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**INTERNATIONAL RENEWABLE ENERGY AGENCY**

Fifth meeting of the Council

Abu Dhabi, 24-25 June 2013

**Chair's Summary of the Outcome of  
the Administration and Finance Committee Meeting**

The following comments and recommendations were made at the Administration and Finance Committee (AFC) meeting held on 23 June 2013:

**1. Audited Financial Statements of IRENA for 2012**

- The AFC welcomed the positive audit opinion on the Financial Statements of IRENA for 2012 and noted its appreciation for the Agency's continued compliance with the International Public Sector Accounting Standards (IPSAS).
- Inquiry was made on the lower budget utilisation under the Policy Advisory and Capacity Building programme component compared to the approved 2012 budget. The Director-General explained that this was mainly due to the early stages in programme implementation which had necessitated a longer phasing-in period for certain activities in order to maximise their impact.
- The AFC expressed appreciation for the work undertaken by the Office of the Auditor General of Norway.
- The AFC recommended that the Council take note of the Audited Financial Statements of IRENA for 2012 and recommend its onward transmission to the Assembly.

**2. Proposed revisions to the Interim Financial Regulations of IRENA**

- The AFC welcomed the progress made in the development of the Agency's administrative policies and processes. It recognised that there is no longer a need for the financial regulations to be labelled "Interim".

- With respect to the proposed amendment to Regulation 6.2, a query was raised on how contributions for each year would be assessed in relation to the overall approved biennial appropriations, and confirmation was sought that it would not result in exceeding the approved biennium budget. The Secretariat clarified that annual assessments would approximate half of the approved biennium appropriations, considering any adjustments required for uneven implementation of multi-year projects during the two years of the biennium, and also confirmed that the total assessment for the two years will not exceed the biennium budget approved by the Assembly.
- Members generally expressed support for the proposed amendments. One Member, while endorsing the amendments in general, commented that its delegation required more time to consult internally on Regulations 4.5, 6.2 and 6.4 and would respond to the AFC in case it has any proposed revisions.
- The AFC endorsed the proposed revisions of the Interim Financial Regulations and recommended that the Council agree to recommend to the Assembly to approve the proposed revisions to the Interim Financial Regulations of IRENA, at its fourth session, subject to confirmation by one Member of its position on the said regulations.

### **3. Any other business**

#### External audit Management Letter

- The AFC inquired about the availability of the Management Letter from the Auditors on the Financial Statements of IRENA for 2012. The Secretariat confirmed that the Management Letter indicates that the Auditors do not have any overall findings pointing to serious weaknesses or shortcomings in the internal controls. The Secretariat confirmed that it would provide a status report on audit recommendations at the next Council meeting, including recommendations and actions taken by the Secretariat.
- The Secretariat stressed that serious deficiencies in the internal controls would be brought to the attention of the membership through the report of the external auditor.
- The Director-General agreed to consider the request of some Members that the letter itself be provided to Members along with the status report on audit recommendations and actions taken.

#### Staff entitlements for the host country nationals

- The Host Country requested that the issue of providing entitlements and benefits, such as housing and education grants, to its nationals at the level applicable to the internationally-recruited IRENA staff should be considered in future AFC discussions.
- The AFC encouraged efforts to ensure diversity and high competence in staff recruitment.