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**Chairmanship: Spain****677th PLENARY MEETING OF THE COUNCIL**

1. Date: Thursday, 19 July 2007

Opened: 10.05 a.m.

Closed: 1.05 p.m.

2. Chairperson: Mr. C. Sánchez de Boado y de la Válgoma

3. Subjects discussed — Statements — Decisions/documents adopted:

Agenda item 1: PRESENTATION BY THE SECRETARY GENERAL  
AND THE ODIHR OF THE REPORT ON THE  
IMPLEMENTATION OF MC.DEC/5/06  
ON ORGANIZED CRIME

Chairperson, Secretary General (SEC.GAL/136/07/Corr.1) (SEC.GAL/141/07 OSCE+), Director of the Office for Democratic Institutions and Human Rights (ODIHR.GAL/58/07 OSCE+), Portugal-European Union (with the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the countries of the Stabilisation and Association Process and potential candidate countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; the European Free Trade Association country Iceland, member of the European Economic Area; as well as Armenia, Georgia, Moldova and Ukraine, in alignment) (PC.DEL/764/07), Russian Federation (PC.DEL/770/07 OSCE+), Norway (PC.DEL/754/07)

Agenda item 2: ADDRESS BY THE EUROPEAN UNION SPECIAL  
REPRESENTATIVE FOR MOLDOVA,  
MR. KÁLMÁN MIZSEI

Chairperson, European Union Special Representative for Moldova, Ukraine (PC.DEL/758/07), United States of America (PC.DEL/751/07/Rev.1), Russian Federation (PC.DEL/761/07 OSCE+), Azerbaijan (also on behalf of Georgia) (PC.DEL/760/07 OSCE+), Moldova (PC.DEL/755/07)

Agenda item 3: REVIEW OF CURRENT ISSUES

- (a) *Visit of the Secretary General to Afghanistan from 29 June to 3 July 2007: Secretary General, Afghanistan (Partner for Co-operation) (PC.DEL/752/07 OSCE+), United States of America*
- (b) *The case of Mr. A. Litvinenko: Portugal-European Union, United Kingdom (PC.DEL/762/07 OSCE+), Russian Federation*
- (c) *Sixteenth Annual Session of the OSCE Parliamentary Assembly, held in Kiev from 5 to 9 July 2007: OSCE Parliamentary Assembly (PA.GAL/3/07 Restr.), Belarus (SEC.GAL/95/07)*

Agenda item 4: OSCE MISSION TO CROATIA

Chairperson, Head of the OSCE Mission to Croatia (PC.FR/17/07 OSCE+), Portugal-European Union (with the candidate countries the former Yugoslav Republic of Macedonia and Turkey; the countries of the Stabilisation and Association Process and potential candidate countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; the European Free Trade Association countries Iceland and Norway, members of the European Economic Area; as well as Armenia, Azerbaijan, Georgia, Moldova and Ukraine, in alignment) (PC.DEL/765/07), Serbia (PC.DEL/759/07 OSCE+), Russian Federation (PC.DEL/768/07 OSCE+), United States of America (PC.DEL/753/07), Croatia (PC.DEL/766/07 OSCE+)

Agenda item 5: DECISION ON THE FINANCIAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 AND THE REPORT OF THE EXTERNAL AUDITOR

Chairperson

**Decision:** The Permanent Council adopted Decision No. 802 (PC.DEC/802), the text of which is appended to this journal, on the Financial Report and Financial Statements for the year ended 31 December 2006 and the Report of the External Auditor.

Agenda item 6: REPORT ON THE ACTIVITIES OF THE CHAIRMAN-IN-OFFICE

*Announcement of the distribution of the written report on the activities of the Chairman-in-Office (CIO.GAL/11/07):* Chairperson

Agenda item 7: REPORT OF THE SECRETARY GENERAL

*Announcement of the distribution of the report of the Secretary General:*  
Secretary General

Agenda item 8: ANY OTHER BUSINESS

- (a) *Fourth informal meeting of the Ministers for Foreign Affairs of the Mediterranean States of the European Union, held in Koper, Slovenia, on 5 and 6 July 2007: Slovenia (PC.DEL/763/07)*
- (b) *Request for short-term observers for the ODIHR election observation mission to the parliamentary elections in Kazakhstan on 18 August 2007 (ODIHR.INF/15/07): Chairperson*

4. Next meeting:

Thursday, 26 July 2007, at 10 a.m., in the Neuer Saal



**677th Plenary Meeting**

PC Journal No. 677, Agenda item 5

**DECISION No. 802  
FINANCIAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006 AND  
THE REPORT OF THE EXTERNAL AUDITOR**

The Permanent Council,

Acting in accordance with the relevant provisions of the Financial Regulations, particularly Regulations 7.05 and 8.06(e), as approved by the Permanent Council on 27 June 1996 (DOC.PC/1/96), as well as Step 5(b) of PC.DEC/553 on the OSCE's Unified Budget Process,

Reiterating the importance of full transparency and accountability in the functioning of the OSCE,

Taking note of the Financial Report and Financial Statements for the year ended 31 December 2006 and the Report of the External Auditor (PC.ACMF/42/07/Rev.1) of 10 July 2007,

Expressing its gratitude to the External Auditor, the Office of the Auditor General of Norway, for the work done,

1. Accepts the Financial Report and Financial Statements for the year ended 31 December 2006;
2. Requests the Secretary General to establish and submit to the Advisory Committee on Management and Finance not later than 31 October 2007 a work plan for follow-up to the recommendations of the External Auditor as reflected in its Report for 2006. Further requests the Secretary General to inform the Permanent Council through the Advisory Committee on Management and Finance about the implementation of this plan on a regular basis, taking into account guidance from the Advisory Committee on Management and Finance;
3. Looks forward to the Audit Committee's expeditious review of the OSCE's systems of internal and external controls.