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**STATEMENT BY MR. ANDREY RUDENKO, DEPUTY PERMANENT  
REPRESENTATIVE OF THE RUSSIAN FEDERATION, AT THE  
1006th MEETING OF THE OSCE PERMANENT COUNCIL**

3 July 2014

**In response to the reports of the  
External Auditor and the Audit Committee**

Mr. Chairperson,

We welcome the representatives of the Federal Court of Auditors of Germany and the members of the Audit Committee to the Permanent Council and thank them for their informative reports. They were discussed the day before yesterday in the Advisory Committee on Management and Finance.

Russia has been a consistent supporter of ensuring good budgetary and financial order in the OSCE and attaches particular significance to the work of the various control mechanisms in the Organization, including the external audit.

We note with satisfaction the positive evaluation of the OSCE's financial report and financial statements for 2013, as well as the conclusion that internal control within the Organization is at the right level.

We welcome the conclusion regarding the positive momentum in the Secretariat's transition to modern accounting standards (Internal Public Sector Accounting Standards or IPSAS), making it possible to prepare the aforementioned documents on the basis of these standards a year ahead of the target deadline.

We are grateful for the honest assessments of the situation regarding OSCE information technology, specifically the comments regarding the failure of the local systems of the executive structures of the Organization to comply fully with international security standards. These problems should be addressed.

We trust that due account will be taken by the Secretariat of recommendations regarding these and other issues.

In conclusion, I should like to thank the auditors for their work and wish them continued success.

Mr. Chairperson,

The Audit Committee is an important independent mechanism for reviewing the work of the OSCE's auditing bodies, including the Office of Internal Oversight, the External Auditor and the Organization's administration and management.

We have familiarized ourselves with the recommendations and conclusions in the Committee's ninth report. We take note of them. We call on the Committee members to focus their efforts on providing participating States with independent guarantees regarding the existence within the Organization of control mechanisms and their proper functioning, as stipulated by the mandate of the Audit Committee.

We are pleased that all of the OSCE's review bodies – the Audit Committee, the External Auditor and the Office of Internal Oversight – have established useful working relations and are collaborating effectively.

Thank you for your attention.