

**INTERNATIONAL RENEWABLE ENERGY AGENCY**

Fourteenth meeting of the Council  
Abu Dhabi, 28 – 29 November 2017

## **Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken**

### **I. Introduction**

1. This report is presented pursuant to Financial Regulation 11.4 (b) which provides that “The Director-General shall report to the Council at each session on internal audit recommendations and actions taken”. It covers the period from 24 April 2017 to 30 October 2017.

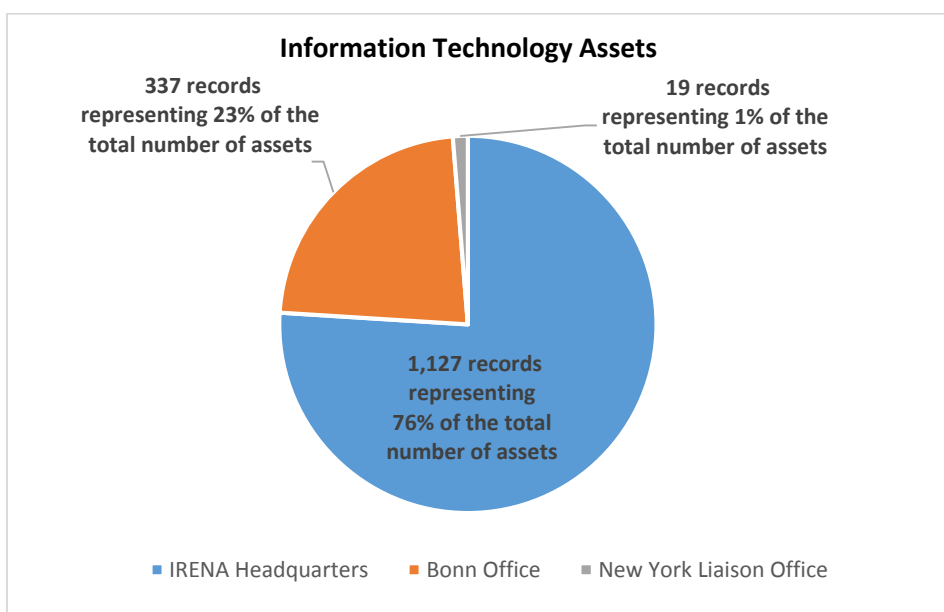
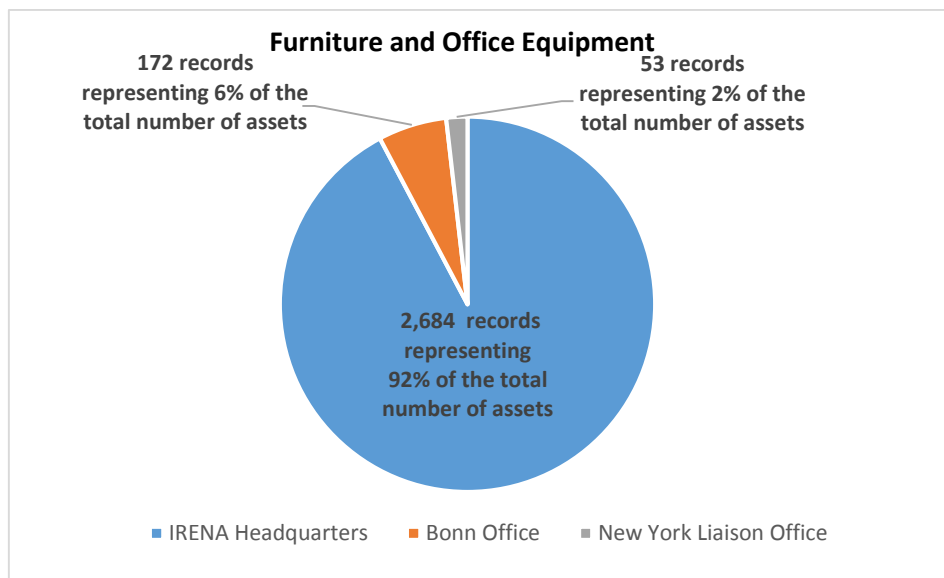
2. Since the submission of the last report to the thirteenth meeting of the Council (C/13/7), the Internal Audit Office (IAO) performed the following activities:

- i. The IAO completed an audit on one area pursuant to the approved Audit Plan for the year 2017: Assets tagging and migration to the Fixed Assets Tracking system (FATs). The one key recommendation stemming from this audit is detailed in section II of this report.
- ii. The IAO followed up on the internal audit recommendations related to the previous audit of the administrative and related aspects of the organisation of IRENA’s meetings and programmatic events. The status of the implementation of these recommendations is detailed in section III of this report.
- iii. The IAO observed the implementation of the external audit recommendations. Management actions taken are detailed in the “Report of the Director-General on the Status of Implementation of the External Audit Recommendations”, contained in document C/14/8.
- iv. In accordance with the Audit Plan for the year 2017, the audit of the general operating expenses in relation to telephone and internet services is currently in progress and the recommendations stemming therefrom will be reported to the Council at its fifteenth meeting.

### **II. Internal audit recommendations issued during the reporting period**

3. As a key component of the oversight mechanism established by the Director-General pursuant to Financial Regulation 11.1, the IAO completed an audit of assets tagging and migration to the FATs. The main purpose of the audit was to ensure that the assets at the IRENA Headquarters, the Bonn Office, and the New York Liaison Office have been migrated completely from the old Asset Management Module to the FATs and to confirm that they have been properly tagged. The scope of the audit encompassed all IRENA furniture and office equipment, as well as all information technology assets held by the Agency as of 31 August 2017.

4. The IAO concluded that the total asset records migrated to the FATs as of 31 August 2017, with the relevant related information correctly entered therein, are as follows:



5. The key recommendation on this audit, along with related management comments, is as follows:

- It is recommended that a fixed asset management policy and related procedures be established to serve as guidance for the Agency’s staff members on how to ensure the proper record keeping of assets; how to perform the annual physical verification of assets; how to ensure the security and care of assets; how to transfer assets; and how to manage the loss or theft of assets. Moreover, the policy should clearly outline the basis for writing off and disposing of assets, the required approvals, and the relevant procedures to be followed. This should also consider any applicable environmental and other regulations, taking into consideration any associated costs and/or opportunities to generate income for the Agency.

*Management's Comments: The recommendation has been accepted. We acknowledge the need for a fixed asset policy and procedures document to provide guidance to IRENA staff members and management. A draft policy will be prepared and circulated internally for review no later than 1<sup>st</sup> quarter 2018.*

6. The Director-General shall report on the status of implementation of the above audit recommendation at the fifteenth meeting of the Council.

### **III. Status of implementation of the internal audit recommendations**

7. The “Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken”, contained in document C/13/7 as presented to the thirteenth meeting of the Council, enumerated three recommendations related to the previously conducted audit. The Annex to this report provides information on actions taken and the status of implementation. Based on results of the validation procedures performed by the IAO, two recommendations have been found fully implemented. The remaining recommendation is currently under implementation.

**ANNEX***Status of Implementation of the Internal Audit Recommendations*

<b>Topic</b>	<b>Audit recommendations</b>	<b>Management actions taken to implement the recommendations</b>	<b>Status of Implementation</b>
<b>Audit of the administrative and related aspects of the organisation of IRENA's meetings and programmatic events</b>	It is recommended that all relevant policies and procedures be streamlined to ensure the efficient planning, organisation and delivery of meetings. An internal manual should be developed to serve as a guidance and support document for the programmatic divisions when organising meetings. This shall also be considered as part of the associated internal processes reflected within the ERP flowcharts for implementation.	All recommendations have been accepted and are being included in a draft guidance note that will be issued to all staff. The note is currently being finalised and will be shared with all Division directors, prior to submission to the Director-General for approval and issuance.	Under implementation  Expected completion: 4 <sup>th</sup> quarter 2017.
	In order to reduce the audiovisual (AV) related costs, it is recommended that the Agency considers entering into a long-term agreement (LTA) with the current AV service provider. However, the Procurement section should also continue to screen the market for new service providers and consider a new competitive solicitation process at the latest in 2020.	An LTA has been concluded with the existing AV service provider for the rental of AV equipment and management services for IRENA Council, Assembly and related events. The agreement will remain in force for an initial duration of two years, although it may be extended for an additional two-year period. The matter will continue to be reviewed to ensure highest levels of efficiency available in the market.	Fully implemented.
	It is recommended that the Agency's public website be regularly monitored to ensure the update of section listing the Agency's upcoming events; a staff member should be assigned to regularly follow up on this matter, and coordinate with the concerned units to adjust the events therein.	The recommendation has been accepted and implemented. Until the implementation of the new website, a designated staff member performs this activity as part of his overall tasks.	Fully implemented.