



**OFFICE OF
THE AUDITOR GENERAL
OF THE FEDERAL REPUBLIC OF SOMALIA**

ANNUAL PERFORMANCE REPORT 2024

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ABBREVIATIONS

Abbreviation	Explanation
AG	Auditor General
AFROSAI-E	African Organization for English-speaking Supreme Audit Institutions
AOAP	Annual Overall Audit Plan
ARABOSAI	Arab Organization of Supreme Audit Institutions
BFC	Budget and Finance Committee
EU SFA TA	EU Somalia Financial Accountability Technical Assistance
FGS	Federal Government of Somalia
FMS	Federal Member States
FPS	Federal Parliament of Somalia
FRS	Federal Republic of Somalia
HR	Human Resource
ICT	Information and Communications Technology
IDI	INTOSAI Development Initiative
INTOSAI	International Organization for Supreme Audit Institutions
IS	Information Systems
ISSAIs	International Standards for Supreme Audit Institutions
IT	Information Technology
MDAs	Ministries, Departments and Agencies
NTPs	National Transformation Development Plans
OAGS	Office of the Auditor General of FRS
ACAR	Annual Compliance Audit Report
RNE	Royal Norwegian Embassy
S-SEAT	Somalia SAI Enhancement Audit Tool
SAI	Supreme Audit Institution
SAI PMF	Supreme Audit Institution Performance Measurement Framework
SDGs	Sustainable Development Goals
SFMIS	Somalia Financial Management Information System
WB	World Bank
IPSAS	International Public Sector Accounting Standards
IFIs	International Financial Institutions
AfDB	African Development Bank
SNAO	Swedish National Audit Office
MIS	Management Information System
ICBF	Institutional Capacity Building Framework
FAM	Financial Audit Manual
CAM	Compliance Audit Manual

Abbreviation	Explanation
QA	Quality Assurance
QC	Quality Control
MDP	Management Development Program
FMS-OAGs	Federal Member States Office of the Auditor Generals
FY	Financial Year
M&E	Monitoring and Evaluation
PSP	Peer Support Project
US	United States
FGC	Financial Governance Committee
CBC	Capacity Building Committee
PASA	Programmatic Advisory Services and Analytics
TCA	Turkish Court of Accounts





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Date: 18/05/2025

**To: The Prime Minister of the Federal Government of Somalia
To: The Speaker of the House of the People, FPS,
To: The Speaker of the Upper House, FRS
To: The President of the Federal Republic of Somalia,
Mogaidhoo, Somalia**



Your Excellencies,

It is a great honour and privilege for me to formally present to you the Annual Performance Report of the Office of the Auditor General of the Federal Republic of Somalia for the year 2024, in accordance with Article 28(1) of Law No. 14 of 2023. This report highlights the progress made by the Office in strengthening transparency, accountability, and the efficiency of public financial management across the country. It also outlines the challenges currently facing the Office and reaffirms our strong commitment to promoting good governance and ensuring the effective and impactful use of the nation's resources.



I am confident that this report will support your understanding and evaluation of the Office's performance, while the recommendations it contains can play an important role in guiding high-level decision-making and accelerating efforts to enhance accountability across government institutions.

In line with the provisions of Law No. 22 of 2016, Law No. 17 of 2019, and Law No. 14 of 2023, the Office of the Auditor General remains fully committed to actively contributing to the ongoing reforms in public financial management, ensuring the implementation of legal frameworks, and verifying that government institutions fulfil their mandates in ways that best serve the country and the people of Somalia.

As Auditor General, I wish to express my sincere appreciation to the Federal Government, the President of the Federal Republic of Somalia, and the Federal Parliament for their unwavering support of the Office of the Auditor General. I also commend the continued technical co-operation and consistent support of our partners and stakeholders, which have led to effective collaboration and played a valuable role in the progress achieved by the Office.

Wishing you continued success and prosperity,



H.E. Ahmed Isse Gutale
Auditor General
Federal Republic of Somalia

MESSAGE FROM THE AUDITOR GENERAL OF THE FRS



In fulfilment of the obligations outlined in Article 28 of the Office of the Auditor General Act, which concerns the Annual Performance Report of the Office of the Auditor General of the FRS, I hereby formally submit the 2024 Annual Performance Report of the Office of the Auditor General (OAGS) to the two Houses of the Federal Parliament, the President, and the Prime Minister of the Federal Government of Somalia.

This report consists of seventy (70) pages and six sections. It provides a detailed overview of the achievements, short-

comings, challenges, and opportunities of the Office of the Auditor General (OAG) for the year 2024. It also contributes to the assessment of the OAG's performance, helping stakeholders including government institutions, Parliament, development partners, the media, and civil society better understand the effectiveness of the OAG's oversight role, the impact and value of its reports, and their contribution to promoting good governance, enhancing revenue, and ensuring the accuracy of public financial management.

The report highlights progress areas and offers strategic recommendations to senior government leaders to help ensure that public resources are utilised effectively and in the best interests of the nation, thus fostering public trust and improving institutional transparency and accountability.

Key achievements in 2024 include:

1. Expansion of audit coverage;
2. Implementation of an electronic Contract Management System (CMS) to modernize oversight of public financial contracts;
3. Follow up and enforcement of audit and legal recommendations provided to public entities in accordance with Article 9 of Act No. 14 of 2023.

Aligned with the mandates of Acts No. 17 (2019) and No. 14 (2023), the OAGS conducted performance audits in 2024 on two major World Bank-funded projects: the Water for Agro-Pastoral Productivity and Resilience Project (Biyole)

and the Somalia Crisis Recovery Project (SCRCP). The audit findings, including financial and legal recommendations, were shared with the Ministry of Finance and the Ministry of Planning, Investment, and Economic Development, and official copies of the reports were submitted to the Parliament, President, and Prime Minister.

In line with the Public Financial Management Act, the OAGS also advanced its capabilities in Information Systems (IS) Audits, reviewing major government platforms such as:

1. *The Somalia Customs Automation System (SOMCAS),*
2. *The Somalia Revenue Collection System (SRCS),*
3. *The Somalia Financial Management Information System (SFMIS).*

These efforts aim to enhance the reliability, security, and quality of financial data and IT controls.

The OAGS also audited 22 World Bank-funded projects, producing actionable recommendations to ensure transparency and accountability in the use of donor funds, thereby promoting fiscal discipline and trust in government spending.

Furthering its commitment to public engagement, the OAGS held awareness sessions and workshops in 2024 with the media, the general public, and government agencies to explain the audit processes and the provisions of the new Audit Law (Act No. 14, 2023).

In accordance with Article 11 of Act No. 17 (2019) and Article 5(9) of Act No. 14, the OAGS registered a total of 856 contracts and agreements, 6 laws, various grants, loans, guarantees, and 166 presidential and prime ministerial decrees.

Additionally, the OAGS provided technical support and fostered collaboration with the audit offices of federal member states, aligned with Articles 11 and 5(4) of Acts No. 14 (2023) and No. 17 (2019) and in line with Strategic Goal 7 of the 2023–2027 Strategic Plan.

I extend my sincere appreciation to the dedicated staff of the Auditor General's Office, whose professionalism and commitment have made these achievements possible. I also thank the Parliament, the President, and the Government for their ongoing support in enabling the successful execution of our mandate.

My gratitude also goes to our development partners and stakeholders who have provided valuable technical assistance in enhancing our staff capacity, professional standards, and audit tools.

"The Office of the Auditor General is guided by its 2023–2027 Strategic Plan, which is designed to modernise the profession and align our practices with international standards for supreme audit institutions."

H.E Ahmed Isse Gutale
Auditor General, FRS

SUMMARY OF OAGS KEY ACHIEVEMENTS

In 2024, the Office of the Auditor General of FRS achieved seven significant milestones and these initiatives, which advanced public financial management, transparency, and accountability in line with its Strategic Plan 2023-2027 and the legislative requirements established by both the audit law and the public financial management law. Precisely, the office implemented the following seven deliverables:

- 1. Implementation of the New Audit Law:** In 2024, OAGS achieved significant milestones in the implementation of Audit Law No. 14 of 2023. The OAGS successfully executed a transitional plan to adopt the new Audit Law and conducted comprehensive sensitisation sessions for key stakeholders. Additionally, the English version of the Audit Law was officially released and published on the OAGS website. This progress marks a critical advancement in strengthening public financial oversight, as well as enhancing compliance with the law, transparency, and accountability in Somalia.
- 2. Enhanced Audit Coverage:** In 2024, the Office of the Auditor General of Somalia (OAGS) achieved the successful submission of its annual financial audit report to Parliament by June 30th for the second consecutive year, aligning with the requirements of the Public Finance Management Law. Furthermore, the office broadened its audit coverage, encompassing a greater number of audited entities and introducing performance audits. Notably, two audit reports were issued, focusing on the performance of the Bioole Project (Water for Production, Agricultural Resilience, and Livestock) and the performance of the Somalia Crisis Recovery Project (SCRIP). These audits aimed to enhance the effectiveness, efficiency, accountability, and transparency of projects funded by World Bank.
- 3. Capacity Building and Professionalisation:** In 2024, OAGS significantly strengthened its staff professionalisation efforts, with over 40 employees participating in regional and international workshops, 6 personnel earned professional and certification programs and OAGS recruited 25 staff to strengthen the office's capacity marking a notable increase compared to the previous year.
- 4. Strengthened stakeholder engagement:** In 2024, the OAGS launched several stakeholder engagement campaigns by implementing key awareness initiatives aimed at enhancing general awareness, collaborative efforts, and technical capacity among stakeholders. A two-day seminar was conducted for MDAs, encouraging them to address challenges preventing the implementation of audit recommendations. Additionally, sensitization events were held with media professionals to enhance their perception of audit findings and improve the publicization of accurate information. These efforts reflect OAGS's commitment to strengthening accountability, transparency, and effective engagement with stakeholders.

5. **Digital Transformation in OAGS:** OAGS implemented key digital tools, including an audit progress tracker (to monitor audit progress), a receipt fraud detection system, and Contracts Management System (CMS), thereby enhancing transparency, accountability, and stakeholder communication.
6. **Registration of Contracts, Agreements, and Laws/Regulations:** In accordance with Article 11 of Law No. 17, 2019 and Article 5 (9) of Law No. 14, the OAGS formally records all government contracts, agreements, laws, regulations, grants, loans, guarantees, budget reallocations, and decrees issued by the President of the FRS and the Prime Minister of the FGS. In 2024, OAGS formally registered 856 contracts/agreements and 7 laws, and 166 regulations issued by the Presidents of the FRS and the Prime Minister of the FGS, ensuring that data is stored comprehensively, efficiently, and reliably, thereby fostering transparency and supervision of government activities while enhancing public trust and understanding of good governance and accountability.

1. INTRODUCTION

The Annual Performance Report for 2024 provides a comprehensive assessment of the office's progress and achievements of the Office of the Auditor General in implementing the operational plan for the year. This report highlights the advancements made towards achieving the strategic outcomes, outputs, goals, and objectives outlined in our Strategic Plan for 2023-2027. It includes performance indicators that allow for the evaluation of the quality, value, and effectiveness of our work.

As part of our commitment to continual improvement and accountability, we conducted a Supreme Audit Institutions (SAI) Performance Measurement Framework (PMF) assessment of our Strategic Plan for 2023-2027. This assessment focuses on evaluating the performance of our office through the lens of the SAI PMF indicators. The SAI PFM is a comprehensive framework for measuring the performance of Supreme Audit Institutions, which is widely recognised by the International Organisation of Supreme Audit Institutions (INTOSAI) as a tool for promoting transparency and accountability in public financial management.

The mid-term review of the annual work plan is a critical mechanism for ensuring optimal alignment with the strategic goals outlined in the OAGS strategic plan, adhering to international best practices.

The primary purpose of this assessment is to systematically evaluate our performance against the SAI PMF indicators, which encompass various dimensions of audit quality, governance, and stakeholder engagement. This review will not only help us to evaluate our effectiveness in achieving the strategic objectives outlined in our plan but will also facilitate the midterm review scheduled for 2025, ensuring that we remain aligned with international best practices.

Through this midterm review, we anticipated achieving the following outcomes:

- **Identify Performance Gaps:** By analysing our current scores against the established benchmarks, pinpoint areas where improvement is needed.
- **Enhance Strategic Alignment:** The review will guarantee the alignment of our ongoing activities with our strategic goals and stakeholder expectations.
- **Promote Accountability and Transparency:** By publicly sharing the results of this review, we aim to foster greater accountability to the citizens of Somalia and other stakeholders.
- **Inform Future Planning:** The insights gained from this review will guide our strategic planning and resource allocation for the remainder of the implementation period.
- **Comprehensive Assessment:** A detailed analysis of our SAI PMF indicator scores, identifying key performance areas and challenges.

- **Actionable Recommendations:** Development of targeted recommendations to address identified gaps and enhance our operational effectiveness by generating midterm review reports.
- **Stakeholder Engagement:** strengthening engagement with stakeholders to gather valuable feedback and incorporate their feedback into our strategic initiatives.
- **Enhanced Reporting:** Improved reporting mechanisms that provide stakeholders with clear insights into our performance and ongoing efforts.

In line with the approved operational plan for the concluded year, this report presents detailed information regarding our financial performance, the progress of our activities, and the results achieved. OAGS reports aim to foster good governance, accountability, and transparency, adhering to INTOSAI-P-20 (Principles of Transparency and Accountability) and INTOSAI-P-12 (The Value and Benefits of the Supreme Audit Institution).

1.1. Desired Outcomes 2024

As a result of these efforts, OAGS is positioned to influence improvements in the public sector's performance, accountability, and management systems. The desired outcomes for 2024 include:

- › Recognition of the Office of the Auditor General of FRS (OAGS) as a role model in good governance.
- › Active engagement of Parliament in the follow-up implementation of audit recommendations.
- › Enhanced implementation of audit recommendations across various government entities.
- › High-functioning Federal Member States (FMS) audit offices delivering quality audits in accordance with international standards.

The progress made towards these outcomes has been remarkable in the second year of implementing the strategic plan. The OAGS continues to exemplify good governance, ensuring accountability and transparency through effective management, adherence to ethical standards, sound internal controls, and commitment to service excellence.

We have strengthened our engagement strategy with the Budget and Finance Committee (BFC) of Parliament, empowering them to rigorously follow up on audit recommendations and take appropriate action based on our reports. While we have monitored the follow-up of audit recommendations and highlighted these in our annual report, we recognize the need for greater executive engagement in this process. Therefore, we are actively working to enhance this aspect through continuous dialogue with executive bodies, legislative institutions, and citizens.

To ensure well-functioning FMS audit offices, we are collaborating with peers and development partners, providing capacity-building support to enhance their operations. This collaboration aims to address the backlog of audit reports and maximise the benefits derived from audit activities.

1.2. Strategic preference

Strategic priority remains focused on enhancing accountability, transparency, integrity, and the efficient delivery of public services through high-quality audits. We are committed to making a positive impact on citizens' lives by strengthening accountability and improving the quality of services provided by government institutions.

As the auditor of government spending, we gain direct insights into the operations and transformations within the public sector. Our annual interactions with public entities, along with our independent reporting role established by the Audit Act, position us as a credible source of information for government, legislators, and society. Through our audits, we contribute to strengthening the public sector by leveraging our reporting powers and engaging in discussions about governance, accountability, financial sustainability, and the efficient use of public resources.

1.2.1. Continuing Relevance

To ensure our ongoing relevance to the citizens of Somalia, Parliament, and other stakeholders, we are committed to engaging with external perspectives. We prioritize incorporating feedback from stakeholders, including public service users, and focusing our efforts on the areas most significant to them.

Building relationships with all stakeholders, including Parliament, elected and appointed officials, public entities, professional organizations, and the entire population of Somalia, is essential. We strive to be responsive to public challenges, meet diverse stakeholder expectations, and adapt to emerging risks and changes in our operational environment.

1.2.2. Implementation Leading by Example

We are dedicated to agility and adaptability, leading by example both individually and as an organization. In a rapidly changing environment, maintaining the status quo is not an option. We recognize that international trends, including technological advancements, are reshaping expectations for audit and assurance information. Our ability to adapt is crucial for maintaining our position as a model organization.

1.2.3. Continuous Development and Staff Improvement

Investing in the continuous development of OAGS staff is a priority. We achieve this through targeted professional development, coaching, mentoring, and a suitable reward package within civil service constraints. A motivated and skilled workforce is essential for fulfilling our mandate and addressing the diverse challenges we face.

To align with professional standards, our staff must enhance their skills, knowledge, and capacity. We focus on job enrichment, skill development, and creating opportunities for career progression. Additionally, we are working to increase our staff numbers and provide professional training to build a pipeline of qualified auditors.

To meet the changing needs of Somalia's public financial management landscape, we continuously improve our audit methodologies and processes. By engaging in professional development and adopting best practices", is to strengthen the quality and effectiveness of the OAGS.

1.2.4. Commitment to Transparency & Accountability

Our commitment to promoting transparency and accountability in public finance management is unwavering. Our audits aim to uncover financial irregularities and provide recommendations for corrective actions. By holding government entities accountable, we contribute to building trust among citizens and fostering a culture of good governance.

1.2.5. Sharing Audit reports with Parliament

We provide the Federal Parliament with accurate, reliable, and high-quality audit reports on public resource use and accountability. Our objective and independent reports enable Parliament to oversee government performance effectively.

Our independent audit reports enable Parliament to effectively oversee the performance of government institutions.

Along with OAGS advice to MDAs, the audit reports play a crucial role in enhancing governance and control environments, contributing to the responsible use of public resources.

1.2.6. Enhancing Governance Performance through Public Accountability

We promote good governance and improve government performance through our audits, which lead to practical recommendations for significant improvements and added value.

OAGS provides the Parliament of FRS with independent opinion on the integrity of annual financial statements submitted for audit. The opinion is critical for monitoring financial accountability and enabling citizens to make informed decisions regarding public programs.

1.2.7. Supporting Sustainable Development Goals

The Office of the Auditor General of FRS played a key role in the preparation of the National Transformation Plan (NTP) for 2025-2029, a strategic framework to guide the national development efforts of Somalia over the next five years. The Auditor General is committed to enhancing integrity, transparency, accountability, and effi-

ciency within the government institutions by concentrating on two of the five pillars of the plan: transformational governance and sustainable economic transformation.

The Office of the Auditor General of FRS, along with other integrity institutions, emphasizes a strong dedication to enhancing public trust and promoting a culture of good governance. It underscores its dedication a steadfast commitment to cultivating a capable, transparent, and responsive public sector by concentrating the following pillars of the National Transformation Plan.

Transformational Governance Pillar

Sub-pillar (IV): Public Sector Reform (PSR)

- › Overall Goal: Establish competent public institutions that are citizen-centered, stable, transparent, and effective in service provision.
- › Priority 2: Institutional Integrity & Accountability
- › Strategic Objective: Enhance public sector transparency and accountability for better service delivery, making processes in the fight against corruption, and raising the Corruption Perceptions Index (CPI) score from 11 in 2023 to 25 by 2029.

Initiatives:

- › Establish and secure the independence of key integrity institutions.
- › Enhance citizen-centred governance through transparency and accountability.
- › Strengthen the capacity of integrity institutions and promote professionalism.

Sustainable Economic Transformation Pillar

Sub-pillar: Improvement to Public Finance Management

The initiatives that are associated with OAGS:

- › Digital Transformation of OAGS;
- › Enhanced Internal Audits for MDAs;
- › Leadership Development and Training.

The Office of the Auditor General has significantly contributed and spearheaded comprehensive public sector reforms and implementation of robust financial management as part of the National Transformation Plan. This initiative ensures that government operations are rooted in accountability, transparency, integrity, and efficiency in public service delivery. The OAGS provides Key efforts include the modernisation of auditing methods, incorporating digital transformation, strengthening internal audit functions across MDAs, and the development of holistic leadership training programs. Additionally, it focuses on optimising the utilisation of the national resources while leveraging the skills and talents of the workforce to propel sustainable development.

The OAGS built SDG-focused audits into its 2024 framework. These audits give us useful information that we can use to help reach important development goals in areas like health and justice. Through these key initiatives, OAGS demonstrated a proactive commitment to advancing good governance in Somalia, supported by the legal frameworks of Audit Law No. 14 of 2023 and PFM Law No. 17 of 2019. These efforts collectively contribute to fostering economic growth and workforce development and to enhancing transparency and efficiency in the public sector.

1.2.8. Reflecting Our Values

We nurture a conducive office culture that reflects the professional values of a modern Supreme Audit Institution (SAI). By promoting access to skills, knowledge, and technology, we enable staff to embrace a culture of continuous improvement and professionalisation, ensuring the delivery of high-quality audits in a timely manner.

This report reflects our commitment to accountability, transparency, and continuous improvement as we strive to enhance the performance of the public sector in Somalia and fulfil our mandate effectively in 2024 and beyond.

2. ABOUT THE OAGS

The OAGS is the nation's highest independent audit institution, mandated to enhance transparency, accountability, and good governance in the use of public resources. Guided by legal frameworks and international standards, OAGS plays a critical role in ensuring the integrity of financial management across government entities. By adhering to its core values and strategic vision, the OAGS strives to promote a culture of accountability that supports the socio-economic development of Somalia and meets the expectations of its citizens.

2.1. Mandate

The Office of the Auditor General was established for the first time under Article 90 of the 1960 Constitution of Somalia, with its authority detailed in the Financial and Accounting Procedure of the State Law (Law No. 2, 1961) and its regulations (Law No. 317, 1962). Further developments led to the enactment of a dedicated Law, the Law on the Magistrate of Accounts (Law No. 34, April 14, 1972), to strengthen accountability and transparency within government institutions. Following the state collapse, the OAGS was reactivated in 2012 and its mandate was enshrined under Article 114 of the Provisional Constitution of Somalia. Finally, the Office of the Auditor General of Somalia has been formally recognised as the Supreme Audit Institution of the Federal Republic of Somalia. Its detailed authorities are defined and granted under Law No. 14, officially enacted on September 10, 2023.

2.1.1. Duties & Responsibilities of the Office of the Auditor General of the FRS

The new law mandates the OAGS comprehensive duties and responsibilities related to auditing, tracking, and reporting on the government budget, compliance with the law, and efficiency and transparency of government institutions, ensuring that public resources are utilised in accordance with the Public Financial discipline. The Office of the Auditor General has the following core duties:

1. **Financial Audit** – OAGS conducts financial audits, reviewing the accounts and reports of financial statements submitted by the Office of the Accountant General in order to verify the accuracy and compliance with applicable financial laws and regulations.
2. **Compliance Audit** - The OAGS audits whether governmental institutions adhere to national financial laws, regulations, and all other relevant legal provisions governing their operations.
3. **Performance Audit** - The OAGS conducts performance audits to assess the utilisation and sufficiency of government resources in attaining anticipated outcomes and operational efficiency. This assessment provides a comprehensive evaluation of the performance of governmental entities.
4. **Special Audits** - The OAGS may carry out special audits on government entities to ensure accountability and transparency, particularly in the context of annual audits where specific or inherent risks are not adequately addressed and when activities arise that require urgent audit scrutiny.
5. **Forensic Audits** - The OAGS conducts forensic audits to investigate allegations of corruption, embezzlement of public funds, fraud, or administrative malpractice within government entities.
6. **Information Systems (IS) Audits** - The OAGS performs comprehensive audits of technological systems utilised in public financial management to verify data integrity, security, and operational efficiency and compliance with established regulations. This process ensures the integrity, transparency, and reliability of these systems.
7. **Project Audits** - The OAGS carries out outsourced audits of government projects funded by international donors. These audits assess whether projects are implemented in accordance with contractual agreements, approved plans, and relevant national legal frameworks.

2.1.2. OAGS's Collaboration with Government Institutions

To strengthen accountability and transparency, the OAGS is obliged by law to submit audit reports to the President, Prime Minister, and both Houses of Parliament, ensuring that the findings are communicated in a timely manner to enhance oversight and facilitate informed decision-making. By fulfilling this mandate, OAGS aims to foster a culture of accountability that supports sustainable development and builds

public trust in government institutions.

If audits reveal clear evidence of criminal activity, the OAGS has the authority to refer findings to the Office of the Attorney General for appropriate legal action. This reinforces accountability and the fight against corruption and other offences within government institutions.

2.1.3. The Role of OAGS in Strengthening Financial Governance

By executing its mandate effectively, the OAGS contributes to:

- Enhanced accountability and transparency across government institutions,
- Increased public confidence in state systems,
- Improved fiscal transparency in public financial management and assurance that public resources are utilized efficiently, objectivity, and with integrity.

As a cornerstone of Somalia's governance framework, the OAGS plays a pivotal role in advancing principles of good governance, institutional integrity, and sustainable development.

2.2. OAGS's Strategic Vision, Mission And Values

2.2.1. Vision



The vision of the OAGS is: ***"to be a reliable and independent Supreme Audit Institution (SAI) 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 contributing 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.



2.2.2. Mission

The mission of the OAGS is: ***"To conduct and deliver high-quality audit reports to the Parliament and the President, to enhance transparency and accountability of the Federal Government of Somalia (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 the government's performance.



2.2.3. Values

The Office of the Auditor General of FRS (OAGS) is built on a foundation of core values that guide its actions, decisions, and interactions. These values serve as the compass that shapes our identity and defines how we fulfil our mandate. The OAGS prioritises professionalism, innovation, collaboration, and making a difference that adheres to the International Standards of Supreme Audit Institutions (ISSAI) while complying with our legal obligations, upholding the highest levels of transparency, and taking accountability for its decisions.

These values are central to achieving our strategic objectives and maintaining the highest standards of excellence in public sector auditing

Professionalism



- › We adhere to ISSAIs and comply with the specific requirements of our legal framework.
- › We prioritise 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 prioritise 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.

Collaboration



- › 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.

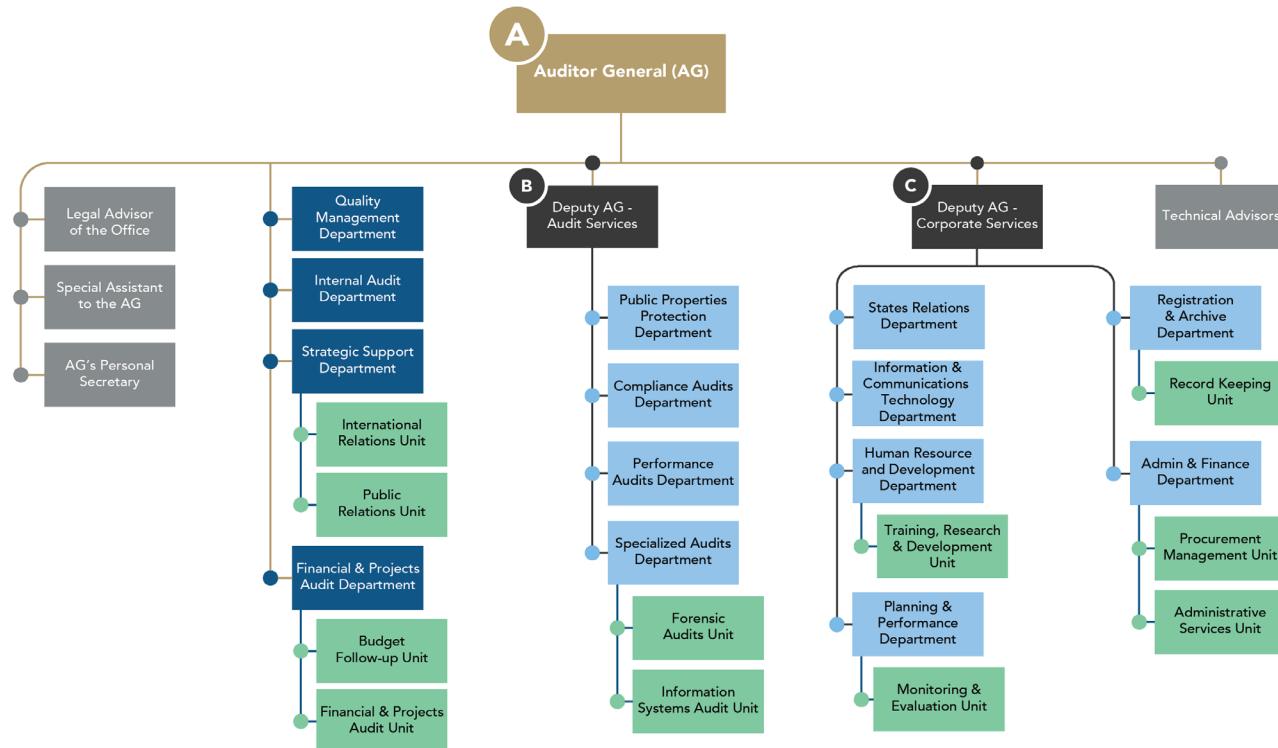
Making a Difference



- › 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.

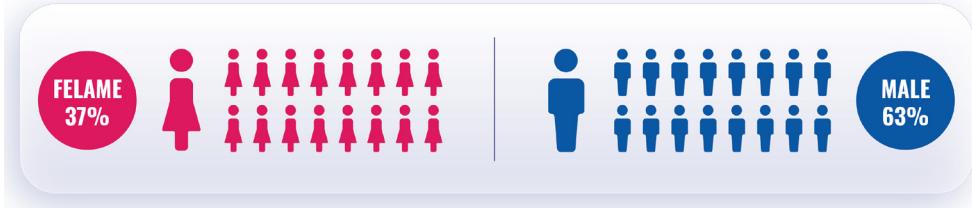
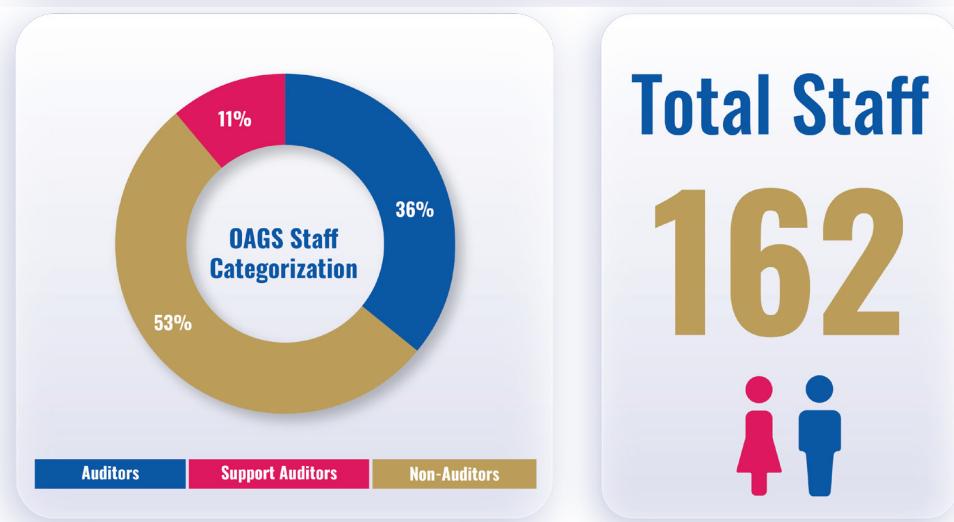
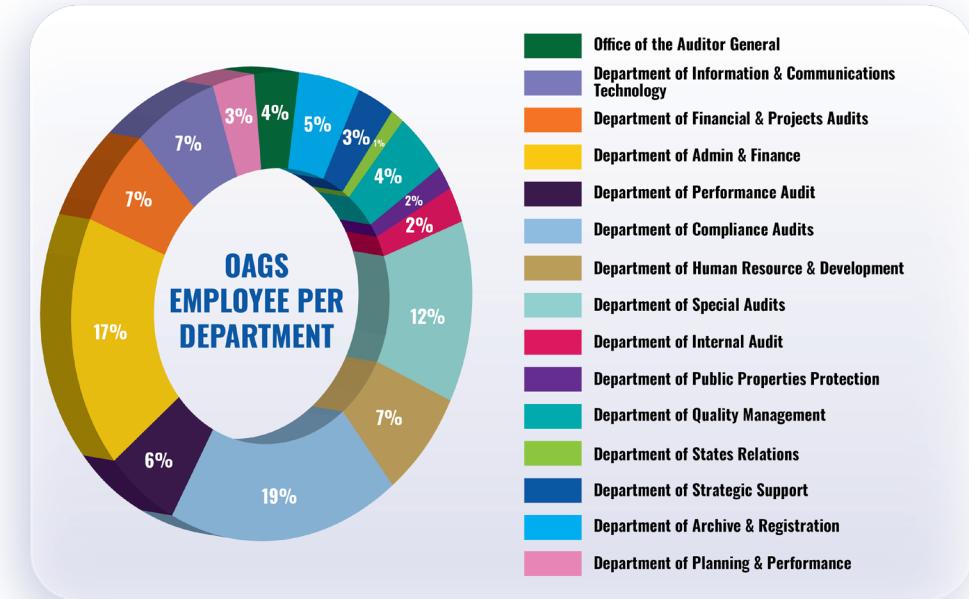
2.3. Organizational Structure

The organizational structure of the OAGS is designed to support its mandate as elaborated in Article 15 of the Audit Law No. 14 of September 10th, 2023, defining the hierarchy of authority, responsibility, and communication to improve efficiency, transparency, accountability within the office. It ensures that audit operations are conducted efficiently and in compliance with the National laws and the International Standards of Supreme Audit Institutions (ISSAIs). The structure below reflects the OAGS's strategic vision to achieve impactful results that positively contribute to efficient execution of the organization's extensive operations:



2.4. Human Resources

The figures below contain graphics and charts that illustrate the departments, the increase in number of OAGS staff members in 2024 and their current status.



2.5. Crucial Success Factors

The effective implementation of OAGS's Strategic Plan 2023-2027 depends on several key success factors that enhance the office's ability to fulfil its legal mandate in enhancing accountability, transparency, and good governance across Somalia's public sector:

2.5.1. Alignment with Core Values and Strategic Vision, Mission and Mandate

The OAGS is driven by its core values, which are embedded in all strategic, operational, and audit activities. The institution's code of conduct and policies on ethics and independence consistently remind staff of the importance of adhering to the values of professionalism, innovation, collaboration, and making a difference. These values, along with the strategic vision, mission, and mandate, serve as guiding principles for the office's daily operations and decision-making.

In 2024, the OAGS successfully refined its core values to better align with its strategic objectives, emphasizing the importance of integrity, quality, and responsiveness. This refinement has not only strengthened the internal culture of the institution but also enhanced staff competence, judgment, and commitment to fulfilling the OAGS's mandate. The clear alignment with the strategic vision, mission, and mandate ensures that OAGS remains focused on promoting transparency, accountability, and good governance across Somalia's public sector, facilitating meaningful impact on public financial management.

2.5.2. Compliance with International Standards

We ensure that our work consistently adheres to the ISSAIs, which provide a framework for public sector auditing. These standards, established by the International Organization of Supreme Audit Institutions (INTOSAI), are recognized globally as the most effective guidelines for ensuring audit quality, transparency, and accountability, in accordance with Article 5(19) of Audit Law No. 14, 2023.

OAGS applies ISSAIs across all audit processes, ensuring that audits are independent, reliable, and aligned with international best practices. This compliance strengthens the credibility of OAGS's audit reports, promotes sound financial management, and supports the institution's mandate to promote good governance within public sector institutions in Somalia.

2.5.3. Production of Impactful Reports

The OAGS strives to produce high-quality audit reports that effectively communicate critical findings, recommendations, and areas for improvement. Over the past five years, the OAGS has generated comprehensive reports covering various aspects of public financial management, published in both Somali and English. These reports are designed for clear understanding by stakeholders, including government officials, legislators, and the general public.

The aim is not only to present factual findings but also to persuade stakeholders to adopt the recommendations, thereby strengthening accountability and governance. The OAGS emphasizes a collaborative approach with key stakeholders, such as the Budget and Finance Committee (BFC) of Parliament, to ensure the successful implementation of recommendations, ultimately contributing to better public resource management.

2.5.4. Collaboration and Cooperation

It is of great importance to us to place a strong emphasis on collaboration and cooperation with various stakeholders to enhance public financial management practices and foster accountability across the country. Through partnerships with government entities, civil society organizations, development partners, and international audit institutions, OAGS actively facilitates the exchange of knowledge and best practices. This collaborative approach is instrumental in addressing challenges within the public sector audit process, enabling the delivery of impactful results that contribute to improved governance and better service delivery in Somalia.

2.5.5. Stakeholder Engagements

Stakeholder engagement is central to the operations of the OAGS. It ensures that audit functions, findings, and recommendations are effectively communicated to key stakeholders, including government entities, civil society organizations, development partners, and the general public. The Mexico Declaration (INTOSAI 2007) on SAI independence, further reinforced by United Nation (UN) Resolutions 66/209 of 2011 and 69/228 of 2014, emphasizes the importance of SAs engaging with stakeholders, particularly citizens. OAGS has developed targeted engagement strategies to align with its strategic objectives, enhancing transparency and accountability in public financial management.

OAGS's approach is built on proactive communication and collaboration with stakeholders. This includes regular updates, training, and sensitization sessions that aim to improve understanding of audit processes and findings. Engagement with stakeholders not only helps in implementing audit recommendations but also promotes greater public awareness and trust in OAGS's work.

Key stakeholders include:

OAGS Staff

OAGS staff play a pivotal role in the successful implementation and achievement of the office's strategic plan. They are instrumental in maintaining the institution's image and reputation, which directly impacts the outcomes of audit activities. Through continuous training, adherence to codes of ethics, and a focus on personal and professional development, staff members play a vital role in maintaining the office's principles and achieving its strategic goals.

Media

The media serves as a crucial bridge between OAGS and the public, promoting awareness of audit outcomes and fostering transparency. By disseminating information about OAGS's work, successes, and challenges, the media shapes public perception and enhances accountability. OAGS engages proactively with media outlets through interviews, press briefings, and public releases to ensure accurate and clear reporting of audit findings.

Civil Society Organizations (CSOs)

CSOs are essential partners for OAGS, advocating for public rights and calling for greater transparency and accountability in public resource management. These organizations play an active role in lobbying and policy advocacy, which aligns with OAGS's mission. Collaborative engagements with CSOs enhance the impact of audits and facilitate broader public oversight.

Development Partners

Development partners, including international donors and technical assistance agencies, support OAGS's capacity-building initiatives. Their contributions focus on ensuring compliance with international standards, promoting effective audits, and fostering sustainable public financial management practices. OAGS works closely with these partners to secure ongoing training, technical assistance, and resources for achieving strategic outcomes.

2.5.6. Communication and Public Relations

Effective communication is pivotal towards achieving the strategic objectives designed to enhance transparency and public awareness, aligning with OAGS's mission to promote accountability in the public sector. A dedicated Public Relations Unit manages communication channels, including media relations, document design, website content, and social media outreach.

This approach aims to increase visibility of OAGS's work and its impact on public financial management. The engagement strategies are tailored to maintain active dialogue with key partners, such as government entities, civil society organizations, development partners, and the general public, ensuring broad awareness and understanding of audit processes and outcomes.

2.5.7. Good Governance

The OAGS's role in advocating for better governance extends beyond compliance checks, as it provides actionable recommendations aimed at improving government efficiency, effectiveness, and responsiveness to citizens' needs. The OAGS achieves this by focusing on audits that identify weaknesses in governance structures and by working collaboratively with stakeholders to enhance internal controls, compliance, and resource management.

Additionally, the OAGS's adherence to ISSAIs further reinforces its commitment to integrity, ethical conduct, and impartiality in all audit processes. These efforts contribute to creating a reliable public sector that supports Somalia's socio-economic development goals.

2.5.8. Executing the Strategic, Operational and Action Plans

The OAGS ensures the effective implementation of its strategic, operational, and action plans by developing comprehensive annual plans that outline key priorities, activities, and timelines. The Annual Operational Plan (AOP), which incorporates the Annual Overall Audit Plan (AOAP) and additional action plans at the start of each year, serves as a coordination tool for donor support within the OAGS. Each plan is derived from the broader 2023-2027 Strategic Plan, ensuring alignment with the institution's goals and objectives.

2.5.9. Monitoring and Evaluation

To ensure consistency and improve results, the OAGS employs a systematic approach to monitoring and evaluation (M&E). Regular M&E processes, including quarterly progress reviews, periodic staff meetings, and peer assessments, are integral to pursuing the implementation of strategic and operational plans. This approach enables OAGS to spot challenges promptly, adapt to changing circumstances, and maintain its focus on achieving strategic goals.

M&E processes are prioritized as an essential unit of results management within OAGS. Routine monitoring facilitates effective performance tracking, allowing timely corrective actions to enhance audit quality and stakeholder engagement. Directors from each division regularly convene to discuss progress, share insights, and strengthen cross-divisional collaboration. Additionally, periodic evaluations involving peer assessments are conducted to measure the success of plan implementation and ensure that strategic goals are met. This comprehensive M&E framework supports OAGS's mission to promote transparency, accountability, and good governance in Somalia's public financial management.

2.5.10. Performance Reporting and Accountability Measures

The Office of the Auditor General of FRS (OAGS) remains committed to providing consistent and transparent performance reporting to its stakeholders, including the Houses of Parliament, government institutions, development partners, and the public. This reporting not only reflects OAGS's adherence to international auditing standards but also facilitates effective assessment and enhancement of its operational and strategic outcomes.

OAGS maintains a structured performance reporting framework that integrates the results of compliance, financial, forensic, and performance audits. These reports are compiled, reviewed, and distributed annually to stakeholders, ensuring that key findings and recommendations are communicated promptly. The use of a Management Information System (MIS) for performance data management is being progressively incorporated to enhance data quality and reporting accuracy.

Accountability measures within OAGS include systematic supervision and review of audit activities to ensure that audit conclusions are supported by sufficient and relevant evidence. The implementation of the Institutional Capacity Building Framework (ICBF) further strengthens these measures by focusing on building internal capabilities and reinforcing quality controls. By emphasizing collective accountability across departments, OAGS ensures fairness, balance, and consistency in its reporting process, fostering trust among stakeholders and the public.

2.6. Risk Based Audit Plan

Risk-based Audit Plan is a fundamental strategy applied by the Office of the Auditor General of FRS (OAGS) to optimize resource allocation, enhance audit effectiveness, and maximize impact. This approach enables OAGS to identify areas of higher risk within the public sector, directing resources toward audits that hold the highest potential for uncovering financial mismanagement, non-compliance, or inefficiencies. By focusing efforts on the most critical areas, the institution promotes accountability, transparency, and good governance across government entities.

The following are key elements of why risk-based audit planning is crucial for our audit work:

- › **Efficient Resource Allocation:** Conducting comprehensive risk assessments enables the OAGS to identify high-risk areas across the public sector, enabling strategic distribution of audit resources and ensuring priority is given to high-risk sectors, programs, and operations, leading to the maximum impact of the OAGS's work.
- › **Effective Risk Mitigation:** Risk-based planning enables the OAGS to proactively identify and address risks associated with government entities, programs, and processes. Through this approach, we recommend appropriate control measures and risk mitigation strategies that prevent issues from escalating, thereby improving overall public sector operations. OAGS proactively addresses potential risks by recommending control measures that can prevent issues from escalating, thus improving the overall performance of public sector operations.
- › **Enhanced Audit Coverage:** Through a risk-based audit plan, we prioritise audits that are conducted in critical areas, such as financial management, regulatory compliance, and program effectiveness. This Broader audit coverage provides valuable insights and recommendations, contributing to better governance, improved financial stewardship, and enhanced service delivery.
- › **Increased Public Confidence:** Risk-based audit planning demonstrates the OAGS's commitment to focus on the most significant risks within the public sector. Targeted audits based on risk assessments help uncover irregularities, fraud, or mismanagement, thereby increasing public confidence in the capacity of government institutions to effectively and efficiently manage public resources.
- › **Strategic Decision-Making Support:** Risk-based audit planning facilitates decision-makers with clear insights into the risks associated with government programs and operations. The findings and recommendations of these risk-based audits we conduct support policymakers, legislators, and officials in making

informed decisions and implementing corrective actions, ensuring effective resource allocations and improved public sector performance.

- › This assists us in ensuring that resources are allocated effectively and that policies and programs are designed to address identified risks and improve public sector performance.
- › **Continuous Improvement:** This structured approach supports our commitment to continuous improvement by regularly assessing emerging risks and changing risk profiles across the public sector. It enables the adaptation of audit methodologies and focus areas to effectively address new challenges, ensuring that audit processes remain robust, dynamic, and responsive to evolving risks.

3. AUDIT ACTIVITIES AND REPORTS ISSUED 2023 & 2024

The Office of the Auditor General of FRS (OAGS) is committed to enhancing the scope and quality of its audits. This strategic initiative aims to broaden the reach of audit activities, ensuring they encompass a wider range of entities and financial operations. By doing so, the OAGS seeks to strengthen accountability and transparency in public financial management.

In addition to expanding audit coverage, the OAGS is also focused on improving the overall quality of its audit processes. This involves implementing best practices and rigorous standards to ensure that all audits are thorough, objective, and effective in identifying areas for improvement within audited entities.

To facilitate accessibility and comprehension of audit findings, the OAGS publishes its reports in both English and Somali. This dual-language approach ensures that the information is available to a broader audience, including stakeholders, government officials, and the general public, thus promoting greater engagement and understanding of the audit outcomes.

Through these efforts, the OAGS aims to reinforce its role as a key player in promoting ethical governance and fiscal responsibility, ultimately contributing to the betterment of public service delivery in Somalia.

The following table illustrates the comparison between the key anticipated output targets related to the audit and their results over the years 2023 and 2024.

Expected output	Indicator for whether the expected result is achieved	How to measure the indicator	Baseline (year)	Target 2023	Target 2024	Result
High-quality financial audits delivered on time and for FGS	Timely submission of financial audit reports to Parliament within statutory deadlines	The submission date against the statutory deadline (June 30, of each year)	Not met as later than June 30, 2022	Met	Met	Achieved
High-quality compliance audits delivered annually on major compliance challenges	Completion rate of compliance audit reports covering identified high-risk areas aligned with the annual audit plan targets.	The proportion of MDAs audited and the no. of compliance audits completed as compared to the approved annual audit plan.	97 % / 39 actuals as compared to 40 planned (2022)	100 %		Achieved
High-quality specialized audits conducted in specific areas of public interest, including audits of IS and environmental challenges	Completion rate of specialized audits addressing specific public interest topics aligned with the annual audit plan targets.	Count the no. of specialized audits completed and reported in public as aligned with the annual audit plan targets.	100 % (2022)	100 %		Achieved
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 legal action or administrative review	Count the no. of forensic audits completed as compared to the approved audit plan. Track the submission of audit reports for legal action or administrative review.	0 (2022)	100 %		Achieved

Expected output	Indicator for whether the expected result is achieved	How to measure the indicator	Baseline (year)	Target 2023	Target 2024	Result
High-quality performance audits delivered on issues of public interests and great national importance, including SDGs	Number of performance audit reports addressing SDG-related issues and submitted to Parliament.	Count the number of completed performance audits as compared to the approved annual audit plan.	0 (2022)	1		Achieved
Increased role of OAGS in audit of donor-funded projects and high-quality audits of such projects delivered on time	Percentage of donor-funded project audits completed and delivered within the agreed timelines.	Count the number of donor-funded projects audited and submitted on time versus the total planned.	19 (2022)			Achieved
OAGS audit results are shared widely in public and there is regular interaction with citizens to increase visibility and for selecting the right audits and controls	Whether all audit reports published on the website and shared widely within statutory deadlines; and the no. of public engagements conducted by the OAGS.	Check website and social media	Yes (2022)	Yes	Yes	Achieved

3.1. Audit Reports Issued in 2023

3.1.1. Financial Audit Report, 2023

In 2023, the OAGS conducted an annual financial audit of the FGS financial statement for the financial year ending December 31. This marks the fifth consecutive year of auditing by the office, emphasizing its commitment to transparency and accountability.

The financial statements that were prepared by the Accountant General's Office using the Cash Basis IPSAS framework reflected the financial year performance of the FGS, detailing revenues, expenditures, and balance sheet items.

The audit resulted in a qualified opinion on the financial statements, indicating some discrepancies or limitations in the financial reporting. The report was delivered on schedule to both Houses of the Federal Parliament, as well as to the President and the Prime Minister in a timely manner. Recommendations for improving financial reporting practices were included, aiming to strengthen future audits.

3.1.2. Compliance Audit Report, 2023

An annual compliance audit was successfully conducted for 15 Ministries, Departments, and Agencies (MDAs) during the financial year of 2022. The audit focused on compliance with applicable laws, regulations, and best practices in areas of procurement, asset management, external support utilization, including other audit matters.

Findings of non-compliance revealed that many MDAs did not comply with relevant criteria, raising concerns about governance and accountability. The report includes practical recommendations to address issues raised effectively.

3.1.3. Special Audits Report, 2023

In 2023, the Office of the Auditor General conducted special audits on selected risk-based audits, including foreign missions of the FRS in 2023 and also concession contracts between the Ministry of Transport and Civil Aviation (MoTCA), Favori LLC and Decalle Hotel Management & Tourism Company. The foreign mission audits focused on revenue management, expenditure management, liability management, asset management, and personnel management, while the other aimed to assess compliance with local laws and terms outlined in the signed contracts.

The OAGS presented an audit report, which scrutinized processes and controls related to subject matters. The report includes practical audit recommendations to address weaknesses identified during the audit, with the ultimate goal of enhancing the operations and activities of the audited missions.

The special audit scheduled for the Banadir region commenced in late 2023, with its report being issued in 2024. Concurrently, the audit concerning contracts between the Ministry of Transport and Civil Aviation (MT&CA) and its two companies, Favori LLC and Decalle, was conducted as planned. The objective of this audit was to assess the companies' adherence to national legislation and their fulfillment of the terms stipulated in their signed contracts.

3.1.4. Information System (IS Audit) Report, 2023

The office carried out two information system audits on the government employee management system and the security sector personnel management system. The audits revealed high-risk weaknesses in business continuity arrangements, application controls, information security controls, and general IT controls. The audited entities were given recommendations for improvement, and both systems received individual IS audit reports.

3.1.5. Forensic Audit Report, 2023

The Office of the Auditor General conducted a forensic audit to investigate how government revenues from work permits and visa extensions were managed. The Office of the Auditor General of FRS investigated institutions involved in these services. Significant discrepancies were discovered in the areas of work permits, visa extensions, and passport services, indicating substantial embezzlement totaling millions of dollars.

A final report was submitted to the Office of the Attorney General of FRS, adhering to the procedures specified in the audit law. The case then proceeded to further actions, which included televised court hearings.

Post-audit, there was a notable increase in monthly revenue for government services such as visa extensions and work permits, showcasing the efficacy of the forensic audits in rectifying financial mismanagement.

The OAGS emphasized the critical need for stronger financial controls and oversight within Somali government agencies to prevent future embezzlement. The forensic investigations have made significant contribution to fostering transparency and accountability in government operations by recovering embezzled funds and redirecting them to their proper purposes.

3.1.6. Performance Audit Report, 2023

The Office of the Auditor General of FRS OAGS achieved a significant milestone by establishing its first-ever dedicated Performance Audit Department. This initiative was driven by the recognition of the critical need for evaluating the effectiveness and efficiency of public sector projects in achieving their objectives. The department was established to enhance accountability and transparency in the management of public resources, marking a proactive step towards strengthening Somalia's governance framework.

As part of its initial efforts, the OAGS embarked on two pilot performance audits. These audits focused on the Water for Agro-Pastoral Productivity and Resilience (BIYOOLE) project and the Somali Crisis Recovery Project (SCRP), both funded by the World Bank. The projects were identified because of their significance to the state building of the FRS. The pre-study concluded that they were auditible and are highly decentralized to most of the Federal Member States.

These pilot audits were designed to assess the implementation and impact of these projects, setting the foundation for future performance audits and demonstrating OAGS's commitment to promoting efficiency and accountability in public resource management.

3.2. Audit Reports Issued in 2024

3.2.1. Financial Audit Report, 2024

The Office of the Auditor General of the Federal Republic of Somalia (OAGS) has issued the audited annual financial statements for the Federal Government of Somalia (FGS) for the financial year ending December 31, 2023. The audit was conducted in alignment with the International Standards of Supreme Audit Institutions (ISSAIs) and the Cash Basis International Public Sector Accounting Standards (IPSAS). The report indicated the responsibility for preparing accurate financial statements and maintaining effective internal controls lies with the Accountant General, while the Auditor General is tasked with providing an independent assessment of these statements.

The audit report concluded with a qualified opinion, noting that some material aspects of the financial statements did not fully comply with international standards.

The Auditor General recommended instant action to address identified vulnerabilities, including the inclusion of extra-budgetary transactions in official statements, improved oversight of financial processes, and alignment of practices with IPSAS. By identifying critical gaps and offering actionable recommendations, this report serves as a cornerstone for improving financial governance within Somalia's federal institutions, fostering greater transparency, and ensuring responsible management of public resources.

The Auditor General formally submitted this report to the two Houses of the Federal Parliament of Somalia, the Office of the President, and the Office of the Prime Minister on June 30, 2024. This submission underscores the ongoing commitment of the Auditor General to enhance transparency, accountability in financial governance, and effective management of public resources.

3.2.2. Compliance Audit Report, 2024

In 2024, the Office of the Auditor General of the Federal Republic of Somalia (OAGS) officially released the Annual Compliance Audit Report (ACAR) for the financial year ending December 31, 2023. The audit covered 19 selected Ministries, Departments, and Agencies (MDAs) of the Federal Government of Somalia (FGS). The audit was conducted in alignment with the International Standards of Supreme Audit Institutions (ISSAIs), prioritising critical areas such as procurement, asset management, revenue collection, internal audit mechanisms, external support utilisation, registration and license of healthcare providers and private security companies, issuance of work permits, oversight of road construction projects, and livestock and animal products.

The findings from the Annual Compliance Audit Report revealed notable shortcomings, such as severe compliance weaknesses in procurement practices and significant gaps in managing government assets. The report also identified malpractice in the revenue collection process and lack of proper use of the country systems for

external support and bank account management. Other findings included deficiencies in sectoral oversight by some ministries, and excessive delay in road construction projects under the Ministry of Public Works. The Auditor General noted with concern that 11 out of the 19 audited MDAs lacked effective internal audit mechanisms. The findings of this report underscore the importance of robust compliance frameworks to improve Somalia's public financial management and service delivery.

The Auditor General formally submitted this report to the two Houses of the Federal Parliament of Somalia, the Office of the President, and the Office of the Prime Minister on June 30, 2024. The submission reflects the OAGS's commitment to fostering greater accountability and ensuring the responsible management of Somalia's public resources.

3.2.3. Special Audit Report, 2024

In alignment with the General Audit Plan for 2023, the Office of the Auditor General (OAGS) planned five specialized audits targeting specific areas of concern, including 4 embassies, government institutions, and concession agreements entered into by the Federal Government of Somalia (FGS). These audits were designed to assess revenue collection, expenditure management, liabilities, public asset oversight, and human resource administration.

Specialized Audit of Embassies

The embassies selected for specialized audits this year included:

- › Somali Embassy in Nairobi, Kenya;
- › Somali Embassy in New Delhi, India;
- › Somali Embassy in Riyadh, Kingdom of Saudi Arabia (covering the Embassy, Consulate, and associated Committees);
- › Somali Embassy in Washington D.C., USA.

The audits conducted on the embassies in Nairobi, Delhi, and Riyadh were successfully completed, while the audit of the Washington D.C. embassy has been rescheduled for 2025.

Specialized Audits of Other Institutions

Specialized audits conducted or completed this year for other government entities included:

- › Ministry of Endowments and Islamic Affairs (Hajj and Umrah Services)
- › Somali National University
- › Mogadishu Airport Corporation's Concession agreement (Albayrak-Somalia)
- › Banadir Regional Administration

All audits for these entities were completed within the planned timeframe, except for the audit of the Mogadishu Airport Corporation (Albayrak-Somalia), which is still ongoing.

The OAGS has shared the official reports of these specialized audits with relevant stakeholders. The reports include actionable recommendations aimed at enhancing government transparency and management. These efforts are part of the broader initiative to build trust and strengthen the efficiency and accountability of financial systems and public administration.

3.2.4. Information System (IS) Audit Report, 2024

The Office of the Auditor General of FRS (OAGS) carried out Information System (IS) audits on three critical systems used for the Federal Government's financial and revenue operations: Somali Customs Automated System (SOMCAS), Somalia Revenue Collection System (SRCS), and Somalia Financial Management Information System (SFMIS). The purpose of this audit was to ensure that all data generated, processed, and stored within these IT systems were accurate, complete, and consistent throughout their lifecycle, from the initial source to final usage.

The findings underscored the need for strengthened IT controls, enhanced system integration, and compliance with data integrity protocols to enhance Somalia's financial governance objectives. The OAGS provided targeted recommendations to address these issues and a consolidated audit report was issued for the three systems.

3.2.5. Performance Audit Report, 2024

In 2024, the Office of the Auditor General of the Federal Republic of Somalia (OAGS) built upon the foundational initiative undertaken in the previous year by further enhancing its Performance Audit Division. This marked a permanence of the OAGS's dedication to enforcing accountability and transparency through in-depth evaluation of public sector initiatives. This year, 2024, the OAGS focused on the completion of the ongoing 2 pilot performance audits initiated previously. The Water for Agro-Pastoral Productivity and Resilience (BIYOOLE) Project, funded with a \$42 million grant, and the Somalia Crisis Recovery Project (SCRP), funded with \$187.5 million. Both projects were designed to address significant challenges related to drought, flood risk management, and community resilience in Somalia.

Despite their ambitious goals and substantial financial investments, the audit findings underscore significant gaps in implementation and project delivery, which limited the projects' effectiveness in achieving their intended outcomes and impact on community resilience in Somalia, which further hindered project outcomes. Both audits concluded that inadequate planning, ineffective supervision, and poor adherence to quality standards significantly undermined the projects' potential benefits. The Performance Audit Report provided targeted recommendations to address these issues for improvement to meet international standards for sustainability and effectiveness and was provided to the audited entities, and separate performance audit reports were issued for the two pilots.

In compliance with relevant laws and auditing standards, the final reports were formally submitted to the Federal Parliament, the Office of the President, and the

Office of the Prime Minister on August 30, 2024. The submission underscores the commitment of OAGS to fostering governance, transparency, and accountability in Somalia's public sector. These reports serve as critical tools for improving future project implementation and ensuring better outcomes for Somalia's communities.

3.2.6. Donor-Funded Projects Audits, 2024

For the financial year ended 31 December 2023, the Office of the Auditor General of the Federal Republic of Somalia (OAGS) successfully conducted audits of twenty-two (22) WB -funded projects, out of the 26 initially planned. These audits were to be carried out in line with the OAGS Financial Audit Manual, and outsourced to internationally recognized audit firms, ensuring adherence to the International Standards on Auditing (ISAs), domestic laws, donor agreements, and global best practices.

By scrutinizing the financial transactions and implementation processes, the audits provided critical insights into the effective use of donor funds, and stressed constructive recommendations for improvement. Through this effort, The OAGS ensured independence and accuracy, strengthening Somalia's commitment to transparency and accountability and efficient usage of international aid.

4. ANNUAL PROGRESS AND RESULT PER STRATEGIC GOAL

The Office of the Auditor General of FRS (OAGS) operates under the framework of its 2023–2027 Strategic Plan, formulated through an extensive analysis of institutional needs and priorities. This plan serves as a roadmap to achieve OAGS's mission and vision through clearly articulated goals and objectives that are specific, measurable, achievable, realistic, and time-bound (SMART).

The strategic plan 2023-2027 outlines the substantial activities crucial for fulfilling the institution's mandate. These activities were structured under the leadership of OAGS's senior management and improved through active participation, and feedback from staff members across all divisions. The strategic plan 2023-2027 retains its initial focus on seven key strategic goals, which include:

- i. **GOAL 1:** Digitalized audit processes and new audit streams developed enabling relevant, timely and high-quality audits.
- ii. **GOAL 2:** Strong internal governance, leadership and ethics enabling OAGS efficiency and effectiveness.
- iii. **GOAL 3:** Proactive engagement and trustful collaboration with key stakeholders.
- iv. **GOAL 4:** Well-qualified and professional staff in a dynamic and inclusive organization.
- v. **GOAL 5:** Enhance digitalization and support services for better efficiency in the OAGS.
- vi. **GOAL 6:** Independence, sufficient resourcing and effective capacity develop-

ment support to OAGS secured.

vii. **GOAL 7:** Strong relations and collaboration with the offices of the auditor generals of the FMS.

The Annual Performance Report for 2024 provides a comprehensive report of the progress of activities accomplished under each strategic goal during this period. Each goal includes annual activities, which are assessed in alignment with the operational plan. Additionally, during the 2024 performance assessment, each goal is evaluated using specific indicators, largely aligned with the SAI PMF Measurement framework (SAI PMF), to ensure consistent measurement of progress. These results are informed by self-assessment processes, supported by tools such as the Somali SAI Enhancement Audit Tool (S-SEAT), and internal quality assurance mechanisms. The scores and findings presented in this report reflect the updated status of progress as of the end of 2024, offering actionable insights for continuous improvement and alignment with the 2023–2027 Strategic Plan.

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

The Office of the Auditor General (OAGS) is committed to enhancing the quality of its audit reports through the improvement of internal audit processes and adherence to ISSAIs. To facilitate this goal, OAGS has developed a comprehensive Annual Overall Audit Plan (AOAP) aimed at delivering high-quality audit reports in a timely manner. These audits are conducted using customized manuals that comply with the International Organization of Supreme Audit Institutions (ISSAIs).

Financial audits aim to provide a reasonable level of assurance that an FGS's financial statement accurately represents its financial position. Compliance audits assess the extent to which organizations adhere to applicable laws and regulations, while special audits are essential for ensuring accountability and transparency, particularly yearly audit practices that do not adequately address specific or inheriting risks. Furthermore, IS audits evaluate the effectiveness of controls within IT systems. Forensic audits investigate financial discrepancies and asset misappropriation, often resulting in recommendations for corrective action by law enforcement.

As the government faces performance challenges related to achieving Sustainable Development Goals (SDGs) and improving service delivery, performance auditing will be essential in determining whether government policies and programs are implemented effectively and efficiently. During the strategic planning phase, OAGS intended to strengthen its capacity to produce performance audit reports. Additionally, strengthening quality control and assurance reviews will remain a priority, ensuring that quality standards are deeply integrated into auditing practices.

Table 1: Progress per objective for Goal 1

Objective	Status By The End Of 2024	Comments For 2025
Risk and materiality-based overall audit planning and monitoring	<ul style="list-style-type: none"> In 2024, the AOAP was approved by the AG and communicated to management. Continuous monitoring and follow-up actions were conducted to ensure the implementation of the audit plan. Conducted Joint review workshop to finalize the overall audit plan in 2024. The OAGS completed the development of the AOAP for 2025. 	
Timely production of high-quality financial audit reports	<ul style="list-style-type: none"> The Financial Audit Reports was submitted to the Budget and Finance Committee (BFC) of the Federal Parliament, with copies to the President and Prime Minister, including a 30-day review period for the BFC to debate on the report before its release to the public, as per the PFM Law (Law No. 17, 2019). Provided on-the-job guidance for the 2024 FA (FY 2023 account audit). Delayed to upload financial working papers to S-SEAT for internal quality control throughout the audit process. Implemented the PESA-P Certification and professional development for selected auditors in financial audit streams Delivered outsourced audits of donor-funded projects. 	<ul style="list-style-type: none"> OAGS outsourcing policy postponed to 2025

Objective	Status By The End Of 2024	Comments For 2025
A compliance audit function able to provide timely and high-quality audit of a wide range of compliance subject matters	<ul style="list-style-type: none"> Conducted compliance audits for 19 entities according to the AOAP outlined in the OAGS Compliance Audit Manual and reported findings Systematically followed up on previous years' findings and recommendations for all compliance audits, along with published audit results. Uploaded working papers to S-SEAT for internal quality control throughout the audit cycle, as designated by senior staff. Implemented PESA-P Certification and professional development for selected auditors in the compliance audit stream On-the-job guidance for compliance audit training, ideally facilitated by an experienced SAI, has not yet commenced. Not completed to conduct asset tracking in terms of condition and usage to ensure their proper management and prevent loss or misuse. 	<ul style="list-style-type: none"> On-the-job guidance for compliance audit training, ideally led by an experienced SAI, was not provided this year but is expected to occur next year 2025. The developing asset tracking procedure is currently in progress and expected to be completed in the next year 2025.
A strong Information System audit function enabling high-quality audit reports on different IT systems of the government	<ul style="list-style-type: none"> Developed the draft of the IS Audit and customized The OAGS conducted IS audit as indicated in overall audit plan and reported to the relevant bodies A robust function has been established within the OAGS for auditing information systems. Recruitment of at least five information systems auditors has not yet been implemented. Certification and professional development for selected auditors in the information systems audit field have not been carried out. 	<ul style="list-style-type: none"> Finalization and approval of the IS audit manual will be implemented in 2025. Certification and professional development for selected auditors in the information systems audit will be implemented for the upcoming years in the strategic period. The recruitment of new IS auditors will take place once the budget is available.

Objective	Status By The End Of 2024	Comments For 2025
A strong specialized forensic audit function.	<ul style="list-style-type: none"> The OAGS has conducted a forensic audit as requested, and the report is being used in the entities. Forensic audit manual customized and to be completed by 2025. Labo senior management gained certification and professionalization program for Certified Fraud Examiner (CFE); one of them certified, while other is expected to complete their certification in 2025. Successfully conducted a special audit on three embassies, and the report was released. Successfully conducted a special audit on four entities, with reports for three entities were released, while the 4th report is in review stage. 	<ul style="list-style-type: none"> Due to funding constraints, the establishment of a digital forensic lab and the annual seminar for forensic audit have been postponed until 2025. The new target for completion is postponed to the end of January 2025. The 4th report will be finalized and submitted in 2025.
Enable delivery of performance audits through development of a dedicated performance audit in-house function and outsourcing of selected audits	<ul style="list-style-type: none"> The OAGS has published 2 pilot of performance audit reports on the specified projects. Drafted An OAGS Performance Audit Manual based on the AFROSAI-E template Performance Audit Manual Certification and professionalization of selected auditors in performance audits is integrated. The performance audit for the justice sector at civil courts has been postponed and replaced by a performance audit on prison management. Implemented annual OAGS seminar on selected topics of Somalia government performance and performance audit methodology conducted. Implemented Continuous professional development is facilitated by a regional network of performance auditors from other SAIs. 	<ul style="list-style-type: none"> The performance audit manual will be approved in 2025 The performance audit on prison management will be carried out in 2025.
Strong audit quality control, line management direction and review of audit processes	<ul style="list-style-type: none"> S-SEAT incorporated working papers for quality control and used a quality control checklist for the compliance audit process. 	<ul style="list-style-type: none"> In the other audit streams regarding quality control checklist will be integrated to the S-SEAT in the upcoming years.

Objective	Status By The End Of 2024	Comments For 2025
Independent quality assurance conducted annually for selected audits contributing to active learning and improvement	<ul style="list-style-type: none">Annual quality assurance reviews are performed on selected compliance and financial audits to ensure compliance with established standards.Reported implementation of gaps arising from quality assurance of the selected annual audits and submitted to the AG.AFROSAI-E carried out an external quality assurance review of the Office of the Auditor General of the Federal Republic of Somalia.Conducted QA training for selected staff but postponed recruiting a quality assurance long-term advisor for the next year.	<ul style="list-style-type: none">Review policies for other departments in the OAGS as basis for quality will be carried out in 2025.



4.2. GOAL 2: Strong internal governance, leadership and ethics for enabling OAGS efficiency and effectiveness

The implementation of robust internal governance structures and ethical standards is fundamental for OAGS to uphold integrity and accountability, fostering excellence, trust, transparency, and accountability within the organization. This commitment to ethical practices ensures that OAGS operates with transparency and integrity, enhancing its reputation and credibility. By adhering to these standards, OAGS maintains stakeholder trust and a strong ethical culture, both internally and externally, through clear communication and accountable processes.

To ensure high performance and professional change management, OAGS focuses on continuous analysis and adaptation to new challenges, enhancing efficiency and effectiveness. This proactive approach allows OAGS to navigate organizational changes effectively, leading to improved outcomes and a better fulfilment of its mission. By prioritizing professional development and performance management, OAGS can sustain a culture of excellence and adaptability in its operations.

Quality management and internal controls play a crucial role in boosting audit credibility within OAGS, as they ensure that audit activities adhere to professional standards and best practices. These measures enhance the reliability of audit outcomes and contribute to the overall credibility of OAGS in the eyes of stakeholders. By focusing on quality assurance and internal controls, OAGS strengthens its position as a trusted and competent auditing entity.

- i. Produced progress reports (quarterly and semi-annual reports) and annual Performance report
- ii. Revised the operational plan and the semi-annual report reflected the results and adjustments.
- iii. Developed a draft of the OAGS risk management policy
- iv. Developed a draft of the OAGS internal control framework that aligns with quality management by incorporating the control environment's expectations, principles, responsibilities, and requirements of quality and internal control, as outlined in the COSO framework.
- v. Created the OAGS calendar to consolidate all training and event details for maximum efficiency.

Table 2: Progress per objective for Goal 2

Objective	Status By The End Of 2024	Comments For 2025
Strong overall performance and change management.	<ul style="list-style-type: none"> Developed a draft of OAGS' risk management policy. Formulated an OAGS pilot calendar for event coordination and efficiency. The planned seminar on strategic, operational, and change management for Senior personnel at OAGS was held as part of the AFRE Senior Leadership programme. Finalized and disseminated the 2023 performance report. Produced quarterly and semi-annual reports for internal monitoring. Revised Annual Operational Plan (AOP) in mid-2024. Prepared an AOP for 2025. 	<ul style="list-style-type: none"> OAGS' risk management policy will be finalized and implemented in 2025. The strategic and operational plan system is expecting to be implemented in 2025 The annual seminar on strategic, operational, and change management is planned to be carried over in 2025.
OAGS's wide quality management and internal control framework established.	<ul style="list-style-type: none"> An organizational-wide quality management and internal control framework have not been developed. Some policies have been reviewed for all main functions in OAGS as a basis for quality and internal control activities developed and applied. 	<ul style="list-style-type: none"> The Draft of internal control framework has developed and shifted to 2025.
Strengthened integrity internally	<ul style="list-style-type: none"> Revised and updated code of ethics Not utilized INTOSAINT to generate a report regarding OAGS's compliance with the Code of Ethics. 	<ul style="list-style-type: none"> Next year 2025, OAGS will produce a report of OAGS adherence to the Code of Ethics using INTOsaint assessment.

4.3. GOAL 3: Proactive engagement and trustful collaboration with key stakeholders

OAGS prioritises the development of robust relationships with stakeholders through effective communication, attentive listening, and collaborative efforts. This commitment guarantees the engagement and information of all parties, cultivating an atmosphere of mutual respect and cooperation.

In its role, the OAGS plan supports the scrutiny of Parliament's audit reports, contributing to enhanced transparency and accountability within the governance framework. By actively participating in this process, OAGS helps to elevate the standards of public oversight, ensuring that audit findings are clear and actionable.

Furthermore, OAGS is dedicated to improving its audit processes by incorporating valuable insights and feedback. The organisation also focuses on refining the style and methods of report communication to ensure stakeholders are well-informed. Through partnerships with international organizations, OAGS aims to strengthen the professionalism and integrity of accounting and auditing practices in Somalia.

while also learning from the regional and international SAIs community to adopt best practices and improve standards .

Table 3: Progress per objective for Goal 3

Objective	Status By The End Of 2024	Comments For 2025
Support to Parliament capacity to scrutinize audit reports.	<ul style="list-style-type: none"> The office did not provide technical support or guidance to the Budget and Finance Committee regarding the scrutiny of audit reports. Instead, OAGS developed a draft of guidelines, policies, and procedures regarding communication with Parliament There was a delay in conducting sensitization seminars for the Parliament about the OAGS' role and audit work, including new audit streams of performance and forensic audits, and audit scrutiny and follow-up. 	<ul style="list-style-type: none"> The OAGS plans to offer technical guidance to the Budget and Finance Committee on audit report scrutiny, approve guidelines for Parliament communication, and conduct sensitization seminars.
Active and supportive stakeholder relations	<ul style="list-style-type: none"> OAGS developed a draft of a systematic approach to engage stakeholders based on mapping and prioritisation. OAGS Developed newsletters and magazines to showcase key developments and insights. Implemented OAGS Communications policy in line with Audit Law and Strategic Plan. OAGS conducted annual seminars with MDAs and shared general reflections and understandings on the audit findings. Conducted sensitization with media representatives on OAGS' role and interpretation of audit reports. The office has not yet implemented citizen and civil society organizations' engagements on the role and importance of OAGS, such as through town hall meetings. OAGS produced a promotional video showcasing OAGS achievements. OAGS participated in government handover ceremonies. OAGS developed procedures with handover documents We have not yet started conducting an annual good governance event. 	<ul style="list-style-type: none"> The OAGS will conduct an annual good governance event, showcasing the role and importance of OAGS in the financial management domain in Q3 2025. The developed draft is now in consultation with the peers (AFRO-SAI-E) and will be completed in 2025. Citizen and Civil Society Organization's engagements is carried out to 2025.

Objective	Status By The End Of 2024	Comments For 2025
Continuous improvement of OAGS report format and sharing channels.	<ul style="list-style-type: none"> • OAGS held a press release after the audit report was issued. • Lack of developed report writing guidelines. • Created a citizen engagement platform for audit tips and feedback. 	<ul style="list-style-type: none"> • OAGS plans to develop report writing guidelines in 2025.
Contribute to raising the accountancy and audit professions in Somalia.	<ul style="list-style-type: none"> • Initiatives were conducted to advocate for a legal framework and to share the experience of OAGS in order to establish a body for accounting in Somalia 	
Contribute to and learn from the international community of Supreme Audit Institutions and oversight	<ul style="list-style-type: none"> • The OAGS management has participated in regional and international forums and conferences that are clearly relevant to OAGS. 	



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

The OAGS is committed to leading efforts in promoting good governance and accountability at both national and international levels. By focusing on effective recruitment, training, and retention, the OAGS aims to cultivate a skilled and motivated workforce capable of auditing and investigating government institutions. This approach is essential for holding these institutions accountable and ensuring that they operate with transparency and integrity.

A robust human resources management strategy within the OAGS is expected to enhance employee satisfaction and engagement, which in turn will boost productivity and contribute to better governance. Investing in human resources is vital for the OAGS to achieve its mission and strategic objectives. Continuous training and professional development for all personnel are critical to equipping them with the necessary skills and knowledge to fulfil their roles effectively, ultimately benefiting both the employees and the organisation's goals.

To enhance communication and information sharing with global stakeholders, the OAGS promotes inclusive interactions with international partners. The organisation has also facilitated the creation of comprehensive objectives by providing both Somali and English versions of important documents and reports. The OAGS has developed a draft outlining the career paths for audit staff. Additionally, in-house training sessions and professional certification programs, such as Pesa-p and CFE, have been implemented, along with individualized professional development plans for staff engaged in certification programs.

Table 4: Progress per objective for Goal 4

Objective	Status By The End Of 2024	Comments For 2025
A stronger organization enables OAGS to deliver on its mandate	<ul style="list-style-type: none"> OAG ensured that staff members were aware of and involved in organizational changes, the OAGS has held regular staff meetings. Recruited a short-term HR technical advisor. 	

Objective	Status By The End Of 2024	Comments For 2025
Strong overall HR-management of OAGS	<ul style="list-style-type: none"> The OAGS has managed overall implementation of the HR policy The OAGS has developed and completed all job profiles. The review process on these job profiles will commence and be finalized. The OAGS has not yet conducted the review of the implementation of electronic Human Resource Management, Human Resource Information systems, and Human Resources Analytics and Metrics to identify gaps in the system. There have been delays in developing and improving the overall career path in OAGS. HR staff have participated relevant HR trainings held by AFROSAI-E or another SAIs OAGS doesn't conduct a regular checks on the security for staff, considering risks in the office and during fieldwork, and identify needs for improved routines and policies. 	<ul style="list-style-type: none"> The HR department will continue developing the draft of the overall career path document in OAGS in 2025. Implementation of HR systems was postponed to 2025 due to funding constraints HR Strategy and Training Policy will be conducted in 2025. Regular checks on the security and risks in the office will be conducted in 2025.
Training and professional development for all staff	<ul style="list-style-type: none"> The OAGS has participated in relevant HR training held by AFROSAI-E or other SAI. The OAGS has developed an in-house training programme to improve the skills, knowledge and productivity of the OAGS staff. The OAGS established key HR-functions as job descriptions. The non-audit staff participation in certification and professionalisation has been delayed due to limited resources. The OAGS didn't develop individual professional plan all audit staff The OAGS didn't develop internal knowledge management system where the staff can share the lessons learned. 	<ul style="list-style-type: none"> The non-audit staff participation in certification and professionalisation has been delayed due to limited resources. Individual professional plan for all audit staff will be carried out in 2025 Internal knowledge management system development will be carried out in 2025.

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

To streamline its processes and enhance overall efficiency, the OAGS is focusing on integrating new technologies and systems. By adopting digitalization, the office aims to improve its support services and respond effectively to the changing demands of stakeholders in a progressively digital landscape. This shift towards digital tools is expected to optimize operations and meet contemporary needs.

The implementation of advanced software and the utilization of S-SEAT are key strategies to bolster efficiency and quality of audits. S-SEAT enables the OAGS to enhance the accuracy and timeliness of its reporting, thereby elevating the quality of services provided. This transition to digital solutions will also facilitate better data management and analysis, leading to improved decision-making across the organization.

Upgrading office facilities and equipment is another critical initiative to boost staff productivity and morale. By modernizing these resources, the OAGS can reduce maintenance and operational costs in the long run. Additionally, enhancing financial and administrative processes will streamline operations, promote transparency, and ensure compliance with regulatory standards. These improvements are likely to enhance the institution's overall efficiency and effectiveness, ultimately supporting better financial performance and accountability.

Table 5: Progress per objective for Goal 5

Objective	Status By The End Of 2024	Comments For 2025
Digitalization of audit processes and increased use of software tools enhance efficiency and quality.	<ul style="list-style-type: none"> The OAGS has developed 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. The OAGS has not developed professional relations and networks established with IT managers of other SAIs in the region as well as other relevant national organizations. The OAGS designed S-SEAT assessment for reconfiguration. The OAGS has partially developed a Modern cloud technology platform for conducive, secure and integrated handling of data and digital tools The OAGS facilitated a technological infrastructure in place for all staff, consisting of an adequate number of computers and a local area network. Needs of software tools and Management Information System for all departments in OAGS identified and implemented. Establishment and the implementation of new systems: contract management system module, general receipt module, HRM module, admin and finance module, Operational Plan module are postponed to the next year . Installing Mobile device management (MDM), to manage and control mobile devices, such as smartphones, tablets, and laptops, in the organization was postponed. 	<ul style="list-style-type: none"> The OAGS will develop Professional relations and network established with IT managers of other SAIs in 2025 As a result of financial constraints, this endeavour would persist until sufficient funds were obtained. The Main ERP system is up and running with 3 modules attached to it such as - Contract management module, Receipt recording, audit tracker. Other departmental modules are waiting for AG's approval such the HR module, Planning module and Admin & Finance module partially completed Installing Mobile device management (MDM), was postponed due to budget constraint and expected to carried out to 2025.
Improving office premises and equipment	<ul style="list-style-type: none"> The selected OAGS staff has participated in financial analysis training to enhance the capacity of the admin and finance teams. The OAGS made maintenance of office premises and partially acquired equipment, digitalization, and fire hose, considering amongst others new staffing, security, digitization and archiving needs. The OAGS couldn't Secure sufficient office space for storing documents expected to be archived physically. 	<ul style="list-style-type: none"> The OAGS will facilitate a secure sufficient office space for archiving documents in the upcoming years within the SP period.

Objective	Status By The End Of 2024	Comments For 2025
Strengthen OAGS Admin and Financial Management routines	<ul style="list-style-type: none"> The OAGS has successfully produced an annual financial statement report capturing all funds for the OAGS. The OAGS did not implement a review of the current practices and system for financial management in OAGS, and identify needs for new routines, improved utilization of functionality in SFMIS and supplementary financial systems in OAGS. The OAGS didn't conduct a training related to procurement and finance sectors 	<ul style="list-style-type: none"> The review of the current practices and systems is contingent upon the implementation of audit regulations in the upcoming years within the SP period. Training related to procurement and Finance sectors will be carried out in 2025.

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

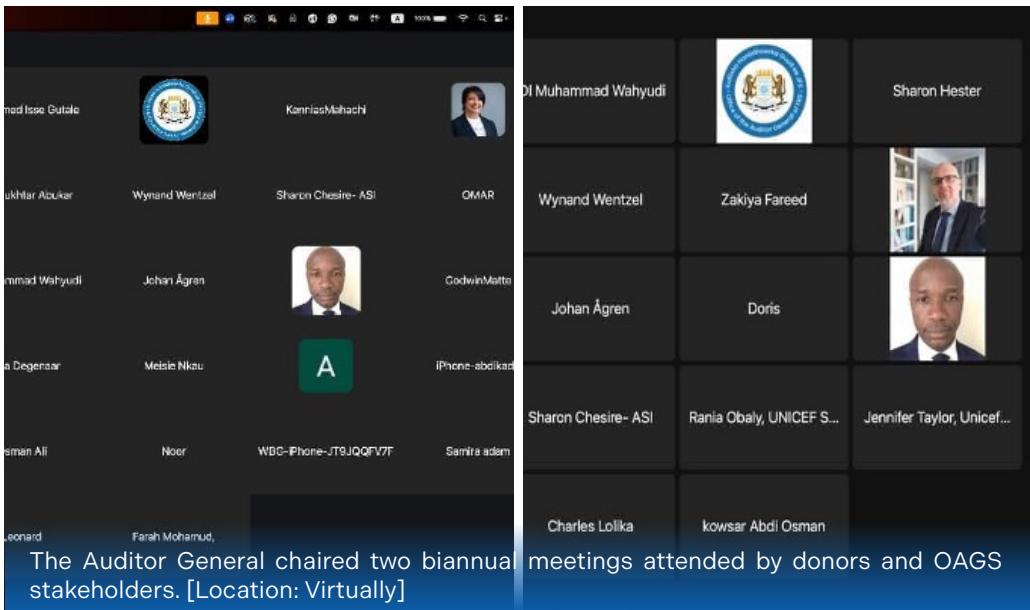
A modern legal framework is critical for the Office of the Auditor General of FRS (OAGS) to perform independent audits and improve its performance. Enacted in 2012, the Federal Republic of Somalia's Provisional Constitution underscores the significance of establishing an independent OAGS. The Mexico Declaration outlines key principles for SAI independence, which serve as the foundation for the OAGS' new legal framework. This includes the need for a robust legal structure, autonomy for the Auditor General, a broad mandate, unrestricted access to information, and sufficient resources.

In 2023, the Audit Law No. 14 was enacted, introducing a modern framework to promote the independence and effectiveness of the Office of the Auditor General of Somalia (OAGS). This law aligns with international best practices, granting the OAGS a broad mandate, autonomy, and access to resources. In 2024, efforts have been prioritized on implementing the law by creating aligned regulations, reviewing existing policies, and planning sensitization campaigns for staff and stakeholders. Key activities include engaging with the Ministries of Finance and Labour to streamline budgeting and personnel processes under the new framework. These initiatives aim to ensure the law's effective integration into daily operations, strengthening governance, transparency, and accountability in Somalia's public financial management system.

Securing sufficient funding and technical support is vital for the successful execution of the strategic plan. The Federal Government of Somalia (FGS) is the primary source of funding, with additional support from development partners. To enhance the quality of audits, the OAGS needs to prioritize acquiring technical assistance. The office actively engages with its development partners through a supportive ecosystem framework, positioning itself as a model for international relevance in audit practices. Key Sub-objectives include creating a resource plan that captures funding needs, maintaining regular communication with the Ministry of Finance about resource requirements, and mobilizing external support for financial and technical needs.

Table 6: Progress per objective for Goal 6

Objective	Status By The End Of 2024	Comments For 2025
Secure sufficient funding and technical support to OAGS	<ul style="list-style-type: none"> The OAGS has conducted joint meetings for all partners and included all support in the OAGS operational plan and annual report. Conducted a joint meeting for all partners and inclusion of all support in the OAGS operational plan and annual report Successfully Mobilized support from development partners to financial needs not met by the Federal Government, and technical support to develop new capacities and ensure high-quality audits The OAGS didn't develop an overall resource plan, capturing needs for both government and development partner funding for the implementation of the strategic plan Meeting with the Ministry of Finance and the BFC to present and explain the OAGS resource needs was not conducted by the OAGS in 2024. 	<ul style="list-style-type: none"> Developing an overall resource plan, capturing need for implementation of the SP will be carried out in 2025 Meeting with the ministry of Finance and the BFC will be carried out in 2025.
Secure independence	<ul style="list-style-type: none"> Updated on the OAGs policies, guidelines and procedures to make it align with the new Audit Law is ongoing and will be carried out to 2025. Engage the Ministry of Labor and National Service Commission to ensure transfer of personnel and establish new routines for staffing, recruitment and HR-management in light of the new Audit Act. Engage the Ministry of Finance to establish new routines for the annual budget process in light of the new Audit Act. 	<ul style="list-style-type: none"> Reviewed Some pertinent OAGS policies, guidelines, and procedures in order to comply with the Audit Act. It will reach 2025 The engagement with the ministry of labor, Ministry of Finance and National Service Commission will be carried out in 2025.
A strong legal competency in OAGS ensures government contracts are reviewed and registered on time.	<ul style="list-style-type: none"> Analyzing the provisional constitution to delineate the specific duties and obligations of the (OAGS) within the forthcoming official constitution, and ensuring its compatibility with the audit law was successfully conducted. Comparative research on international legal, administrative, or accounting standards of relevance for actual questions and problems of Somali governance was successfully achieved. Counselling to MDAs on legal, administrative, and accounting standards (collective departments) was implemented. Operationalization and digitalization of the Archive Unit of the Legal Department was implemented. 	



4.7. GOAL: Strong relations and collaboration with the Offices of the Auditor General of the FMS

The collaboration between the OAGS and the Federal Member States Offices of the Auditors General (FMS-OAGs) is essential for advancing audit functions. Over the next five years, OAGS aims to implement impactful capacity-building initiatives to support the development of FMS-OAGs, with a focus on harmonising audit approaches and tools. The key objectives of this collaboration include holding regular high-level updates to facilitate the sharing of experiences and promote professional development among audit staff.

The support for capacity-building efforts will cover critical topics such as audit methodologies, automation tools, and stakeholder engagement, all of which will be aligned with the International Standards of Supreme Audit Institutions (ISSAI). This initiative aims to strengthen both institutional and personnel capacity within FMS audit offices, ultimately enhancing overall audit processes and public financial management in Somalia.

The OAGS has made significant strides in improving cooperation and policy development between state and federal audit offices. A pivotal meeting between the auditor generals of OAGS and FMS audit offices led to the formation of a technical team tasked with drafting framework agreements. The regular meetings are scheduled to refine a comprehensive draft that will serve as the foundation for the collaboration. OAGS have extended invitations to FMS audit offices to enhance cooperation and training initiatives, with objectives that include clearly defining roles and responsibilities and establishing collaboration principles.

Additionally, the OAGS has actively participated in engagements involving FMS-OAGs, OAGS, and the EU. This collaboration will significantly contribute to the nation-building process within Somalia's federal system of government. By promoting transparency and accountability in managing public funds, this partnership not only benefits the audit offices but also strengthens the overall governance framework in Somalia.

To further support audit offices, the OAGS has actively participated in engagements involving FMS-OAGs, OAGS, and the EU. This collaboration will significantly contribute to the nation-building process within the federal system of government. By promoting transparency and accountability in the management of public funds, this partnership not only benefits the audit offices but also strengthens the overall governance framework in Somalia.

Objective	Status By The End Of 2024	Comments For 2025
A framework for collaboration and exchange of experiences between OAGS and FMS-OAGs developed	<ul style="list-style-type: none"> The OAGS has organised a high-level technical update meeting between the AGs in both OAGS and the FMS-OAGs. There was a draft framework for collaboration and training between OAGS and FMS-OAGs that is currently in progress. The annual seminar between OAGS and FMS was not organised. OAGS organized and invited the FMS audit offices to develop a framework for collaboration and training, to clarify amongst others, the role of each partner, principles of collaboration and commitments. Set a policy for how OAGS should support to FMS OAGs based on the framework agreed with the FMS audit offices. OAGS did not organize an annual seminar held in which OAGS and FMS-OAGs share experiences and update on professional development. 	<ul style="list-style-type: none"> -A framework for collaboration and training developed between OAGS and FMS OAGs has been developed but is expected to be finalized and implemented in 2025.
Contribute to harmonized audit processes and use of tools through trainings and capacity development support in selected areas	<ul style="list-style-type: none"> OAGS has assisted FMS-OAGs in developing audit manuals The OAGS has partially conducted a holistic audit training approach for the Federal and State-level OAGs. The OAGS has not conducted training for FMS OAGs on introduction of the audit process automation. The OAGS is yet to 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 including sharing material resources from AFROSAI E and other international sources. The OAGS didn't organize and Invitation to FMS audit offices to take part in audits of federally funded projects in the FMSs. 	<ul style="list-style-type: none"> Activities that were not completed have been postponed due to budget constraints and will be included in the operational plan for 2025

4.8. SAI-PMF Performance Assessment: Baselines, Targets, and Achievements

Based on the SAI-PMF, the office has implemented self-assessments to assess its performance and pinpoint areas for enhancement. This will assist in making informed decisions about the implementation of future plans by taking into account existing opportunities and challenges. The evaluation is part of the office's strategy to improve productivity and the quality of audit services.

This section outlines the target SAI PMF indicators in relation to established goals. Furthermore, this SAI PMF assessment will integrate strategic review insights from the 2025 schedule.

Goals	Indicator	How to measure	Baseline (year)	Target 2024
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)	3
	• SAI-10: Financial Audit Process	• Measured by using SAI PMF guidelines	0 (2020)	2
	• SAI-16: Compliance Audit Process	• Measured by using SAI PMF guidelines	4 (2020)	4
	• SAI-12: Performance Audit Standards and Quality Management	• Measured by using SAI PMF guidelines	0 (2020)	2
	• SAI-13: Performance Audit Process	• Measured by using SAI PMF guidelines	0 (2020)	2
	• SAI-5: Outsourced Audits	• Measured by using SAI PMF guidelines	0 (2020)	2
GOAL 2: Strong internal governance, leadership and ethics for enabling OAGS efficiency and effectiveness	• SAI-6 Leadership and internal communication	• Measured by using SAI PMF guidelines	2 (2020)	3
	• SAI-3: Strategic Planning Cycle	• Measured by using SAI PMF guidelines	3 (2020)	3
	• SAI-4: Organizational Control Environment	• Measured by using SAI PMF guidelines	1 (2020)	3
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)	3
	• SAI-24 Communication with the Legislature, Executive and Judiciary	• Measured by using SAI PMF guidelines	1 (2020)	2

Goals	Indicator	How to measure	Baseline (year)	Target 2024
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)	2
	• SAI-23: Professional Development and Training	• Measured by using SAI PMF guidelines	1 (2020)	2
GOAL 5^{aad}: 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)	3
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)	3
	• SAI-2 Mandate of the SAI	• Measured by using SAI PMF guidelines	3 (2020)	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)	
GOAL 7: Strong relations and collaboration with the Offices of the Auditor General of the FMS.	• 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 (as training event, exchange, joint seminar, etc.) provided during the year	3 (2022)	3

5. INTERNATIONAL COOPERATION AND CAPACITY DEVELOPMENT SUPPORT

The Office of the Auditor General of FRS (OAGS) has made significant strides in international collaboration and partnerships, enhancing its audit competencies and overall effectiveness. Collaborations with institutions such as AFROSAI-E, IDI, the World Bank, and the European Union have played a crucial role in the growth and development of OAGS within the audit sector.

In 2024, the OAGS focused on improving operational efficiency through strengthened international relations and stakeholder interactions. By establishing robust partnerships with SAIs, peers, and international development institutions, the OAGS has advanced its objectives significantly. Participation in numerous international conferences and forums has provided invaluable opportunities for the OAGS to exchange innovative solutions and best practices. This engagement has reinforced the OAGS's commitment to promoting accountability and transparency in public resource management.

Furthermore, the OAGS has prioritised cooperation with its internal stakeholders, ensuring effective communication and implementation of audit results and recommendations. Engaging with MDAs, media, and other stakeholders has led to a more integrated strategy for public financial management, contributing to Somalia's long-term governance and development.

Reflecting on the successes achieved, the OAGS is proud of its accomplishments and the relationships it has built. Its commitment to international cooperation has been pivotal in striving for excellence in audit practices and institutional development. The lessons learnt and partnerships established this year will undoubtedly provide a strong foundation for continued progress in the years to come, positioning the OAGS as a key player in fostering a culture of transparency and collaboration in Somalia.

5.1. OAGS Major Meetings and Events 2024

1. Joint Review Workshop of the Annual Overall Audit Plan 2024, in Mogadishu, Somalia, 8-10 January 2024
2. Meeting with the Royal Norwegian Embassy (RNE) in Mogadishu, Somalia, 16 January 2024
3. Introductory Meeting with AG & The Arab Organization of Supreme Audit Institutions (ARABOSAI) – 6 February 2024
4. Annual Peer-support Project Steering Committee Meeting – 28 February 2024
5. OAGS Annual Development Partners' Meeting – 6 March 2024
6. 26th UN/INTOSAI Symposium: Implementation of SDG 13 on Climate Action, in

Vienna, Austria, 16-18 April 2024

7. Virtual Planning Meeting Between the AGs of OAGS and FMS-OAGs—22 April 2024
8. Annual Meeting with IDI and RNE, 25 April 2024
9. OAGS Awareness Seminar for MDAs, in Mogadishu, Somalia, 29-20 April 2024
10. 20th AFROSAI-E Governing Board Meeting and 2024 Strategic Review in Kampala, Uganda, 6-9 May 2024
11. MoU Signing Ceremony Between OAGS and SNAO in Kampala, Uganda, 7 May 2024
12. Meeting Between the AGs of OAGS and SAI Djibouti—14 May 2024
13. Introductory Meeting Between the AGs of OAGS and FMS-OAG Puntland, 16 May 2024
14. High-Level Technical Meeting Between the OAGS and FMS-OAGs, 2-4 June 2024
15. EU SFA TA 1st Annual Steering Committee Meeting: 5 June 2024
16. Meeting with the AG and EU in Mogadishu, Somalia, 25 August 2024
17. OAGS information visit to IDI in Oslo, Norway, 1-5 September 2024
18. Meetings Between AG and the Budget and Finance Committee of the Federal Parliament—17 & 22 September 2024
19. Meeting Between the AGs of OAGS and FMS-OAG Puntland, 24 September 2024
20. High-Level Planning of the East African Community (EAC) Audits in Mwanza, Tanzania, 17-24 October 2024
21. OAGS Semi-Annual Development Partners' Meeting – 23 October 2024
22. Meeting with AG and AFROSAI-E, 4 November 2024
23. Meeting Between the OAGS and WB, in Mogadishu, Somalia, 7 November 2024
24. 2nd Annual Conference of the Somali Institute for Certified Public Accountants (SICPA) in Mogadishu, Somalia, 2-3 December 2024.

5.2. OAGS Peer Support Project: Implemented By IDI, and AFRO-

SAI-E, Funded By The RNE

IDI and AFROSAI-E have implemented the OAGS Peer-Support Project (PSP) as a collaborative initiative with funding from the Royal Norwegian Embassy. Since 2015, these organisations have strategically partnered with OAGS to enhance its capacity. With the introduction of the new OAGS Strategic Plan for 2023-2027, IDI, AFROSAI-E, and OAGS are continuing their collaboration through the OAGS Peer-support Project for 2023-2024.

The primary aim of this project is to "enable OAGS to achieve its planned strategic outputs related to core audits and stakeholder engagement for the period 2023-2024." Key outputs include conducting annual financial and compliance audits, forensic audits, and effectively communicating audit results to essential stakeholders. This initiative is expected to facilitate the attainment of OAGS's strategic goals, particularly by strengthening Parliament's role in following up on audit recommendations, which will lead to improved implementation by the executive.

Additionally, a new agreement is expected to extend this collaboration for the period of 2025-2027, continuing the support for the implementation of the Strategic Plan 2023-2027. This next phase will maintain the focus on delivering annual financial and compliance audits, forensic audits, and sharing audit results with key stakeholders. The targeted efforts are meant to improve OAGS's strategic outcomes, especially by getting Parliament more involved in keeping an eye on things and putting audit recommendations for positive change into action.

5.3. Swedish National Audit Office

The Swedish National Audit Office (SNAO) and the Office of the Auditor General of the Federal Republic of Somalia (OAGS) have formalised a partnership through a Memorandum of Understanding (MoU), signed in May 2024. This agreement, effective until June 30, 2029, marks the inaugural bilateral collaboration between the two institutions.

The primary objective of this project is to enhance OAGS's capacity to operate as a reliable and independent Supreme Audit Institution. By promoting transparency and accountability in public resource management, the initiative seeks to align OAGS's operations with international standards. Key focus areas include strengthening performance auditing capabilities and providing targeted support in mutually agreed areas.

A long-term perspective is the focus of this collaboration. Discussions regarding a new MoU and project plan will commence one year prior to the expiration of the current agreement, contingent upon mutual agreement to extend the partnership.

5.4. World Bank

Last year, the World Bank (WB) extended the deployment of a Lead Performance Audit Advisor from 2024. This initiative aimed to provide technical support for the Performance Audit division, improve the skills of Performance Auditors, and support the delivery of two pilot Performance Audits of projects funded by the WB. The office anticipates receiving sustained financial and technical support from the WB through the Somalia Enhancing Public Resource Management Project (SERP).

5.5. The European Union Somalia Financial Accountability Technical Assistance (EU SFA TA)

An ambitious, long-term initiative, the EU Somalia Financial Accountability Technical Assistance (EU SFA TA) project aims to bolster institutional capacity to elevate the effectiveness of audit departments and enhance audit quality across Somalia. This multifaceted program supports a range of audit types, including compliance, financial, and special audits, while also delivering targeted technical assistance to the FMS-OAGs. The Strategic Plan places a key focus on implementing Goal 7, which aims to firmly establish the foundation for robust financial accountability.

6. FINANCIAL RESOURCES

The Parliament of the FGS approved the appropriated budget, which served as the basis for developing the OAG's 2023 budget. The OAG's budget structure allocated all income and expenditures to their respective heads and sub-heads in alignment with the national budget framework. OAGS consistently maintained and updated relevant financial management systems as necessary to facilitate reporting at varying levels of detail, from individual transactions to the OAG's overall performance.

For the financial year ending December 31, 2024, the appropriated budget stood at **USD 3,438,420.00** million, with the actual allocation amounting to the same figure. This reflects an exceptionally high utilisation rate, nearing 100%.

SUPPORT ECOSYSTEM FRAMEWORK | 2023-2027



Coordination Mechanisms

- Support for the OAGS Strategic Goals and Operational Plans

Reporting Mechanisms

- Semi-annual meetings for all partners
- OAGS Annual Performance Report



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