



## **United States Mission to the OSCE**

### **Response to the Report of the OSCE Audit Committee, July 2012 – June 2013**

As delivered by Ambassador Ian Kelly  
to the Permanent Council, Vienna  
July 4, 2013

Thank you, Mr. Chairman.

The United States would like to welcome Ms. Dayries to the Permanent Council and would like to thank the OSCE Audit Committee for its Annual Report. We firmly believe that your involvement with the OSCE, coupled with the work of the External Auditors and the Office of Internal Oversight, improves the functioning of the OSCE.

We are pleased that the Audit Committee has taken note of many of the initiatives to improve the management of the OSCE, including but not limited to new disciplinary measures, a new evaluation framework, and the ongoing work to update OSCE staff rules and regulations. We agree that these were important steps toward improving operations.

We support Audit Committee recommendations to further review priorities and resource allocation given budgetary restraints. Concrete indicators of performance should be shared broadly with participating States to facilitate discussions on priorities and achievable impact. We also agree that it is worth considering moving to a biennial budget to improve the ability of fund managers to plan and implement priority programs. In addition, steps toward an organization-wide risk management policy should be taken on the basis of broad consultations with program managers and participating States.

The United States again wishes to express concern about the open recommendation from 2011 urging participating States to update the OSCE's financial regulations. We are disappointed that we have not found consensus on this important task, and hope that additional effort will result in a breakthrough. We do not seek to change the fundamentals of the organization, but the regulations need to be brought into conformity with its current practices.

Finally, the United States wishes to thank the Audit Committee for their time and service to the OSCE. We appreciate your willingness to share your observations with us here in the Permanent Council and in informal settings. Our conversations and your formal reports have spurred thinking on many significant issues, frequently resulting in action that has improved the OSCE. We look forward to continuing our working relationship with you.

Thank you, Mr. Chairman.