



Collaboration Framework Agreement Between the Offices of the Auditor Generals of the Two Levels of the Federal Republic of Somalia

January, 2025
Mogadishu

Preamble

This Collaboration Framework Agreement (CFA) is entered into by the Office of the Auditors General of the Federal Republic of Somalia (OAGS) and the Federal Member States Offices of Auditors General (FMS-OAGs) of Puntland, Jubbaland, South-West, Galmudug, and Hirshabelle states, hereby referred to as "the Parties." This agreement aims to formalize cooperation between the federal and state-level audit offices. The objectives of this framework are:

1. To formalize collaboration between the two levels to ensure effective oversight and accountability in public financial management and the safeguarding of public resources.
2. To foster efficient cooperation while respecting the mandates of the Offices at the two levels in accordance with national laws and international standards.

Introduction

In recognition of the important role that audit institutions play in promoting transparency, accountability, and good governance, the parties (OAGS & FMS-OAGs) agree to work collaboratively to strengthen public financial management, oversight of public resources, and auditing practices across Somalia.

The OAGS & FMS-OAGs operate under their own legal frameworks, and this agreement provides guidance on joint audits, clarifies overlapping mandates, and defines roles to harmonize the work of OAGS and FMS-OAGs, enhancing public sector oversight.

Respecting the independence of each institution, the parties will engage in joint activities and initiatives to build capacity, improve audit quality, and promote shared accountability in managing public resources at federal and state levels.

Objectives

The key objectives of the Cooperation Framework for the Offices of the Auditor General at the Two Levels of the Federal Republic of Somalia (FRS) include:

1. Coordination, collaboration, and joint execution of audit areas where mandates converge;
2. Information sharing;
3. Institutional development and capacity building;
4. Stakeholder engagement and parliamentary support;
5. Harmonization of legislations and audit reporting of both levels of Offices of Auditors General;
6. Coordination with development partners and partner organizations; and
7. Conflict resolution.

I. Joint Audit Activities

The Offices of the Auditor General at both federal and state levels in Somalia have agreed to conduct joint audits on shared mandates, including the following:

A.N.E

MTC

[Signature]

AAM

A. Audit of Donor-Funded Projects

Donor-Funded Projects Implemented by the Federal Government Benefiting Federal Member States (FMSs):

- The Office of the Auditor General of the Federal Republic of Somalia (OAGS) will lead the audits of these projects, deploying audit teams from OAGS. Auditors from the FMS Offices of the Auditors General (FMS-OAGs) will participate in these audits to provide support. The FMS Auditors General will be notified of ongoing project audits.
- All management letters and audit reports for these federal-level projects will be reviewed and quality-assured by OAGS and signed by the Federal Auditor General.

Donor-Funded Projects Implemented by FMSs:

- The FMS-OAGs will independently audit projects implemented at the state level.
- All management letters and audit reports for these state-level projects will be reviewed and quality-assured by the respective FMS-OAGs and signed by the respective State Auditor General.

B. Audit of Fund Transfers and Budget Allocations from the FGS to FMSs

Federal Oversight:

- All budget support funds and financial transfers from the Federal Government to FMSs may be subject to audit by OAGS, including the examination of expenditures and their utilization. Additionally, OAGS may request the Federal Accountant General's office to provide expenditure verification and confirmation of subsequent disbursement requests in accordance with the Public Financial Management Law and the Law of the Office of the Auditor General.

State Oversight:

- The budget support funds and other financial transfers from the Federal Government to the Federal Member States (FMS) may be audited by the FMS Offices of the Auditor General as part of their annual financial statement audits. Additionally, they may request expenditure verification (third-party confirmation) from the Federal Government's Accountant General's Office when needed, with the Office of the Auditor General of the Federal Republic of Somalia (OAGS) providing any necessary facilitation or support.

C. Special Audits of Donor-Funded Projects Benefiting FMSs

Joint Special Audits:

- Special audits of donor-funded projects implemented by the Federal Government and benefiting FMSs will be conducted jointly by OAGS and the FMS-OAGs. Reports will be signed by the Federal Auditor General.
- All management letters and reports related to these audits will be reviewed and quality-assured by OAGS and signed by the Federal Auditor General.

A NE
MAC

AP
AAM

State-Level Special Audits:

- Special audits of donor-funded projects implemented directly by the FMSs will be conducted by the respective FMS-OAGs.
- All management letters and reports related to these audits will be reviewed and quality-assured by the FMS-OAGs and signed by the respective State Auditor General.

D. Performance Audits of Donor-Funded Projects Benefiting FMSs

- Performance audits of projects implemented by the Federal Government and benefiting FMSs will be conducted jointly by OAGS and the FMS-OAGs. The final reports will be signed by the Federal Auditor General.

E. Expenditure Verifications

- Expenditure verifications will be conducted by OAGS, with prior notification provided to the FMS Auditors General.

F. Audits of Federal Entities Operating in FMS Jurisdictions

Federal-Level Audits:

- The audit of federal-level entities, regardless of their location, shall be conducted by the OAGS.

Joint Audits:

- Joint audits of federal entities with branches at FMS and their activities involving both levels of government will be conducted by OAGS and the FMS-OAGs, with OAGS taking the lead.

The procedures for conducting joint audits will be detailed in a Terms of Reference (ToR) that will be developed and mutually agreed upon by both levels. The ToR will encompass key aspects such as audit strategy and planning, team composition, the preparation of engagement and management letters, and the issuance of audit reports.

II. Information Sharing

The Parties agree to share information to enhance the effectiveness of audits covering, as detailed below:

- Exchange of corroborative evidence across the two levels of audit offices, especially concerning the verification of funds transferred by the Federal Government to the FMSs, with regards to the annual and other audits at both levels.
- Sharing insights from audit plans, taking into account risk assessments during the development of annual audit plans across the two levels of offices.
- Creation of a platform for information sharing, primarily aimed at aligning the activities of the Auditor General's Offices at both levels with established standards, manuals, working papers, best practices, and emerging issues at the national and regional levels.
- Close collaboration, information sharing, and enabling each other's work with regard to special purpose audits such as forensic audits where necessary.

MAC

A O V E

[Handwritten signature]

[Handwritten signature]

AAM

III. Institutional Development and Capacity Building

The Offices of the Auditor General at both levels of the Federal Republic of Somalia are committed to undertaking joint efforts to enhance the capabilities and strengthen the capacities of the Auditor General's Offices at both levels. The OAGS will play a key role in advocating for the needs of these Offices.

Special emphasis will be placed on unified efforts to enhance professional competencies, with the OAGS taking the lead role in facilitating opportunities from INTOSAI, ARABOSAI, AFROSAI, AFROSAI-E, IDI, and other similar organizations. Additionally, the Auditor General's Offices at both levels will engage in knowledge-sharing, training, and skill development activities, based on their needs and annual plans, subject to the availability of budget allocations.

A technical team will be established, consisting of members from the Auditor General's Offices at both levels, to conduct needs assessments for these Offices.

IV. Stakeholder Engagement and Parliamentary Support

The Offices of the Auditor General at both levels of the Federal Republic of Somalia will work collaboratively with key stakeholders to enhance the effectiveness of the Offices and strengthen their oversight roles. This will include the following:

- **Enhancing Parliamentary Relations:** Organizing meetings with the Budget and Finance Committees of both the Federal and State Parliaments. These meetings will aim to present audit findings, implement audit recommendations, and reinforce the financial independence of the Auditor General's Offices, with the objective of promoting good governance, accountability, and fostering closer collaboration between the Auditor General's Offices and the respective Parliamentary Committees at both levels.
- **Advocacy:** Lobbying for increased support from the executive and legislative branches to ensure the effective and timely implementation of audit recommendations.
- **Development Partner Coordination:** Coordinating with donors to align their support efforts, minimize duplication of activities, and ensure complementary assistance.
- **Stakeholder Engagement:** Raising awareness of the work and reports among key stakeholders, including donors, civil society, the media, Ministries, Agencies, and institutions at both the Federal and State levels.

V. Harmonization and Alignment of Legal Frameworks and Audit Reports

To enhance transparency and accountability, the Offices of the Auditor General at both levels of the Federal Republic of Somalia agree to jointly work towards producing harmonized, standardized, and timely audit reports. It is expected that these reports will be consistent with national laws and aligned with international auditing standards. To achieve this, the Parties have mutually agreed to prioritize the harmonization and alignment of the legal frameworks governing the mandates and operations of the Auditor General's Offices at both levels.

MAC

ANE

AAM

VI. Coordination with Development Partners and Partner Organizations

The Offices of the Auditor General at both levels of the Federal Republic of Somalia have mutually agreed that all international organizations working in partnership with OAGS, including INTOSAI, AFROSAI, AFROSAI-E, ARABOSAI, IDI, and other similar bodies, shall channel their engagement and activities through the Office of the Auditor General at the federal level. The OAGS will act as the principal liaison to ensure that the FMS-OAGs effectively access and benefit from the various opportunities offered by these organizations, aligned with the specific needs of FMS staff.

Furthermore, it is agreed that development partners providing assistance, such as the World Bank, the European Union (EU), and similar entities, will route their support through the federal OAGS, which will serve as the coordinating body. Following this coordination, these development partners will establish direct engagement with the Offices of the Auditor General at the FMS level, as necessary and appropriate.

VII. Conflict Resolution

The Offices of the Auditor General at both levels of the Federal Republic of Somalia have agreed that any disputes arising shall be resolved through dialogue and mutual understanding, with due consideration given to the national laws and overarching principles.

Independence and Autonomy

The Offices of the Auditor General at both levels of the Federal Republic of Somalia agree that each Office shall maintain its independence in fulfilling its respective mandates, operating in accordance with its own governing laws. This collaboration shall be guided by an agreement ensuring the promotion of transparency, accountability, and good governance, while respecting the functional and legal independence of the Offices of the Auditor General at both levels.

Monitoring, Reporting, and Review

The Offices of the Auditor General at both levels agree to convene technical meetings to review the implementation of this agreement, share feedback on audit activities, and assess the progress of joint initiatives. The Offices further agree to conduct an annual review to evaluate the effectiveness of the collaboration, identify challenges, and implement necessary adjustments to enhance outcomes.

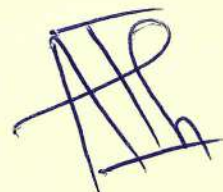
Expected Outcomes

This agreement is broadly expected to advance the collaboration between the Offices of the Auditor General at both levels of the Federal Republic of Somalia. Specifically, it aims to facilitate the conduct of joint audits based on mutual consensus, provide clear guidelines on cooperative processes, delineate shared responsibilities, and define the roles of each party. These efforts will contribute to strengthening overall public financial management, enhancing the efficiency and effectiveness of audits, and improving governance and accountability across Somalia.

MAC



AONE



AAM

Duration of the Agreement

The duration of the Cooperation Framework between the Offices of the Auditor General at both levels of the Federal Republic of Somalia is three (3) years (2025–2027), aligned with the Strategic Plan of the Office of the Auditor General of the Federal Republic of Somalia. At the end of this period, the Offices of the Auditor General at both levels shall conduct a review to prepare the next Cooperation Framework for the subsequent period.



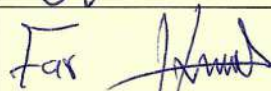
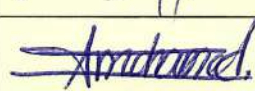

The Offices of the Auditor General at both levels aspire to host annual meetings under this framework on a rotational basis, with the location alternating each year. Discussions will also cover the procedures for organizing these meetings.

Amendments to the Agreement

This Cooperation Framework may be amended or revised with the mutual written consent of all parties to the agreement. Any amendments shall be implemented during the preparation of the next strategic plan.

Approval and Endorsement

This Collaboration Agreement has been reviewed, approved, and endorsed by the authorized representatives of the respective parties as of the effective date outlined in the document.

Name	Title	Signature	Date
Office of the Auditor General of the FRS (OAGS)			
H.E. Ahmed Isse Gutale	Auditor General of the FRS		22/01/2025
Office of the Auditor General of the Federal Member States of Somalia (FMS-OAGs)			
Hashi Osman Mahamed	Auditor General of Galmudug		22/01/2025
Bashir Mohamed Bahale	Auditor General of Jubbaland		22/01/2025
Mohamed Omar Ahmed	Auditor General of South-West		22/01/2025
Ahmed Sheikh Nur Edle	Auditor General of Hirshabelle		22/01/2025
Osman Mohamud Ali	Auditor General of Puntland		

A N E
M A C



A A M