



FEDERAL REPUBLIC OF SOMALIA
OFFICE OF THE AUDITOR GENERAL

STRATEGIC PLAN

2023 - 2027



STRATEGIC PLAN OVERVIEW



Vision

To be a reliable and independent Supreme Audit Institution that is responsive, effective and efficient in promoting transparency and accountability in the use of public resources.



Mission

To conduct and produce high quality audit reports to the Parliament and President in order to enhance transparency and accountability of the FGS for the benefit of Somali citizens.

Strategic Outcomes

- Parliament playing an active role in follow implementation of audit recommendations.
- Improved implementation of audit recommendations.
- Well-functioning FMS audit offices deliver quality audits in line with international standards.

Strategic Outputs

- High-quality annual financial audits delivered on time for the FGS.
- High-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs.
- High-quality specialized audits conducted in specific areas of public interest, including audits of IS and environmental changes.
- High-quality forensic audits delivered on main issues of fraud, waste and abuse related to the use of public funds.
- High-quality performance audits delivered on issues of public interests and great national importance including SDGs.
- Increased role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time.
- Enhanced oversight of registration and assessment of government contracts and concession agreements that have financial implications.
- OAGS audit results are shared widely in public and there is increased OAGS's visibility with stakeholders through regular interaction with citizens to increase visibility and for selecting the right audits and controls.
- Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues.
- Regular and timely interaction with the Parliament on audit scrutiny and follow-up.
- A framework for collaboration with the audit offices of the FMSs established and implemented, including harmonization of audit processes, capacity development support and advocacy for enhanced resources.

Core Values



Professionalism



Innovation



Collaboration



**Making
A Difference**

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ABBREVIATIONS

| Abbreviation | Explanation |
|---------------------|---|
| AFROSAI | African Organization of Supreme Audit Institutions |
| AFROSAI-E | African Organization of English-speaking Supreme Audit Institutions |
| AG | Auditor General |
| AOAP | Annual Overall Audit Plan |
| API | African Professionalization Initiative |
| ARABOSAI | Arab Organization of Supreme Audit Institutions |
| BFC | Budget and Finance Committee |
| CPI | Corruption Perceptions Index |
| DPs | Development Partners |
| EU | European Union |
| FGS | Federal Government of Somalia |
| FMS | Federal Member States |
| FRS | Federal Republic of Somalia |
| HR | Human Resource |
| ICT | Information and Communications Technology |
| IDI | INTOSAI Development Initiative |
| INTOSAI | International Organization of Supreme Audit Institutions |
| IS | Information Systems |
| ISSAIs | International Standards of Supreme Audit Institutions |
| IT | Information Technology |
| LTAs | Long Term Advisers |
| MDAs | Ministries, Departments and Agencies |
| NDP | National Development Plan |
| OAGS | Office of the Auditor General of Somalia |
| PAOs | Professional Accountants Organizations |
| PFM | Public Financial Management |
| RNE | Royal Norwegian Embassy |
| S-SEAT | Somalia SAI Enhancement Audit Tool |
| SAI | Supreme Audit Institutions |
| SAI PMF | Supreme Audit Institution Performance Measurement Framework |
| SDGs | Sustainable Development Goals |
| SFMIS | Somalia Financial Management Information System |
| SoEs | State-owned Enterprises |
| SP | Strategic Plan |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
| UN | United Nations |
| WB | World Bank |



FOREWORD



The Office of the Auditor General of the Federal Republic of Somalia (OAGS) holds the responsibility for conducting audits across all federal public institutions, ministries, departments, agencies (MDAs), and enterprises where the Federal Government has controlling interests, as stipulated by Federal Audit Law (No. 14). These audits adhere to the International Standards of Supreme Audit Institutions (ISSAIs).

Our ambition is to play a key role in the national development of Somalia. Through our audits, we show where and how public financial management and accountability can improve. We provide an independent, objective and reliable analysis of how the government is performing with respect to management and accountability of public finances, and also to enable key stakeholders to take appropriate action for better delivery of services and use of resources in Somalia. In this way, the OAGS contributes to the national efforts of ensuring Somalia utilizes its limited resources well and making progress towards achieving the Sustainable Development Goals (SDGs).

The overall purpose of the Strategic Plan (SP) is to bring the performance of OAGS to a higher level by making a contribution to the improved delivery of public sector services. It builds on past achievements we have made over the last five years. We have been able to deliver our reports to both parliament and the executive arm of the Federal Government of Somalia (FGS) and made them public as well on an annual basis. We are desirous to expand our work to other audit types and in other areas to be of greater value to the executive, parliament and the wider society.

Our history goes back to the 1960s when our office was established. The expectations of a SAI have changed a lot since then. It is now an international principle endorsed by the UN that SAIs can only be effective if they are independent and professionally competent. In Somalia, the Provisional Constitution has established the principle of an independent OAGRS. Success over the next five years relies on implementation of a modern legal framework that enhances the work and independence of the OAGS, as well as ensuring sufficient financial resources and staffing to the office.

This Strategic Plan highlights 11 key strategic outputs and outcomes we aim to deliver over the next five-year period. These have been carefully chosen following our engagements with our stakeholders and conducting a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis.

It is also our hope that parliament will be more active on audit follow-up with the executive arm of the government in order to strengthen public financial management and accountability. Furthermore, this SP is also focused on building rapidly our internal capacity in several audit areas including Information Technology (IT) competencies and mobilize additional resources in the medium term.

Another strategic shift of this SP is bringing out clearly our ambition to collaborate with audit offices of the Federal Member States (FMS). We share a common interest in timely and stronger public sector audit functions to enhance public financial management reforms in the Federal Republic of Somalia (FRS). All audit offices have continuously been developing audit capabilities, adopting modern audit methodologies and using ISSAIs. There are many synergies and potential benefits of closer collaboration and sharing audit experiences. The OAGS has over the last five years been making significant progress in developing its internal audit capacity, and we intend to share our successes and lessons learned in order to encourage audit offices in the FMS to take advantage.

I am grateful to the staff of my office for their dedication and commitment towards implementing the new SP. I am confident that this commitment will help us realize our vision of improved delivery of audit services for greater accountability and transparency in the management of public resources in the FGS.

Finally, I am grateful to the FGS for all their support without which the OAGS wouldn't have performed any better. Although the OAGS is an independent institution, it is still part of the wider government system of the FGS. I therefore, appreciate the continued cooperation and support of the FGS including the two legislative bodies - the Lower House and the Upper House.

I would like everyone, stakeholders and all institutions that have supported in the past, and I urge all of you to continue your support to the OAGS. I am confident that this commitment will help us realize our vision of improved accountability and transparency in the management of public resources by the FGS. This too contributes to strengthening governance and accountability for better service delivery to the people of Somalia.

The overall accomplishment and achievement of our goals in this new SP (2023-2027) will require determined and concerted efforts, strong commitment and loyalty of our management and staff. I salute all of you in your various capacities.

On behalf of the SAI Somalia, it is my honor to present to you our Strategic Plan for the period 2023 to 2027.



H.E. Avv. Ahmed Isse Gutale
Auditor General, FRS

EXECUTIVE SUMMARY

The Office of the Auditor General of the Federal Republic of Somalia (OAGS) serves as the Supreme Audit Institution (SAI) of Somalia. The OAGS is tasked with auditing all federal public institutions, ministries, departments, agencies (MDAs), state-owned enterprises (SoEs), and other enterprises in which the Federal Government of Somalia (FGS) has controlling interests. This responsibility is mandated by Federal Audit Law No. 14, which was signed into effect by President Dr. Hassan Sheikh Mohamud on September 10, 2023.

Over the last five years, the OAGS has conducted and issued several high-quality audit reports using the ISSAIs. The Strategic Plan for 2023 to 2027 seeks to consolidate on gains of the previous period as well as to expand audit activities and scope to add greater national value, as well as strengthen public financial management for efficient service delivery.

The overall ambition of the OAGS is to continue enhancing public financial management and accountability in the public sector in Somalia. This is to be achieved by producing and sharing high quality audits reports that add-value in the management of public finances of Somalia, and this includes supporting parliamentary oversight as well.

In this new SP, a set of critical 11 outputs or main deliverables have been identified. The following are key outputs to be achieved over the strategic planning period:

1. High-quality annual financial audits delivered on time for FGS.
2. High-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs.
3. High-quality specialized audits conducted in specific areas of public interest, including audits of Information Systems and environmental challenges.
4. High-quality forensic audits delivered on main issues of fraud, waste and abuse related to the use of public funds.
5. High-quality performance audits delivered on issues of public interests and great national importance including SDGs.
6. Increased role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time.
7. Enhanced oversight of registration and assessment of government contracts and concession agreements that have financial implications.
8. OAGS audit results are shared widely in public and there is increased OAGS's visibility with stakeholders through regular interaction with citizens to increase visibility and for selecting the right audits and controls.
9. Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues.
10. Regular and timely interaction with parliament on audit scrutiny and follow-up.
11. A framework for collaboration with the audit offices of the FMS established and implemented, including harmonization of audit processes, capacity development support and advocacy for enhanced resources.

In order to deliver these 11 outputs, OAGS has defined objectives and sub-objectives for capacity development within six areas or “goals”:

- **GOAL 1: Digitalized audit processes and new audit streams developed enabling relevant, timely and high-quality audit reports.** This includes consolidating on the achievements in both financial and compliance audits, and develop new capacities for performance, forensic and Information Systems (IS) audits.
- **GOAL 2: Strong internal governance, leadership and ethics for enabling OAGS efficiency and effectiveness.** This includes strengthening performance and change management, overall quality management, internal control and ethical standards.
- **GOAL 3: Proactive engagement and trustful collaboration with key stakeholders.** While OAGS currently is engaging stakeholders widely, a particular effort over the next 5 years is to increase stakeholder engagement with parliament.
- **GOAL 4: Well qualified and professional staff in a dynamic and inclusive organization.** A new organizational structure is to be developed and a substantive office-wide professional development rolled-out to ensure sufficient human capital in key areas as audit, IT, human resource (HR), legal and management.
- **GOAL 5: Enhanced digitalization and support services for better efficiency in the OAGS.** Over the strategic planning period OAGS aims to enhance automation of processes related to HR, audit, administration, finance, planning and performance management.
- **GOAL 6: Independence, sufficient resourcing and effective capacity development support to OAGS secured.** It is expected OAGS will have a new audit act complying with the ISSAIs. For the successful implementation of this, OAGS aims to contribute to appropriate regulations and routines, strengthen its legal competencies and secure sufficient resources from both government and development partners.
- **GOAL 7: Strong relations and collaboration with the Offices of the Auditor General of the FMS.** OAGS will work with the FMS-OAGs to establish a framework for collaboration, trainings and sharing of experiences. OAGS will especially seek to contribute to harmonization of audit approaches and tools.

The OAGS will annually decide which objectives and sub-objectives within these goals are to be prioritized. This is set in the annual operational plan considering available resources, actual delivery of strategic outputs and indications of outcomes in the form of executive implementation of audit recommendations.

The progress and results of the Strategic Plan will be reported annually in the Annual SAI Performance Report using defined indicators as well as qualitative reporting of each strategic priority. In addition to the annual reporting there will be a mid-term review assessment in early 2025 and an end-term review in 2027. The FMS-OAGs will be consulted for both the mid and end-term review to consider if their performance could be assessed at the same time using a similar approach, ensuring synergies and comparison.

The successful implementation of the SP relies on several preconditions and assumptions. The most important ones include increased staffing for new audit streams, enactment of the audit bill and continued technical and financial support by development partners.

1. THE MANDATE, ROLE AND CURRENT CAPACITY OF THE OAGS

1.1. Mandate

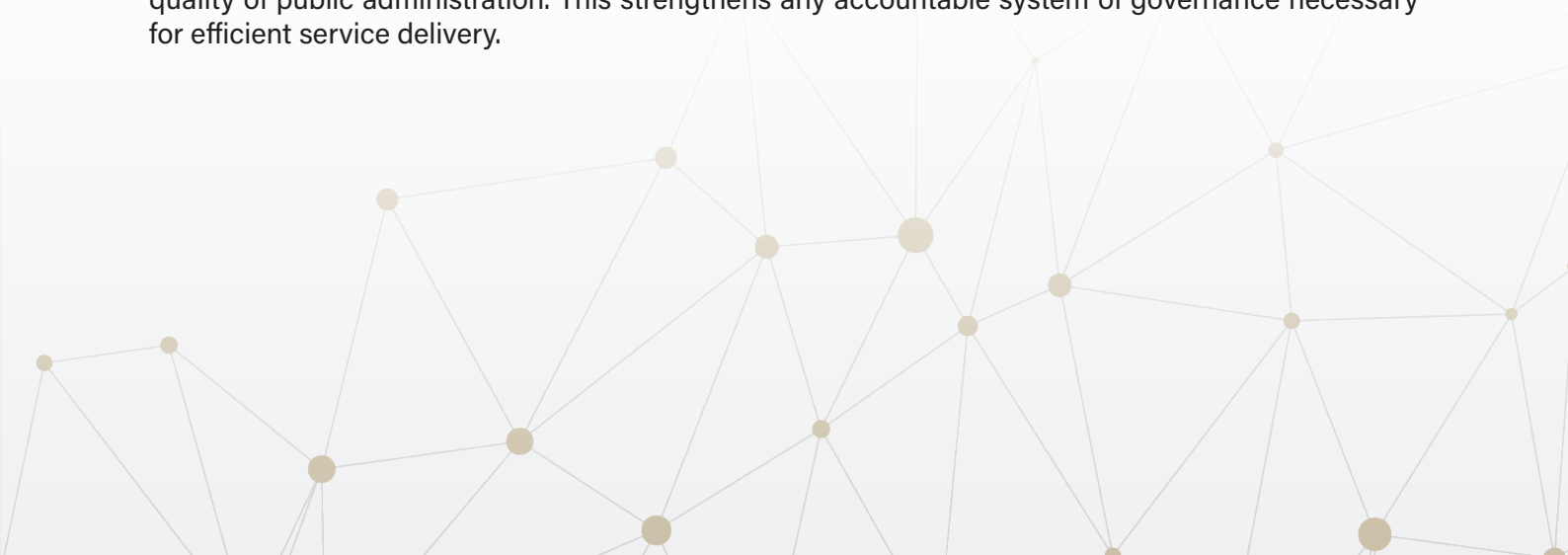
The OAGS is responsible for auditing federal public institutions, MDAs as well as for SoEs and other enterprises in which the FGS has controlling interests. The OAGS is also responsible for auditing all revenues and expenditures, capital projects, grants, contracts, assets (movable and immovable property of the state), and public debt. Enhancing accountability is the central objective of audits conducted. Audits can also assess economy, efficiency or effectiveness as well as financial regularity and compliance. This contributes to enhancing public sector service delivery. The OAGS is responsible for conducting control reviews after expenditures are incurred and disbursed. All audits are conducted using the ISSAIs.

The audit mandate is enshrined in the Provisional Constitution of the FRS of 2012 and stipulated in Federal Audit Law No. 14, which was signed into effect by President Dr. Hassan Sheikh Mohamud on September 10, 2023.

In the system of governance in Somalia, responsibility and accountability go together. According to the PFM Act of 2019 the FGS collects, disburses, and manages public funds as appropriated by parliament. Each government agency is answerable to parliament in the way it performs its stewardship functions. When spending public funds, the government is required to exercise strict controls and ensure efficiency and economy of operations in accordance with the PFM Act. It is also required to prepare financial statements periodically. Annual financial statements are to be audited by the Auditor General who submits audit reports to parliament. The accountability cycle ends in parliament following scrutiny of audit reports by the Budget and Finance Committee (BFC), one of the standing committees of parliament. Following the scrutiny of audit reports, the BFC prepares its reports which are then tabled on the floor of parliament for final recommendations to the executive arm of the FGS for implementation. This ensures accountability of public funds and efficient management of public resources for service delivery. Therefore, the OAGS plays a crucial role in the accountability and governance framework in Somalia.

In accordance with the National Development Plan (NDP-9), the OAGS contributes to improving delivery of public sector services by evaluating the economy, efficiency, and effectiveness in the use of public resources, as well as on financial regularity and compliance.

Audit reports on performance of the government provide opportunity to the legislators, government officials, and the general public including development partners and other stakeholders to assess the quality of public administration. This strengthens any accountable system of governance necessary for efficient service delivery.



1.2. Brief history

The OAGS was formed in the 1960s. During the 1970s, the office conducted audits under the Law of Magistrates (Law no. 34 of 1972). By then, Somalia was a unitary state.

After the civil war in 1991s, many government institutions and systems collapsed, and the OAGS was no exception. As part of rebuilding Somalia, the Provisional Constitution was promulgated in 2012, and a federal system of governance was established with five FMSs. The Constitution also established the principle of an independent OAGS.

On September 10, 2023, the President of the Federal Republic of Somalia, Dr. Hassan Sheikh Mohamud, signed into effect a new Federal Audit Law, known as Law No. 14. This law currently constitutes the mandate of the Office of the Auditor General.

The first ever 3-year SP (2017-2020) was developed around six goals. As some of the activities had not been implemented, the SP was extended for a further 2 years with a few amendments (2021-2022). Since 2019, the OAGS has made significant improvements that included a complete refurbishment of office premises, acquired modern office equipment including computers and laptops, conducted several trainings for almost all audit and non-audit staff, and developed a modern audit law among others.

Over the recent past, the OAGS has conducted and issued several high-quality audit reports using the ISSAIs. The OAGS has also conducted several engagement meetings with MDAs, parliament, media, audit offices of the FMSs and other stakeholders as part of a wider program of sensitization on audit reports, audit mandate and accountability.

1.3. OAGS' strengths, weaknesses, opportunities and threats

To identify the priorities of the Strategic Plan, a comprehensive SWOT Analysis was conducted. This has helped in identifying the drivers of change and challenges of the OAGS both from internal and external perspectives. The internal drivers are the **strengths** and **weaknesses**, while the external environment identified possible **opportunities** and **threats** to the OAGS.



Strengths

- ISSAIs have been formally adopted and incorporated in audit manuals and applied in audits.
- Annual training of audit staff on ISSAIs since 2017 have been conducted.
- The OAGS has been registering signed contracts and concessions for review.
- Procedures for internal accountability and performance management have been established, including annual planning, monitoring and reporting, and are implemented.
- Policies and manuals have been developed for all main functions and departments in the OAGS and are applied.
- Collaboration with the FMS-OAGs has been established, especially for joint training and capacity development.
- A credible public profile through active engagement of key stakeholders and visibility in media.
- Talented staff have been recruited during the last 4 years and a number of training courses have been rolled out to all staff.
- A professional development programme has

been established for implementation.

- Digital system for the audit process (automating the audit process) has been customized for use by staff.
- An ecosystem of capacity development support is established, including partnerships with peers, consultants and donors.
- A modern office space has been completed and furnished.
- Basic IT equipment has been rolled out for auditors.



Weaknesses

- The capacity to Audit Information Systems (IS), performance, and fraud risks has been developed to a limited degree.
- Inadequate staffing is observed due to the limited availability of budgetary resources necessary for recruitments.
- While progress has been made, there is still a need for enhancements in the professional internal capacity.



Opportunities

- An increasing awareness of the role of the OAGS and demand for timely delivery of audit services.
- Collaboration with the parliament, especially the BFC.
- Collaboration with FMS-OAGs gives mutual benefit of learning and professional development.
- New digital solutions are continuously being developed which OAGS can utilize.
- Increasing online availability of global education and professional development programmes.
- Increased cooperation with other SAIs, and continued technical and financial support from the international community (such as; the WB, the EU, the RNE, IDI and AFROSAI-E).



Threats

- Delayed scrutiny of audit reports by parliament hinders timely audit follow-up.
- Lack of implementation of audit recommendations by MDAs poses a potential threat.
- The absence of a recognized accountancy body in Somalia impedes professional regulation.
- There is a need for a more systematic follow-up on audit findings and recommendations.

1.4. Governance and external environmental challenges calling for OAGS action

Somalia is faced with several public financial management and governance challenges. PFM reforms are ongoing and some progress has been made during the recent past. There is a new PFM Act, and several other laws have been enacted including one for procurement. In terms of governance and accountability, the FGS has made significant progress in the recent years but there are still some challenges. The following challenges are considered important for OAGS when deciding on where to prioritize its overall audit efforts and strategic priorities:

01

OVERALL PERFORMANCE ON SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Somalia has a low performance on achievement of the SDGs compared to other countries. This reflects major challenges of capacity and performance in most sectors of the government of Somalia.

03

SUBMISSION OF FINANCIAL STATEMENTS FOR AUDIT

To guarantee accountability and transparency in service delivery, all MDAs that receive public funds from the FGS are expected to submit annual financial statements to the Accountant General's office. A challenge is the MDAs' ability to prepare and submit financial statements on time. This also contributes to failure in preparation and submission of annual consolidated financial statements to the Auditor General. Secondly, there is no explicit requirement in the PFM law for MDAs, which get annual appropriations from parliament, to submit annual financial statements to the OAGS for audit for accountability purposes.

02

CORRUPTION IN THE PUBLIC SECTOR

Based on the most recent Corruption Perceptions Index (CPI) of 2022 released by Transparency International, Somalia is still ranked poorly. Although laws have been enacted, enforcement and adherence to the laws are still weak. Consequently, the OAGS faces a high audit risk in its performance.

04

REVENUE COLLECTION

There is a challenge of tax arrears and lack of compliance with revenue laws and regulations.

05

INTERNAL AUDIT CAPACITY

The new PFM Act requires each authorized officer of a MDA to have an internal auditor who reports on the effectiveness of internal controls. However, the internal audit function in the Ministry of Finance has capacity constraints and few internal audits have been conducted in the MDAs.

06

MANAGEMENT OF CONTRACTS AND CONCESSIONS

There have been several cases where procurement and concessions processes do not adhere to expected procedures. This reduces transparency in the award of procurement and concessions contracts.

08

LACK OF AUDIT FOLLOW-UP

Based on recent audits conducted, most MDAs have not implemented audit recommendations, nor have they indicated plans for implementing them. Similarly, the BFC of parliament that is responsible for the scrutiny of audit reports, has not started reviewing the audit reports and taking appropriate actions. Consequently, there has been slow implementation of audit recommendations by the MDAs.

07

LACK OF COMPLIANCE WITH THE PROCUREMENT LAW AND REGULATIONS:

A new Procurement Act was enacted in 2016, and regulations were gazetted in 2022. Based on compliance audits conducted in the recent past, there is a general lack of enforcement and compliance with the procurement law and regulations.

09

USE OF COUNTRY SYSTEM

The OAGS conducts audits of many development partner funded projects on a regular basis. However, some selected development partners do not use the country system, and their support is neither on-budget nor on-treasury.

2. OAGS STRATEGIC VISION, MISSION, VALUES AND INTENDED RESULTS

2.1. Vision, mission and values



Vision

The OAGS vision is: **“To be a reliable and independent Supreme Audit Institution that is responsive, effective, and efficient in promoting transparency and accountability in the use of public resources.”**

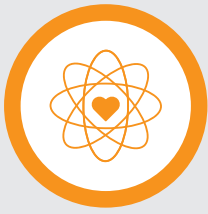
The vision is our long-term target. It drives us to improve continuously in order to establish ourselves as a reliable institution committed to fostering public accountability, transparency, integrity and contribute to the promotion of strong governance. Our vision, however, is not simply to act as a watchdog over other public sector institutions; rather, it is our deep-seated commitment to lead by example through becoming a model SAI that holds itself accountable and ensures the highest degree of transparency, integrity, and professionalism in its own operations.



Mission

The OAGS mission is: **“To conduct and produce high quality audit reports to the Parliament and President in order to enhance transparency and accountability of the FGS for the benefit of Somali citizens”**

Our mission represents why we exist as an institution, for whose benefit, and how we propose to uniquely contribute to that larger purpose. Our recommendations and audit reports contribute to the efficient and effective use of public funds in service delivery for our people. This binds us irrevocably to all other public institutions in the country in order to achieve the ultimate aim of improving the lives of the people. This would result in increased transparency and accountability regarding the use of public funds, an increase in public sector performance, the maintenance of credibility, the promotion of public trust, and the efficient use of public resources for the benefit of Somalia’s citizens. Our mission involves producing easy-to-understand audit reports that explain compliance with the laws and regulations of the FGS, and best practices where applicable, and make recommendations that, when implemented, will have a significant impact on improving government’s performance.



Values

Our core values always guide us in how we behave with each other as well as with our external stakeholders. They are the foundation of our organizational culture and impact individuals, as well as organizational performance. We believe that how we conduct ourselves daily affects our individual self-respect, and the goodwill and reputation of the OAGS. The previous OAGS values mainly focused on the auditors and the new values expand across the organization as well as establishing better relationships with the public and stakeholders.

Our four core values are:



Professionalism

- We adhere to ISSAIs and comply with the specific requirements of our legal framework.
- We prioritize punctuality, consistently meeting timelines and responding promptly.
- We maintain elevated standards of integrity, confidentiality, and quality in all aspects of our work.
- Accountability is a cornerstone of our approach, encompassing our work, decisions, and professional development.
- We lead our teams with effectiveness and fairness.



Innovation

- We continually seek to redefine the standard of excellence in all our endeavours.
- We proactively anticipate and respond to changes in our environment.
- Adaptability and agility are integral to our approach, allowing us to navigate dynamic situations effectively.
- A perpetual desire for renewal drives our commitment to innovation.
- We readily acknowledge and celebrate excellence in all its forms.



Collaboration

- We prioritize openness and transparency as fundamental principles in our approach.
- We work collaboratively to achieve shared goals, leveraging the collective strength of our team.
- By fostering an environment of mutual respect, we enhance our capacity to deliver exceptional results.
- We establish and uphold professional relationships with both internal and external stakeholders.



Making a difference

- We are passionate about contributing to the betterment of our country and the public sector, with a dedicated focus on creating positive change.
- Our actions are guided by a genuine commitment to leave a positive legacy for future generations.
- We actively embrace a broader societal perspective, committing to inclusiveness, social responsibility, and the sustainable development of our initiatives.

2.2. Main intended results and how OAGS will contribute to impact in the strategic period

The Strategic Plan (SP) has been developed with the intended impact of the OAGS as the starting point. Impact can be defined as a long-term lasting change to the lives of the citizens as a result of our work in the OAGS. In order to contribute to impact, production of timely audit results and ensure these are shared in a way contributing to changes in government performance and ultimately better services for citizens is critical. In the Strategic Plan, there is a chain of effects where:

- The OAGS **capacities** planned (the “goals and objectives” presented in part/heading 3) are expected to lead to;
- The OAGS **outputs** (audit results and sharing of these) which are expected to lead to;
- The OAGS **outcomes** (utilization of the audit results by stakeholders) in which finally are expected to contribute to;
- **Impact** in the form of changes in society and for citizens.

Impact of OAGS work

The OAGS is, in general, expected to contribute to transparency, accountability and integrity in Somalia, as well as on the achievement of nationally set development goals, and on the implementation of the UN 2030 agenda, and Sustainable Development Goals (SDGs). SDGs provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests. The intended impact of the OAGS during the strategic planning period have been developed based on analysis of the current main governance and public financial management challenges in Somalia. The intended impact of the OAGS work in the strategic planning period is broadly summarized as follows:

1. Enhanced national and international confidence in public financial management of Somalia;
2. Strengthened federal government institutions - the MDAs;
3. Reduced levels of fraud, waste and abuse of public funds in Somalia;
4. Improved service delivery and progress by Somalia towards the SDGs;
5. Improved business climate in Somalia;
6. FGS is able to deal effectively with major crises such as droughts;
7. Improved public engagement in accountability; and
8. Enhanced accountability, democracy and trust in Somalia.

An impact assessment study will be conducted in 2027 to measure the OAGS contribution on impact which includes improving stakeholder’s confidence on PFM in Somalia, strengthening MDAs, reducing levels of fraud, waste and abuse of public funds, improving service delivery, improving disaster management, increasing public engagement in accountability and enhancing accountability, democracy and public trust. Development Partners (DPs) will be invited to contribute to the assessment of the OAGS contribution to this impact.

Expected outcomes of OAGS work

To contribute to the impact, key Strategic Outcomes have been identified based on an analysis of the current use of audit reports and stakeholder consultations. The OAGS seeks to achieve the following outcomes:

- i. **The OAGS is seen as a role model organization in good governance:** The OAGS will perform its duties in a manner that provides for accountability and transparency. This includes having appropriate organizational management, application of a code of ethics, sound internal control and strive for service excellence and quality.
- ii. **Parliament playing an active role in follow-up implementation of audit recommendations:** The aim of Communication Strategy of the OAGS is to strengthen the working relationship with the BFC of parliament in the scrutiny of audit reports and submit its reports to the floor of parliament for appropriate actions. This goes to strengthen implementation of audit recommendations. This also helps parliament to clear the backlog of audit reports of the recent past.
- iii. **Improved implementation of audit recommendations:** Audit recommendations identify weaknesses to the successful delivery of outcomes consistent with policy and legislative requirements, and highlight actions aimed at addressing those risks, and opportunities for improving entity administration. Entities are responsible for the implementation of audit recommendations to which they have agreed, and the timely implementation of recommendations allows entities to realize the full benefit of audit activity.
- iv. **Well-functioning FMS audit offices delivering quality audits in line with international standards:** Due to limited audit capacity in the FMSs to ensure the overall accountability and governance in Somalia, the OAGS will through collaboration with peers and DPs, play a role in capacity development of audit offices of the FMSs.

The result indicators and targets for the strategic outcomes are shown below:

| Expected Results | Indicator Definition | Source | Baseline (year) | Target 2023-2027 |
|---|--|--|---|---|
| The OAGS is a role model organization in good governance | Average expressed stakeholders' perception on OAGS as a role model on 0 - 5 scale | Annual survey to stakeholders conducted by SAI | To be defined after the first measurement in 2023 | Average score of Stakeholders perception is > 4 (agree and strongly agree) |
| Parliament playing an active role in follow-up of audit recommendations | Whether an accountability committee of the legislature examines audit reports on the annual budget within six months of its availability, and publish a report with findings and recommendations | International Budget Partnership Open Budget Survey: Question 118 (2021 version) | No, a committee did not examine the audit report on the annual budget (April 2020 report) | The committee examines the audit report within six months of it being released then publishes a report with its |

| Expected Results | Indicator Definition | Source | Baseline (year) | Target 2023-2027 |
|--|--|---|--|--|
| Improved implementation of audit recommendations | Whether the executive reports to the public on the steps it has taken to address audit recommendations made by SAI | International Budget Partnership Open Budget Survey: Question 101 | 0 (2019) | The executive must report publicly on the steps it has taken to address all audit findings |
| Well-functioning FMS audit offices deliver quality audits in line with international standards | SAI-10 Financial Audit Process* SAI-16 Compliance Audit Process* | A specific assessment of the indicators as agreed with the FMS OAGs** | To be defined in the FMS-OAGs assessment in 2023 | Overall improved average score |

* Assuming assessment of the indicator is approved by the FMS-OAGs.

** The assessment could be done by OAGS, FMS-OAGs, peers or advisors.

Expected OAGS outputs in the strategic planning period

The strategic outputs are those results that are to a large extent within the control of the OAGS as they are direct products of our processes. The strategic outputs are those that are most important to lead to strategic outcomes. The following are the strategic outputs to be achieved during the strategic planning period:

- i. High-quality annual financial audits delivered on time for the FGS.
- ii. High-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs.
- iii. High-quality specialized audits conducted in specific areas of public interest, including audits of IS and environmental changes.
- iv. High-quality forensic audits delivered on main issues of fraud, waste and abuse related to the use of public funds.
- v. High-quality performance audits delivered on issues of public interests and great national importance including SDGs.
- vi. Increased role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time.
- vii. Enhanced oversight of registration and assessment of government contracts and concession agreements that have financial implications.
- viii. OAGS audit results are shared widely in public and there is increased OAGS's visibility with stakeholders through regular interaction with citizens to increase visibility and for selecting the right audits and controls.
- ix. Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues.

- x. Regular and timely interaction with the Parliament on audit scrutiny and follow-up.
- xi. A framework for collaboration with the audit offices of the FMSs established and implemented, including harmonization of audit processes, capacity development support and advocacy for enhanced resources.

The results indicators and targets for the strategic outputs are shown in the table below:

| Expected Output | Indicator for whether the expected result is achieved | How to measure the indicator | Baseline (year) | Target | | | | |
|---|---|---|---|--------|-------|-------|-------|-------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| High-quality annual financial audits delivered on time and for the FGS | Whether the audit of annual financial statements of the FGS is submitted to parliament within 3 months of submission | 30 th June of each year | Not met later than 30th June (2022) | Met | Met | Met | Met | Met |
| High-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs | Percentage of MDAs in which a compliance audit is completed per year, as compared to the OAGS annual audit plan target of MDAs / entities to be covered | Count the number of compliance audits completed as compared to the approved audit plan | 97 % / 39 actuals as compare to 40 planned (2022) | 100 % | 100 % | 100 % | 100 % | 100 % |
| High-quality specialized audits conducted in specific areas of public interest, including audits of IS and environmental challenges | Percentage of specialized audits completed and reported in public, as compared to the OAGS annual audit plan target of reports | Count the number of specialized audits completed and reported in public as compared to the approved audit | 100 % (2022) | 100 % | 100 % | 100 % | 100 % | 100 % |

| Expected Output | Indicator for whether the expected result is achieved | How to measure the indicator | Baseline (year) | Target | | | | |
|--|--|---|-----------------|--|-------|-------|-------|-------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| High-quality forensic audits delivered on main issues fraud, waste and abuse related to the use of public funds | Percentage of forensic audit reports completed and submitted for further action during the year as compared to the planned number of such audits | Count the number of forensic audits completed as compared to the number planned | 0 (2022) | 100 % | 100 % | 100 % | 100 % | 100 % |
| High-quality performance audits delivered on issues of public interests and great national importance including SDGs | Number of performance audit reports submitted to parliament | Count the number of performance audits completed and reported in public | 0 (2022) | 1 | 1 | 1 | 1 | 1 |
| Increased role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time | Number of donor funded project audit reports completed and submitted by OAGS every year | Count the number of donors funded projects audited | 19 (2022) | Increased number as compare to previous year | | | | |



| Expected Output | Indicator for whether the expected result is achieved | How to measure the indicator | Baseline (year) | Target | | | | |
|--|---|--|-----------------|--------|-------|-------|-------|-------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| Enhanced oversight of registration and assessment of government contracts and concession agreements that have financial implications | Percentage of registration and assessment of government contracts completed during the year compared to all contracts submitted to OAGS | Count the number of government contracts registered and completed vs submitted to OAGS | 100% | 100 % | 100 % | 100 % | 100 % | 100 % |
| OAGS audit results are shared widely in public and there is increased OAGS visibility with stakeholders through regular interaction with citizens to increase visibility and for selecting the right audits and controls | Whether all audit reports published are made available on the website and shared by OAGS on social media within 1 day of publication | Check website and social media | Yes (2022) | Yes | Yes | Yes | Yes | Yes |



| Expected Output | Indicator for whether the expected result is achieved | How to measure the indicator | Baseline (year) | Target | | | | |
|--|---|--|----------------------|--------|------|------|------|------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues | Number of annual forums with MDAs completed during the year on the audit findings, recommendations, and emerging issues commenced | Count the number of annual forums with MDAs which have commenced | 2 (2022) | 2 | 2 | 2 | 2 | 2 |
| Regular and timely interaction with the Parliament on audit scrutiny and follow-up | Number of annual sensitization seminars are held by the OAGS for the BFC commenced during the year | Count the number of annual sensitization seminars for the BFC completed | 1 (expected in 2022) | 1 | 1 | 1 | 1 | 1 |
| A framework for collaboration with the audit offices of the FMSs established and implemented, including harmonization of audit processes, capacity development support and advocacy for enhanced resources | Number of professional and organizational capacity building support (as training event, exchange, joint seminar, etc.) provided and facilitated to the FMS-OAGs during the year | Count the number of professional and organizational capacity building support provided during the year | 3 (2022) | 3 | 3 | 3 | 3 | 3 |

3. OAGS GOALS AND OBJECTIVES FOR CAPACITY DEVELOPMENT

3.1. GOAL 1: Digitalized audit processes and new audit streams developed enabling relevant, timely and high-quality audits

OAGS needs to continuously improve the quality of audit reports through improving internal audit processes to meet recognized international standards of auditing. To increase the value of OAGS, there is also a need to increase the coverage and scope of audits. In the strategic period we will seek to consolidate the achievements in financial and compliance audits, and develop new capacities for performance, forensic and IS audits.

3.1.1. Risk and materiality based overall audit planning and monitoring

The OAGS has over the last years developed a standard Annual Overall Audit Plans (AOAP) in which (amongst others) considers a range of risks including areas of public interest as well as achievement of the UN SDGs. There is a need to continue improving internal audit processes, adoption and adherence to recognized auditing standards (including the ISSAIs), ensuring it prioritizes key risks, increase audit coverage, and increase audit scope by conducting other types of audits beyond financial and compliance.

Sub-objectives:

- a) Approved AOAP at the end of each audit year, including all types of audits, audit activities, technical support, operational cost and human resources allocated for these. The process should ensure good information flow between different internal work units in OAGS in the selection of audits.
- b) Regular monitoring and follow-up of implementation of the approved AOAP, identification of lessons learnt and areas for further improvement, including re-allocation of resources necessary to deliver the most important audit results on time.
- c) Enhanced competencies of audit staff in overall audit planning, risk-based audit and materiality concepts.

3.1.2. Timely production of high-quality financial audit reports by a dedicated financial audit function

A core priority of the OAGS is to issue high-quality financial audit reports in a timely manner. As required by the PFM act, annual financial statements of FGS are to be submitted for audit by the end of April each year, and the Auditor General (AG) is expected to issue an independent audit report to Parliament within 2 months, i.e., by 30th June. These audits are expected to give independent assurance about whether financial statements show a true and fair position of the financial affairs of the entity audited. The audits are to be conducted using the customized Financial Audit Manual in compliance with the ISSAIs.

Sub-objectives:

- a) A robust team of specialized and certified financial auditors in place, recognized for its competence of financial statements requirements and practices in Somalia.
- b) Financial audits executed in compliance with the OAGS Financial Audit Manual.
- c) There are adequate supporting working papers, execution of set processes in the electronic tool the Somalia SAI Enhancement Audit Tool (S-SEAT) are completed satisfactorily, and internal quality control throughout the audit cycle is conducted and documented by senior designated staff.
- d) Follow-up of previous years' findings and recommendations systematically done for all financial audits.

3.1.3. A compliance audit function able to provide timely and high-quality audit of a wide range of compliance subject matters

A compliance audit is a comprehensive review of an organization's adherence to a legal and regulatory framework. In conducting compliance audits, auditors are required to acquaint themselves with the parliamentary decisions, laws, legislative acts, established codes or norms, and agreed-upon terms that a public sector entity is expected to comply with in the execution of its roles and responsibilities. Laws include but are not limited to: The PFM Act and applicable regulations; the National Procurement Act and applicable regulations; and the National Labor Code and the Civil Servant Act and applicable regulations.

Sub-objectives:

- a) A well-established compliance audit function recognized for its competence of requirements of key acts and regulations, and the gaps of implementation across MDAs in Somalia. The number of compliance auditors are to be increased enabling OAGS to cover the major compliance challenges across the MDAs.
- b) Audit work executed in compliance with the OAGS Compliance Audit Manual, demonstrated by use of working papers, execution of set processes in the electronic tool S-SEAT and quality control throughout the audit cycle.
- c) Follow-up of previous years' findings and recommendations systematically done for all compliance audits.

3.1.4. A strong Information System audit function enabling high-quality audit reports on different IT systems of the government

Information System (IS) audit is an audit of both general and applications controls, among other matters, of IT systems. The assessment of the selected IT system includes a number of areas such as the design, development, deployment, security arrangements, data capture and processing controls, data integrity, integration and interface issues of the system with other systems.

Sub-objectives:

- a) An OAGS Manual for IS Audit developed and applied.
- b) A robust function in OAGS for auditing IS established, including a team of a minimum of 5 auditors certified in IS audit and with strong knowledge of how to audit different types of IS.
- c) An overview description of IS being utilized in the Somalia public service ("IS Audit Universe"), including their main function and risks, as a basis for annual audit planning.

3.1.5. A strong specialized forensic audit function

Forensic auditing is the application of accounting methods to the tracking and collecting of evidence usually for investigation and prosecution of criminal acts such as embezzlement or fraud. Forensic audit normally involves an investigation into the financial affairs of an entity and is often associated with investigations into alleged fraudulent activities. It refers to the whole process of investigating a financial matter and/or assets misappropriation. This may include potentially acting as an expert witness if the fraud matter or case is brought before court for trial.

OAGS has delivered some forensic audits which have led to corrective actions by government, including in the health sector. For the strategic period it will be a priority to develop a strong methodological basis for forensic audit and a professional team able to conduct such audits with indisputable quality.

Sub-objectives:

- a) A dedicated and robust team of a minimum of 5 forensic audit specialists well trained in forensic audit methodology and with certification.
- b) A customized OAGS Forensic Audit Manual set and applied.
- c) Annual seminar on forensic audit methodology held in OAGS.
- d) Continuous professional development through a network of forensic auditors of other SAIs in the region.
- e) Establishment of digital forensic lab, equipped with the latest technology and bring on board professionals.

3.1.6. A strong specialized performance audit function

The Somalia government has various challenges of performance, such as related to quality-of-service delivery and achievement of the SDGs. SAIs can through audits of performance contribute to more value for money and enhanced service delivery in the public sector. Performance auditing can be defined as assessing whether government policies and programmes are implemented in accordance with the principles of economy, efficiency and/or effectiveness. It is usually reported separately and provides new information, analysis or insights on public policy implementation in a selected topic.

Many SAIs in the region is conducting performance audits. OAGS will seek to gradually develop its capacity to deliver performance audit reports over the strategic planning period.

Sub-objectives:

- a) An OAGS Performance Audit Manual developed and applied, based on the AFROSAI-E template Performance Audit Manual.
- b) A specialized and separate function in OAGS for performance audit is established, including a team of minimum 4 auditors trained in performance audit methodology and having a multidisciplinary education background.
- c) A performance audit function especially trained in approaches to auditing the performance of Somalia in achieving the SDGs.
- d) Performance audits in selected sectors delivered through engagements with long term advisors, peer-support partners and donors.
- e) Continuous sensitization of stakeholders in performance audit conducted.

- f) Continuous engagement with a network of performance auditors of other SAIs in the region ongoing ensuring professional development and support.

3.1.7. Strong audit quality control and line management direction and review of audit processes

Quality control review can be defined as a process that is designed to provide an objective evaluation and certainty that quality parameters are deeply embedded into the auditing practice. In auditing, quality control is the process of ensuring all the quality protocols of professional standards have been followed while performing the audits. To ensure high quality audit reports, a robust system of quality control needs to be in place in the OAGS.

Sub-objectives:

- a) Systematic use of working papers for quality control in all audit work, applied in S-SEAT.
- b) Quality control checklist applied for all audit processes.

3.1.8. Independent quality assurance conducted annually for selected audits contributing to active learning and improvement

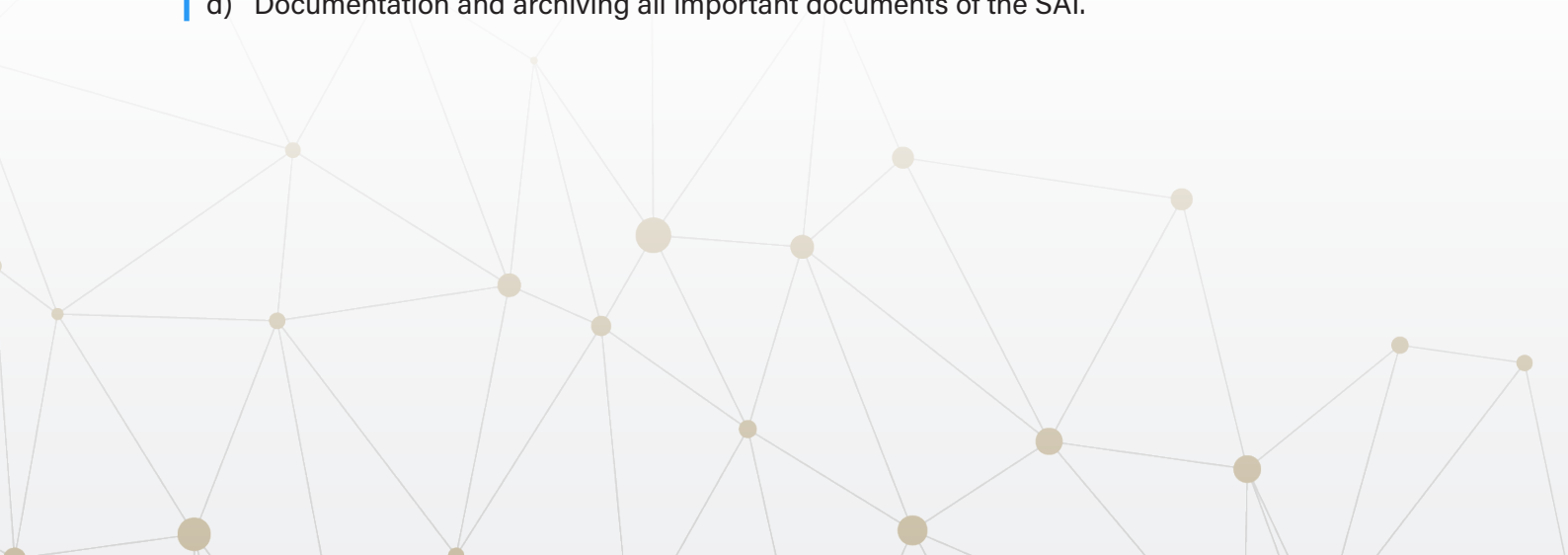
Quality assurance means a systematic procedure for assessing the effectiveness, efficiency, and appropriateness of services. In OAGS quality encompasses institutional strength and the quality of its audits at an operational level.

The OAGS Quality Assurance Policy details the processes for ensuring compliance with International Organization of Supreme Audit Institutions (INTOSAI) standards and procedures to monitor the processes. These procedures are designed to guide auditors, including persons and institutions auditing on behalf of the Auditor General, in carrying out audits and for quality assurance reviews.

For adherence to professional standards and regulatory and legal requirements, whether the quality control systems have been appropriately designed and effectively implemented and procedures have been appropriately applied so that reports that are issued by the OAGS are appropriate in the circumstances.

Sub-objectives:

- a) A dedicated quality assurance department well-established in OAGS.
- b) Quality assurance of selected audits conducted annually and a record of implementation of gaps arising from quality assurance maintained.
- c) External quality review by AFROSAI-E conducted every 2nd year.
- d) Documentation and archiving all important documents of the SAI.



3.2. GOAL 2: Internal governance, leadership and ethics enabling OAGS efficiency and effectiveness

A well-functioning internal governance and strategic management are fundamental for the implementation and the achievement of the goals set out in the Strategic Plan. It is also important to have a strong performance and change management in place to ensure better resource allocation and transparency. Moreover, quality management and internal control is needed to ensure compliance with key regulations and policies to achieve the expected results. Enhancing high ethical standards and ensuring staff adhere to these standards is critical for providing independent and high-quality reports.

3.2.1. Strong overall performance and change management

A strong overall SAI performance and change management is characterized by realistic annual operational plans linked to the Strategic Plan, active use of quarterly reports for internal monitoring and an active management team ensuring optimum use of resources and achievement of strategic goals which need to be developed taking into account new audit disciplines and strategic priorities. For external stakeholders, all SAIs are expected to issue an annual SAI performance report - to demonstrate transparency and lead by example. The OAGS Performance and Planning Policy is used as the main guide for the overall strategic and operational management of the OAGS.

Sub-objectives:

- a) An implemented and well-functioning digital system to manage the strategic and operational planning, monitoring and reporting, including quarterly, semi-annual and SAI Performance Reports.
- b) Risk management is well integrated in the regular planning, monitoring and reporting processes of OAGS.
- c) A well-functioning OAGS calendar for events and meetings, ensuring good coordination and efficiency of handling activities.
- d) Annual seminar on strategic, operational and change management for OAGS senior staff

3.2.2. OAGS wide quality management and internal control framework established

All SAIs are expected to have a well-developed and formalized quality control system in place that documents processes, procedures, and responsibilities for achieving quality and internal control. This includes norms and procedures for ensuring quality and compliance with key regulations and policies in both audit and non-audit activities.

Sub-objectives:

- a) An organizational wide quality management and internal control framework developed, clarifying expectations for the control environment, principles, responsibilities and requirements of quality and internal control.
- b) Policies for all main functions in OAGS developed as a basis for quality and internal control activities.

3.2.3. Strengthened integrity internally

All SAIs are expected to lead by example and adhere to high ethical standards. In the context of Somalia there is a risk of auditors and staff being vulnerable to pressure for violation of the ethical standards. This calls for OAGS to make continuous and strong efforts to address integrity and ethics challenges. OAGS has set a Code of Ethics which all staff are expected to comply with, and there are requirements for an ethics declaration in all audit processes.

Sub-objectives:

- a) Conduct periodic training and awareness sessions on the Code of Ethics for all staff.
- b) Conduct a review of OAGS adherence to the Code of Ethics, for instance by the use of the IntoSAINT tool, and consider an update of the Code of Ethics for the office as a whole.

3.3. Goal 3: Proactive engagement and trustful collaboration with key stakeholders

OAGS has made significant strides over the past years in increasing its stakeholder engagement and feasibility. Over the legacy Strategic Plan (2017-2022), OAGS has maintained regular engagement with key stakeholders, put in place a Communications Policy and Strategy and established a functioning Public Relations Unit to coordinate these efforts. The aim in the next 5 years is to continue boosting the image of OAGS and increase stakeholder engagement, especially with parliament.

3.3.1. Provide support to parliament in scrutinizing audit reports

The BFC of parliament together with the OAGS play an important role in scrutinizing the public expenditures. To ensure a well-functioning accountability system, SAI Somalia shall endeavor to regularly communicate with the parliament to ensure scrutiny and follow-up of the audit reports for increased impact. The OAGS continues to report to parliament on the degree to which the audited entities take action on audit findings and recommendations.

Sub-objectives:

- a) Have strong capacity to regularly liaise with and provide technical support to parliament for scrutiny of audit reports established.
- b) Conduct regular sensitization seminars of the parliament (in particular the BFC) about the OAGS' role and audit work, especially new audit streams such as performance and forensic.
- c) Provide continuous technical support and guidance to the BFC on scrutiny of audit reports.

3.3.2. Active and supportive stakeholder relations

Effective engagement with the stakeholders including the citizens strengthens the SAI's capacity to effectively execute its mandate as the guardian of the public funds. Effective stakeholder relations also increase relevance of SAIs work in the eyes of the public and other stakeholders.

Sub-objectives:

- a) Establish a systematic approach to engaging stakeholders based on mapping and prioritization.
- b) Annual seminar with the MDAs conducted to share general reflections and understanding on the audit finding.

- c) Bi-annual meeting conducted with civil society organizations to share an update about OAGS audit findings published.
- d) Sensitization of media representatives on the role of OAGS and how to interpret audit reports and findings conducted.
- e) Continuously engage citizens and the wider Somali society on the role and importance of OAGS, such as by producing videos and conduct townhall meetings.

3.3.3. Continuous improvement of OAGS report format and sharing channels

The SAI has over the years published the reports issued on its website and improved its accessibility to the citizens and wider stakeholders. The SAI shall endeavor to continue to improve the format and channels of the reports.

Sub-objectives:

- a) Produce a citizen friendly summary audit report.
- b) Continuously improve the standard audit reports enabling all stakeholders to easily understand and utilize audit results.
- c) Create a mechanism for direct engagement of citizens, to get tips on audit topics and feedback on audit reports.
- d) Regular improvement of the website and social media channels.

3.3.4. Contribute to raising the accountancy and audit professions in Somalia

Professional Accountants Organizations (PAOs) are critical partners in advancing accountability and transparency in the public sector. In Africa, 44 out of 54 countries have PAOs. The OAGS is advocating for establishing this important institution to help boost the competency of the professional auditors and accountants in Somalia. The OAGS is also championing the membership of the Somali PAO in the African Professionalization Initiative (API) driven by AFROSAI-E.

Sub-objectives:

- a) Advocate for a legal framework establishing a body for accountancy in Somalia.
- b) Contribute to the successful establishment of an accountancy body by sharing of OAGS experiences and observations on needs for such a body in Somalia.

3.3.5. Contribute to and learn from the international community of SAIs and oversight

The OAGS is represented in international forums and institutions such as INTOSAI, ARABOSAI, AFROSAI and AFROSAI-E. This is important to be updated on and contributes to the development of international standards and resources for SAIs. The aim is to enhance and sustain a trustworthy collaboration.

Sub-objectives:

- a) Actively take part in regional and international forums, workshops and conferences which are clearly relevant to OAGS, enabling the OAGS to be updated on the latest trends, develop a network with peers and learn from benchmarking of SAIs' performance.

3.4. GOAL 4: Well qualified and professional staff in a dynamic and inclusive organization

Well-qualified staff are a fundamental condition for OAGS performance. The aim is to implement professional development in various areas for building internal capacity of the OAGS both in the medium and long term to ensure sufficient human capital is developed in key areas such as audit, IT, human resource management, communication, legal, stakeholder engagement and leadership.

3.4.1. A stronger organization enabling the OAGS to deliver on its mandate

The OAGS organizational structure needs to be reviewed and developed taking into account new audit disciplines and strategic priorities, as well as the new audit act.

Sub-objectives:

- a) Conduct an organizational review and recruit new staff in light of new specialized audit types and the new audit act.
- b) A revised organizational structure developed and adopted clarifying roles and responsibilities in the organization.
- c) Inclusivity and gender mainstreaming integrated in overall management practices and organizational development as indicated in the OAGS HR Policy Manual.
- d) Ensure staff are informed and involved about organizational changes through regular staff meetings amongst others.

3.4.2. Strong overall HR-management of OAGS

To strengthen the capacities of overall HR management in OAGS, it is important to ensure that staff talents are systematically developed and that processes of recruitment and retention are done in a manner which enables the OAGS to have the right staff in place.

Sub-objectives:

- a) Manage overall implementation of the HR policy.
- b) Establish key HR-functions such as job descriptions.
- c) Clarify and improve the overall career path in OAGS.
- d) HR staff to participate in relevant HR trainings held by AFROSAI-E or another provider.
- e) Implementation of an electronic Human Resource Management System.
- f) Review the security for staff, considering risks in the office and during fieldwork, and identify needs for improved routines and policies.

3.4.3. Training and professional development for all staff

The OAGS staff need to develop competencies through various trainings and professional development. OAGS has a strategy for training and professional development, and its implementation is key to systematically developing staff skills and competencies. All training and professional development are expected to be coordinated by the HR department and linked to an individual development plan for each member of staff.

Sub-objectives:

- a) A comprehensive induction and onboarding programme implemented, familiarizing new staff with the goals, objectives, processes and policies of the office and public sector auditing in general.
- b) Staff are being regularly updated and trained in key OAGS policies, legislation, soft skills and expected procedures ("the internal development programme").
- c) Staff and leaders take part in relevant trainings organized by national and international partners, including regional training by AFROSAI-E.
- d) All audit staff should have a professional certification.
- e) Certification and professional development are offered for key staff in non-audit areas, including HR, IT-management, communication and legal support functions.
- f) On-the-job guidance, advice and experience sharing is systematically applied across OAGS functions and delivered by experienced OAGS staff as well as peers and consultants.

3.4.4. Fostering Inclusive Communication with International Stakeholders

Recognizing the substantial presence of the Somali community in the diaspora and the engagement with international stakeholders, the organization must establish effective communication channels with citizens both within the country and abroad. Therefore, it is imperative that:

Sub-objectives:

- a) All key reports, material and policies are issued in both Somali and English languages.

3.5. GOAL 5: Enhance digitalization and support services for better efficiency in the OAGS

The OAGS relies on sufficient IT infrastructure and IT capacity to support efficient operations. Over the strategic planning period, OAGS aims to enhance automation of internal processes related to HR, audit, administration, finance, planning and performance management. Furthermore, there is a need to improve the office premises for the audit department in the medium term.

3.5.1. Digitalization of audit processes and increased use of software tools enhancing efficiency and quality

The OAGS seeks to develop capacity in terms of skilled HR, creating an appropriate IT infrastructure, and installing an automated information management system in order to respond to the challenges posed by the organization's rapidly changing audit environment. IT has become an essential component of modern auditing practices and OAGS recognizes that its auditors need to acquire knowledge, skills, and abilities required for conducting audits in IT environments. Various IT tools and systems can improve the efficiency and quality of OAGS operations. However, to successfully acquire, utilize and benefit from new IT tools and systems, a strong IT management capacity is needed. This includes both human competencies in IT management as well key policies and priorities.

Sub-objectives:

- a) The electronic tool "S-SEAT" is utilized in all audit processes (except forensic audits and confidential expenditures), well supported by the IT-department for technical challenges and champions for good use.
- b) Modern cloud technology utilized giving OAGS a platform for conducive, secure and integrated handling of data and digital tools.
- c) All staff are regularly sensitized and trained in the use of information and communications technology (ICT) tools, OAGS information systems and secure handling of sensitive data.
- d) A well-functioning IT department in OAGS guided by best practices for IT - governance and IT - management, reflected in updated and implemented plans, policies and guidelines ensuring good user satisfaction, information confidentiality and data integrity.
- e) Sufficient staff capacity for IT department secured.
- f) Professional relations and network established with IT managers of other SAls in the region as well as other relevant national organizations.
- g) A technological infrastructure in place for all staff, consisting of an adequate number of computers and a local area network.
- h) Needs for software tools and Management Information System for all departments in OAGS, identified and implemented.

3.5.2. Improving office premises and equipment

The OAGS office has recently been refurbished, but there is a need for continued maintenance and some new equipment.

Sub-objectives:

- a) Update and implement a plan for systematic acquiring and maintenance of office premises and equipment, considering amongst others new staffing, security, digitalization and archiving needs.
- b) Implement the OAGS asset management policy (which is based on the relevant national asset management regulations).
- c) Secure sufficient office space for storing documents expected to be archived physically.
- d) Ensure appropriate capacity and competency of the archiving function.

3.5.3. Strengthen OAGS admin and financial management routines

The OAGS aims to lead by example in financial management in Somalia. The core funding to the OAGS comes from the FGS through annual budgetary allocations appropriated by parliament, and supplementary funding needs are sourced from development partners. By establishing a strong financial management function, the OAGS would be seen as a trusted partner and able to manage donor funds on its own.

The OAGS uses the Somalia Financial Management Information System (SFMIS) for overall budgeting and financial management. The financial management software and procedures need to handle assets, income, and expenses. It reduces accounting errors, keeping audit trails, and ensuring compliance with applicable accounting standards.

Sub-objectives:

- a) Review the current practices and system for financial management in the OAGS, and identify needs for new routines, improved utilization of functionality in SFMIS and supplementary financial systems in the Office.
- b) Produce annual financial statements and audited by an independent audit firm.
- c) To build the capacity of admin and finance team.
- d) Providing trainings related to procurement and finance sectors.

3.6. GOAL 6: Independence, sufficient resourcing and effective capacity development support to OAGS secured



A modern legal framework is essential for OAGS to carry out independent audits and raise performance over time. In 2012, the Provisional Constitution of the Federal Republic of Somalia established the principle of an independent OAGS. According to the UN, supreme audit offices can only be effective if they are independent of the entities they audit and are protected from outside influence. The Mexico Declaration lists key principles for independence for SAIs, on which the new legal framework for the OAGS is based on. Independence means an appropriate legal framework, independence of the Auditor General, a sufficiently broad mandate, unrestricted access to information, freedom to decide the content and timing of reports, organizational autonomy, and the availability of appropriate human, material and monetary resources.

3.6.1. Secure independence and implement the new audit act

It is anticipated that the OAGS will have a new audit act complying with the ISSAIs. Implementation of the new audit act requires new regulations and routines, especially related to financial and human resource management. This will be a reform in which engagement of key stakeholders and change management will be critical for its success.

Sub-objectives:

- a) Update and finalize regulations for implementation of the audit act.
- b) Review relevant policies, guidelines and procedures to ensure compliance with the audit act.
- c) Engage the Ministry of Labor and National Civil Service Commission to ensure transfer of personnel and establish new routines for staffing, recruitment and HR-management in light of the new audit act.
- d) Engage the Ministry of Finance to establish new routines for the annual budget process in light of the new audit act.
- e) Conduct sensitization and training of staff related to changes following the new audit act.
- f) Conduct sensitization of key stakeholders and the wider public on the new audit act (refer to Goal 3).

3.6.2. Secure sufficient funding and technical support to OAGS

The implementation of the Strategic Plan relies on sufficient HR and funding for operations and investments. The primary source of funding is the FGS. Supplementary funding and technical support are then acquired from development partners. For external support, a priority of securing technical support to quality audits can ensure the overall credibility of the OAGS. The OAGS has a very active and dynamic engagement with its development partners through its support ecosystem framework. This allowed the OAGS to be a role model organization that is internationally relevant.

Sub-objectives:

- a) Active use of an overall resource plan, capturing needs for both government and development partner funding for the implementation of the strategic plan.
- b) Regular engagement with the Ministry of Finance and the BFC, to present and explain resource needs.
- c) Mobilize support from development partners for financial needs not met by the federal government, and technical support to develop new capacities and ensure high-quality audits.
- d) Maintain and improve the "ecosystem" of external support, including regular joint meetings for all partners and inclusion of all support in the operational plan and annual report.

3.6.3. A strong legal competency in OAGS ensuring government contracts are reviewed and registered on time

A strong legal internal competency is important as this is needed for review of government contracts and concessions, as well as for general compliance audits. Furthermore, the OAGS' own legal framework is under development and strong internal legal competencies are key to contribute to this development and implement legal expectations on OAGS successfully.

The General Counsel Department is the main responsible division for review of government contracts and provision of legal support within the OAGS. There is a need to strengthen the capacity of the unit, including recruitments and training on relevant and applicable Somali laws in a comparative international perspective.

Sub-objectives:

- a) Develop knowledge on the current constitutional and legal framework of the FGS and its relevance for OAGS' audit activities and operations. An international comparative perspective will be sought, considering international accountancy standards and good practices.
- b) Provide high-quality legal, administrative, and accounting advice to governmental institutions and offices in the FRS.

3.7. GOAL 7: Strong relations and collaboration with the FMS-OAGs

The audit offices at both the federal government and the Federal Member States (FMS) level share a common interest in a stronger public sector audit function in Somalia. All offices are continuously developing their capacities, and there are many synergies and potential benefits of collaboration and experience sharing.

The OAGS has over the last five years undertaken rigorous capacity development. The successes and lessons learned from this are what the OAGS proposes to replicate to the development of FMS audit offices over the next five years. This will include harmonization of audit approaches and tools, enabling synergies and collaboration. The FMS audit offices are at different levels and with different needs for capacity development support. A differentiated approach to support and training will therefore be adopted.

3.7.1. A framework for collaboration and exchange of experiences between OAGS and FMS-OAGs developed

The OAGS intends to develop its own capacity to be able to coordinate and facilitate strong collaboration between OAGS and FMS audit offices. There is a need to have an overall framework including principles and prioritized areas of collaboration and training. OAGS intends to utilize its existing technical partners in providing support to the FMS audit offices. Therefore, there is a need to mobilize additional resources for OAGS to spearhead this collaboration.

Sub-objectives:

- a) Invite the audit offices to develop a framework for collaboration and training, to clarify amongst others the role of each partner, principles of collaboration and commitments.
- b) Set a policy for how OAGS should support FMS audit offices based on the framework agreed with the FMS audit offices.
- c) An annual seminar held in which OAGS and FMS audit offices share experiences and update on professional development.
- d) High-level updates between the OAGS and the FMS audit offices are held regularly.
- e) Advocate for the FMS audit offices needs for resourcing and support by the federal and FMS governments, as well as development partners.

3.7.2. Contribute to harmonized audit processes and use of tools through training and capacity development support in selected areas

Enhancing the institutional and personnel capacity of the FMS-OAGs and improving the overall country audit and public financial management in an accountable and transparent system through step-by-step structural and operational support, will in turn contribute to the nation-building process of the federal system of government.

A training package for FMS audit offices to be developed in collaboration with the audit teams. The training should follow the ISSAI framework (ISSAIs levels 1 through 4). Although the FMS audit offices successfully completed all levels in the compliance audit, they are yet to be trained on the Financial Audit Manual.

Sub-objectives:

- a) Enhance and initiate a holistic training approach for the OAGS and FMS-OAGs in the short and long run.
- b) Assist FMS audit offices in developing audit manuals and automated audit processes.
- c) Conduct training, peer guidance and exchange visits in areas of mutual interest and need, such as audit methodology, use of digital tools, strategic management, legal competency and stakeholder engagement.
- d) Share training materials and resources from AFROSAI-E and other international sources.
- e) Explore options for collaboration with the FMS audit offices in audits of federally funded projects in the FMS.

3.8. The result indicators and targets for the capacities

The result indicators and targets for the capacities (goals and objectives) are shown below:

| Expected Result | Indicator | How to measure | Base-line (year) | Target | | | | |
|---|--|--------------------------------------|------------------|--------|------|------|------|------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| GOAL 1: Digitalized audit processes and new audit streams developed enabling relevant, timely and high-quality audits | SAI-7: Overall Audit Planning | Measured by using SAI PMF guidelines | 2 (2020) | NA | 3 | NA | 3 | 4 |
| | SAI-10: Financial Audit Process | Measured by using SAI PMF guidelines | 0 (2020) | NA | 2 | NA | NA | 3 |
| | SAI-16: Compliance Audit Process | Measured by using SAI PMF guidelines | 2 (2020) | NA | 4 | NA | 4 | 4 |
| | SAI-12: Performance Audit Standards and Quality Management | Measured by using SAI PMF guidelines | 0 (2020) | NA | 2 | NA | 2 | 3 |
| | SAI-13: Performance Audit Process | Measured by using SAI PMF guidelines | 0 (2020) | NA | 2 | NA | NA | 3 |
| | SAI-5: Outsourced Audits | Measured by using SAI PMF guidelines | (2020) | NA | 2 | NA | 3 | 3 |

| Expected Result | Indicator | How to measure | Base-line (year) | Target | | | | |
|---|--|--------------------------------------|------------------|--------|------|------|------|------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| GOAL 2: Strong internal governance, leadership and ethics for enablings | SAI-6 Leadership and internal communication | Measured by using SAI PMF guidelines | 2 (2020) | NA | 3 | NA | 3 | 3 |
| | SAI-3: Strategic Planning Cycle | Measured by using SAI PMF guidelines | 3 (2020) | NA | 3 | NA | 4 | 4 |
| | SAI-4: Organizational Control Environment | Measured by using SAI PMF guidelines | 1 (2020) | NA | 3 | NA | 4 | 4 |
| GOAL 3: Proactive engagement and trustful collaboration with key stakeholders | SAI-25: Communication with the Media, Citizens and Civil Society Organizations | Measured by using SAI PMF guidelines | 3 (2020) | NA | 3 | NA | 3 | 4 |
| | SAI-24 Communication with the Legislature, Executive and Judiciary | Measured by using SAI PMF guidelines | 1 (2020) | NA | 2 | NA | 3 | 3 |
| GOAL 4: Well qualified and professional staff in a dynamic and inclusive organization | SAI-22: Human Resource Management | Measured by using SAI PMF guidelines | 1 (2020) | NA | 2 | NA | 3 | 3 |
| | SAI-23: Professional Development and Training | Measured by using SAI PMF guidelines | 1 (2020) | NA | 2 | NA | 3 | 3 |
| GOAL 5: Enhance digitalization and support services for better efficiency in the OAGS | SAI-21: Financial Management, Assets and Support Services | Measured by using SAI PMF guidelines | 3 (2020) | NA | 3 | NA | 3 | 3 |

| Expected Result | Indicator | How to measure | Base-line (year) | Target | | | | |
|--|---|--|------------------|---|------|------|------|------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 |
| GOAL 6: Independence, sufficient resourcing and effective capacity development support to OAGS secured | SAI-1 Independence of the SAI | Measured by using SAI PMF guidelines | 2 (2020) | NA | 3 | NA | 3 | 3 |
| | SAI-2 Mandate of the SAI | Measured by using SAI PMF guidelines | 3 (2020) | NA | 3 | NA | 3 | 3 |
| | Number of audit staff employed on a full-time basis by OAGS | Counting number of staff by the end of the year | 40 (2022) | Increased number as compared to previous year | | | | |
| GOAL 7: Strong relations and collaboration with the Offices of the Auditor General of the FMS | Number of professional and organizational capacity building support (such as training events, exchange visits, joint seminars, etc.) provided and facilitated to the FMS-OAGS during the year | Count the number of professional and organizational capacity building support (as training events, exchange visits, joint seminars, etc.) provided and facilitated to the FMS-OAGS during the year | 3 (2022) | 3 | 3 | 3 | 3 | 3 |

4. PRE-CONDITIONS AND ASSUMPTIONS FOR ACHIEVEMENT OF OAGS'S IMPACT AND RESULTS

The successful implementation of the Strategic Plan relies on several preconditions and assumptions as shown below:

1. Recruitment of new audit staff in the different audit streams.
2. The new audit act is signed by the President (goal 6).
3. Continuation of OAGS Peer Support Project - flexible and peer based technical and financial support for all main areas of the SP of OAGS (goal 1-7).
4. Continuation and expansion of on-site technical support Long Term Advisors (LTAs) in the audit area (goal 1) and in the non-audit areas (goal 2-7). LTAs will be used for both OAGS' needs and the FMS audit offices (goal 7) in the mid to the long term.
5. Financial support to OAGS for several activities, especially:
 - i. An internship programme.
 - ii. Professional development programme for certification and leadership development.
 - iii. Collaboration with FMS (training, exchange visits, mentoring).
 - iv. Vehicles and ICT-investments.
 - v. Regional training, international meetings and conferences.
 - vi. Legal training across OAGS, including review of concession contracts and agreements (goal 6).

5. IMPLEMENTATION MECHANISMS

5.1. Annual planning, monitoring and reporting arrangements

During the implementation process, the progress made and the lessons learned need to be carefully monitored so that timely corrective actions can be taken. In this regard, the OAGS will produce annual operational plans clarifying the timeline and the units in the OAGS which are responsible for the objectives and meeting milestones. The operational plan will also indicate the role of external partners and it will be used for coordinating support.

On a quarterly basis, the status of the operational plan will be compiled and used as a basis for internal monitoring and follow-up by the management team in the OAGS. Monthly updates on the progress will also be shared with the Auditor General.

The overall responsibility for the implementation of the Strategic Plan lies with the Auditor General. This is primarily expected to be carried out along with the management team, which will be responsible for the regular monitoring and follow-up of the actual implementation. This means that the management team needs to ensure that the operational plans are set on time and that quarterly reports on actual implementation are produced and discussed. The management team is expected to involve deputy directors at the end of each quarter in order to discuss any progress with the implementation of various activities, risks and follow-up actions.

The Planning Directorate in the OAGS has a key role in supporting the management team in developing the operational plan, quarterly reports and the annual SAI Performance report. The Planning Directorate is responsible for setting an annual calendar for the OAGS Strategic management routines and calling for all meetings including quarterly progress meetings. Quarterly reports should be made available to the management team within two weeks after the quarter is completed.

The main milestones for performance management, stakeholder engagement and audit reporting in the OAGS are presented below:

| Month | Activity |
|-----------|---|
| January | <ul style="list-style-type: none"> Annual Operational Plan for the year approved Annual Overall Audit Plan for the year approved SAI Performance Report approved and published |
| February | <ul style="list-style-type: none"> Annual Meeting with Development Partners |
| April | <ul style="list-style-type: none"> Q1 internal progress report produced and discussed in management meeting |
| June | <ul style="list-style-type: none"> Financial Audit Reports finalized and issued |
| July | <ul style="list-style-type: none"> Q2 internal progress report produced and discussed in the management meeting Non-financial audit reports also issued |
| August | <ul style="list-style-type: none"> Annual Stakeholders' Engagement Meeting |
| September | <ul style="list-style-type: none"> Semi-Annual Meeting with Development Partners |

| Month | Activity |
|----------|---|
| October | <ul style="list-style-type: none"> Q3 Internal progress report produced and discussed in the management meeting |
| December | <ul style="list-style-type: none"> Draft Annual Operational Plan for the next year Draft Annual Overall Audit Plan for the following year Draft SAI Annual Performance Report for the year |

5.2. Mid-term review and evaluation at the end of the period

A mid-term review of the Strategic Plan is planned for the end of 2024 and beginning of 2025 to assess performance and challenges for the first part of the strategic planning period. The mid-term review will include assessment of selected indicators and consider any needed adjustments of the strategic plan.

At the end of the Strategic Plan period (2027), an extensive evaluation of the strategic plan's execution and performance will be carried out. This will include an impact assessment as stated in chapter 2.2.1, and it could be done together with SAI PMF assessment, which means not only assessing selected indicators but a holistic performance assessment of the SAI. The assessment will undergo quality assurance by an external reviewer. This will be sought and conducted in connection with an AFROSAI-E Quality Assurance review, and also used as a basis for a new SP.

The FMS-OAGs will be consulted for both the mid- and end-term review to consider if their performance could be assessed at the same time using a similar approach, ensuring synergies and comparison.¹

¹ See requirements of a full SAI PMF assessment here: <https://www.idi.no/work-streams/well-governed-sais/sai-pmf>



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