



United States Mission to the OSCE

Responses to the Report of the External Auditor on the Financial Report and Statements for 2018 and to the Report of the OSCE Audit Committee, July 2018 – June 2019

As delivered by Deputy Chief of Mission Harry R. Kamian
to the Permanent Council, Vienna
July 4, 2019

Thank you, Madame Chair.

The United States expresses its appreciation to the External Auditor and his staff for their comprehensive audit of the OSCE Financial Report and Statements for 2018. We also thank the OSCE Audit Committee for the presentation of its 14th Annual Report.

We welcome Mr. Rafael Pou Bell 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 OSCE accounting systems and procedures, interviews and discussions with relevant OSCE staff, including visits to three field operations, issued an unqualified opinion of the financial statements for the period ending December 31, 2018, revealing no material weaknesses or errors. We welcome External Auditor's observations and recommendations. As a strong supporter of the OSCE, the United States agrees that external audits are a necessary component of ensuring the financial and management integrity of the Organization.

We commend the Secretariat for seeking to implement the recommendations in the 2017 Financial Statements, and we encourage the OSCE to address the recommendations made in the 2018 External Auditor Report as well.

On the OSCE Audit Committee Report, we welcome Mr. Michael Schrenk to the Permanent Council, and we thank the OSCE Audit Committee for the presentation of its 14th annual audit report covering the period July 2018 to June 2019. We believe 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 share the concerns expressed today regarding the inability to adopt the Unified Budget in a timely manner, one that would allow executive structures, participating States, and field missions to plan and execute our important work in a timely manner. Therefore, we echo the call for a timely adoption of the OSCE's Unified Budget, and we would encourage all participating States to play a constructive role in achieving what we see as our shared, collective goal.

In addition, we believe the recommendation to provide the Organization with quarterly provisional allotments instead of monthly provisional allotments, in the absence of an approved Unified Budget, deserves further examination and discussion.

We also remain supportive of efforts and creative ideas to extend the budget planning cycle, and we look forward to reviewing and considering the Secretary General's proposal that you mentioned today.

We also encourage the Secretariat to continue its efforts to strengthen the internal controls framework across the OSCE for risk management, control activities, reporting, and compliance.

Finally, the United States supports the Audit Committee's position on the need to implement the Committee's recommendations in a reasonable time. Again, please allow us to thank the Committee for their time and service to the OSCE.

Thank you, Madame Chair.