

Twenty-fourth meeting of the Council
Abu Dhabi, 27-28 October 2022

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 26 April 2022 to 27 September 2022.

II. Activities of the Internal Audit Office

2. Since the submission of the last report to the twenty-third meeting of the Council (C/23/6), the Internal Audit Office (IAO) implemented the following activities:

- i. Initiated, in accordance with the IAO Work Plan for the Work Programme and Budget 2022-2023, the audit of Voluntary Contributions (VCs). The overall objective of the audit is to assess design and effectiveness of the processes and controls for governance, management, and administration of VCs at IRENA. The recommendations and agreed actions to be taken, will be reported to the Council upon report finalisation.
- ii. Followed up on the status of implementation of internal audit recommendations related to the previous audit of Consultancy Services, 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/24/6.
- iv. In the context of updating the Internal Audit Charter, an internal communication strategy was developed to facilitate understanding across IRENA Divisions of the revisions being proposed to the Internal Audit Charter.
 - a. The objective of the internal communication strategy is to increase awareness across IRENA Divisions of the updates made to the Internal Audit Charter clarifying the scope of work, purpose, authority, responsibility, accountability of IAO as well as arrangements for governance over the oversight system to adhere

to Institute of Internal Audit (IIA) Standards. Upon implementation of the internal communication strategy, it is expected that Divisions will be able to better understand the changes made to the Charter, and impact on their work.

- b. The updated Internal Audit Charter will be presented to the Council during upcoming Council meetings, for its consideration and guidance.

III. Status of implementation of the internal audit recommendations

3. The “Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken”, presented to the twenty-third meeting of the Council (C/23/6), provided recommendations pertaining to the audit conducted on the Consultancy Services. The recommendations aim to help improve and simplify the processes for engagement of consultants, bridge the current gap between policy and operational practices, as well as address specific risk areas and enhance governance processes for the engagement of consultants at the Agency.

4. Based on results of validation procedures performed, IAO noted that the Division for Administration and Management Services (AMS) is in the process of drafting a policy directive for the engagement of individual consultants at IRENA, taking into consideration relevant IAO recommendations in this regard for planning, selection, management, administration, and consultancy output evaluation. The updated directive for engagement of consultants, once finalised, shall help ensure that the Agency is better positioned to meet its Work Programme objectives and that the relevant risks are properly managed.