



Cooperation Agreement

OAGS Peer-support Project 2023-2024

Office of the Auditor General of the Federal Republic
of Somalia (OAGS),
African Organization for English-speaking Supreme
Audit Institutions (AFROSAI-E),
and
the INTOSAI Development Initiative (IDI)

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1. Introduction

The Office of the Auditor General of the Federal Republic of Somalia (OAGS) has a crucial role in promoting and ensuring good governance in Somalia. The OAGS is responsible to audit all the federal government institutions and the independent enterprises provided with a public private partnership.

Over the last five years OAGS has demonstrated its commitment to play a strong role in enhancing public financial management in Somalia. The OAGS has submitted audit reports to the Parliament using internationally recognized standards, and these reports have got wide attention. The OAGS has also implemented several key strategic priorities set for 2017 – 2022 strategic plan, such as developing a new legal framework (not yet enacted), strengthened its internal governance systems and HR-management. These achievements would not have been also possible without dedicated staff in the OAGS who demonstrated willingness to learn and make change as well as the support from the IDI, AFROSAI-E and SAI partner who provided flexible, and peer based technical and financial support.

The OAGS has developed a strategic plan for 2023-2027 and requested the continuation of extensive peer support for this period. This strategic plan highlights 11 key strategic outputs or main deliverables which are assumed critical for OAGS to have an impact. This includes high-quality annual financial audits delivered on time for all MDAs, high-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs, such as compliance with the procurement regulations and regular and timely interaction with the stakeholders on the audit findings, recommendations, and emerging issues, among others. To successfully implement the strategic plan, external financial and technical support have been requested by OAGS. The Norwegian embassy has provided funding to IDI to cover project costs for 2021-2025. As the funding agreement pertains to support main activities for the period spanning 2022 to 2024, this cooperation agreement is for the period from 2023 to 2024. With good progress and new funding, the partners intend to prolong the cooperation for the full strategic planning period up to 2027.

Worldwide experiences of SAI capacity development show that peer-to-peer cooperation can both ensure highly qualified and relevant advises, as well as ensure a trustful and sustainable relationship between SAI employees and advisors. The INTOSAI community including AFROSAI-E and IDI have resources and experiences in almost all areas of SAI development. On this background, OAGS, AFROSAI-E, and IDI have therefore agreed to develop this agreement.

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2. Objective and expected results

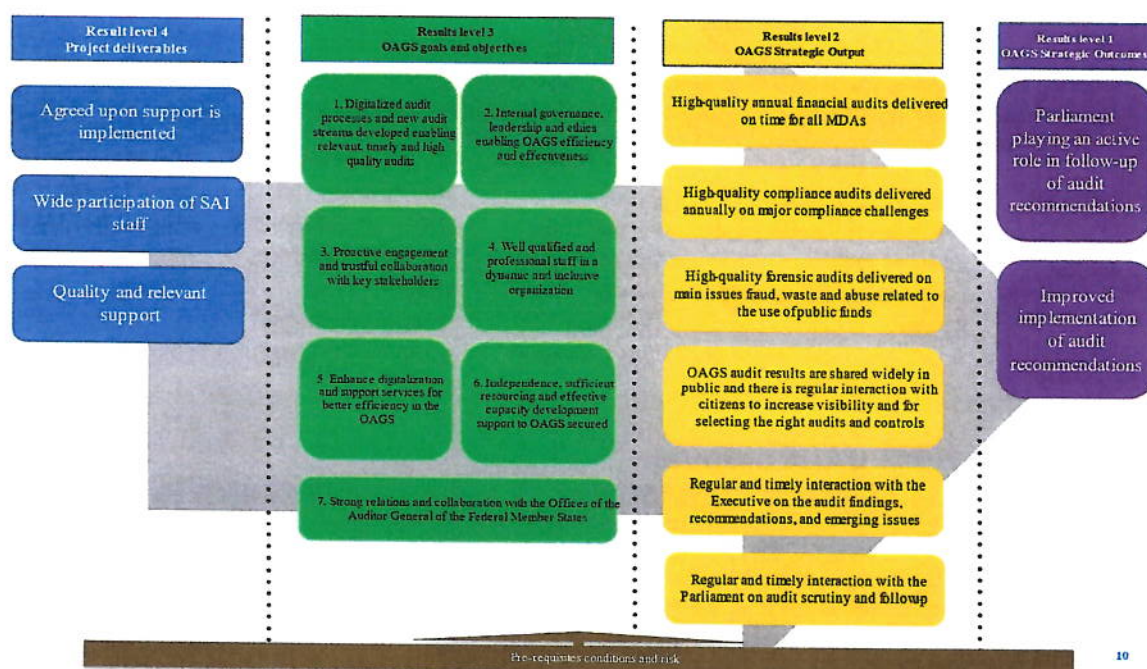
The overall objective of the OAGS Peer-support Project 2023 – 2024 is to *“Enable OAGS to achieve its planned strategic outputs related to core audits and stakeholder engagement for the period 2023-2024.”*

The outputs include delivery of annual financial and compliance audits, forensic audits and sharing of the audit results to key stakeholders. The delivery of these strategic outputs is expected to enable achievement of the strategic outcomes of OAGS, especially the Parliament playing an active role in follow-up of audit recommendations and improved implementation of audit by the executive.

The overall objective is related to the OAGS mission which sums up the link between the strategic outputs, strategic outcomes and intended impact: *“To conduct and produce high quality audit reports and recommendations to the parliament and president in order to enhance transparency and accountability of the Federal Government of Somalia for the benefit of Somali citizens”.*

The focus on strategic outputs is based on the result-oriented approach of the OAGS strategic plan for 2023-2027. For the project, this focus on outputs involves prioritizing capacity development support in areas that are critical for delivery of the outputs targeted in the project. The result framework presented in Figure 1 shows the prioritized outputs. The support to capacities critical for these outputs are classified of “high” effort in the project (see Appendix III). The project can also provide support to other strategic priorities of OAGS where peer support clearly adds value and there are resources available. Such areas are classified as “medium or low effort” in the planned areas of support. The categorization of level of effort is done considering OAGS priority for peer support, available peer resources and competencies, support of other partners and lessons learned from support 2018-2022. The project will also have a general role of advising OAGS in coordination and utilization of INTOSAI resources and material to various providers.

The project result framework has been set at four levels and directly link to the OAGS strategic plan 2023 – 2027. It should be noted that the project mainly has control over results at level 4. However, the results at level 1, 2 and 3 are there as the ultimate results and essential for the focus and priorities of support. Additionally, Results and risks are interconnected in a project, and managing risks is crucial to achieving desired results. Appendix II outlines the risk assessment, control measures, and responsibilities for the peer support project.



Key pre-conditions and assumptions for the results at all four levels include an active Public Accounts Committee in the Somalia National Assembly in using the audit reports and engaging in enabling a strong SAI. It is also crucial to have the executive with a will to act on audit findings and implement Public Financial Management reforms. A relatively stable Somalia is also essential to allow collection of audit evidence in key Ministries in Mogadishu and presence in the audit office by OAGS staff regularly. To allow the OAGS in achieving the result, there needs to be government support and commitment to increased capacity and a more independent OAGS and reasonable level of financial allocation to OAGS operations from the Government of Somalia. Details of these pre-conditions and assumptions are shown in Appendix II.

I. Results level 1: OAGS outcomes

Expected Results	Indicator Definition	Source	Baseline (year)	Target 2023-2024
Parliament playing an active role in follow-up of audit recommendations	Whether a Committee of the Legislature examines the Audit Report on the annual budget within six months of its availability, and publish a report with findings and recommendations	International Budget Partnership Open Budget Survey: Question 118 (2021 version)	No, a committee did not examine the Audit Report on the annual budget (2021 OBS)	The committee examines the audit report within six months of it being released then publishes a report with its findings and recommendations

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Expected Results	Indicator Definition	Source	Baseline (year)	Target 2023-2024
Improved implementation of audit recommendations	Whether the executive reports to the public on the steps it has taken to address audit recommendations made by SAI	International Budget Partnership Open Budget Survey: Question 101 (2021 version)	No, the executive did not report to the public on the steps it has taken to address audit recommendations made by SAI (2021 OBS)	The executive must report publicly on the steps it has taken to address all audit findings

II. Results level 2: OAGS outputs

Expected Output	Indicator for whether the expected result is achieved	How to measure the indicator	Baseline (year)	Target 2023 - 2024
I.High-quality financial audits delivered on time and for all MDAs	Whether the annual consolidated financial audit report is submitted by the 30 th of June deadline to Parliament	Check the actual submission date	Not met as later than 30 th June (2022)	Met
II.High-quality compliance audits delivered annually on major compliance challenges	Percentage of MDAs in which a compliance audit is completed per year, as compared to the OAGS annual audit plan target of MDA entities to be covered	Count the number of compliance audits completed as compared to the approved audit plan	97 % / 39 actuals as compared to 40 planned (2022)	100 %
III.High-quality forensic audits delivered on main issues fraud, waste and abuse related to the use of public funds.	Percentage of forensic audit reports completed and submitted for further action during the year as compared to the planned number of such audits	Count the number of forensic audits completed as compared to the number planned	0 (2022)	100 %
IV.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 are made available on the website and shared by OAGS in social media within 1 day of publication	Check website and social media	Yes (2022)	Yes

Expected Output	Indicator for whether the expected result is achieved	How to measure the indicator	Baseline (year)	Target 2023 - 2024
V.Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues	Number of annual forums with MDAs completed during the year on the audit findings, recommendations, and emerging issues commenced	Count the number of annual forums with MDAs which have commenced	2 ¹ (2022)	2
VI.Regular and timely interaction with the Parliament on audit scrutiny and follow-up	Number of annual sensitization seminars are held by the OAGS for the Budget and Finance Committee commenced during the year	Count the number of annual sensitization seminars for the Budget and Finance Committee completed	1 (expected in 2022)	1

III. Results level 3: OAGS goals and objectives

OAGS goal and objective	Performance Indicator	Baseline ² (year)	Target (2023 – 2024)
Goal 1: Digitalized audit processes and new audit streams developed enabling relevant, timely and high-quality audits			
3.1.1 Risk and materiality based overall audit planning and monitoring	SAI-7: Overall Audit Planning	2 (2022)	Scores improve over the period
3.1.2 Timely production of high-quality financial audit reports by a dedicated financial audit function	SAI-10: Financial Audit Process	0 ³ (2022)	Scores improve over the period
3.1.3 A compliance audit function able to provide timely and high-quality audit of a wide range of compliance subject mattersq2	SAI-16: Compliance Audit Process	Number	Score maintained over the period
3.1.5 A strong specialized forensic audit function	OAGS Forensic Audit Manual Approved by AG	0 (2022)	Forensic Audit manual approved

¹ 2 MDA-Workshops in Feb and Aug 22.

² The baseline scores of SAI PMF indicators are based on self assesment of the OAGS per 2022. The scores were updated by OAGS if they find some progress from the independent quality assurance report as of 17th Feb 2021. External reviewer will be asked to assess the validity and reliability of the self assesment score.

³ The SAI 10 PMF score for 2022 is not yet to be self assessed due to limited evidence



OAGS goal and objective	Performance Indicator	Baseline ² (year)	Target (2023 – 2024)
	Number of OAGS staff received a forensic audit professional certification	0 (2022)	At least 2 staff have forensic audit certification
3.1.7 Strong audit quality control and line management direction and review of audit processes	SAI-9 (iii): Quality control in financial audit	0 (2022)	Scores improve over the period
	SAI-15 (iii): Quality control in compliance audit	0 (2022)	Scores improve over the period
Goal 2: Internal governance, leadership and ethics enabling OAGS efficiency and effectiveness			
3.2.1 Strong overall performance and change management	SAI-6 Leadership and internal communication	2 (2022)	Scores improve over the period
	SAI-3: Strategic Planning Cycle	3 (2022)	Scores maintained or improve over the period
3.2.2 OAGS wide quality management and internal control framework established	SAI-4: Organizational Control Environment	1 (2022)	Scores improve over the period
3.2.3 Strengthened integrity internally			
Goal 3: Proactive engagement and trustful collaboration with key stakeholders			
3.3.1 Support to Parliament capacity to scrutinize audit reports	SAI-25: Communication with the Media, Citizens and Civil Society Organizations	3 (2022)	Scores maintained or improve over the period
3.3.2 Active and supportive stakeholder relations			

OAGS goal and objective	Performance Indicator	Baseline ² (year)	Target (2023 – 2024)
3.3.3 Continuous improvement of OAGS report format and sharing channels	SAI-24 Communication with the Legislature, Executive and Judiciary	1 (2022)	Scores improve over the period
Goal 4: Well qualified and professional staff in a dynamic and inclusive organization			
3.4.2 Strong overall HR-management of OAGS	SAI-22: Human Resource Management	2 (2022)	Scores improve over the period
3.4.3 Training and professional development for all staff	SAI-23: Professional Development and Training	0 (2022)	Scores improve over the period
Goal 5: Enhance digitalization and support services for better efficiency in the OAGS			
3.5.1 Digitalization of audit processes and increased use of software tools enhancing efficiency and quality	Whether the electronic tool “S-SEAT” is utilized in all audit processes	Not met (2022)	Met
Goal 6: Independence, sufficient resourcing and effective capacity development support to OAGS secured			
3.6.1 Secure independence and implement the new Audit Act	SAI-1 Independence of the SAI	1 (2022)	Scores improve over the period
	SAI-2 Mandate of the SAI	4 (2022)	Score maintained
3.6.2 Secure sufficient funding and technical support to OAGS	Number of meetings with Development Partners held	2 (2022)	At least 2 meetings annually (annual and midyear meetings with DP)
Goal 7: Strong relations and collaboration with the Offices of the Auditor General of the Federal Member States			



OAGS goal and objective	Performance Indicator	Baseline ² (year)	Target (2023 – 2024)
3.7.1 A framework for collaboration and exchange of experiences between OAGS and FMS OAGs developed	Framework for collaboration and training established	Not met	Met
3.7.2 Contribute to harmonized audit processes and use of tools through training and capacity development support in selected areas	Content for holistic audit training is developed (topic specific for the respective year)	Not met	Met

IV. Results level 4: Project deliverables

Expected Results	Indicator Definition	Source	Baseline (2022)	Target per year	
				2023	2024
Agreed upon support is implemented	Percentage of agreed project deliverables in the annual plan completed during the year	Annual project report	80%	80%	85%
Wide participation of SAI staff	a) Cumulative number of SAI staff taking part in project funded trainings (minimum 1 full day activity) b) Female participation rate	Annual project report	a) 40 b) above 35 %	a) 50 b) above 35 %	a) 50 b) above 35 %
Quality and relevant support	Average SAI staff satisfaction and perceived project quality, on a 1-5 scale	Annual anonymous survey to all staff	3.65	4	4



3. Principles for project design and provision of peer-support

The following principles are assumed to be important for effective peer-support to OAGS:

1. The peers engaged need to have a strong professional record as well as communication skills and be able to customize their advice and trainings to the OAGS and its context.
2. Flexible and active peer support. This means the peer-partners shall be self-driven and flexible in terms of the SAI priorities for support. Plans will be adjusted if required, reflecting commitment to continuous learning in partnerships and the evolving conditions facing the SAI. Still, it must be clear that agreements and plans should be used actively during implementation.
3. Active coordination with other providers of support to avoid conflictual advice and uncoordinated approach of Long-term advisors (LTA)s, peers, and SAI partner contributing under different agreement.
4. Tailor-made use of peer-material and guidance, incl. customization of manuals and regional training and translation of key material to Somali language to ensure actual use over time by all staff in OAGS
5. Effective communication between the OAGS staff, peers, and project management team to enable sufficient context understanding, trust-building and relevant advises and training.
6. Peer-teams commit and design the activities to achieve the expected key outputs. Regional workshops and events (such as Tech update and Monitoring, Evaluation, Reporting & Learning) may be relevant for OAGS participation without tailor-made approach but needs to be ensured to contribute to the expected key outputs and coordinated with other peer-support.

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4. Division of roles between the parties

There are three main partners in the project. OAGS is the main part responsible for execution of activities. IDI is primarily responsible for the funds and coordination of peer-support. Both IDI and AFROSAI-E will be providers of technical support in the established peer-teams. AFROSAI-E will have a special role in coordinating the support activities with regional events and material. Some selected SAIs partner will be contributing to the project as they will be asked to provide advisors in-kind. Some SAIs will also work collaboratively with the project under bilateral agreements between the SAI and OAGS.

The OAGS will be in the driving seat in the implementation of activities and have the following key responsibilities:

- Lead the Steering Committee and the Project management team
- Integrate the project-related activities with the rest of the plans for the office, and ensure plans are linked to the OAGS's Strategic Plan for enhancing sustainability
- Ensure the availability of adequate staff and their continuity in the areas covered through the project
- Develop and approve ToRs and reports for main project supported trainings and processes
- Actively monitor and follow-up on the execution of activities, milestones and expected outputs in the project through its internal governance and management systems, as well as through the project steering and management mechanisms
- Invite IDI and AFROSAI-E for annual meetings in due time, and include also other partners of OAGS in an annual meeting
- Share relevant plans, reports and agreements with other development partners
- Ensure a good coordination under the new ecosystem of support between the peer support project, consultants and other partners of OAGS

The IDI will be the lead peer partner and have the following key responsibilities:

- Mobilize, provide and coordinate peers and resource persons – maintain a dialogue with the SAIs providing in-kind support and those with bilateral agreement.
- Grant management, including financial management, quality control and reporting to financial donors for funds provided to IDI.

AFROSAI-E will be a key provider of technical support as well as regional network and resources. They are expected to responsible for the achievement of some key output together with the peers. These responsibilities are detailed in Annex 4

Some selected SAIs will be invited to contribute with experienced and competent advisors relevant for the project support areas. Additionally, development partners, private firms and SAIs are expected to have bilateral agreements with OAGS and be coordinated through the "OAGS ecosystem". IDI will seek to advice OAGS in coordinating the support from different parties to ensure synergies. Appendix 4 presents a tentative framework for the role of the different partners.



5. Project governance, management and coordination

The overall principles and approach to project governance is presented in the Steering committee where each of the three partners are represented. The committee is led by the Auditor General of OAGS. It shall meet at least one time per year to approve the annual report and plans for the project. Monitoring of the project is done as a part of the annual reporting and meeting. The steering committee can also meet ad-hoc to discuss the support project and be consulted on arising issues. The steering committee has committed to follow the principles and procedures of the Project Steering Committee as detailed in Appendix V.

To ensure smooth implementation of activities in the project, a joint Project management team will be established. Each partner will have dedicated staff for this team. The team will meet regularly, and its responsibilities include:

- monitoring and supporting the implementation of the project.
- handling issues specifically related to the project that cannot be handled in the ordinary SAI structures
- provide all the necessary support to facilitate meetings and workshops, both online and physical
- prepare implementation plans and adjust them when necessary
- compile and share good stories from the project activities for all involved and external stakeholders
- lead in developing the annual project plans
- prepare the annual report and any other report requested by the Steering Committee, partners, or donors

Peer teams will be established to be responsible for the technical support in different areas. Each peer team will primarily engage and cooperate with the responsible line manager for the unit where support is provided. This is to ensure all support is integrated in the SAI structures and avoid parallel structures or confusion of roles and responsibilities. The following is expected from each peer team:

- Deliver the support in a close dialogue with an allocated manager in the SAI responsible for the areas in which the peer team provides support, and any consultant or other partner providing support in the same area
- Ensure a ToR is set for main project activities, ensuring anchoring of all project activities with the SAI leadership and the Project management team
- Ensure a report is written in close cooperation with the SAI participants of all main project activities.

OAGS will also ensure regular coordination meetings with other partners involved in support to the SAI. The partners and OAGS should seek to ensure that much of the external support is done integrated and not at the expense of core activities (as ongoing audits) and linked to the SAI's own management system (strategic priorities, operational plan, internal reports, and SAI Performance report).



For the annual project reporting, the OAGS performance report will be used as the starting point. Then for the project, the indicators of the result framework will be supplemented by a qualitative assessment of the link between project inputs, OAGS progress of goals and objectives, and any OAGS outcomes and impact observed. In this assessment it will then be considered the actual project outputs committed to annually and their potential impact on the SAI's performance.

During the strategic plan period, a review or evaluation of the project will be carried out especially at the end of funding agreement in 2024. This will include an external assessment of the scoring of indicators in the result framework. This will be considered to carry out in connection with an AFROSAI-E Quality assurance review.

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6. Financial management

IDI will be responsible for financial management of the project, including reporting to the financial donor. IDI will share an approximate budget for delivery costs in USD one month before each quarter during project coordination team meetings and to be shared with board. The other partners commit to adhere to the conditions in the donor agreement and provide IDI with key information required for reporting to the donor. As the funding agreement only cover period to 2024 and developed before the new SP period, the continuation of this project is subject to the additional funding for the additional activities and remaining period.

All procurements must be done in compliance with the IDI policies and procedures, ensuring competition, economy and value for money. Partners are obliged to inform each other should there be any risks or incidents related to misuse of funds. IDI is required to practice zero tolerance against corruption and other financial irregularities within and related to the project. The zero-tolerance policy applies to all staff members, consultants and other non-staff personnel and to cooperating partners and beneficiaries of the grant from the Ministry of Foreign Affairs of Norway. Financial irregularities refers to all kinds of:

- corruption, including bribery, nepotism and illegal gratuities;
- misappropriation of cash, inventory and all other kinds of assets;
- financial and non-financial fraudulent statements;
- all other use of Project funds which is not in accordance with the implementation plan and budget.

IDI will involve and consult with OAGS in the procurement process for goods and services that are provided locally. As per IDI policy, IDI shall be responsible for initiating and facilitating payments regarding the procurements. However, paying vendors in Somalia can be challenging, as demonstrated by bank returns in some cases. To avoid this issue, it can be agreed in the ToR that payment to vendors will be made via OAGS, who will share all payment documentation with IDI.

For per diems, the AFROSAI-E Travel and Event Expenditure policy⁴ will apply for OAGS staff and managers, advisors of regional SAIs and AFROSAI-E representatives. The remote allowance for resource persons will not be covered by the project, and SAIs will have to contribute staff time in-kind. It is advisable that the OAGS's involvement in regional events or similar activities should be determined by their level of need and priority, and if possible, be supported by the World Bank's funding rather than the project's budget. In arranging travel for OAGS staff, IDI will share travel options with OAGS before making bookings, and the OAGS can suggest an itinerary to the IDI travel agency.

⁴ This means the OAGS participants will not be entitled to per diems other than eventual meals not provided. However, OAGS participants are entitled to per diems and any other entitlements from any other funding sources, in accordance with policies and rules of the government of the Republic of Somalia or other funding agencies regulations. Please notice that expenses to field work in Somalia for OAGFS staff is not covered through this project.



7. Cooperation Principles

I. Respect and professionalism

The parties recognise and respect the governance structures and internal processes of each other.

The parties will be transparent with regard to planned activities that might potentially impact on the work of the other parties and will seek ways to complement each other in the performance of their functions.

The three parties will cooperate with honesty, integrity and professionalism, and will respect the work, findings and representations made by each other.

In order to protect and enhance INTOSAI reputation, all are expected to operate in line with the INTOSAI standard Code of Ethics as well as IDI policies on safeguarding and anti-corruption.

II. Project governance

The parties see overall project governance as critical for progress and results, as well as to ensure an OAGS-led and well-coordinated project.

When working together for the strengthening of OAGS the partners will strive to be role models in good project governance, inspired by INTOSAI-P 12.

The Steering Committee led by the AG is an essential instrument to ensure sound project governance. The partners will ensure that the committee operates effectively and contribute to the success of the project.

III. Communication

Communication between the parties will be responded to with the necessary promptness and will be considered in the context of seeking ways to cooperate and complement each other's functions.

IV. Confidentiality

The parties shall maintain complete confidentiality regarding each other's business and shall not disclose any information relating to each other's business unless prior written permission is obtained from the party.

V. Conditions for support

The level of support IDI, AFROSAI-E, and SAI partners can provide is subject to availability of resources and funding.

Termination of the project will be considered if there is a serious lack of commitment related to the project goals or principles of transparency and accountability.

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8. Agreement

As partners we commit to work together to achieve the listed project outcomes and outputs.

We agree to seek to allocate the required resources and staff for participation in the project.

We agree that any changes to the project outcomes and outputs will be mutually discussed and agreed upon.

We commit to the cooperation principles.

Office of the Auditor General of Somalia **AFROSAI-E**

Auditor General

Date and place:

09/05/23

Accra Ghana

Chief Executive Officer

Date and place:

09/05/2023

Accra Ghana.

INTOSAI Development Initiative (IDI)

Deputy Director General

Date and place:

9/5-2023

Accra, Ghana



Appendix I Annual project management cycle

Quarter	OAGS	Peer support project
Q1 January - March	<ul style="list-style-type: none">• Annual SAI Performance report• Finalize annual operational plan• Annual meeting for all partners	<ul style="list-style-type: none">• Annual project report, based on OAGS Performance report• Updated plan and budget for the year, based on OAGS OP• Annual Steering Committee meeting, include approval of Project annual report and updated plan and budget• Donor reporting• Project plan and budget adjusted if needed
Q2 April - June	<ul style="list-style-type: none">• Q1 report and quarterly meeting	
Q3 July - September	<ul style="list-style-type: none">• Q2 report and quarterly meeting.• Semi-annual meeting for all partners	
Q4 October - December	<ul style="list-style-type: none">• Q3 report and quarterly meeting.• Draft annual report and plan for next year	<ul style="list-style-type: none">• Project plan and budget adjusted if needed• Next year's budget and plan submitted to donor

Appendix II: Pre-requisites and Risk assessment

The project has a high risk-profile due to the unstable situation and complex environment in Somalia. There are several prerequisites for succeeding in this project.

OAGS outcomes pre-requisites:

1. An active Budget and Finance Committee in the Somalia Legislature, using audit reports and engaging in enabling a strong SAI.
2. An Executive with a will to act on audit findings and implement Public Financial Management reforms.

OAGS output and goals pre-requisites:

3. Recruitment of new audit staff in the different audit streams who met the job profile
4. Continuous support for professional development for staff
5. A relatively stable Somalia which allows collection of audit evidence in key Ministries in Mogadishu and presence in the audit office by OAGS staff regularly.
6. Government support and commitment to increased capacity and a more independent OAGS.
7. Reasonable level of financial allocation to OAGS operations from the Government of Somalia.
8. Financial assistance from Development Partners to new permanent staff, LTAs and infrastructure costs, including successful execution of that support.

Project inputs pre-requisites:

9. Funding available for the project
10. Well qualified project team members available from the partner organization and partner-SAIs for key project activities

For risk management, the table below show the most important risks and related control measures and responsibilities.

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible
1	Political instability and conflict: The political environment could deteriorate, and conflict escalate, creating unfavorable conditions for the OAGS and project implementation. Political changes could have a damaging impact on the ability of the SAI to maneuver and carry out its mandate.			<ol style="list-style-type: none"> Ensure regular dialogue with the partners on the political situation and implications for OAGS. Consider scaling down the project if the overall situation makes project implementation difficult. 	All, especially Project Coordination Team.
2	Security: There is a risk that the security in situation in Somalia deteriorates, leading to security			<ol style="list-style-type: none"> Conduct regular security assessments of locations for meetings/workshops. 	OAGS and IDI for a and b.



No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible
	risks for OAGS staff and project advisers.			<ul style="list-style-type: none"> b. Ensure all staff and advisors travelling are aware of the security risks and safety routines. c. Make use of the IDI and AFROSAI-E routines for crisis management. d. Use online platform if security risk does not allow local and/or international travels. 	IDI and AFROSAI-E for c Project coordination team for d.
3	Limited independence of the OAGS: Independence is a precondition for any SAI to carry out its mandate. The absence of a legal framework guaranteeing the independence of the OAGS and security of tenure of the AG poses a risk to its ability to operate independently. Limited independence will also have an impact of the ability of the OAGS to effectively make use of the support provided through the project. While the Audit bill is passed by Parliament, it is yet to be signed by the President, and there is a risk that there will be continued delays.			<ul style="list-style-type: none"> a. Continue advocacy efforts and work in a coordinated manner with development partners to put pressure on the new Government to sign the Audit Act as soon as possible. b. The signing of the Audit bill that guaranteeing the independence of OAGS will in itself be a key control measure. Advocating for the bill to be signed will have high priority in the project. 	All. Specific support through Goal 6 peer team.
4	Corruption: Corruption is a deep-rooted and widespread problem in Somalia (CPI 180/180), affecting the effectiveness and efficiency of public institutions including OAGS. OAGS staff may face risks of bribery and fraud, as well as the risk of misuse of office assets for personal benefits. Such instances would mean a reputational risk for both the OAGS and the partners in the project. While most project funds are provided in-kind, there is a risk that funds are mismanaged			<ul style="list-style-type: none"> a. Continuous implementation of the OAGS HR manual and Code of Ethics, including annual ethics seminar for staff. b. Strengthen internal control routines within OAGS, improve financial management policy and procedures, and provide procurement rules/procedures training for OAGS staff c. Facilitate sharing of experiences in SAI 	OAGS for a and b. IDI for c and d.

No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible
	through e.g., selection of suppliers/procurements in Somalia, causing reputational damage and the risk of freezing of project funds.			financial management and controls with other SAIs. d. Use of IDI Procurement policy for all procurements and ensure due diligence in the disbursement of project funds, e.g., in relation to invoice requirements and documentation for payments.	
5	Limited sustainability: There is a risk that a sudden and unexpected change of AG could challenge the sustainability of project results due to lack of security of tenure in the current legal framework. High staff turnover of OAGS staff poses another risk to project sustainability			a. Involve a high number of OAGS staff in project activities, to ensure continuity and sustainability. b. Introduce a holistic approach as regards support to auditing, management quality control, reporting and dissemination – interlinked processes and systems. c. Implement the OAGS HR manual, which includes a mechanism of staff retainment d. The signing of the Audit bill that guaranteeing the security of the AG will in itself be a key control measure. Advocating for the bill to be signed will have high priority in the project.	All, especially Project Coordination Team OAGS for c. in particular.
6	Limited impact: There is a risk that the project will have limited impact, due to e.g. lack of follow-up of audit results by the Parliament or Executive, or significant resistance among influential elites to strengthening the SAI			a. Include sensitization of key stakeholders and goal 3 as a part of the project. b. Scale up support to OAGS' interaction with Parliament in line with OAGS priorities and opportunities.	IDI, and Goal 3 Stakeholder engagement peer team for specific support.



No	Risk factors	Probability	Impact	Control measures planned	Responsible
7	Limited extent, relevance and quality of the advice: There is a risk that the external advice has limited relevance due to e.g. lack of in-depth knowledge of the political economy of Somalia, communication challenges between OAGS staff and peers (Project staff and peers only speak English, and several staff in OAGS has limited understanding of English) and non-systematic project management and coordination. Insufficient support may lead to sub-standard contents of audit reports which can undermine the reputation of the SAI.			<ul style="list-style-type: none"> a. Emphasize personal qualifications of advisors b. Train advisors in country context, conflict sensitivity as well as the country-specific PFM system c. Utilize globally accepted standards and best practices as a basis for advice and training but adapt manuals and guidance material to the context. d. Keep a regular dialogue on how to ensure relevance and quality of support. e. Seek to establish English language training for OAGS staff. 	<p>IDI and Project Coordination team.</p> <p>Project Coordination Team</p>
8	Limited coordination: There is a risk that activities are not coordinated, both within the project and with other supporters of OAGS, due to lack of information sharing systems within the SAI, and lack of information sharing between the development partners and peers.			<ul style="list-style-type: none"> a. Ensure active use of mechanisms for coordination, especially the bi-annual Partner meetings for all partners of OAGS. b. Regular meetings for the technical providers of support with the OAGS management team, to ensure alignment of advices and training. c. OAGS annual plan and report showing what each partner is doing. d. Partners invite other partners for Steering committee meetings etc. e. Assist OAGS in implementing its Support Ecosystem principles. 	<p>All, especially Project Coordination Team and donors.</p> <p>Support by goal 2 and 3 peer teams.</p>
9	Delays in the implementation of planned activities: delays may be due to audit data not available as expected; staff not available as supposed; level of activities not			<ul style="list-style-type: none"> a. Project coordination team established meeting bi-weekly and regular contact to manage and follow-up on project activities 	<p>All, especially Project Coordination Team</p>



No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible
	adapted to the competency levels of staff involved			b. Annual project planning done in relation to OAGS planning c. Be ready for flexibility and annual adjustment of plans.	

High
Medium
Low

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Appendix III OAGS PSP Key priority and support

No	Strategic Output	OAGS PSP support
1.	High-quality annual financial audits delivered on time for all MDAs.	High
2.	High-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs, such as compliance with the procurement regulations.	High
3.	High-quality specialized audits conducted in specific areas of public interest, including audits of Information Systems	Low
4.	High-quality forensic audits delivered on main issues of fraud, waste and abuse related to the use of public funds.	High
5.	High-quality performance audits delivered on issues of public interests and great national importance including Sustainable Development Goals.	Low
6.	Increased role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time.	Low
7.	Enhanced oversight of registration and assessment of government agreements and concession contracts.	Medium
8.	OAGS audit results are shared widely in public and there is increased OAGS's visibility with stakeholders through regular interaction with citizens to increase visibility and for selecting the right audits and controls.	High
9.	Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues.	High
10.	Regular and timely interaction with the Parliament on audit scrutiny and follow-up.	High
11.	A framework for collaboration with the audit offices of the Federal Member States established and implemented, including harmonization of audit processes, capacity development support and advocacy for enhanced resources	Low

Appendix IV SAI partner responsibilities on Strategic Outputs

Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
Goal 1: Digitalized audit processes and new audit streams developed enabling relevant, timely and high-quality audits	1. Risk and materiality based overall audit planning and monitoring	1. High-quality annual financial audits delivered on time for all MDAs	1. Overall audit planning and reporting advice and training	Director of Audits	IDI (OAGS PSP)	AFROSAI-E SAI Malawi (tbc)	EU-funded consultants (tbc)
	2. Timely production of high-quality financial audit reports by a dedicated financial audit function	2. High-quality compliance audits delivered annually on major cross-cutting compliance challenges in the MDAs, such as compliance with the procurement regulations	2. Quality control and quality assurance advice and training	Director of Specialized Audits			
	3. A compliance audit function able to provide timely and high-quality audit of a wide range of compliance subject matters	3. High-quality specialized audits conducted in specific areas of public interest, including audits of Information Systems	3. On the job guidance and training for the annual financial and compliance audit, including the use of S-SEAT in the audit process.				
	4. A strong Information System audit function enabling high-	4. High-quality forensic audits delivered on main issues of fraud, waste and abuse related to the use of public funds	4. Following up previous year audit findings and recommendation advise				
			5. Strategic advice on developing financial and compliance audit function				
			1. Training and advice for developing IS-audit guidelines	IT Director	TCA* (bilateral agreement tbc)	AFROSAI-E	WB Consultant (Roble)
			2. On the job guidance and training throughout the IS audit cycle.				
			3. Strategic advice for establishing IS-audit capacity				
			4. Advice for follow-up on outsourced SFMIS audit				
			1. Training and advice for developing forensic audit guidelines	Director of Specialized Audits	OAGS (OAGS PSP)	IDI AFROSAI-E	
			2. On the job guidance and training throughout the forensic audit cycle				
			3. Strategic advice and support for establishing forensic audit function, including digital forensic lab.				

⁵ The support activities are subject to the agreement between OAGS and each development partner. The Table is mainly served as guidelines to coordinate support and allocate responsibility to each partner and OAGS Dept.

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Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
	quality audit reports on different Information Technology (IT) systems of the government	5. High-quality performance audits delivered on issues of public interests and great national importance including Sustainable Development Goals	4. Training and advise to develop OAGS performance audit manual	Director of Audits	SNAO* (TBC – could be bilateral agreement or as partner in OAGS PSP)	AFROSAI-E	WB funding for outsourcing long term advisor and capacity development linked to audit of WB funded projects.
	5. A strong specialized forensic audit function	6. Increased role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time	5. On the job guidance and training throughout the performance audit cycle				
	6. Enable delivery of performance audits through development of a dedicated performance audit in-house function and outsourcing of selected audits		6. Strategic advice and support on establishing performance audit function				
	7. Strong audit quality control and line management direction and review of audit processes		7. Strategic advice on engaging stakeholders on performance audit.				
	8. Independent quality assurance conducted annually for selected						



Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
	audits contributing to active learning and improvement						
Goal 2: Strong internal governance, leadership and ethics for enabling OAGS efficiency and effectiveness	<ol style="list-style-type: none"> 1. Strong overall performance and change management 2. OAGS wide quality management and internal control framework established 3. Strengthened integrity internally 	<ol style="list-style-type: none"> 1. Operational plan set annually 2. OAGS Performance report published annually 3. OAGS quarterly report and semiannual report published 4. Digital system to manage the strategic and operational planning, monitoring and reporting, including quarterly, semi-annual and SAI Performance reports developed and applied 5. Management seminar on strategic, operational and change management for OAGS senior staff conducted 6. An organizational wide quality 	<ol style="list-style-type: none"> 1. Strategic dialogue and advice with AG and managers 2. Strategic management systems and outputs, monitoring, reporting and follow-up – incl digitalization of this process 3. Advice and support for strategic change management training - customized to OAGS needs (MDP) 4. Advice and guidance on developing an organizational wide quality management and internal control system 5. Advice and support for ethics and integrity assessment and training 	Director of Planning Director of SSU	IDI	AFROSAI-E SAI Malawi	

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Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
Goal 3: Proactive engagement and trustful collaboration with key stakeholders	<ol style="list-style-type: none"> Support to Parliament capacity to scrutinize audit reports Active and supportive stakeholder relations Continuous improvement of OAGS report format and sharing channels 	<p>management and internal control framework developed and applied</p> <ol style="list-style-type: none"> OAGS compliance on code of ethics reviewed 	<ol style="list-style-type: none"> OAGS audit results are shared widely in public and there is increased OAGS's visibility with stakeholders through regular interaction with citizens to increase visibility and for selecting the right audits and controls. Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues. Regular and timely interaction with the Parliament on audit scrutiny and follow-up 	PR Manager	AFROSAL-E (OAGS PSP)	IDI	WB funding for OAGS events
			<ol style="list-style-type: none"> Advice for engaging with parliament Advise and support for engaging with the civil society and the media such as through seminar Advice and support for establishing mechanism for direct citizens engagement Strategic advice on producing citizen friendly audit report 				

Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
Goal 4: Well qualified and professional staff in a dynamic and inclusive organization	<ol style="list-style-type: none"> 1. A stronger organization enabling OAGS to deliver on its mandate 2. Strong overall HR-management of OAGS 3. Training and professional development for all staff 	<ol style="list-style-type: none"> 1. 10 to 15 new auditors are recruited 2. OAGS HR Policy implemented 3. Selected HR staff participated in relevant HR training from AFROSAL-E and other SALS 4. Staff and leaders are participated in relevant trainings 5. Non audit staff participated in certification and professionalization, including HR, IT Management and Legal support 	<ol style="list-style-type: none"> 1. Advice for implementation of HR Policy Manual 2. Develop HR-capacity, such as for recruitments, induction, coordination of training and professional development 3. Fund support for training and certification program for auditors and non auditors 	Director of HR	AFROSAL-E (OAGS PSP)	IDI	WB funding for OAGS events and certifications?
Goal 5: Enhance digitalization and support services for better efficiency in the OAGS	<ol style="list-style-type: none"> 1. Digitalization of audit processes and increased use of software tools enhancing efficiency and quality 2. Strengthen OAGS Admin and Financial Management routines 	<ol style="list-style-type: none"> 1. The electronic tool "S-SEAT" is utilized in all audit processes (except forensic audits and confidential expenditures) and well supported by the IT-unit for technical challenges and champions for good use 2. Audited OAGS Financial Statement Report 	<ol style="list-style-type: none"> 1. Advice for S-SEAT implementation Training in ICT 2. Advice for the needs of software and Management Information System for all departments in OAGS identified and implemented 3. Advice and support on producing an annual financial statement report capturing all funds to OAGS, and have an annual external audit of OAGS financial statement 	Director of ICT	AFROSAL-E (OAGS PSP)	IDI SAI Malawi	ICT-consultant funded by WB (Roble)

Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
Goal 6: Independence, sufficient resourcing and effective capacity development support to OAGS secured	1. Secure independence and implement the new Audit Act	1. Federal Audit Act regulations set	Advice for revising regulations to implement the new audit act	Lawyer/ Legal advisor	IDI (OAGS PSP)	AFROSAI E	
	2. Secure sufficient funding and technical support to OAGS	2. Mid-year and annual meetings with Development Partners conducted	Advice and support for partner engagement and resource mobilization	Director of SSU	IDI (OAGS PSP)		
	3. A strong legal competency in OAGS ensuring government contracts is reviewed and registered on time	3. Enhanced oversight of registration and assessment of government agreements and concession contracts	Legal competency training in OAGS – development of contracts and concession assessment	Lawyer/ Legal advisor	IDI (OAGS PSP)	Peer partner to be engaged	WB funding for events with OAGS
Goal 7: Strong relations and collaboration with the Offices of the Auditor General of the Federal Member States	1. A framework for collaboration and exchange of experiences between OAGS and FMS OAGS developed	A framework for collaboration with the audit offices of the Federal Member States established and implemented, including harmonization of audit processes, capacity development support and advocacy for enhanced resources	Advice for collaboration with FMS OAGs in the audit process	Director of SSU	IDI (OAGS PSP)	AFROSAI-E	WB funding for events with OAGS
	2. Contribute to harmonized audit processes and use of tools through training and capacity			RRU Manager			



Components	OAGS strategic objectives	Related OAGS strategic outputs	Support activities ⁵	OAGS contact	Main responsible partner	Collaborating partners	Other providers of support (to be updated with new EU tender and WB project)
	development support in selected areas						

*the discussion between the OAGS and the respective SAI is still on going

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Appendix V Project steering committee principles and routines

- I. Establish a predictable and well-timed annual schedule for our meetings
 - a. Set meeting dates for the full year when doing our annual planning, so all partners can be available and preparations can be made in good time.
 - b. Seek to align overall project decisions with the partners' planning and reporting schedule.
- II. Use OAGS capacities, systems and location for the meetings
 - a. OAGS focal point sends out invitations and information to the Steering Committee from the project coordination team.
 - b. Use the OAGS own online meeting tool and premises for meetings as far as possible.
- III. Be well prepared for meetings and hold ourselves accountable
 - a. Use a meeting document showing agenda items with proposed decisions and key documents to be discussed.
 - b. The meeting document is shared 2 weeks in advance of the meeting (exception for ad-hoc meetings).
 - c. The chair is briefed on beforehand about the agenda by the project coordination team.
 - d. There is an agenda item of evaluation at the end of each meeting to sum up the experiences of the meeting and enable partners to jointly improve the steering meetings and function.
- IV. Ensure plans and reports suitable for steering are presented for the Committee
 - a. All documents presented are expected to be brief concentrating on issues relevant at the steering level.
 - b. The annual project plan (about 2 pages) shall clearly show the main project deliverables and which OAGS capacities and outputs these contribute to. The plan shall include timelines and responsibilities, and show links to the OAGS operational plans, support by other providers and how major risks are to be addressed.
 - c. The annual project report should report against the plans, budget and result framework, explain causes and consequences of deviations, and list corrective actions to improve results. The report for approval should not exceed 4 pages, but a longer report can be enclosed as an appendix.
 - d. The budget should include all project funded costs (staff and delivery). Costs should be distributed in the main components or areas supported. This shall enable the Steering Committee to assess whether there is a reasonable relationship between resources allocated and expected results.
- V. Enable a good meeting flow
 - a. Chair introduces each agenda item and sum up the conclusions after the discussions.
 - b. Chair ensures that clear decisions are taken, that all members are asked for inputs to proposed decisions, ensure adjusted decisions are developed if necessary and ask for final approval of decisions from the members to conclude the agenda item.



- c. Each meeting starts with a brief general update by each partner, enabling the current overall plans and situation for the SAI and partners to be taken into consideration when discussing the project
 - d. Each meeting includes a recap and review of decisions of the previous meeting.
 - e. An online presentation is used to guide participants on the agenda item and decisions.
 - f. Always have an option for partners to join in virtually for environmental sustainability and cost-efficiency.
 - g. Use modern hybrid meeting tools enabling high-quality sound and video for all.
- VI. Enable follow-up of meeting decisions
 - a. Develop concise meeting protocols with decisions and a summary of discussions (around 2 pages).
 - b. Protocol to be shared latest 2 weeks after the meeting for approval, and a final version shared with all in pdf.
- VII. Take action when we see problems arising and risks that requires action
 - a. Ad-hoc meetings are called for by the Steering Committee members or requested by the project coordination team when there are major project challenges or major deviations from approved plans, budgets, expected results or decisions.
- VIII. Be inclusive and transparent
 - a. As a general rule invite all SAI managers and peers providing support to be observers in the meetings, to ensure all are well informed and can be consulted for good decisions.
 - b. Share key decisions and steering documents for all project members and other relevant stakeholders.

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