

**INTERNATIONAL RENEWABLE ENERGY AGENCY**

Ninth meeting of the Council

Abu Dhabi, 10-11 June 2015

Context: Pursuant to decision C/3/DC/3, the Administration and Finance Committee met on 9 June 2015 to review and inform Council on matters contained in ‘Audited Financial Statements of IRENA for 2014’ (C/9/6), ‘The Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken’ (C/9/7), ‘Report of the Director-General on Proposed Membership of the Arbitration Panel’ (C/9/4), ‘2014 Annual Report of the Provident Fund Management Board’ (C/9/5).

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

The Secretariat provided an update on the utilisation of the Agency’s resources in the implementation of the Work Programme. It welcomed the timely provision of assessed contributions and expressed hope that remaining contributions would be provided soon. The Secretariat also informed of the increase in additional Voluntary Contributions which allowed the strengthening of the programmatic work, and expressed gratitude to Members who provided these contributions.

**1. Audited Financial Statements**

- The Secretariat presented the ‘Audited Financial Statements of IRENA for 2014’ noting the unqualified audit opinion provided by the External Auditor.
- The Secretariat informed the AFC that the Auditor’s management letter is currently being finalised to incorporate management response on the five points made, namely, the future of the UAE Bid contributions; the IRENA HQ occupancy agreement; process and guidance changes related to the Enterprise Resource Planning (ERP) system; collection of outstanding contributions; and segmental reporting. It also noted that this information, together with external audit recommendations will be shared at the 10th Council meeting and at the sixth session of the Assembly.
- The AFC welcomed the consistent positive outcome of external audits since the Agency’s inception. Some Member asked about the future of the UAE bid contribution beyond 2015.
- The Secretariat stressed that the UAE bid is an important non-assessed core contribution to the Agency. It acknowledged the continuous commitment of the Host Country to the Agency, and noted that discussion on the financial arrangements beyond 2015 are ongoing.
- The Secretariat highlighted its full understanding of implications of possible changes in arrangements beyond 2015 and noted that the Council would be made aware in a timely manner should the outcome of discussions have a significant impact on the future programming.
- With respect to the implementation of the Work Programme, the AFC welcomed the utilisation of resources in accordance with the Work Programme and expressed

continued interest in future budget discussions. The AFC also welcomed additional Voluntary Contributions and encouraged further diversification of the resource base.

- The AFC took note of the ‘Audited Financial Statements of IRENA for 2014’ and decided to submit it to the Council for its consideration.

### 2. Internal Audit

- The Secretariat presented ‘The Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken’.
- The Secretariat informed that in response to the query made at the eighth meeting of the Council regarding access to the internal audit reports, a review of disclosure practice of other international organisations was undertaken. The review ascertained that four organisations make the internal audit reports publicly available, ten do not disclose them and seven make them accessible to the Members, upon request, for viewing only.
- The Secretariat emphasised its commitment to full transparency and noted that internal audit reports would be available upon written request, for their viewing at IRENA Headquarters. The Secretariat will develop a procedure for this purpose which will include the protection of the confidentiality of individuals and contractors under review.
- The Secretariat also recalled that IRENA’s Financial Regulations and Procedures require internal audit findings to be fully disclosed to the external auditor, which ensures that Members would be informed of any significant findings by internal auditor.
- The AFC commended the Secretariat for its commitment to transparency in this matter and supported the proposed way forward.
- The AFC took note of ‘The Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken’ and decided to submit it to the Council for its consideration.

### 3. Arbitration Panel

- The Secretariat presented the ‘Report of the Director-General on Proposed Membership of the Arbitration Panel’, noting that the term of service of the current arbitrators will end in August 2015 and that all arbitrators confirmed their willingness to continue for a further two year term.
- The AFC supported the proposal contained in the report and decided to submit it to the Council for its consideration.

### 4. Staff Provident Fund

- A management representative of the Provident Fund Management Board presented the ‘2014 Annual Report of the Provident Fund Management Board’.
- The AFC took note of the report and decided to submit it to the Council for its consideration.

### 5. Any other business

- The Secretariat recalled the provision of Staff Regulations that limits the service of all categories of staff to seven years. It noted the importance of maintaining the balance between the staff retention and the need to obtain new skills, to ensure the continuum in the Agency’s core programmatic and support functions. The Secretariat stressed that the limit in service is affecting the investment in time and resources the Agency is making in attracting, recruiting, developing and retaining qualified staff. The Secretariat emphasised that its primary consideration remains the high performance of staff. It also noted that, with time, natural attrition is starting to occur. In this context, it expressed its concern that, as the first cohort of staff is nearing the seven year limit, the Agency faces a risk of depleting its intellectual and institutional capacity.

- The AFC acknowledged the impact of the limit in service on staff and the Agency, and recommended that options for addressing this be explored.