



**564th Plenary Meeting**

PC Journal No. 564, Agenda item 4

**DECISION No. 688  
FINANCIAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004 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 2004 and the Report of the External Auditor (PC.ACMF/57/05) of 21 June 2005,

Expressing its gratitude to the External Auditor, the United Kingdom National Audit Office, for the work done,

1. Accepts the Financial Report and Financial Statements for the year ended 31 December 2004;
2. Requests the Secretary General to establish and submit to the Advisory Committee on Management and Finance not later than 31 October 2005 a work plan for follow-up to the recommendations of the External Auditor as reflected in its Report for 2004. 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.