



**EUROPEAN UNION**

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**OSCE Permanent Council No. 820**  
**Vienna, 1<sup>st</sup> July 2010**

## **EU statement on the report of the External Auditor**

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The EU warmly welcomes the External Auditor, the Accounting Chamber of Ukraine, to the Permanent Council, and expresses its gratitude for its comprehensive Audit Report.

We are pleased to note that you found “no weaknesses or errors pertaining to the accuracy, completeness or validity of the Financial Statements as a whole”.

We also note the recommendations derived from your findings and the Secretariat’s agreement with them.

Concerning the recommendation relating to contributions received more than fifteen years ago for a possible monitoring mission to the area of the Nagorno-Karabakh conflict, we would encourage the Secretariat to make a proposal. We stand ready to discuss the issue.

Concerning the recommendation regarding the ceiling for ex-gratia payments, the EU stands ready to agree to a new ceiling in the framework of the Financial Regulations, which we hope can be updated as soon as possible. We would also like, however, to express our

expectation that the existing Financial Regulations are strictly complied with for as long as they remain in force.

Concerning the recommendation to establish procedures to write-off uncollectible receivables, which we would generally see as sound, prudent accounting practice, we would not agree that unpaid assessed contributions by Participating States are written-off, as they must not be deemed uncollectible.

Finally, we welcome co-operation between the External Auditor and the Audit Committee, as well as with the Office of Internal Oversight, whose next annual report will be presented shortly, in order to guarantee an adequate level of audit coverage of the Organisation.

The candidate countries TURKEY, CROATIA\*, the FORMER YUGOSLAV REPUBLIC OF MACEDONIA\* and ICELAND, the countries of the Stabilisation and Association Process and potential candidate countries ALBANIA, BOSNIA AND HERZEGOVINA, MONTENEGRO and SERBIA, the European Free Trade Association country and member of the European Economic Area NORWAY, as well as the REPUBLIC OF MOLDOVA and GEORGIA align themselves with this statement.

\*Croatia and the Former Yugoslav Republic of Macedonia continue to be part of the Stabilisation and Association Process.