



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1460  
7 September 2023

Original: ENGLISH

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**1438th Plenary Meeting**  
PC Journal No. 1438, Agenda item 3

**DECISION No. 1460  
APPOINTMENT OF THE EXTERNAL AUDITOR**

The Permanent Council,

Recalling Article VIII of the Financial Regulations of 27 June 1996 (DOC.PC/1/96) concerning the OSCE External Auditors,

Taking note of the offer of the Court of Audit (*Rechnungshof*) of the Republic of Austria to provide external audit services to the OSCE,

Recalling Financial Regulation 8.01 on the appointment and tenure of Office of the External Auditor,

Accepts the kind offer of the Republic of Austria and appoints the Austrian Court of Audit, starting on 7 September 2023 and expiring on 15 September 2024.

Pursuant to Financial Regulation 8.01, the costs for travel and daily subsistence allowance (DSA) will be reimbursed from the OSCE Unified Budget.

PC.DEC/1460  
7 September 2023  
Attachment 1

ENGLISH  
Original: FRENCH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Spain (also on behalf of Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, the Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Sweden and Ukraine):

“With regard to the Permanent Council decision on the appointment of the External Auditor, the Member States of the European Union wish to make the following interpretative statement under the relevant provisions of the Rules of Procedure.

We should like to recall that the tenure of office of the French Court of Accounts (*Cour des comptes*) expired on 30 April 2023 and that the absence of an External Auditor until now has placed the Organization in a difficult position. In this context, we warmly thank the Austrian Court of Audit (*Rechnungshof*) for responding to the call for candidates to succeed the French Court of Accounts.

We again thank the French Court of Accounts for having exceptionally offered, in response to the request by the OSCE Chairmanship of North Macedonia earlier this year, to extend its tenure of office for an additional one year, even though this offer was rejected in April through the opposition of a participating State for no good reason.

We are convinced that the Austrian Court of Audit, an internationally renowned institution, will carry out its duties with the same rigour and professionalism as its predecessor. We are all the more appreciative of this offer as we are already well into 2023, and we are well aware of the difficulties involved in taking up office so late.

The EU Member States are deeply disappointed by the condition imposed by the Russian Federation to limit the tenure of office of the Austrian Court of Audit as External Auditor to one year instead of the commonly accepted term of three years.

We consider that a tenure of office of only one year unnecessarily and artificially constitutes an additional constraint on the proper performance of the External Auditor’s duties. The external audit of an international organization is a complex task that must be a long-term process and be based on a long-term vision. A tenure of office of three years is essential for adequate monitoring of the Organization’s financial health and for its stability.

Therefore, although the Permanent Council decision stipulates that the tenure of office of the External Auditor will end on 15 September 2024, the EU Member States consider that the Austrian Court of Audit should in fact perform its duties for the next three years, starting in 2023. The EU Member States stress that this Permanent Council decision must not constitute a precedent for future decisions of a similar nature.

We request that this interpretative statement be attached to the decision and included in the journal of today's meeting.

Thank you.”

PC.DEC/1460  
7 September 2023  
Attachment 2

ENGLISH  
Original: RUSSIAN

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the Russian Federation:

“Having joined the consensus regarding the Permanent Council decision on the appointment of the External Auditor, the Russian Federation notes the following.

We express our gratitude to the Court of Accounts of France (*Cour des comptes*) for its professional, impartial and politically neutral work in the position of OSCE External Auditor during the period 2020–2023. We trust that its successor to this position, namely the Austrian Court of Audit (*Rechnungshof*), will strictly adhere to the same principles when performing its duties.

In the current circumstances, in which the Organization is facing serious political and financial instability in its activities, the approval of the External Auditor’s mandate seems to us to be possible only for one calendar year. Such an option is fully in line with OSCE Financial Regulation 8.01, in accordance with which it is the exclusive prerogative of the Permanent Council to determine the term of office for conducting the external audit. We emphasize that this has nothing to do with the Austrian candidature that was approved today.

We assume that the possibility of extending the mandate of the new External Auditor for an additional period would be considered next year, with due account taken of all concomitant factors.

I request that this statement be attached to the adopted decision and included in the journal of today’s meeting of the Permanent Council.”

PC.DEC/1460  
7 September 2023  
Attachment 3

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the United States of America:

“In connection with the adoption of the decision on the appointment of the External Auditor, I would like to make the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure. I am making this statement on behalf of the United States.

The United States would like to express its appreciation to the Austrian delegation and the Austrian Court of Audit for its offer to provide external audit services to the OSCE. The external auditor plays a critical role in the healthy functioning of this Organization.

We therefore deeply regret the Russian Federation’s opposition to Austria’s generous offer to serve as the OSCE’s external auditor for a three-year term. A one-year term, as Russia proposed, is inefficient. It exacerbates the financial instability in this Organization and is contrary to the spirit of Financial Regulation 8.01 which states that the “tenure of office shall normally be three years.”

Furthermore, the appointment is technical in nature. We deplore the abuse of technical decisions for political gain by participating States. It is the responsibility of all participating States to move expeditiously to secure the appointment of an external auditor for the sake of the Organization.

Mr. Chairperson, I request that this statement be attached to the decision and the journal of the day.”

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of the United Kingdom:

“Thank you, Mr. Chairperson, and I would like to start by thanking our Chairperson-in-Office for your leadership in finding a way forward on this issue under challenging circumstances.

In connection with the Permanent Council decision just adopted on the appointment of the External Auditor, the United Kingdom would like to make the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure.

The United Kingdom thanks the Austrian Court of Audit for its offer to provide external audit services to the OSCE. We believe that the position of External Auditor provides a vitally important technical function for the work of the Organization, and deeply regret Russia’s isolated position not to join consensus to allow a full three-year tenure as is normal practice. Our strong preference is that the External Auditor is granted a three-year tenure in line with Financial Regulation 8.01 which clearly states that the ‘tenure of office shall normally be three years unless otherwise determined by the Permanent Council’.

The Russian Federation has held up agreement on this technical decision and prevented a full three-year tenure, in its own words, because ‘there is no more business as usual’ at the OSCE. This is clear politicization of a technical and vital governance function. While we support this draft decision today, let me be clear, we are agreeing to a one-year tenure because we wish to ensure swift appointment of a fully qualified External Auditor, particularly after a four-month gap. However, this should not set precedent. I would like to underline the United Kingdom’s concerns that having to agree on an External Auditor on an annual basis is not efficient. A three-year tenure would allow the External Auditor to clearly plan its activities, get to know the Organization and would ensure predictability, certainty, and sustainability. We therefore urge the Russian Federation to cease its restrictive and political tactics – which are sadly now part of a wider pattern of behaviour in trying to disrupt the work of this Organization – and allow a return to three-year tenures in 2024.

I ask that this statement be attached to the decision and to the journal of the day.

Thank you, Mr. Chairperson.”

PC.DEC/1460  
7 September 2023  
Attachment 5

Original: ENGLISH

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
CO-OPERATION IN EUROPE**

By the delegation of Switzerland:

“In connection with the Permanent Council decision on the appointment of the External Auditor, Switzerland would like to make the following interpretative statement under the relevant provisions of the OSCE Rules of Procedure:

Through its independent and impartial observations, the External Auditor has a key oversight role in the proper functioning of the Organization. We express our gratitude for the professional work done by the *Cour des Comptes* of France during its three-year term of office.

We would like to thank the Austrian Court of Audit for offering to take over the external audit services to the OSCE. We also thank Austria for its successful efforts.

Whilst we have joined consensus on the decision as tabled, we regret that we could not find a consensus for a three-year term of the Austrian Court of Audit. We believe that the tenure foreseen by Financial Regulation 8.01, namely three years, responds to the need to ensure stability and continuity with regards to the administration and management of the OSCE. A yearly change of an external auditor is not in line with international practice and adds an additional and unnecessary administrative burden.

We request that this interpretative statement be appended to the decision and included in the journal of today’s meeting.

Thank you, Mr. Chairperson.”

**INTERPRETATIVE STATEMENT UNDER  
PARAGRAPH IV.1(A)6 OF THE RULES OF PROCEDURE  
OF THE ORGANIZATION FOR SECURITY AND  
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By the delegation of Canada:

“In relation to the adoption of the decision on the appointment of the External Auditor, Canada makes the following interpretative statement under paragraph IV.1(A)6 of the OSCE Rules of Procedure.

Canada thanks the Austrian Court of Audit for their kind offer to act as external auditor of the OSCE.

We also thank the Chairmanship for their hard work in negotiating and preparing the decision for our consideration.

Considering the critical importance of the External Auditor for the OSCE, Canada supports the revised decision as proposed by the Chairperson, to appoint the Austrian Court of Audit in this role for one year, starting today.

We express our disappointment with the decision of the Russian Federation to break consensus on the three-year appointment of the External Auditor, as initially proposed by the Chairperson. The Russian Federation does not have a valid reason to block a three-year appointment.

In many international organizations, terms usually are anywhere from 3 to 6 years, or within a range starting at a minimum of two years. One-year appointments are not good practice.

In the first year, significant investments of staff time are needed to help the External Auditor understand the organization’s business. This can be disruptive, and – let’s be frank – the staff of this Organization are already bogged down by the management of monthly allocations to keep their programmes afloat. They do not need an additional administrative burden.

Longer contracts also tend to be more competitive, which increases the pool of available candidates and allows for greater choice with better value for money.



In the current fiscal environment, we should look for more efficient ways of using our resources. Russia's political whims in this Organization are holding us back from working smarter, and getting the maximum benefits of the resources at our disposal.

Canada requests that this interpretive statement be attached to the decision.

Thank you.”