

OFFICE OF THE AUDITOR GENERAL OF THE FRS

# NEWSLETTER

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## LANDMARK AUDIT LEGISLATION REPLACES 52 YEAR OLD PREDECESSOR

IN A HISTORIC MILESTONE, THE PRESIDENT HAS OFFICIALLY SIGNED AUDIT BILL INTO LAW. THIS SIGNIFICANT DEVELOPMENT UNDERSCORES THE GOVERNMENT'S COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY.



## AUDITOR GENERAL OF SOMALIA APPROVES THE 2023 ANNUAL OVERALL AUDIT PLAN

By,  
OAGS PR Unit  
SSD

**Mogadishu, 01-March-2023:** The Federal Republic of Somalia takes a decisive step towards enhanced financial governance and accountability as the Auditor General, Av. Ahmed Isse Gutale, gives the green light to the Annual Overall Audit Plan 2023. This meticulously crafted plan outlines the scope and focus areas for the Office of the Auditor General of Somalia (OAGS) for the current year.

The Audit Plan for 2023 encompasses a broad range of essential audit types, reinforcing the OAGS's commitment to comprehensive oversight of financial and accounting operations within Somalia. The planned audits include financial, compliance, performance, information systems, and special audits.

Auditor General (AG) Gutale emphasized the critical role of the SAI in fostering accountability, transparency, and good governance across the nation. By conducting diverse audits across various sectors, the OAGS aims to contribute significantly to improving the government's financial performance and ensuring responsible management of public funds.

The Annual Audit Plan 2022-2023 is a testament to the OAGS's dedication to robust and rigorous auditing practices, which play a pivotal role in safeguarding the interests of the Somali people and promoting effective governance.

The implementation of the approved plan will serve as a vital tool in identifying areas for improvement and optimizing financial resources to meet the nation's needs. The OAGS's pursuit of excellence in auditing aligns with Somalia's broader objectives of achieving transparency and accountability within its financial systems.

As the year progresses, the AG's Office will diligently execute the planned audits, further reinforcing its commitment to responsible financial management and effective governance. The results of these audits are anticipated to provide valuable insights that can contribute to positive changes and advancements in Somalia's financial practices.

With the Annual Overall Audit Plan 2023 now officially approved, the AG and the OAGS team embark on a mission to deliver on their mandate of ensuring a transparent, accountable, and efficient financial administration in the Federal Republic of Somalia.



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**In Accra, we joined hands with fellow audit leaders to champion excellence and transparency across Africa. Together, we’re forging a path to a more accountable future.**

*- H.E. Ahmed Isse Gutale  
Auditor General, FRS*



## **AUDITOR GENERAL PARTICIPATES IN AFROSAI-E 19<sup>TH</sup> GOVERNING BOARD MEETING**

By,  
OAGS PR Unit  
SSD

**Mogadishu, Monday, May 8, 2023:** The Auditor General of the Federal Republic of Somalia, H.E. Ahmed Isse Gutale, actively participated in 19th African Organization for English-speaking Supreme Audit Institutions (AFROSAI-E) Governing Board meeting, which took place in Accra, Ghana.

This prestigious event saw the participation of esteemed heads of supreme audit institutions from across Africa. Key highlights of the meeting included the election of the new AFROSAI-E Governing Board leadership.

Through a democratic voting process, Ms. Nancy Gathungu, the head of Kenya’s Supreme Audit Institution, emerged as the new Chairperson of the AFROSAI-E Governing Board. Her appointment heralds a new era of leadership and strategic vision for AFROSAI-E’s future endeavors. Moreover, Mr. Gerizgheir Gebremedhin, the Auditor General of Eritrea, was appointed as the Vice-Chairperson, further fortifying the Board’s composition.

During the event, Mr. Gutale actively engaged in constructive discussions with various African counterparts,

focusing on the importance of strengthening collaboration and mutual support among audit institutions on the continent.

The meeting showcased the commitment of African audit bodies to promote excellence in financial governance, accountability, and transparency across the region.

At the conclusion of the ceremony, an exciting announcement was made regarding the next AFROSAI-E Executive Council meetings. The upcoming governing board meetings will be jointly hosted in collaboration with Uganda’s Office of the Auditor General and Seychelles’ Supreme Audit Institution.

As the Auditor General of the Federal Republic of Somalia continues to actively participate in regional audit forums, the commitment to excellence and cooperation in financial oversight remains at the forefront of Somalia’s agenda. The meeting served as a testament to the dedication of AFROSAI-E and its member institutions in upholding integrity and transparency in governance across the African continent.



## OAGS SIGNS TRILATERAL COOPERATION AGREEMENT WITH IDI AND AFROSAI-E TO STRENGTHEN AUDIT CAPACITY

By,  
OAGS PR Unit  
SSD

**Accra, 9 May 2023:** The Office of the Auditor General of Somalia (OAGS) has taken a significant step towards advancing its strategic goals by signing a two-year trilateral Cooperation Agreement with the INTOSAI Development Initiative (IDI) and the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E). The agreement was formalized on the sidelines of the AFROSAI-E Governing Board Meeting held in Accra, Republic of Ghana, from 8-11 May 2023.

Funded by the Norwegian Ministry of Foreign Affairs, the peer-support project has been instrumental in facilitating the implementation of key priorities outlined in the OAGS's new five-year Strategic Plan for 2023-2027. Since its initiation in 2017, the peer project has provided tailored technical support which has enabled the SAI Somalia to grow into a locally credible and internationally relevant Supreme Audit Institution (SAI). The project's focus on high-priority strategic goals has helped enhance audit capacity and streams, improve internal governance and quality management, strengthen stakeholder relations, and modernize the outdated legal framework.

Auditor General H.E. Aw. Ahmed Isse Gutale hailed the trilateral Cooperation Agreement as a crucial element in the OAGS's continued success and ability to achieve critical goals. He emphasized, "The new Strategic Plan 2023-2027 is both ambitious and a reflection of

the progress that this Office has made over the years. Therefore, your support under this peer-project agreement is instrumental to our efforts to implement our strategic goals in the next five years successfully."

Meisie Nkai, Chief Executive Officer of AFROSAI-E, and Ola Hoem, Deputy Director General of IDI, represented the peer partners in the signing ceremony and both expressed their commitment to providing continuous support for the OAGS across various operational areas. They emphasized the importance of sustaining the productive and dynamic collaborations between the partners to further strengthen the audit capacity of the OAGS.

The signing ceremony also witnessed the presence of representatives from peer-SAIs, including SAI Malawi, SAI Uganda, and SAI Sweden (as an observer), who have been actively contributing to the OAGS Support Ecosystem Framework.

The trilateral Cooperation Agreement marks a significant milestone in the OAGS's journey towards enhancing its audit capabilities and ensuring transparency and accountability in the management of public funds and resources. With the continued support of IDI, AFROSAI-E, and other peer-SAIs, the OAGS is well positioned to achieve its strategic objectives and drive positive change in Somalia's public financial management.



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In our fruitful meeting with the Royal Norwegian Embassy, we laid the foundation for a powerful partnership that will propel Somalia towards enhanced accountability and transparency. Through collaboration and shared aspirations, we are scripting a future of responsible governance.



## AUDITOR GENERAL OF SOMALIA AND ROYAL NORWEGIAN EMBASSY STRENGTHEN COLLABORATION FOR ACCOUNTABILITY AND TRANSPARENCY

By,  
OAGS PR Unit  
[SSD](#)

**Mogadishu - Tuesday, May 30, 2023:** The Auditor General of the Federal Republic of Somalia, Mr. Ahmed Isse Gutale, engaged in a significant meeting with Mr. Haakon Svane, the Chargé d’Affaires of the Royal Norwegian Embassy in Somalia, and Mr. Erling Hess, the Director of Cooperation at the Royal Norwegian Embassy (Kenya and Somalia).

The meeting focused on exploring opportunities for collaboration and capacity-building at the Office of the Auditor General. A key highlight was the discussion surrounding the implementation of a cooperation agreement for the Peer Support Project, which will receive funding from the Norwegian Embassy and be overseen by the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) and the INTOSAI Development Initiative (IDI).

The primary aim of the Peer Support Project is to expedite the Office of the Auditor General’s efforts in enhancing accountability, transparency, and integrity at both the federal and regional levels. By harnessing the support of the Royal Norwegian Embassy and tapping into the expertise of AFROSAI-E and IDI, the Office aspires to strengthen its capabilities and foster good governance practices across Somalia.

This meeting signifies a pivotal step in fostering greater collaboration between Somalia and Norway, as both nations share a common vision of promoting financial governance and public accountability. As the cooperation agreement takes shape, it is expected to play a significant role in advancing Somalia’s commitment to transparency and establishing an efficient public financial management system.

The Auditor General expressed sincere gratitude to the Royal Norwegian Embassy for their unwavering support and highlighted the importance of international partnerships in realizing Somalia’s developmental goals. By joining forces and working towards a shared goal, the collaboration sets the stage for driving positive change and cultivating a culture of accountability within Somalia’s public sector.

As the Office of the Auditor General of Somalia and the Royal Norwegian Embassy embark on this journey of collaboration and shared aspirations, Somalia’s path towards greater accountability and transparency in governance gains momentum, promising a brighter and more responsible future for the nation.

## MEETING BETWEEN THE AUDITOR GENERAL OF FGS AND THE AUDITOR GENERALS OF THE FEDERAL MEMBER STATES

VIRTUAL MEETING



20<sup>th</sup> AUG 2023 2:00PM - 3:00PM

ZOOM

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## THE AUDITOR GENERAL OF SOMALIA CHAMPIONS A COLLABORATIVE APPROACH TOWARDS NATIONAL ASSET MANAGEMENT

By,  
OAGS PR Unit  
SSD

**Mogadishu, August 20, 2023** – In a relentless move toward improving the management of public assets in Somalia, H.E. Avv. Ahmed Isse Gutale, the Auditor General of the Federal Republic of Somalia, convened a virtual meeting with the Federal Member States’ Auditor Generals (FMS-AGs). The meeting served as a platform to discuss recent advancements and express gratitude following the release of the 2022 audit reports.

The Auditor General underscored the pivotal role of collaboration and cooperation among government institutions in effective public asset management, stating “The different levels of government must work together to address the challenges highlighted in the audit reports. This includes taking necessary steps to protect and utilize national assets such as land and infrastructure.”

During his remarks, Auditor General Gutale emphasized the need for establishing transparent processes and regulations governing state asset management at the federal and regional levels. He also called for comprehensive reviews of the legal frameworks that underpin asset management.

AG Gutale expressed his satisfaction with the progress made in implementing the recommendations from the audit reports. He commended the cooperation and commitment exhibited by government officials and encouraged relevant parties to continue their efforts to enhance transparency and accountability in matters related to asset management.

The Auditor General expressed optimism regarding ongoing initiatives to strengthen cooperation between the Office of the Auditor General of Somalia (OAGS) and Federal Member States’ Auditor Generals (FMS OAGs). This collaborative effort, focusing on managing public assets, highlights the paramount importance of safeguarding national interests and preserving public resources for the collective welfare of all citizens.

This meeting serves as a clear demonstration of the unwavering commitment of the AG’s Office to advancing transparency, accountability, and responsible governance in Somalia. As collaborative efforts continue, it is anticipated that Somalia’s public asset management will see further improvements, thus contributing to the nation’s development and prosperity.

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Transparency is the cornerstone of accountable governance. Through rigorous audits, we illuminate the path to responsible financial management, fostering a culture of stewardship and efficiency.



## OFFICE OF THE AUDITOR GENERAL OF SOMALIA RELEASES ANNUAL AUDIT REPORT FOR 2022

By,  
OAGS PR Unit  
SSD

**Mogadishu, August 7, 2023:** In a notable development, the Office of the Auditor General (OAGS) of the Federal Republic of Somalia, guided by the leadership of His Excellency Ahmed Isse Gutale, has officially announced the release of the Annual Financial and Compliance Audit reports for the fiscal year 2022.

This significant achievement signifies a groundbreaking moment as the OAGS has met the legally mandated deadline of June 30<sup>th</sup> for releasing these reports for the very first time. This milestone marks a substantial stride toward enhancing transparency and accountability within the country. Throughout the financial year concluding on December 31, 2022, the Office of the Auditor General diligently conducted a series of crucial audits, including:

- Annual Financial Audit
- Annual Compliance Audit
- Special Audit for Selected Embassies

The 2022 Compliance Audit Report assessed 15 government entities, identifying 106 noteworthy observations. These findings encompassed a wide spectrum of critical issues, including financial matters,

compliance concerns, and special embassy-related considerations. Key findings include:

**Exclusion of Extra-budgetary Funds:** The financial statements failed to include cash receipts, cash payments, and corresponding cash balances from extra-budgetary funds amounting to \$38.76 million across seven Ministries, Departments, and Agencies (MDAs). This omission has raised concerns pertaining to the utilization, allocation, and the accuracy of financial reporting, highlighting discrepancies in fund management.

**Unaccounted Cash Receipts at Foreign Missions:** Audits of the FGS embassies in Kenya, Germany, and Turkey revealed \$1.9 million in cash receipts collected and expended at the Somali Embassies in Nairobi, Ankara, and Berlin, respectively, without proper accountability or inclusion in the Treasury Single Account (TSA).

**Revenue Mismanagement at Audited Embassies:** Revenues totaling \$3 million collected by audited embassies were not deposited into the Treasury Single Account (TSA). Additionally, some revenues were collected in cash with limited transparency.

**Lack of Supporting Documents:** Supporting documents for \$19.32 million in direct payments to the Banadir regional administration, Chamber of Commerce, and Somali Development Bank were not provided for audit scrutiny.

**Audited Financial Statements of the concessionaires not availed for the audit review:** The financial statements of companies Favori and Albayrak, as required by concession agreements were not availed for the audit scrutiny. totaling \$32.44 million due to the Federal Government of Somalia, were not made available for audit verification.

AG Gutale stressed the urgency of addressing the Audit Report's findings within the audited institutions, emphasizing the need for swift corrective actions and sharing specific recommendations to enhance the auditing processes.

The release of these reports underscores the Federal Republic of Somalia's dedication to transparency, accountability, and prudent utilization of public resources. These insights are anticipated to shape policy enhancements and foster responsible financial management throughout the public service sector.





## LANDMARK AUDIT LEGISLATION REPLACES 52 YEAR OLD PREDECESSOR

By,  
OAGS PR Unit  
SSD

**Dusmareb, 14<sup>th</sup> September 2023:** In a groundbreaking achievement, the President of the Federal Republic of Somalia, His Excellency, Dr. Hassan Sheikh Mohamud signed the Audit Bill of the Office of the Auditor General into law.

This milestone document, titled the Federal Audit Law Number 14 of 10<sup>th</sup> September 2023, replaces the pre-existing Audit Act (Law Number 34, 14<sup>th</sup> April 1972) which has been in force for 52 year.

The AG, Avv. Ahmed Isse Gutale, expressed his delight over the delivery of this Bill, acknowledging its importance in helping the OAGS achieve remarkable strides towards the effective execution of its mandate to serve as overseer of the use of public resources.

The road to this achievement required significant contributions from the Office and its stakeholders. The first and second attempts to draft a modern Audit Bill establishing independence for the Office of the Auditor General were made in 2015 and 2020, respectively. On both occasions, the President opted out of assenting to them, choosing instead to request revisions from the parliament. Once a third attempt was made and the re-

vised bill transitioned successfully through both houses of parliament, it was tabled to the President once more for his feedback. The third bid proved to be a successful one when, on 10<sup>th</sup> September, President Hassan Sheikh Mohamud put pen to paper on the new Audit Law, thereby marking a historic day for OAGS and the greater public financial management framework of Somalia.

The new law takes significant steps towards establishing the independence of critical elements of the OAGS framework. Functionality, staffing, budget and reporting are fully autonomous under Law No. 14, with the accountability metric of the OAG's reports falling to the Parliament. The appointment and removal processes of the AG have also seen substantial changes.

While OAGS consolidates this key victory, a roadmap to harmonize Law No. 14 into the ecosystem of the Office is underway; with public awareness and media coverage, staff capacity-building in-line with the new law, and outreach to stakeholders having been identified as key steppingstones to achieving this harmonization process.





## OFFICE OF THE AUDITOR GENERAL ADDRESSES POTENTIAL MISUSE OF FINNISH GOVERNMENT AID IN SOMALIA

By,  
OAGS PR Unit  
SSD

**Mogadishu, September 24, 2023** – The AG, H.E Ahmed Isse Gutale, made contact with Finn Church Aid (FCA) and the Finnish Ministry of Foreign Affairs to request information regarding financial aid provided by the Government of Finland to the Federal Government of Somalia through the Finnish Ministry of Foreign Affairs Peace Mediation Centre in 2021. This fund was facilitated through the FCA country office in Mogadishu.

A report published on the Finnish government Ministry of Foreign Affairs website on 20 April 2023 shed light on the situation, revealing that EUR 50,000.00 may have been misappropriated and not utilized for their intended purpose. The report cited a lack of verifications for how the funds were utilized and indicated the Finnish Ministry of Foreign Affairs' intention to recover the full amount from FCA.

In response to the Auditor General's inquiry, both FCA and the Finnish Ministry of Foreign Affairs confirmed that the aforementioned sum has been refunded, effectively closing the case. This swift resolution underscores the commitment of all parties involved to transparency and accountability in the use of public funds.

The OAGS emphasized the importance of transparency and accountability in ensuring that external aid is utilized ethically and responsibly. As the executive of the

OAGS, AG Ahmed Isse Gutale has conveyed a strong commitment to addressing the improper use of public funds and has pledged to adopt a more proactive approach in overseeing financial aid to Somalia, ensuring that disbursements are administered according to agreed-upon terms and conditions.

This resolution marks a significant step toward maintaining the integrity of foreign aid and ensuring that it reaches its intended beneficiaries, demonstrating the commitment of the Somali government to responsible financial stewardship.

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In the pursuit of transparency and accountability, we safeguard the integrity of foreign aid. The swift resolution of this case highlights our commitment to ensuring public funds are used ethically. We pledge to proactively oversee aid disbursements, upholding responsible financial stewardship for the benefit of the Somali people.

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