

United States Mission to the OSCE



Responses to the Financial Report and Financial Statements for 2020, the Report of the External Auditor and Internal Audit Opinion

As delivered by Chargé d’Affaires Courtney Austrian
to the Permanent Council, Vienna
September 23, 2021

Thank you, Madam Chair.

As we turn from OSCE policy matters to institution management, we are reminded of the value of the PC continuing to review this organization’s financial reports, to include the opinion of our external auditor. Maintaining the health of this organization’s management practices allows the OSCE to continue to thrive, successfully executing its mandate and participating States’ priorities. As the United States provides a significant level of funding to this organization, we have an equally high level of interest in reviewing these reports.

The United States welcomes Monsieur Michel Camoin from the *Cour des Comptes* in Paris and thanks him for his presentation on the External Audit Opinion on the OSCE’s 2020 Financial Statements and the related Audit Report. The financial picture at the OSCE for 2020 was one affected by the extraordinary circumstances of the COVID-19 pandemic as well as ongoing pressures of a Zero Nominal Growth budget. Your report helped us consider the outcomes of those challenges, and we value your views in this regard. We also recognize several of your recommendations had been recommendations of the Audit Committee – particularly strengthening HR practices and IT tools with an eye towards improving organizational efficiency and effectiveness. We expect the OSCE will promptly follow up on the recommendations with particular attention to those measures needed to strengthen internal controls and accountability.

I would also like to thank the Audit Committee for its report, and we welcome your continued review of how to best modernize and improve the Organization’s risk management framework. In that regard, I would like to applaud the efforts made to date in the executive structures of the Organization and the field missions to integrate appropriate measures for monitoring and evaluation, particularly in relation to extra-budgetary contributions. It is evident that serious consideration has been given to donor requests to improve internal processes and we look forward to continuing to work with the structures as together we adopt best practices.

Relatedly, we understand that the Secretary General is undertaking a functional review which aims to support staffing, personnel recruitment, and resource mobilization reforms to improve institutional efficiencies. We look forward to hearing more about this review and its goals in the PC, when they are available.

And although we are discussing the organization’s 2020 financial picture, I would be remiss in not mentioning the challenges we faced in concluding the 2021 Unified Budget. I would like to underline the importance of concluding a timely, professional budget so that we can continue upholding the principles we all expressed and commitments we all made in the *Helsinki Final Act* to

promote comprehensive security. We are reminded in the Secretary General's 2020 financial report of the consequences of delayed approval of the budget – the obstruction of program implementation. The executive structures of the Organization and the field missions are conducting important work on a wide range of issues, including conflict early warnings, border security, advancing the *Women, Peace, and Security* agenda, promoting sustainable economic recovery from the COVID-19 pandemic, combating violent extremism, and many other critical tasks on a daily basis. The organization's credibility is damaged in the case of such a significant budget delay. The United States looks forward to collaborating with other participating States to ensure it is not repeated.

Thank you, Madam Chair.

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