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

Report of the Director-General Status of Implementation of the External Audit Recommendations

1. Pursuant to Article XII.C of the Statute of the International Renewable Energy Agency (hereafter “Agency” or “IRENA”), the Assembly through 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 its Staff Provident Fund for the four-year period from 2021 to 2024.
2. Pursuant to Financial Regulation 12.1, the Director-General submitted the annual financial statements of IRENA for the year ending 31 December 2023 (“2023 financial statements”) to the External Auditor. The External Auditor audited the 2023 financial statements and issued its report on those financial statements, expressing an unqualified audit opinion. The Director-General submitted the External Auditor’s report and the corresponding audited 2023 financial statements, together with the Director-General’s report thereon, to the twenty-seventh meeting of the Council (C/27/6).
3. The External Auditor also addressed a management letter to the Director-General in April 2024 that included an audit finding and recommendation. The present report provides Members with a status of the external audit recommendations as contained in the management letter, along with actions taken by the Secretariat to implement those recommendations.
4. The recommendation, along with the progress made on its implementation, are presented in the Annex to this report.

ANNEX
Status of Implementation of the External Audit Recommendations

No.	Audit recommendations	Management action taken to implement the recommendation	Current status
1.	<p>IRENA should incorporate a clause in its Fixed Assets Policy Manual to deal with situations when the staff members left without returning the Agency's assets.</p> <p>IRENA should seek legal measures in the host country to protect the Agency from any future unforeseen consequences from the use of those assets</p>	<p>IRENA updated the Fixed asset policy in 2024 to make provisions for situations when staff members leave the agency without returning Agency assets.</p>	Closed
2.	<p>The Agency shall ensure that physical verification of assets is conducted on a regular basis for all the locations and that all assets are included in the physical assets count report to ensure that the controls are in place and functioning effectively</p>	<p>IRENA management confirmed that physical verification of assets are completed annually at all IRENA locations, as required by the IRENA Fixed Asset Policy.</p> <p>In addition, IRENA has updated the fixed asset policy to further clarify responsibilities for asset counts in all offices.</p> <p>IRENA will also review asset counting process in the future to include an additional list for assets subsequently verified.</p>	On-Going