

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

Report of the Director-General - Selection of the External Auditor

1. Pursuant to Article XII.C of the IRENA Statute, the Assembly shall appoint an external auditor who shall hold office for a period of four years and who shall be eligible for re-election. Financial Regulation 12.8 on External Audit provides that arrangements for annual audit shall take into account the international nature of the Agency and ensure an open and competitive process for the selection of the external auditor.
2. In accordance with Article XII.C of the Statute, the Assembly, in its decision A/11/DC/1, appointed Lochan & Co. as the external auditor of IRENA to audit the annual financial statements of IRENA, and of the Staff Provident Fund, for the period 2021 – 2024.
3. As required by the IRENA statute and consistent with previous practice, a competitive procurement process for the External Auditor to audit the annual financial statements of IRENA and of the Staff Provident Fund¹ for the period 2025 to 2028 was initiated, the Secretariat launched a Request for Proposals (RFP) on 4th September 2024 to solicit proposals for the provision of such services.
4. The process of selection was conducted in accordance with relevant IRENA procurement rules to ensure an open, fair, transparent and competitive process. The solicitation documents were uploaded on IRENA's public website. By 23rd September 2024, the closing date for submission of proposals, the Secretariat had received proposals from 4 private audit firms.
5. The evaluation of the proposals was conducted in two separate stages. A Technical Evaluation Panel, comprising three IRENA senior staff members, was established to conduct a technical evaluation in accordance with the criteria stipulated in the RFP. All proposals received contained sufficient information for the Technical Evaluation Panel to conduct its assessment without reverting to individual vendors for clarification of their proposals. The Technical Evaluation Panel ascertained that three (3) bidders were technically qualified to undertake the required audit (listed in alphabetical order):
 - **Deloitte, Abu Dhabi, UAE**
 - **KPMG, Abu Dhabi, UAE**
 - **Lochan & Co, New Delhi, India**

¹ With its decision on the establishment of a Staff Provident Fund (SPF) of IRENA (A/1/DC/4), the Assembly approved Principles for the SPF which state that the financial statements of the SPF shall be audited by the external auditors of the Agency (Article 4.9) and in SPF Administrative Rules 9.2 and 13.

6. Following the completion of the technical evaluation, a separate Evaluation Panel was established to review the financial proposals.
7. The results of the technical and financial evaluation were combined, based on pre-established weight of 70% for the technical evaluation, and 30% for the financial evaluation.
8. From the three private sector firms, Lochan & Co, New Delhi, India attained the highest combined score. The commercial proposal represented the best value for money and thus best financial offer.
9. The procurement process conducted for the selection of an external auditor of IRENA to audit the annual financial statements of the Agency and of the Staff Provident Fund for the years 2025 – 2028 is herewith submitted to the twenty-eighth meeting of the Council for its consideration and onward transmission to the fifteenth session of the Assembly.