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ENGLISH only



United States Mission to the OSCE

Responses to the Report of the External Auditor on the Financial Report and Statement for 2017 and to the Report of the OSCE Audit Committee, July 2017 – June 2018

As delivered by Acting Deputy Chief of Mission Michele Siders
to the Permanent Council, Vienna
July 5, 2018

Thank you, Mr. Chair.

The United States thanks the External Auditor and his staff for their comprehensive audit of the OSCE Financial Report and Statements for 2017, and we also thank the OSCE Audit Committee for the presentation of its thirteenth Annual Report.

With regard to the presentation of the External Auditor report, we welcome Mr. Jose Luis Cea Claver to the Permanent Council, and we thank the Court of Audit of Spain for its role as External Auditor. We are pleased that the External Auditor, after thorough review and analysis of the OSCE accounting systems and procedures, and consultations with the OSCE Secretariat and six field operations, issued an unqualified opinion of the financial statements for period ended December 31, 2017 – which revealed no material weaknesses or errors. The United States is a strong supporter of the OSCE and a major contributor, and we believe that external audits are a necessary component of ensuring the financial and management integrity of the Organization. We commend the Secretariat for implementing all recommendations in the 2016 Financial Statements, and we encourage the OSCE to address the recommendations made in the 2017 External Auditor Report.

Mr. Cea, the United States appreciates the work that you and the Court of Audit of Spain have done for the OSCE. We look forward to continuing our working relationship with you in your capacity as External Auditor.

With regard to the OSCE Audit Committee Report, we welcome Dr. Batbayar Badamdorj to the Permanent Council, and we thank the OSCE Audit Committee for the presentation of its thirteenth annual audit report covering the period July 2017 to June 2018. We firmly believe that the work of the Audit Committee, in cooperation with the External Auditors and the Office of Internal Oversight, is essential to improving the external and internal controls, and operations of the OSCE.

We echo the call for all executive structures to increase their attention to long term strategic planning, which will allow them to more effectively implement their mandates within their available resources. We also appreciate that the Unified Budget Proposal provided additional information in efforts to improve transparency with the inclusion of a review and update on the application of results-based management, and hope that managers will continue to focus on outcomes rather than activities and outputs.

We welcome the discussion on further measures to streamline the budget process and documents, including the ongoing work in the ACMF on a multi-year budget cycle in order to streamline our efforts and reduce administrative costs. We regret the late adoption of the Unified Budget for 2018 and support the Audit Committee's recommendations for the OSCE to consider relevant measures to ensure an approval of the budget before the end of the preceding year. A timely Unified Budget will help avert programmatic implementation issues, additional administrative burden, and the potential risks for the reputation of the OSCE as a reliable partner. For this reason, we reiterate our call for consideration of a multi-year budget cycle, and encourage all participating States to work toward timely consensus on 2019's Unified Budget.

We welcome more consistent and timely information on results and findings of internal audits, investigations, and evaluations. It is our view that as participating States, and stakeholders in this Organization, we should be informed of the administration, management and financial challenges and successes of the Organization.

The United States thanks the Audit Committee for their time and service to the OSCE.

Thank you, Mr. Chair.