

Delegation of the Russian Federation

**STATEMENT BY
MR. ANDREY KELIN, PERMANENT REPRESENTATIVE OF THE
RUSSIAN FEDERATION, AT THE 1061st MEETING OF THE
OSCE PERMANENT COUNCIL**

2 July 2015

**In response to the reports by the External Auditors and the OSCE
Audit Committee**

Mr. Chairperson,

Russia has been a consistent supporter of ensuring good budgetary order in the OSCE, which is facilitated by regular audits of all aspects of the financial and economic activities of our Organization.

In that connection, we should like to thank the Federal Court of Auditors of Germany, which has been performing the function of the OSCE external audit service since 1 May 2013, for its detailed and well-structured report. We are satisfied that it does not contain any serious comments regarding the financial activities of the OSCE and notes the implementation by the Secretariat of the majority of the auditors' recommendations, primarily regarding the introduction of the International Public Sector Accounting Standards (IPSAS).

We also carefully familiarized ourselves with the report of the Audit Committee, which is responsible for the internal control of our Organization's financial activities. We noted that there were no significant complaints in that report.

Nevertheless, there are still serious problems in the OSCE. I am referring, first and foremost, to the need to analyse and regulate extrabudgetary activities so that all extrabudgetary projects are in line with the decisions of the OSCE decision-making bodies and the national interests of the host States. In that connection, an analysis by the Secretariat of the state of affairs in this area would be useful.

It is equally important to enhance the co-ordinating functions of the Secretary General and the Secretariat with respect to the activities of the other executive structures so that they operate strictly in accordance with their mandates and on the basis of Permanent Council and Ministerial Council decisions.

We would ask the representatives of the Federal Court of Auditors of Germany and the members of the Audit Committee to take heed of our wishes.

Thank you for your attention.