



United States Mission to the OSCE

Response to the Report of the External Auditor on the Financial Report and Statement for 2016 and to the Report of the OSCE Audit Committee, July 2016 – June 2017

As delivered by Chargé d'Affaires, a.i. Kate M. Byrnes
to the Permanent Council, Vienna
July 6, 2017

Thank you, Mr. Chair.

The United States thanks the External Auditor and his staff for their comprehensive audit of the OSCE Financial Report and Statements for 2016, and we also thank the OSCE Audit Committee for their presentation of its twelfth Annual Report.

We are pleased that the External Auditor, after thorough review and analysis of the OSCE accounting systems and procedures, and consultations with the OSCE Secretariat and six field operations, issued an unqualified opinion of the financial statements for period ended December 31, 2016 – which revealed no material weaknesses or errors. The United States is a strong supporter of the OSCE and a major contributor, and we believe that external audits are a necessary component of ensuring the financial and management integrity of the Organization.

We commend the Secretariat for implementing all recommendations in the 2015 Financial Statements, and we encourage the OSCE to address the recommendations made in the 2016 External Auditor Report.

The United States appreciates the work that the Court of Audit of Spain have done for the OSCE. We look forward to continuing our working relationship with you in your capacity as External Auditor.

On the OSCE Audit Committee Report, we welcome and thank the OSCE Audit Committee for the presentation of its twelfth annual audit report covering the period July 2016 to June 2017. We firmly believe that 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 echo the report's observation that the late approval of 2017's Unified Budget caused a significant additional administrative burden, inefficiencies, and waste, and encourage all participating States to work toward timely consensus on 2018's Unified Budget.

We welcome measures taken to streamline the budget process and documents, and we support the Audit Committee's recommendations for the OSCE to continue efforts at reforming the budget cycle to improve the ability of fund managers to plan and implement projects more effectively. We reiterate our call for consideration of a multi-year budget cycle in order to streamline our efforts and reduce administrative costs.

We welcome more consistent and timely information on results and findings of internal audits, investigations, and evaluations. It is our view that as participating States, and stakeholders in this Organization, we should be informed of the administration, management and financial challenges and successes of the Organization.

Once again, the United States thanks the Audit Committee for their time and service to the OSCE.

Thank you, Mr. Chair.

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