,284,597.90	97,477.31
Short term investments	3	0.00	0.00	0.00
Receivables	5	0.00	7,060.73	-7,060.73
Prepayments	6	1,662.22	388.18	1,274.04
Other current assets	6	20,996.71	0.00	20,996.71
Inventories	7			0.00
		1,404,734.14	1,292,046.81	112,687.33
<i>Non-current assets</i>				
Receivables	5	0.00	0.00	0.00
Property, plant & equipment	8	0.00	0.00	0.00
Intangible assets	8	0.00	0.00	0.00
Other non-current assets		0.00	0.00	0.00
		0.00	0.00	0.00
Total assets		1,404,734.14	1,292,046.81	112,687.33
Liabilities				
<i>Current liabilities</i>				
Payables	9	707,125.96	684,014.48	23,111.48
Deferred revenue	10	11,850.00	5,369.65	6,480.35
Advances	11	0.00	0.00	0.00
Short term provisions	12	0.00	0.00	0.00
Other current liabilities	13	46,245.50	128,732.61	-82,487.11
		765,221.46	818,116.74	-52,895.28
<i>Non-current liabilities</i>				
Payables	14	0.00	0.00	0.00
Long term provisions	14	0.00	0.00	0.00
Non Current Deferred revenue	14	0.00	0.00	0.00
Other non-current liabilities	14	0.00	0.00	0.00
		0.00	0.00	0.00
Total liabilities		765,221.46	818,116.74	-52,895.28
Net assets				
<i>Capital assets</i>				
Reserves				
Accumulated surplus / (deficit)		219,512.68	473,930.07	-254,417.39
Current year surplus / (deficit)		420,000.00	0.00	420,000.00
Total net assets/ equity	15	0.00	0.00	0.00

NATO UNCLASSIFIED

NATO MSIAC
Statement of financial performance

As at 31 December 2018

(in EUR)			
Notes	Current Year	Prior Year	Variance
	2018	2017	CY - PY
Revenue	16		
Non exchange revenue	1,799,417.57	1,737,278.93	62,138.64
Joining Fees and Early Access Contributions	420,000.00	0.00	420,000.00
Exchange revenue	0.00	0.00	0.00
Other revenue	0.00	0.00	0.00
Financial revenue	0.00	0.00	0.00
Total revenue	2,219,417.57	1,737,278.93	482,138.64
Expenses	17		
Personnel	1,359,256.00	1,290,874.23	68,381.77
Contractual supplies and services	417,237.98	442,000.39	-24,762.41
Depreciation and amortization	0.00	0.00	0.00
Impairment	0.00	0.00	0.00
Provisions	0.00	0.00	0.00
Other expenses	20,996.71	1,585.34	19,411.37
Finance costs	1,926.88	2,818.97	-892.09
Total expenses	1,799,417.57	1,737,278.93	62,138.64
Surplus/(Deficit) for the period	420,000.00	0.00	420,000.00

NATO MSIAC
Statement of cash flow
 As at 31 December 2018

	(in EUR)	
	2018	2017
Cash flow from operating activities		
Surplus/(Deficit)	420,000.00	
Non-cash movements		
Depreciation/ Amortisation		
Impairment		
Use of Cash Reserves	-254,417.39	-366,366.43
Increase /(decrease) in payables	23,111.48	-16,189.58
Increase/ (decrease) in other current liabilities	-76,006.76	-16,835.72
Increase/ (decrease) in provisions		0.00
(Gains)/losses on sale of property, plant and equipment		0.00
Decrease/ (Increase) in other current assets	-22,270.75	4,677.30
Decrease/ (Increase) in receivables	7,060.73	161,656.77
Decrease/ (Increase) in other non-current assets		
Net cash flow from operating activities	97,477.31	-233,057.66
Cash flow from investing activities		
Purchase of property plant and equipment / Intangible assets		
Proceeds from sale of property plant and equipment		
Net cash flow from investing activities	0.00	0.00
Cash flow from financing activities		
Net cash flow from financing activities	0.00	0.00
Net increase/(decrease) in cash and cash equivalents	97,477.31	-233,057.66
Cash and cash equivalent at the beginning of the period	1,284,597.90	1,517,655.56
Cash and cash equivalent at the end of the period	1,382,075.21	1,284,597.90

NATO MSIAC
Statement of Change in Net Assets/Equity
 As at 31 December 2018

	(In EUR)
Balance at the beginning of the period 2017	840,296.50
Changes in accounting policy	
Restated balance	
Net gains/(losses) recognised directly in net assets/equity	
Exchange difference on translating foreign operations	
Gain on property revaluation	
Use of Cash Reserves	-366,366.43
Surplus/(deficit) for the period	
Change in net assets/equity for the year ended 2017	473,930.07
Balance at the beginning of the period 2018	473,930.07
Changes in accounting policy	
Restated balance	
Exchange difference on translating foreign operations	
Gain on property revaluation	
Use of Cash Reserves	-254,417.39
Surplus/(deficit) for the period	420,000.00
Change in net assets/equity for the year ended 2018	639,512.68
Balance at the end of the period 2018	639,512.68

NATO UNCLASSIFIED

ANNEX 5 to
FC(2019)0035-REV1

NATO MSI/AC
Statement of Budget Execution
as at 31 December 2018

	Initial budget	Transfers	BA2	Transfers	BA3	Increase/Decrease	Final budget	Actuals	Carry forward	Lapsed
	(Amounts in euro)									
Budget 2018										
Chapter 1	1,442,800	-	1,442,800	-	1,442,800	37,000	1,479,800	1,462,027	0	17,773
Chapter 2	317,350	-	317,350	-	317,350	13,000	330,350	318,342	11,850	158
Chapter 3	-	-	-	-	-	-	-	-	-	-
Chapter 4	-	-	-	-	-	-	-	-	-	-
Total FY 2018	1,760,150	-	1,760,150	-	1,760,150	50,000	1,810,150	1,780,369	11,850	17,931
Budget 2017										
Chapter 1	5,125	-	5,125	-	5,125	-	5,125	-2,170	-	7,295
Chapter 2	245	-	245	-	245	-	245	222	-	23
Chapter 3	-	-	-	-	-	-	-	-	-	-
Total FY 2017	5,370	-	5,370	-	5,370	-	5,370	-1,948	-	7,318
Budget 2016										
Chapter 1	-	-	-	-	-	-	-	-	-	-
Chapter 2	-	-	-	-	-	-	-	-	-	-
Chapter 3	-	-	-	-	-	-	-	-	-	-
Total FY 2016	-	-	-	-	-	-	-	-	-	-
Total all budgets	1,765,520	-	1,765,520	-	1,765,520	50,000	1,815,520	1,778,421	11,850	25,249

NATO UNCLASSIFIED
5-1

NATO UNCLASSIFIED

ANNEX 5 to
FC(2019)0035-REV1

NATO MSIAC
Statement of Budget Execution
as at 31 December 2017

(Amounts in euro)	Initial budget	Transfers	BA2	Transfers	BA3	Transfers	Final budget	Actuals	Carry forward	Lapsed
Budget 2017										
Chapter 1	1,436,000		1,436,000		1,436,000		1,436,000	1,412,323	5,125	18,552
Chapter 2	427,100		427,100		427,100		427,100	316,414	245	110,441
Chapter 3	-		-		-		-	-	-	-
Chapter 4	-		-		-		-	-	-	-
Total FY 2017	1,863,100	-	1,863,100	-	1,863,100	-	1,863,100	1,728,738	5,370	128,993
Budget 2016										
Chapter 1	-		-		-		-	-	-	-
Chapter 2	4,300		4,300		4,300		4,300	4,137	-	163
Chapter 3	-		-		-		-	-	-	-
Total FY 2016	4,300	-	4,300	-	4,300	-	4,300	4,137	-	163
Budget 2015										
Chapter 1	-		-		-		-	-	-	-
Chapter 2	-		-		-		-	-	-	-
Chapter 3	-		-		-		-	-	-	-
Total FY 2015	-	-	-	-	-	-	-	-	-	-
Total all budgets	1,867,400	-	1,867,400	-	1,867,400	-	1,867,400	1,732,875	5,370	129,156

**EXPLANATORY NOTES TO MSIAC
2018 FINANCIAL STATEMENTS****NOTE 1: GENERAL INFORMATION**

At the October 1990 Conference of National Armaments Directors (CNAD) meeting, the MOU establishing NATO Insensitive Munitions Information Centre (NIMIC) as a Project Office under CNAD was signed. The project transitioned to cover the wider aspects of Munition Safety in 2004 becoming the Munitions Safety Information Analysis Centre (MSIAC)

MSIAC is a member nations' funded and directed NATO Project office. Its goal is to help nations reduce and eliminate the risk to personnel and materiel from explosive incidents associated with own munitions. To help nations realise this goal, the project exchanges and analyses information and technology related to munition safety. MSIAC plays a central role in facilitating member nation's efforts to safely store, design, develop, procure and use safer munitions.

At the end of 2017, MSIAC had twelve participating countries: Australia, Belgium, Canada, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the United States. In 2018, Poland joined MSIAC bringing the membership to thirteen; and the Republic of Korea was granted early access which allows to use MSIAC services pending the completion of the accession procedure.

The MSIAC Steering Committee (one representative per member nation) is the governing body of the MSIAC. Steering Committee members are nominated by their respective national authorities.

For administrative purposes only, MSIAC is attached to the Defence Investment Division of the IS.

The participating countries pay all operational and administrative costs relating to the Project office, in accordance with an agreed cost-sharing formula which is based on a share value (EUR 84,000 for 2017 and 2018). End 2018, nine member Nations had one share and four had two shares.

NOTE 2: ACCOUNTING POLICIES

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

Declaration of Conformity

The MSIAC financial statements have been prepared in accordance with NATO Financial Regulations (NFR), the Financial Rules and Procedures (FRP) and the NATO Accounting Framework, which is an adapted version of the International Public Sector Accounting Standards (IPSAS).

Basis of Preparation

These financial statements have been prepared on a going-concern basis. The assumption is that MSIAC is a going concern and will continue in operation and meet its objectives and obligations for the foreseeable future.

The financial year is from 1 January to 31 December.

The amounts shown in these financial statements are presented in EUR.

MSIAC applied IPSAS 9 Revenue from exchange transactions and IPSAS 23 Revenue from non-exchange transactions.

The following IPSAS have no material effect on the 2018 MSIAC financial statements:

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

Changes in accounting policy

None to report.

Reclassification of Financial Statements of Previous Years

None to report.

Use of Estimates

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

Foreign Currency Transactions

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

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

MSIAC does not have any unrealised gains and losses resulting from the translation of statements.

Financial Risks

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

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

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

a. Foreign currency exchange risk

The exposure to foreign currency risk is limited as the majority of the NATO-MSIAC's expenditures are made in EUR, the currency of its budget. The current bank accounts are held in EURO.

b. Credit risk

NATO MSIAC incurs credit risks from cash and cash equivalent held with banks and from receivables.

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

Concerning cash and cash equivalent NATO MSIAC 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 01/03/2019

	Fitch	Moody's	S&P
Short term	F1	P1	A-2

The MSIAC outstanding accounts receivable are managed by maintaining control procedures over receivables. Most cash receivables are due from Participating Nations, which are considered credit worthy.

c. Liquidity risk

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

d. Interest rate risk

Except for certain cash and cash equivalent balances, MSIAC's financial assets and liabilities do not have associated interest rates. MSIAC is restricted from entering into borrowings and investments, and, therefore, there is an insignificant interest rate risk. Interest earned is not a budgetary resource but contributes to the surplus owed to Nations. In case of negative interest rates, these are added to the amounts called from Participating Nations.

Current Assets

a. Cash and cash equivalents

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

b. Funds Managed for Third Parties

Funds managed on behalf of third parties are held in cash and are presented as a liability. They are accounted for when cash is effectively received.

c. Receivables

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

Contributions receivable are recognised when a call for contribution has been issued to the funding nations. No allowance for loss is recorded with respect to Member countries' assessed contributions receivable.

NATO UNCLASSIFIED

ANNEX 6 to
FC(2019)0035-REV1

6-4

d. Prepayments

A prepayment is a payment in advance of the period to which it pertains and is mainly in respect of an advance payment made to a third party. This item may include advances made to staff in accordance with Civilian Personnel Regulations (such as advances on salary or on education allowance in consideration of the fact that these are the advances on future staff benefits.).

e. Inventories

As mentioned above, NATO's adaptations of IPSAS are spelled out in C-M(2016)0023 of April 2016, which included IPSAS 12 Inventories. Furthermore, C-M(2017)0043 of September 2017, approved the NATO Accounting Policy for Inventory.

When it comes to assessing the control of NATO Inventory, these documents define a set of 10 criteria to be used in assessing the level of control of an Inventory asset. A positive response on six of the criteria will lead to the asset being capitalised in the Financial Statements if it is above the capitalisation threshold. This is applied from January, 2013, under the initial NATO Accounting Framework C-M(2013)0039 of July 2013.

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

Capitalisation thresholds relevant to the financial statement are as follow:

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

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

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

NATO UNCLASSIFIED

6-4

NATO UNCLASSIFIED

6-5

ANNEX 6 to
FC(2019)0035-REV1

The MSIAC may consider inventory acquired prior to 1 January 2013 as fully expensed.

For inventory held prior to the 1 January 2013, and not previously recognized as an asset, the MSIAC will provide a brief description of inventory held within their inventory recording systems in the notes to the financial statements. Such disclosure will include as a minimum the types of inventories held, locations where inventories are held and the approximate number of items held per asset category.

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

The MSIAC assesses inventories under IPSAS 12. The outcome of this assessment is that the value of the inventories is immaterial both in value and in terms of the nature of the items held. Consequently, inventory is fully expensed on receipt. The materiality will be assessed each year.

In consideration of the above thresholds, MSIAC currently has no inventory.

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

a. Property, Plant & Equipment

As mentioned above NATO's adaptation of IPSAS are spelled out in C-M(2016)0023 of April 2016 among which were specific items addressing IPSAS 17 PPE. Furthermore, C-M(2017)0022 (INV) approved the NATO accounting policy for Property, Plant and Equipment.

When it comes to assessing the control of NATO over PPE these documents define a set of 10 criteria to be used in assessing the level of control of a tangible asset. A positive response on six of the criteria will lead to the asset being capitalised in the Financial Statements if it is above the capitalisation threshold. This is applied from January, 2013, under the initial NATO Accounting Framework C-M(2013)0039 of July 2013.

Capitalisation thresholds relevant to the financial statement are as follow:

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

The MSIAC considers PPE acquired prior to 1 January 2013 as fully expensed. However, existing accounting policies will continue to be applied for any PPE assets already capitalized prior to 1 January 2013. For PPE upgraded after 1 January 2013, only the portion related to the modification will be capitalized.

In consideration of the above thresholds, MSIAC currently has no PPE.

NATO UNCLASSIFIED

6-5

NATO UNCLASSIFIED

ANNEX 6 to
FC(2019)0035-REV1

6-6

b. Intangible Assets

As mentioned above, NATO's adaptations of IPSAS are spelled out in C-M(2017)0023 of April 2013, which included IPSAS 31 Intangible Assets. Furthermore, C-M(2017)0044 approved the NATO accounting policy for intangible assets.

When it comes to assessing the control of NATO over Intangible Assets, these documents define a set of 10 criteria to be used in assessing the level of control of an Intangible asset – they are the same as mentioned above under Inventory. A positive response on six of the criteria will lead to the asset being capitalised in the Financial Statements if it is above the capitalisation threshold. This is applied from January, 2013, under the initial NATO Accounting Framework C-M(2013)0039 of July 2013.

NATO Intangible Assets Capitalisation Thresholds - MSIAC will capitalise each intangible asset item above the following agreed NATO thresholds:

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

MSIAC will capitalise all controlled intangible assets above the NATO Intangible Asset Capitalisation Threshold. For anything below the threshold, the MSIAC will have the flexibility to expense specific items.

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

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

MSIAC will capitalise other types of intangible assets acquired after 1 January 2013 including:

- Copyright
- Intellectual Property Rights
- Software development

MSIAC may consider Intangible Assets acquired prior to 1 January 2013 as fully expensed.

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

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

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

NATO UNCLASSIFIED

6-6

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

In consideration of the above thresholds, MSIAC has no Intangible Assets.

Non-Current Assets other than PPE

There are none.

Current Liabilities**a. Payables**

Payables are amounts due to third parties, including Participating Nations, based on goods received or services provided that remain unpaid. These include estimates of accrued obligations to third parties for goods and services received but not yet invoiced. Amounts due to Participating Nations in the context of their budget contributions are booked under Other Current Liabilities.

b. Advances and Unearned revenue

Advances are contributions received related to future year's budgets. Funds are called in advance of their need because MSIAC has no capital that would allow it to pre-finance any of its activities.

Unearned revenue represents participating nations contributions which have been called for current budgets but that have not yet been recognised as revenue in the absence of any related budgetary expenditure.

c. Other Current Liabilities

Amounts corresponding to the current budgetary surplus (lapsed credits + net interests + miscellaneous income) are considered a liability towards the Participating Nations. The settlement does not follow the normal accounts payable process, since the standard approach is to return them to Participating Nations via a deduction of the following year's call for budget contributions. This liability is therefore classified under Other Current Liabilities.

This item may include other liabilities that do not result from the standard procure to pay process, such as miscellaneous transactions to be regularized between entities managed by the IS Office of Financial Control.

Non-Current Liabilities

The MSIAC has no non-current liabilities.

Net Assets

Net Assets correspond to MSIAC's Project Accumulated Surplus. Project Accumulated Surplus relates to funds resulting from past years' contributions by MSIAC member Nations in excess of budget execution that the Steering Committee decided not to redistribute to the member nations but keep for the needs of MSIAC. It is held at the direction of the Steering Committee.

Revenue Recognition

Revenue comprises contributions from Member Nations, pro-rated contributions (partial calls) and joining fees from new Member Nations.

NATO UNCLASSIFIED

ANNEX 6 to
FC(2019)0035-REV1

6-8

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably. The balance of unspent contributions and other revenues that relate to future periods are deferred accordingly.

Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the entity recognises a liability until the condition is fulfilled.

Contributions to be called from Member Nations, based on the budget they approved, are initially recorded as unearned revenue liabilities. They are recognised as revenue in the statement of financial performance when such contributions are used for their intended purpose as envisioned in the approved Budget.

On the other hand, calls related to non-budgeted contributions (new membership early access, access during the year, and Joining Fees from new Member Nations) are recognized when they are issued and as Non-Exchange revenue in the Statement of Financial Performance, considering that it is not possible to directly identify and value the consideration provided by MSIAC directly in return for the resources received. There are no expenses to be matched against these resources which are not refundable to nations.

Transformational adjustments were made in calculating earned revenue and expenses in the Statement of Financial Performance.

Segment Reporting

A segment is a distinguishable activity or group of activities for which it is appropriate to separately report financial information. There is no segment in MSIAC.

Statement of Financial position

NOTE 3: CASH AND CASH EQUIVALENTS – SHORT TERM INVESTMENTS

The current bank accounts are held in EUR. Deposits are held in interest-bearing bank accounts, immediately available.

cash (in EUR)	2018	2017
Cash at bank	1,382,075.21	1,284,597.90
Petty cash	-	-
Total	1,382,075.21	1,284,597.90

There were no short term investments.

NOTE 4: FUNDS MANAGED FOR THIRD PARTIES

MSIAC does not manage funds for third parties.

NOTE 5: ACCOUNTS RECEIVABLE

Receivables (in EUR)	2018	2017
Budgetary contributions	-	-
Others	-	7,060.73
Total	-	7,060.73

Contributions receivable from member nations are funds requested from the Nations to finance the current year MSIAC budget. An amount of 7,060.73 at year end 2017 was receivable from the insurer providing social security.

NATO UNCLASSIFIED

6-8

NATO UNCLASSIFIED

6-9

ANNEX 6 to
FC(2019)0035-REV1

NOTE 6: PREPAYMENTS and OTHER CURRENT ASSETS

Prepayments and Other Current Assets relate to miscellaneous amounts due to the Project Office in relation to services to be received in the following years and advances made to staff in relation to benefits of the following year (essentially advances to staff for education allowances or for travel, etc.).

(in EUR)	2018	2017
Prepayments to Suppliers	1,662.22	388.18
Prepayments to Staff	-	-
Other Current Assets	20,996.71	-
Total	22,658.93	388.18

Other Current Assets include the counterpart of untaken leave as a valuation of the potential budgetary contribution that would be required if this untaken leave were to be paid. However as indicated in the note on Employee Disclosure untaken leave is normally never paid. For 2017 untaken leave was not considered material. This item also includes accrued financial revenue.

NOTE 7: INVENTORIES

Nothing to report, inventories are not considered material.

NOTE 8: NON-CURRENT ASSETS

MSIAC has registered no non-current assets.

NOTE 9: ACCOUNTS PAYABLE

Payables and accrued expenses may be to commercial suppliers, staff, other NATO bodies or MSIAC member Nations.

Payable to suppliers relates to goods and services for which an invoice has been received, checked, and queued for payment but for which payment was still pending at year-end.

Accrued expenses correspond to the estimated accrual obligation to third parties for goods and services received but not yet invoiced.

Payables (in EUR)	2018	2017
Suppliers	24,360.10	14,639.31
Personnel	1,170.00	95.67
Member Nations	622,218.98	650,869.50
Accrued expenses/Education	-	-
Accruals	59,376.88	18,410.00
Total	707,125.96	684,014.48

Payable to nations

A payable of EUR 622,218.98 (EUR 650,869.50 at year-end 2017) is in relation to the reimbursable salaries and represents the amount due to the United States (US) for one civilian staff member who is paid directly by the US government. This amount remains to be regularised.

NOTE 10: DEFERRED REVENUE

Deferred Revenue

Deferred revenue corresponds to contributions called for the current year or before (received or receivable) that MSIAC intends to use for its initial purpose, but for which corresponding goods or services could not be received in the course of the current budget year but will be incurred after the end

NATO UNCLASSIFIED

6-9

NATO UNCLASSIFIED

ANNEX 6 to
FC(2019)0035-REV1

6-10

of the reporting period. If these amounts carried forward are not spent by the end of the second year following the year for which they were approved, these funds lapse, unless a specific decision is taken by member nations for a further carry-forward.

There were no appropriations subject to a special carry-forward.

NOTE 11: ADVANCES

No advances are called in the context of the standard call for contributions process applicable to MSIAC.

NOTE 12: SHORT TERM PROVISIONS

There were no short term provisions.

NOTE 13: OTHER CURRENT LIABILITIES

Other Current Liabilities include the Current Year Budget Surplus. Amounts corresponding to the current year budgetary surplus of MSIAC (lapsed credits + net interests + miscellaneous income) are considered a liability towards the Participating Nations. The settlement does not follow the standard accounts payable process, since the surplus is to be returned to Participating Nations via a deduction of the following year's call for budget contributions. To date, the agreed practice of the MSIAC Steering Committee has been to add these amounts to the Project Accumulated Surplus (see note on Net Assets).

(amounts in EUR)	2018	2017
Lapsed Appropriations	25,248.79	129,155.73
Net Financial Income	-	2,783.40
Miscellaneous Income	-	1,360.26
Others	-	-
Total	25,248.79	127,732.61

NOTE 14: NON-CURRENT LIABILITIES AND LONG TERM UNEARNED REVENUE

The long term unearned revenue is unearned revenue in relation to net carrying amounts of Property, Plant and Equipment and intangible assets. Revenue is recognised over the estimated life cycle of the Property, plant and equipment and the intangible assets.

There are no non-current liabilities.

NOTE 15: NET ASSETS

Net Assets correspond to MSIAC's Project Accumulated Surplus from previous years and the surplus (deficit) from the current year..

Project Accumulated Surplus relates to funds resulting from past contributions by MSIAC member Nations in excess of budget execution that the Steering Committee decided not to redistribute to the member nations but keep for the needs of MSIAC. This reserve also includes the former surpluses originating, for instance, from non-budgeted new membership contributions and joining fees paid by incoming member nations to contribute to the products and services developed over the 25 years of MSIAC operations. It is held at the direction of the Steering Committee. The Steering Committee may use these funds to contribute to future costs associated with MSIAC operations, or in case of emergency funding needs for the Project. The growth in accumulated surplus over previous years reflects more Nations entering the Project but zero growth in Project staff. A five year plan is agreed yearly and incrementally reduces this fund to target levels agreed by the MSIAC Steering Committee. At the Steering Committee meeting October 2018, the nations agreed to a target range between EUR 400 and EUR 650K.

NATO UNCLASSIFIED

6-10

(in EUR)	2018	2017
Cumulated Surplus beginning of the year	473,930.07	840,296.50
+ Lapses from previous year	129,155.73	72,080.09
+ Net Financial Income (Interest, Bank Fees) previous year	- 2,783.40	- 3,346.52
+ Miscellaneous Income previous year	1,360.28	-
- Surplus allocated to current year budget	- 382,150.00	- 435,100.00
Cumulated Surplus end of the year	219,512.68	473,930.07
Current Year Surplus	420,000.00	-
Net Assets as off 01 Jan 2019	639,512.68	473,930.07

The Project Accumulated surplus reduced between 2016 (EUR 840K) and 2017 (474K), in accordance with the policy agreed by the Steering Committee. At the end of 2018, it amounts to EUR 219,512.68, however in 2018 MSIAC collected additional proceedings from early access contributions and joining fees from new members (EUR 420K), that will revert to equity in 2019.

Statement of Financial Performance

NOTE 16: REVENUE

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

Revenue from member Nations' budgetary contributions is considered as non-exchange revenue in consideration of the fact that the contributions by member Nations are based on the number of shares and not in proportion of the service they receive. Non-exchange revenue is matched with expenses stemming from budget execution.

Other contributions such as non-budgeted contributions (new membership early access, access during the year, and Joining Fees from new Member Nations) whilst being also recognized as Non-Exchange revenue, do not follow the matching principle since it is not possible to directly identify and value the consideration provided by MSIAC directly in return for the resources received. There are no expenses to be matched against this revenue which is not refundable to nations. Therefore these result in Surplus of the period concerned.

NOTE 17: EXPENSES

Wages, Salaries and Employee Benefits

The personnel costs include all civilian personnel expenses as well as other non-salary related expenses in support of funded activities. They also include expenses for salaries and emoluments for approved NATO permanent civilian positions and temporary personnel, for other salary related and non-related allowances including overtime, medical examinations, recruitment, installation and removal, and for contracted consultants and training.

Supplies and Consumables Used

This item also includes expenses attributed to Capital Expenses from a budget perspective, if they do not meet the criteria of PPE or Intangible Assets.

Other Expenses

This item includes a valuation of untaken leave.

NOTE 18: BUDGET INFORMATION

NATO MSIAC Budget

Presently, the NATO MSIAC Budget is not publicly available.

The actual amounts referred to by IPSAS 24 ("amounts that result from execution of the budget") are expenses incurred during the execution of the budget and appearing under the heading "Actuals" in the Budget Execution Statement.

Presentation of budget information in the financial statements

An analysis of the budget execution for the current and the previous year is provided in Annex 5. The MSIAC budget execution compares the budget's authorized credits and the actual amounts committed and expended.

The MSIAC budget classification is based on the economic nature of the expenses broken down into three chapters as follows:

Chapter I : Personnel Expenses
Chapter II : Operating Expenses
Chapter III : Capital Costs

The MSIAC Budget is prepared for the same period (1 January to 31 December) and encompasses the same entity as these financial statements.

Changes to the budgetary regulations were introduced by the North Atlantic Council in 2015 in approving a new set of NATO Financial Regulations. The new NATO Financial Regulations were made applicable to the 2015 budget year as from 1 May 2015. They have in particular instilled an accruals based approach to budget preparation and budget execution, whereas before the approach was largely commitment and cash based.

Despite a stronger emphasis on the principle of annual budgets, the approved and executed budget cannot be considered as fully accruals-based, since the new regulations allow for a number of exceptions, such as carrying forward commitments for goods and services that were expected to be delivered in the course of the year but for various reasons were not, or authority given to the member Nations to allow for special carry forward of appropriations unused at year-end.

The MSIAC budget is prepared and executed as follows:

- 1) The commitment of appropriations is the advance acceptance and recording of the financial consequence resulting from a legal obligation incurred during the financial year. As a consequence appropriations are allocated, and commitments are approved, for goods, services and works to be delivered at a later stage. Commitments are settled when the service is rendered or goods delivered as is the case for expenses under accrual accounting.
- 2) Unliquidated commitments at year end normally lapse. However, if they are supported by a legal obligation and correspond to goods or services that could not be received during the course of the year for specific reasons, they may be carried forward and added to the budget of the following financial year. Uncommitted appropriations may be subject of a special carry forward to the following year if a specific agreement is given by the Steering Committee. Outstanding commitments can be carried forward for two years. As a consequence, the services or goods received may relate to a commitment of appropriations from previous years' budgets. The carry-forward should be justified by a reason for which the services or goods could not be received in the course of the year. In addition, in accordance with Financial Regulations, member Nations may agree to a further carry-forward of commitments that were already carried forward twice.

NATO UNCLASSIFIED

6-13

ANNEX 6 to
FC(2019)0035-REV1

- 3) Commitments, because they are an advance acceptance, and because payments cannot be made above approved appropriations levels, typically include an estimation factor and are (if only slightly) higher than the actual amount eventually paid. This results in commitments being higher than the actual expenses and in appropriations eventually lapsing.
- 4) Commitments are only made in respect of expenses relating to the initial purpose of the commitment. Commitments for capital expenditures are normally made in the year during which the purchase order is issued. In accrual accounting, the related costs would not appear in the Statement of Financial Performance but in the Balance Sheet and only upon reception of the works, goods or services. Conversely, there is no budgetary commitment of appropriations for non-cash flow transactions such as capital depreciation or provisions which would normally appear in the Statement of Financial Performance under accrual accounting.
- 5) On an exceptional basis, the Steering Committee may approve the carry-forward of credits without any prior legal commitment, for instance for projects at their initiation stage or planned expenditures. In accrual accounting there would be no expense recorded.
- 6) The balance of unused budgetary appropriations (not committed) lapses and is returned to Participating Nations at year-end. Lapses may include cases where a project was eventually not completed or started, and therefore lead to no expense.

Reconciliation between Budget Execution and Statement of Financial Performance

BUDGET EXECUTION		2018	2017
Total Budget (including carried-forward from previous year)	(a)	1,815,519.65	1,867,400.00
Credits Carried Forward in Following Year	(b)	11,850.00	5,369.65
Lapsed Appropriations	(c)	25,248.79	129,155.73
Budget Execution Expenses	(d) = (a-b-c)	1,778,420.86	1,732,874.62

RECONCILIATION		2018	2017
Financial Performance Expenses (total)	(e)	1,799,417.57	1,737,278.93
Other net expenses (financial and miscellaneous)	(f)	20,996.71	4,404.31
Increase in Non-Current Assets	(g)		0.00
Other Elements	(h)		0.00
Sub-Total	(i) = (e-f+g+h)	1,778,420.86	1,732,874.62
Difference to Budget Expenses	(d-i)	0.00	0.00

Budget execution

The MSIAC budget execution for the current and previous year is shown at Annex 5, which compares the budget's authorized appropriations and the actual amounts committed and expended.

Credits are transferred under the authority delegated to the NATO-IS Financial Controller by the NATO Financial Regulations and Financial Rules and Procedures.

Reconciliation between Budget and Calls for Contributions

The funding of the budget is made of a call for contributions, carried over credits and a part of previous years' surplus. There is one call for contribution per year, which is usually issued at the beginning of the year. No advances are called for the following financial year.

Participating Nations' contributions are assessed based on a share value of EUR 84,000. Nine Nations have one share and four have two shares.

NATO UNCLASSIFIED

6-13

NATO UNCLASSIFIED

ANNEX 6 to
FC(2019)0035-REV1

6-14

As directed by the Steering Committee, the calls covered EUR 1,428,000 in 2018 and in 2017. However, further to Poland joining MSIAC during 2018 and early access granted to the Republic of Korea, early access contributions were requested in the total amount of EUR 105,000. These proceedings are considered non-budgetary revenue, recognizable as a period surplus, that will be moved to equity at the beginning of the following year.

In accordance with MSIAC's Steering Committee decision, new member nations have to contribute a one-off Joining Fee, besides the normal annual contributions. In 2018 as a result of the accession of Poland and the Republic of Korea, EUR 315,000 were collected as joining fees. These proceedings are considered non-budgetary revenue, recognizable as a period surplus, that will be moved to equity at the beginning of the following year.

The table below reconciles the approved budget and the sources of funding.

amounts in EUR	2018	2017
Initial Budget	1,760,150.00	1,863,100.00
Revised Budget	50,000.00	-
Total Annual Budget	1,810,150.00	1,863,100.00
Advance called previous year	-	-
Call in current year	1,533,000.00	1,428,000.00
Total Cash Calls	1,533,000.00	1,428,000.00
Use of Previous Year's Surplus	-	-
Use of Project Accumulated Surplus	277,150.00	435,100.00
Other Funding Sources	277,150.00	435,100.00
Total Funding	1,810,150.00	1,863,100.00

NOTE 19: WRITE-OFFS

Serial Date	Location	Type of Items	Acquisition Value in EUR	Net Book Value	Reason for Write-off	Disposal Method
1/26/7/2018	IS Building Z	Miscellaneous IT Equipment	515,478.10	-	Unserviceable, Obsolete	Waste/Recycle
2/26/7/2018	IS Building Z	Miscellaneous Furniture Items	150,628.35	-	Unserviceable, Obsolete	Waste/Recycle
TOTAL			666,104.45	-		

NOTE 20: LEASES

MSIAC does not have any financial leases.

NOTE 21: RESTRICTIONS ON FIXED ASSETS

There are no restrictions on fixed assets.

NOTE 22: CONTINGENT LIABILITIES

There have been no contingent liabilities identified that would be expected to result in a material obligation.

NOTE 23: CONTINGENT ASSETS

Nothing to report

NATO UNCLASSIFIED

6-14

NATO UNCLASSIFIED

6-15

ANNEX 6 to
FC(2019)0035-REV1

NOTE 24: EMPLOYEE DISCLOSURE

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

Paid leave is an employee benefit and as such part of overall personnel expenses. In accordance with personnel regulations, the remaining balance at year end may be carried forward but must be taken before 30 April of the following year. It can be exceptionally expanded to 31 October in accordance with Civilian Personnel Regulations art. 42.3.5 and 42.3.6. After this date it lapses and is not paid to staff. For these financial statements, untaken leave is specifically reported if its monetary value is more than 10% of the total annual leave entitlement. The cost of untaken leave days is usually absorbed during the year through the monthly salaries; leave to be taken carried forward into the next year constitutes a liability towards the future and would notionally require funding from Participating Nations.

End 2018, untaken leave was estimated EUR 20,996.71. Untaken leave by MSIAC staff was not considered material as of end 2017.

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

For 2018, MSIAC had an approved Personnel Establishment of 10 positions funded by the MSIAC budget (10 for 2017).

End 2018, 8 staff members (8 in 2017) participated in the Defined Contribution Pension Scheme (DCPS) administered by NATO. The DCPS provides that the MSIAC budget makes a 12 percent monthly matching contribution to the staff members' contributions for current service. End 2018, 1 other employees (2 in 2017) participated in NATO's Defined Benefit Pension Scheme (DBPS): a deduction of 9.5% of their salaries is made and contributed to the annual financing of this Plan. In addition, the MSIAC budget makes a monthly matching contribution of 19% to the DBPS. Consequently, the MSIAC has neither DBPS nor DCPS liabilities for its staff members. These contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the entity.

		2018	2017
Provident Fund	Staff	-	-
	Employer	-	-
	Total	-	-
Co-ordinated Pension Scheme	Staff	6,843.36	12,032.76
	Employer	14,476.41	24,065.52
	Total	21,319.77	36,098.28
Defined Contribution Pension Scheme	Staff	73,993.56	65,379.62
	Employer	86,889.74	77,434.65
	Total	160,883.30	142,814.27
TOTAL	Staff	80,836.92	77,412.38
	Employer	101,366.15	101,500.17
	Total	182,203.07	178,912.55

End 2018, one staff member was employed on a reimbursable basis with an agreement between NATO-IS and the United States (same for 2017). The individual is remunerated and accrues pension rights under the United States pension scheme.

Further to an analysis covering the last years of the history of death in service risks in relation to premiums paid by the Organisation during 2012-2015, a compensation of EUR 6 million at the NATO-wide level was agreed by the insurance company. End 2018, the NATO Secretary General decided that

NATO UNCLASSIFIED

6-15

NATO UNCLASSIFIED

ANNEX 6 to
FC(2019)0035-REV1

6-16

a fraction of this amount (circa EUR 1,7 million) should be paid to NATO staff who were members of the DCPS during the period 2012-2015 in proportion to the contributions they made to the DCPS. Staff employed by MSIAC during the period 2012-2015 and affiliated to the DCPS are therefore entitled to a payment to be made from the NATO DCPS accounts. A decision still has to be taken concerning the remaining amount of the compensation, which may result in a proportional payment to MSIAC.

NOTE 25: KEY MANAGEMENT PERSONNEL

The MSIAC Steering Committee (one representative per member nation) is the governing body of the MSIAC. Steering Committee members are nominated by their respective national authorities. They are paid on the basis of applicable national pay scales. The Steering Committee members do not receive from MSIAC or NATO any additional remuneration for Steering Committee responsibilities or access to benefits.

The key management personnel of the MSIAC Office consists of the Project Manager established post (A5). The Project Manager is responsible for the overall operational management of MSIAC.

There are no other remunerations or benefits to key management personnel or their family members.

NOTE 26: RELATED PARTIES

Key management personnel have no significant party relationships that could affect the operation of the MSIAC Office.

In 2018, NATO International Staff charged MSIAC an amount of EUR 59,440.46 for administrative support costs (EUR 82,181.02 in 2017) and EUR 35,465 for common operating costs (EUR 27,404.53 in 2017). In addition, the International Staff charges an annual rent for office space occupied in Building Z up until the move to the new NATO HQ during 2018 (EUR 9,031.40 for 2018 and EUR 36,125.62 in 2017).

List of acronyms:

BC	Budget Committee
CNAD	Conference of National Armaments Directors
DI	Defence Investment Division
ERP	Enterprise Resource Planning
IPSAS	International Public Sector Accounting Standards
IS	International Staff
MOU	Memorandum of Understanding
MSIAC	Munitions Safety Information Analysis Centre
NIMIC	NATO Insensitive Munitions Information Centre
PPE	Property, Plant and Equipment

NATO UNCLASSIFIED

6-16