

Twenty-eighth meeting of the Council
Abu Dhabi, 24-25 October 2024

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”*. The report covers the period from 11 May 2024 to 20 September 2024.

II. Activities of the Internal Audit Office

2. Since the submission of the last report to the twenty-seventh meeting of the Council (C/27/5), the Internal Audit Office (IAO) implemented the following activities:
 - i. Conducted an audit on the Procurement Processes. This audit was initiated under the IAO Work Plan for the Work Programme and Budget 2022-2023 and is currently in the final stage of discussions with management. The key recommendations and agreed actions stemming therefrom will be reported to the Council at its twenty-ninth meeting.
 - ii. Followed up on the status of implementation of internal audit recommendations related to the previous audits of the Human Resources (HR) policy manual, Consultancy Services, and the Administration of Justice, detailed in Section III of this report.
 - iii. Followed up on the status of 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/28/8.

III. Status of implementation of the internal audit recommendations

3. During the twenty-seventh meeting of the Council, a number of issues were highlighted regarding the policies that need updating, along with a timeline for those updates, relevant to the previous audits of the HR policy manual, Consultancy Services, and the Administration of Justice.

4. Following up on the **HR related matters**, and as indicated in the last audit report, the IAO noted that a directive on the Performance Management and Appraisal System and a directive on Recruitment and Selection were released in 2023.
5. The IAO noted that work has advanced in updating the HR policy manual, and further updates will be made following the outcome of the ongoing discussions on HR matters in general, including in the area of break in service, as needed, to cover all elements that pertain to HR matters, including potential rehiring and consultancies.
6. The IAO has been informed that the Administration and Management Services Division (AMS) intends to integrate the above in the HR policy manual in 2025, as appropriate.
7. Following up on the **audit of Consultancy Services**, the IAO noted that a draft directive on Individual Consultants has been prepared.
8. With regard to the **audit on Administration of Justice**, as indicated in the last audit report, the IAO noted that the Director-General promulgated a directive on the Disciplinary Process and a directive on establishment of the IRENA Disciplinary Board earlier this year, in order to set forth the detailed procedures for the implementation of the disciplinary process and to outline the basic requirements of due process to be afforded to a staff member against whom misconduct is alleged.
9. Moreover, the IAO noted that the Council requested the Secretariat, in consultation with the Ethics Advisory Board, to review the Policy on Ethics and Conflict of Interest for IRENA as outlined in document C/27/8, with the view to provide more detailed recommendations to the Council at its twenty-eighth meeting, and in preparation for the consideration of this matter at the fifteenth session of the Assembly. In addition, the Council agreed that the Secretariat works with the Ethics Advisory Board to develop a whistleblower protection and anti-retaliation policy, as well as to address any gaps identified in the review process, contained in document C/27/8.
10. In this context, the IAO noted that the Secretariat has drafted the following policies, which will be taken up for consideration of the Council:
 - A draft policy on addressing prohibited conduct, including fraud, corruption and other financial misconduct, and discrimination, harassment, including sexual harassment, and abuse of authority;
 - A draft policy on protection against retaliation for reporting misconduct or cooperating with oversight activities;
 - A draft policy on handling allegations of unsatisfactory conduct against the Director-General of the International Renewable Energy Agency, and on investigations and the disciplinary process for such conduct; and
 - A draft revision on the Policy on Ethics and Conflicts of Interest for the International Renewable Energy Agency.
11. The IAO will continue to monitor progress to this end, to ensure that the Secretariat resolves all of the above issues in 2025.