Report 2022

OAGS Peer Support Project

Office of Auditor General of Somalia (OAGS), AFROSAI-E and the INTOSAI Development Initiative (IDI)

Peer-partners: SAI Uganda, SAI Turkey, SAI Malawi

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Joint report to the Project Steering Committee and the MFA Norway

Contents

Summary

Project implementation progress and any major deviations as compared to the plans

The expected results as per the 2021-2022 Cooperation agreement at level 1 (the OAGS outcomes and impact level) are not being achieved. Similar to 2021, at the end of 2022, a Committee of the Legislature has not yet examined the Audit Report on the annual budget within six months of its availability and published a report with findings and recommendations. This is related to a tense political situation throughout 2021 and early part of 2022 in which made the Parliament inactive. In the second part of 2022, OAGS has successfully initiated a dialogue with the Parliament on how to collaborate and how the audit reports submitted could be handled. Additionally, the executive does not report on steps it has taken to address audit findings. This result mainly outside the control of the OAGS and project but communication has been started with the new parliament to assist them to understand the OAG mandate and the audit report.

Regarding expected results at level 2 (OAGS goals and objectives), the OAGS has demonstrated a significant progress and commitment to play a strong role in enhancing public financial management in Somalia during 2022. 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 2022 strategic plan such as, strengthened its internal governance systems, identified the resource gap, and assessed the organizational value. Another key achievement in 2022 was the finalization of strategic plan 2023 – 2027 that is expected to guide the OAGS to improve the performance of OAGS and to contribute to the improved delivery of public sector services.

Support was provided to OAGS work in all key areas of the strategic plan during 2022. Relating to the audits (goal 1), on-the-job support was provided to quality control and assurance more specifically focusing on the ongoing audits and the gaps identified from the quality assurance review done by AFROSAI-E. The project also organized trainings for selected auditors in forensic audit and information system audit. Furthermore, guidance to the initiation of the outsourced audit of the SFMIS and the audit of Covid-19 measures was provided. The major deviations to plans of support to goal 1 were related to actual progress and finalization of audit reports for forensic audit and audit of ICT-risks as a part of the annual audits. These areas did not achieve the intended objective mainly because of the challenges in the audit process. The customization of the forensic audit manual and Information Systems (IS) audit manual were postponed due to the delay in completion of the audit process. Furthermore, additional on-site support for the IS-audit process has been postponed to 2023 when OAGS staff are more available and sufficient audit evidence are collected.

There were also delays in finalization and publishing the annual audit reports. This is related to various challenges, including quality management and staff resources in OAGS, the continued impact of COVID–19 pandemic, and the just concluded elections among other matters. The project sought to assist OAGS

in progressing with the audit by prioritizing on-the-job guidance for the audit reports throughout 2022. A possible mistake was to organize support and travels for forensic and IS-audit process at the same time as the annual audit work was ongoing. These activities were planned early in 2022 with the assumption that OAGS would have successfully completed the annual audit in August and staff would be available for other audit assignments in September. However, the audit process got more delayed than assumed and staff got stretched in doing both annual audit and new audit assignments.

For strengthening internal governance for efficient and effective audit services (goal 2), advice was provided to OAGS work on the planning, monitoring, and reporting of their performance. Key achievement of peer support was the finalization of the 2023 – 2027 strategic plan and recruitment of AG special assistant. However, key deviation to the plans in goal 2 is the delay of the second module of Management Development Programme due to security issue and staff availability as they focus on finalizing the annual audit report.

Related to stakeholder engagements (goal 3), a major event in 2022 was a high-level seminar with government ministries and agencies about audit findings and recommendations reported and how to address these. In the challenging political situation in early 2022 and with the absence of a functional Parliament to handle audit reports, this was chosen as a good approach to stimulate greater impact of the audits supported by the project. Furthermore, continuous engagement for harmonization and sharing of audit methodology with the audit offices of the Federal Member States were executed by the OAGS with guidance and funding from the project. Finally, a video presenting OAGS for the wider public has been finalized and is planned to be released in early 2023.

For a well-qualified and professional staff and management objectives (goal 4), advise was provided to OAGS on resource analysis and value assessment. The project also supported some selected HR staff to participate at the AFROSAI E Annual HR Workshop on staff productivity and engagement as the key discussion topics. However, some activities related to enrollment of staff to professional development courses and staff training on HR policy manual will be addressed in 2023.

Related to goal 5, much work was done to customize and configure the electronic tool S-SEAT due to the challenges in the use of S-SEAT in the pilot compliance audit. At the end of 2022, S-SEAT has been piloted and ready to be used in 2023 audit.

Related to goal 6, the status of audit bill is still not changed from the previous year. The audit bill was passed by Parliament in 2020 but is yet to be signed by the President. The political situation has contributed to delays in the final approval. The IDI organized an update with key development partners to raise awareness of the importance of the bill and discuss possible actions going forward.

The OAGS legal team plays a role in registering and assessing government contracts. The project supported a one-day training for the project heads at the MDAs to increase the understanding and awareness of developing the government contracts. The training also discussed the legal procedures that are required to go through in those projects. This was prioritized and added to the project plans in 2022 for its importance in ensuring impact of OAGS work.

Despite the key challenge in political situation in Somalia in 2022, the OAGS have been able to report and publicly share important audit findings and recommendations that can contribute to impact. However, the actual impact of this work relies on an improved political situation, an executive who clearly dedicated to improving public financial management and a more active Parliament.

Project execution risks update

The project risks were updated in December 2022 in a joint meeting with key OAGS staff. In general, the political situation has continued to be challenging, and increased especially the risks of insecurity and lack of impact. The terrorist groups have stepped up attacks in a show of resilience since the new government launched an offensive against the al-Qaeda-linked group in August 2022. The partners are to a little extent able to influence these risks but need to monitor them and regularly discuss if the project plans need to be adjusted taking these risks into account.

Main lessons learned and implications for the new cooperation agreement

The main lessons of 2021 - 2022 peer support project include:

- Flexible and active peer technical and financial support is critical to contribute to OAGS results due to uncertainty in Somalia.
- The support to strategic and operational plan and overall framework for support 2018-2022 have given a solid foundation for the development of OAGS in all key strategic goals.
- Change management support, as well as strong project management and coordination systems, routines and processes are critical to address the current challenges the office had.
- Consultants on the ground supported by EU and WB have been necessary conditions for the successes OAGS – the audits reported, and the legal framework submitted would not possibly have succeed with the peer support project only.
- Financial support to events and the support to the AG personal assistant are essential to succeed in meeting the results.
- For workshops and trainings, a hybrid model where some are physically together, and others online can work well as long as connection and technical tools are good.
- OAGS collaboration with Audit Offices at the federal member states are critical to ensure transparency and accountability in Somalia.
- Future intervention should involve combination of staff with less coordinating role so they can focus on completing the audit.
- For the work going forward, it is important to clarify roles for resource persons and AFROSAI-E staff for example as either peer advisor or peer trainer/facilitator.

These lessons learned are elaborated more details in Chapter 5.

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 for auditing all the federal government institutions and the independent enterprises provided with a public private partnership.

Since 2018 OAGS has demonstrated a commitment to play a strong role in enhancing public financial management in Somalia. For the first time in the history of Somalia, it 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 2021-2022, such as developing a new legal framework (not yet enacted), enhanced their audit capacities in forensic and ICT risk audit, strengthened its internal governance systems, and enhanced HR-management.

To successfully implement the strategic plan, external financial and technical support have been requested by OAGS. 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 agreed to cooperate to provide support to OAGS.

The OAGS, IDI and AFROSAI-E had a joint project for the years 2021-2022 (extended from 2018 – 2020), funded by the Norwegian government. There has been a good dynamic in the partnership, and the partners have agreed to prolong the cooperation in line with the new strategic plan. The OAGS has developed a new strategic plan for 2023-2027 and requested the continuation of a strong peer support for this period.

The overall peer support project objective is to enable OAGS to implement key strategic priorities for 2021-2022. This includes support to financial, compliance, ICT and forensic audits, professional development, digitalization of the audit process, quality control and assurance, legal framework, internal monitoring and reporting, stakeholder engagement (including Federal Member States OAGs) and coordination of providers of support. For 2023 and beyond, the project is expected to continue support in the same areas but adjusted for the new expected strategic plan of OAGS 2023-2027.

A combination of on-the-job guidance and trainings was provided by experienced staff in IDI and AFROSAI-E as well as peers from SAIs in the region. Financial support to some events and professional development courses of staff in OAGS were provided if not covered by other sources. OAGS has benefits from support by several development partners and embedded consultants. This document aims to provide overview of project objectives, implementation strategy, and indicate the progress and result of peers' support project 2021 – 2022 at the outcomes, goals, and project deliverables level. This report also include lesson learnt, update on risk management, and financial report.

2 Objectives

The overall objective of the OAGS Peer-support Project Phase 2 is to "Enable OAGS to successfully implement the strategic priorities in the period 2021-22." The implementation of these strategic goals is expected in order for OAGS to fulfill its mission: *"To audit and provide recommendations for improvement to the government institutions as well as to provide audit reports to the Office of the President Parliament, and Office of the Prime Minister."*

The 2021-22 strategic plan has the following goals:

1. Goal 1: Timely, relevant and high-quality audit reports in line with international standards
2. Goal 2: Strengthening Internal Governance for Efficient and Effective Audit Services
3. Goal 3: Strengthen external communication and stakeholder relations to ensure audit recommendations are implemented and reports have an impact on governance and accountability
4. Goal 4: Well qualified and professional staff and management
5. Goal 5: Sufficient infrastructure and ICT capacity for efficient operations
6. Goal 6: Amend the old legal framework OAGS currently operates under

The peer-support project is expected to provide support to selected objectives and areas within each goal, contributing to OAGS achieving the goals. This is set in the result framework of the Cooperation agreement.

Picture 1 Project coordination team kick off meeting 2022

3 Implementation strategy

Support to planning, execution, reporting and dissemination of key audits is a high priority of the peer support. To enable OAGS to carry out audits systematically, the support includes online and on the job guidance, customization of audit manuals, translation, printing, and electronic sharing of audit manuals and working papers. This is done in a combination of general training of both auditors and managers.

To ensure the various knowledge acquired in the audit process and through trainings are spread and institutionalized internally in OAGS, the project also includes support to management systems and a knowledge sharing workshop for all staff. The management support focuses on active use of an overall annual audit plan and system for monitoring, reporting and quality control in OAGS. Advice on development and financial support for design and printing of the annual SAI Performance report is also provided and linked to the sensitization of key stakeholders.

Well-qualified staff are a fundamental condition for OAGS performance. The project support professional development capacities for selected staff in HR management areas. The project also includes support to OAGS participation at AFROSAI-E events. There are both annual AFROSAI-E events where OAGS participation is pertinent, but also specific trainings relevant for the selected audits, internal governance systems and HR.

Peer-guidance to advocating for the enactment of a new audit act is also a part of the project. This is done in close cooperation with other Development Partners. A new audit act is a high priority of OAGS and can have long-lasting positive effects for the performance of the office.

Mechanisms for coordination with the activities of the Federal Member State OAGs are also included. The FMS OAGs are also developing new legal frameworks and audit manuals.

The following principles are sought applied to ensure effective support to OAGS:

1. Peer-teams linked to the specific strategic goals established as the key mechanism for support. Advisors mobilized need to have a strong professional record as well as communication skills. Advisors of each team should, if possible, be sourced mainly from SAI in addition to AFROSAI-E and IDI to make coordination easier and enable a strong SAI-SAI relationship, and later possibly an institutional cooperation.
2. The peer-advisors should seek active coordination with other providers of support. To avoid conflictual advice and uncoordinated approach of consultants and peers, consultants shall be invited for all main peer-initiated activities.
3. Tailor-made use of peer-material and guidance, incl. customization of manuals and regional training. Some regional workshops and events may be relevant for OAGS participation without tailor-made approach but needs to be coordinated with other peer-support.
4. Translation of key material to ensure actual use over time by all staff in OAGS.
5. Mechanisms for frequent contact and continuity are established to enable sufficient context understanding of advisors, trust-building and relevant advises and training. Mechanisms of videoconferencing and regular telephone meetings will be sought.

6. The peer-partners will be flexible and seek continuous learning. This means the peer-partners shall be 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.

Overview of the OAGS Strategic Plan 2021 - 2022

VALUES

INTEGRITY   OBJECTIVITY   TRANSPARENCY   ACCOUNTABILITY   CONFIDENTIALITY

MISSION

To audit and provide recommendations for improvement to the government institutions as well as to provide audit reports to the Office of the President, the Parliament and the Office of the Prime Minister.

STRATEGIC GOALS AND OBJECTIVES

1. TIMELY, RELEVANT AND HIGH-QUALITY AUDIT REPORTS IN LINE WITH INTERNATIONAL STANDARDS

1.1 An improved system for overall annual audit planning established and adhered to
1.2 Increased usage of ISSAI based manuals for financial and compliance audits
1.3 Forensic Audit Manual customized, introduced and applied
1.4 Strengthened SFMIS knowledge and IT audit capacity
1.5 Quality control system customized, introduced and applied
1.6 Quality assurance carried out
1.7 The degree of implementation of audit recommendations is clearly shown in the annual audit reports

2. STRENGTHENING INTERNAL GOVERNANCE OF THE OAGS FOR EFFICIENT AND EFFECTIVE AUDIT SERVICES

2.1 Strengthened Performance Management
2.2 Strong change management and a new organizational structure implemented in the OAGS
2.3 Strengthened integrity internally

3. STRENGTHEN EXTERNAL COMMUNICATION AND STAKEHOLDER RELATIONS TO ENSURE AUDIT RECOMMENDATIONS ARE IMPLEMENTED AND REPORTS HAVE AN IMPACT ON GOVERNANCE AND ACCOUNTABILITY

3.1 Strengthened relations with key stakeholders (as Parliament, the Judiciary, the President and the Office of the Prime Minister)
3.2 The OAGS reports and information are publicized and shared
3.3 Strengthen relations and collaboration with the Offices of the Auditor General of the Federal Member States

4. WELL QUALIFIED AND PROFESSIONAL STAFF AND MANAGEMENT

4.1 Strengthened HR-capacity established
4.2 Training and Professional Development Programme implemented

5. SUFFICIENT INFRASTRUCTURE AND IT CAPACITY FOR EFFICIENT OPERATIONS

5.1 Strengthen IT-management capacity and support service
5.2 Adequate IT hardware and Information management systems used in all SAI operations
5.3 Implement an electronic audit system
5.4 Improving SAI office premises and equipment

6. AMEND THE OLD LEGAL FRAMEWORK THE OAGS CURRENTLY OPERATES UNDER

6.1 A finalized legal framework submitted to the President for approval
6.2 Legal framework implemented

VISION

To be a leading audit institution that is responsive, effective and efficient in promoting transparency and accountability in the use of public resources.

4 Progress and results

The result framework for 2021 – 2022 has been set at three levels:

- **OAGS outcomes:** SAI outcomes are those results that the SAI can substantially contribute to, and which is why the SAI exists, but which are not within the control of the SAI. For example, a SAI can contribute to improved compliance with rules and regulations by conducting and reporting on high quality compliance audits, with strong recommendations. However, the audits and recommendations alone cannot ensure improved compliance. Recommendations need to be followed up and implemented, and this involves the decisions, actions and behavior of government officials, who are not directly accountable to the SAI and under its control.
- **OAGS goals and objectives:** These are SAI capacities and outputs largely under the control of the SAI, but also (especially regarding SAI independence) subject to the institutional environment in which the SAI operate.
- **Project deliverables:** These are indicators of the products and support mechanisms developed and provided by the peer-project. They are predominantly under the peer-providers' control.

4.1 Result level 1: OAGS outcomes and contribution to impact

Since 2019 the OAGS has annually submitted financial and compliance audit reports to the Parliament, Prime Minister and President. However, the Parliament has not examined the audit reports and issued their conclusion and expected follow-up by government. The Executive normally responds to the OAGS during the audit process on how it is going to follow-up on audit recommendations. However, the Executive has not made public the steps it has taken to address audit recommendations made by OAGS. This puts the actual impact of the audit findings and recommendations at risk.

The OAGS has actively shared the audit reports in public to increase the chance for impact. For instance, by making a summary report and sharing infographics in many channels. The OAGS has also engaged with the new elected parliament to brief them on the mandate and response to the parliament queries regarding the audit report. However, parliament actions to examines the report on the annual budget and publish a report with findings and recommendation has not happened yet. This is primarily due to the change in the parliament and delay in submitting the audit report.

The table below shows the status of expected results by the end of 2022.

Expected Results	Indicator Definition	Source	Baseline (year)	Target 2021-2022	Status end of 2022
Budget and Finance Committee follow-up on the audit reports	Whether a Committee of the Legislature examines the Audit Report on the annual budget within six months of its availability, and publish	International Budget Partnership Open Budget Survey: Question 118 (2017 version)	No, a committee did not examine the Audit Report on the annual budget.	Improved score during the period	In 2021, there was no indication of progress. In 2022, this is not met due to the newly appointed parliament member and delay

Expected Results	Indicator Definition	Source	Baseline (year)	Target 2021-2022	Status end of 2022
	a report with findings and recommendations		(April 2020 report)		in submitting the audit report.
Executive follow-up of audit reports	Whether the executive reports to the public on the steps it has taken to address audit recommendations made by SAI	Open Budget Survey question 101	0 (2019)	Improved score	There are several indications of follow-up of audit reports by the executive. But the indicator scoring so far suggest it is not met. In 2021 Open Budget Survey report, this indicator was not met.

4.2 Results level 2: OAGS goals and objectives (SAI capacities and outputs)

4.2.1 Goal 1: Timely, relevant and high-quality audit reports in line with international standards

Resources allocated for support
Funding for workshops, events, and design and printing of reports. In 2021 - 2022, the audit peer-team have consisted of:

- George Phiri, IDI (lead and overall involvement in support to goal 1)
- Nonhlanhla Ndaba, AFROSAI-E (overall involvement in support to goal 1)
- Hanne Nordrehaug, AFROSAI-E (management of outsourced SFMIS audit, objective 1.4)

In addition, dedicated peers for training and advice to forensic audit and audit of ICT-risks have been mobilized and are ready to provide active support in 2022:

- Andrew T. Nsamba, OAG Uganda (forensic audit, objective 1.3)
- Ivan Mukisa, OAG Uganda (forensic audit, objective 1.3)
- Jasper Oketa, OAG Uganda (forensic audit, objective 1.3)
- İhsan Çulhaci, Turkish Court of Accounts (audit of ict-risks, objective 1.4)
- Yahya Gülden, Turkish Court of Accounts (audit of ict-risks, objective 1.4)

In addition to the peers mobilized in the project, OAGS has three consultants funded by EU and WB providing substantial training and advice for goal 1 activities.

Support provided

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021 - 2022	Comments on progress and challenges
Objective 1.1 An improved system for overall annual audit planning established and adhered to	• Online advice for the overall audit plan, considering a customized training on risk assessment and compiling lessons learnt of previous years and PFM trends.	• 1 round of online advice to audit plan for 2021. • 1 round of online and face to face advice to audit plan for 2022	• The preparation for 2023 annual audit plan is delayed due to delay in publishing the annual audit report 2021. The annual audit plan 2023 include compiling lessons learnt of previous years.
Objective 1.2 Increased usage of ISSAI based manuals for financial and compliance audits applied	• On-the-job guidance for the annual financial and compliance audit • Training in FAM and CAM	• Advice for the consolidated compliance and financial audit reports. • Training in FAM conducted.	• Peer support to specific audit engagements not requested. CAM training not prioritized as FAM had greater challenges as per QA report.
Objective 1.3 Forensic Audit Manual (FOAM) customized, introduced and applied	• Forensic audit training and guidance for pilot audit and audit guideline/template	• Advise for planning of Forensic audit workshop • Forensic Audit Workshop Entebbe completed in August 2022	• There are delays in finalising the forensic audit report due to challenges in collecting the audit evidence. Most of the staff resources are also allocated to finalising the annual audit report. The first forensic audit report is expected to be completed in early 2023.
Objective 1.4 Strengthened SFMIS knowledge and ICT-audit capacity	• Audit of ict-related risks as part of annual audit • Training and advice for ict-audit guidelines • Strategic advice for establishing ict-audit capacity • Advice for procurement and management of outsourced SFMIS audit	• Advice for a ToR for SFMIS audit, and OAGS plan for managing the outsourced audit. • Training and workshop to a core team of auditors on IS audit and the AFROSAI-E IS manual and working papers in Ankara completed in September 2022	• The IS audit planning process has started. However, there will be delays in completing the IS audit in 2022 due to the most staff time are allocated to finalising annual audit report. The first audit report is expected to complete in early 2023
Objective 1.5 Quality control system customized, introduced and applied	• Quality control training workshop. • Ad-hoc advice to ongoing quality control of audits.	• Training in quality control held for managers and most auditors. • Training on quality control and assurance to a core team of quality control reviewers in the OAGS completed in April 2022.	• Due to limitation of time not all working papers for the current audit were completed during the QC and QA session, but the participants were able to develop a model file by going through all the stages of the audit using one audit as an example.

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021 - 2022	Comments on progress and challenges
Objective 1.6 Quality assurance carried out	• Facilitate an independent team executing and completing the Quality Assurance, including OAGS action plan. • Advice and guide for an OAGS QA function.	• Facilitate the finalization of Quality Assurance report facilitated. • Advise on follow up of QA report	• The action plan recommendations from Quality Assurance Report (QAR) is incomplete due to developing New strategic plan 2023-2027

Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. In 2021 and 2022, OAGS were able to finalize and publish the consolidated audit reports, but not within the deadline. This is due to various reasons, including, the continued impact of COVID–19 pandemic and the just concluded elections among other matters. The delays in completing the annual audit report means that most of the OAGS time and resources are allocated to finalize the report and not much human resources available for achieving objective 1.3 (forensic audit) and 1.4 (ICT risk based audit). Although some progress has been made in 2022, the expected result for forensic audit and ICT risk-based audit conducted and reported are not being met in 2022. For the 2023 going forward, peer support will still be provided for the financial and compliance audit and continued support on forensic audit. TCA with bilateral agreement with OAGS will continue its support on audit of information system.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2022[1]
Financial and compliance audit reports submitted to Parliament, President and Prime Minister	Yes (2020)	Output achieved	Achieved. The audit report was submitted to the Parliament end of November 2022
Forensic audit report completed and issued, using new methodology	No (2020)	Output achieved	Not achieved. The forensic audit is still in the reporting phase at the end of 2022.
Audit of ict-risks conducted and reported	No (2020)	Output achieved	Not achieved. The ict-risk audit report plan to be published early 2023.
Whether audit reports are submitted within the 30th June deadline	Not met (2020)	Met	Not achieved due to various reasons, incl impact of covid-19 situation and the election.
SAI-8: Audit Coverage	1 (2020)	Improved score	Not achieved. Score 1 at the end of 2022
SAI-11: Financial Audit Results	Not measured	Score 1 or better	Not measured in 2022 as limited time to independently review the

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[1] SAI PMF indicators listed in this report was self assessed by the OAGS staff in the relevant Department to indicate the status results in 2022. The peers will conduct an independent review to assess the validity and reliability of the self assessment process.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2022[1]
			score and limited access to supporting evidence.
SAI-17: Compliance Audit Results	3 (2020)	Score maintained	Achieved. Score 3 at the end of 2022

Picture 2 IS audit workshop in Ankara, Turkiye

Picture 3 Forensic Audit in Entebbe, Uganda

4.2.2 Goal 2: Strengthening Internal Governance for Efficient and Effective Audit Services

Resources allocated for support

Funding is provided for selected OAGS events in goal 2, and advice and training provided by the Strategic management peer-team consisting of Jostein Tellnes and Muhammad Wahyudi from IDI and Carol Mphande from SAI Malawi. Financial support is also provided to the AG Special Assistant position. This salary support is justified by the need to have a person in this position with strong language skills and a non-Somali passport which would be difficult to recruit in the local labour market and with the standard government salary. The support is sorted under goal 2 support, although the position is key to enable progress and coordination in all OAGS areas. The Special Assistant to the AG is not only the focal point of contact for the international donors and partners, but also the go-to person for any internal inquiries. She monitors every project from inception to completion and ensures that it gets delivered on time. She proofread key documents of OAGS and assist the staff with translations, assessments, and presentations.

In addition to the project support to Goal 2, OAGS benefits from advice of EU-funded consultant for overall SAI governance and management.

Support provided

Most of the technical support in 2021 - 2022 has been through discussions between the peer team and Planning directorate, addressing the strategic planning, operational planning, monitoring and reporting in particular.

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021 - 2022	Comments on progress and challenges
Objective 2.1: Strengthened SAI Performance Management	• Advice for strategic management systems, planning, monitoring, reporting and follow-up • Strategic dialogue and advice AG • Develop strategic plan 2023-2027 • Funding for AG Special Assistant • Fund OAGS representation in high-level meetings, incl AFROSAI-E GB • Advice for coordination of projects and partners, incl bi-annual Partner meetings	• Advice for strategic management systems, planning, monitoring, reporting and follow-up • Advice for OAGS policy for Planning and performance management • Advise and funding support for event for drafting strategic planning 2023 – 2027 • Advise for 2023 operational plan process and contents • Online training on Monitoring and evaluation completed in August 2022 • Strategic dialogue and advice to the AG • Funding for AG Special Assistant • Advice for coordination of projects and partners, including bi-annual Partner meetings	• Digital system for strategic management process currently in progress • Strategic plan 2023 – 2027 finalised • Resource plan 2023 – 2027 completed in Feb 2023. • OAGS operational plan for 2023 completed in Feb 2023 • OAGS annual performance for 2022 completed in Feb 2023
Objective 2.2: Strong change management and a new organizational structure implemented in OAGS	• Training in strategic change management, conducted as a follow-up of the Management Development Programme • Advice for implementation of new organizational structure • Develop OAGS competencies, principles and system for portfolio and project management, through trainings and advice on the job.	• Change management training delivered in relation to the S-SEAT (see goal 5) • Project management training planned, but not executed • Management development program II planned, but not executed	• New organizational structure implementation awaiting new audit act approval • Project management training and Management development program to be carried forward to 2023
Objective 2.3 Strengthened integrity internally	• Advice and fund annual ethics training in OAGS	• Advice and funding for annual ethics session with staff, in combination with other sessions	Ethics seminar with all staff conducted in 2021

Picture 4 strategic planning kick off seminar

Picture 5 OAGS strategic planning workshop in Nairobi

Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The expected results by the end of 2022 are met.

In addition to the expected results listed in the table, it should also be noted that the project contribution to support the strategic and operational plan and overall framework have given a solid foundation for the development of OAGS. The OAGS has finalized their 2023 – 2027 Strategic Plan to guide the performance of OAGS to a higher level by making a contribution to the improved delivery of public sector services. Additionally, the new AG Special Assistant position was recruited. The AG Special Assistant has been crucial in overall coordination and follow-up of office activities.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2022
Operational plan set annually	Yes (2020)	Output achieved	Achieved for OP 2021 and OP 2022
OAGS Performance report published annually	Yes (2020)	Output achieved	Achieved for Performance report 2021. Performance report 2022 has been finalized
OAGS principles for portfolio and project management set		Output achieved	Not achieved. The principles for portfolio and project management were started in 2021. The planning and performance policy will be carried forward to 2023.
All staff code of ethics training conducted annually	Yes (2019)	Output achieved	Achieved. Done in 2021
SAI-3: Strategic Planning Cycle	3 (2020)	Average score improved	Not achieved. Some progress has been made including the finalization of SP 2023-2027. However, score maintained at 3 at the end of 2022
SAI-6 Leadership and internal communication.	2 (2020)	Average score improved	Not achieved. Score maintained at 2 at the end of 2022

4.2.3   Goal 3: Strengthen external communication and stakeholder relations to ensure audit recommendations are implemented and reports have an impact on governance and accountability

Resources allocated for support

Funding for key workshops and events, and advice and training by the Stakeholder engagement peer-team consisting of Jostein Tellnes and Muhammad Wahyudi from IDI and Annerie Pretorious and Zakiya

Fareed from AFROSAI-E. In addition to the project support, OAGS benefits from a WB-funded on-site consultant for strategic communication support.

Support provided

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021 - 2022	Comments on progress and challenges
Objective 3.1: Strengthened relations with key stakeholders as the Parliament, the Judiciary, the President, Office of the Prime Minister	• Advice and fund OAGS stakeholder events, especially with Government, Parliament and Civil Society Organizations. • Enable benchmarking and learning from other SAIs and Parliaments on the role of the SAI and use of audit reports	• Advice for stakeholder event with Government representatives • Advice for article in the INTOSAI journal presenting the OAGS strategic journey since 2018 • Advise for Annual stakeholder engagement • Advise for Regional and International Relations Unit policy • Advise on Parliament engagement • Advice for 2022 OAGS key stakeholder's event • Funding support for training of project heads in government on contract registration and handling	• Several stakeholders' events took place in 2021 – 2022. This included engagement with the new parliament, and with development partners during the strategic planning development process.
Objective 3.2 SAI reports and information are publicized and shared	• Advice and fund OAGS documentary video for wide public sharing • Advice and fund town hall meeting or citizen engagement activity • Advice for website and Social Media use on request	• Advice on OAGS documentary video production provided • Peer-advice for publication of reports in an election year	• Documentary video finalised and ready for public sharing.
Objective 3.3: The degree of implementation of audit recommendations is clearly shown in the annual audit report	• Support delivered as part of objective 1.2 – guidance to audit reports	• See objective 1.2	• Audit Follow Up is included in the audit report
Objective 3.4: Strengthen relations and collaboration with the Federal Member States OAGs	• Advice for collaboration and events as annual professional seminar with FMS OAGs • Advice and financial support for sharing of	• Advice and funding for OAGS visit and mapping of areas of collaboration with five FMS OAGs • Advice for OAGS training in basic	• In 2022, there was an increase activity in collaboration between OAGS and FMS audit office. These activities require a large funding support as it usually

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021 - 2022	Comments on progress and challenges
	experiences and joint trainings with FMS OAGs in selected areas, as audit planning, audit methodology and manuals, strategic management, stakeholder engagement and HR-management	international standards for FMS OAGs representatives • Advice for OAGS policy for Regional and International unit • Advice and funding for annual professional seminar with FMS OAGs (hybrid) • Funding support for FMS OAGs exchange visit completed April 2022 • Training of FMS OAGs in legal requirements of the offices and selected HR-topics	mobilise a large group of people.

Picture 6 stakeholder seminar in Mogadishu

Picture 7 Legal and HR training with Federal Member States

Picture 8 Training for project Heads from the MDAs

Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The political situation has made direct engagement with key stakeholders challenging in 2021 and 2022. However, most of the expected results by the end of 2022 seems on-track and possible to meet.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2022
Sensitization meeting with key stakeholders held annually	Yes (2020)	Output achieved	Achieved. Several sensitization and meeting with stakeholders took place in 2022 such as with parliaments, and the workshops with Director Generals and Finance Directors and internal auditors following the issuance of annual audit reports.
Documentary video of OAGS finalized and shared	N/A	Output achieved	Achieved. Outputs done in general (video finalized but delayed sharing).
Summary audit report issued annually	Yes (2020)	Output achieved	Achieved in 2021 and 2022
Annual professional seminar for all FMS OAGs	Yes (2020)	Output achieved	Achieved in 2021 and 2022
SAI-24 Communication with the Legislature, Executive and Judiciary	1 (2020)	Average score improved	Not achieved. Some progress has been made especially engagement with the Parliament. However, score maintained at 1 at the end of 2022
SAI-25: Communication with the Media, Citizens and Civil Society Organizations	3 (2020)	Average score improved	Not achieved. Score maintained at 3 at the end of 2022

4.2.4   Goal 4: Well qualified and professional staff and management

Resources allocated for support

Funding for key workshops and events, and advice and training by the HR peer-team consisting of Marianna van Niekerk, AFROSAI-E (lead) and Maurice Odhiambo Otieno, OAG Kenya.

Support provided

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided by end of 2021 2022	Comments on progress and challenges
Objective 4.1 Strengthened HR-capacity established	• Advice on request for HR-capacity, such as for recruitments, induction, coordination of training and professional development	• Participation of OAGS in AFROSAI-E regional HR workshop addressing amongst others professionalization, staff wellness and gender actions by SAIs, as well as staff productivity and engagement • Provide support for Resource analysis completed • Advice on HR register for staff training and professionalisation	• Training for staff on HR Policy Manual is carried over to 2023. • Resource analysis and value assessment completed and reported
Objective 4.2 Training and Professional Development Programme implemented	• Advice for implementation of professional development programme • Consider financial support for some professional development courses	• Enrolment of 15 OAGS staff to the IDI PESA-P programme. • Advice for OAGS application to the WB for funding of professional development courses.	• Professional certifications planned by OAGS not implemented. Funding through the peer support project to be considered in 2023.

Picture 9 AFROSAI E Annual HR training Tanzania

Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The expected results by the end of 2022 potentially be met. While the HR-policy is done, great effort is required to ensure its implementation (for instance staff appraisal) and result achievement of SAI-22. For professional development, the execution of prioritized courses and certifications[2] for key OAGS staff cannot be done in 2022 due to budget reallocation for other activities, annual audit report priority and staff workload. These activities will be carried forward to 2023. Additionally, the OAGS participation in PESA-P seems also not having a very successful result. However, by joining PESA-P, some selected staff had the exposure to its educational element where they participated in both the digitized education and education through social learning, accessing other resources and working on an initial development portfolio.

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[2] Institute of Certified Public Accountants of Kenya (ICPAK) –-for Auditors (3-year programme)
Certified Fraud Examiner (CFE) by ACFE South Africa
Certified Human Resource Management Kenya (CHRM) – for HR
Kenyan School of Law – for the Lawyers
Information Systems Audit & Control Association (ISACA) – for the IT Auditor
Leadership Development – AFROSAI-E

OAGS outputs supported in particular and performance indicators	Baseline[3] (year)	Target 2021-22	Status end of 2022
HR policy and manual finalized, **and staff trained**		Output achieved	Achieved. HR policy finalized and 1 sensitization for staff held in 2021.
SAI-22: Human Resource Management	1 (2020)	Average score improved	Achieved. Score 2 at the end of 2022
SAI-23: Professional Development and Training	0 (2020)	Average score improved	Not achieved. Professional Development plan is not yet fully implemented. Score 0 at the end of 2022

4.2.5   Goal 5: Sufficient infrastructure and ICT capacity for efficient operations

Resources allocated for support

Funding for key workshops and events, and advice and training by the Strategic management and ICT peer team consisting of Fredrick Bobo, AFROSAI-E (lead) and Mayeso Chambezi, SAI Malawi and Marianna van Niekerk (Change Management) from AFROSAI-E.

Support provided

Objective	Peer-support planned 2021-22	Peer-support provided by end of 2021 2022	Comments on progress and challenges
Objective 5.1: Strengthen ICT-management capacity and support service	• Training in ICT-management, in relation to AFROSAI-E regional events in particular	• No particular support conducted, except for general ict-management advice related to S-SEAT	• n/a
Objective 5.2: Adequate ICT-hardware and Information management systems used in all SAI operations	• Advice based on request.	• Advice for sourcing funding through PFAC (INTOSAI grant for SAIs).	• n/a
Objective 5.3 Implement electronic audit system	• Advice and training for S-SEAT implementation	• General advice for server and configuration. • Change Readiness Assessment conducted, and 2 change workshops held related to A-Seat • Online training in S-SEAT for key staff	• S-SEAT has been configured and customised according to OAGS needs. It is currently waiting for OAGS readiness to use it for the selected audit in 2023.

Objective	Peer-support planned 2021-22	Peer-support provided by end of 2021 2022	Comments on progress and challenges
		• Physical training in S-SEAT for selected staff (travel for OAGS funded by WB)	

Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The expected result whether S-SEAT has been used for a complete audit assignment seems cannot be met. The auditors faced some challenges in utilizing S-SEAT in the planned pilot audit due to limited skills as well as the technical challenges. Further support is needed to guide the SAI in either piloting or testing an audit. The OAGS participation on the A-SEAT Functionality review & experience sharing workshop in July 2023 are suggested.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2022
Whether S-SEAT has been used for a complete audit assignment	No	Output achieved	Not achieved. In progress. S-SEAT has been configured and customized. Planned to be used for a selected audit in 2023

4.2.6   Goal 6: Amend the old legal framework OAGS currently operates under

Resources allocated for support

Funding for key workshops and events, and advice and training by the Independence peer-team consisting of Jostein Tellnes, IDI (lead) and Benjamin Castro and Muhammad Wahyudi from IDI. In addition to the project support, OAGS benefits from a WB-funded on-site consultant for legal support.

Support provided

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided by end of 2021 2022	Comments on progress and challenges
Objective 6.2: A finalized legal framework submitted to the President for approval	• Advice based on request	• Coordinated with Development Partners on the status and way forward for contributing to a new Audit Bill. • Guidance to translation of Parliament approved bill (done by OAGS)	• Audit bill approved in Parliament but awaiting signing of the President. • In 2022, meeting with development partners were conducted to discuss status of the audit bill and to explore the potential actions

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided by end of 2021 2022	Comments on progress and challenges
			to support the signing for the bill.
Objective 6.2: Legal framework implemented	• Advice for revising regulations • Advice and funding of stakeholder events related to new legal framework	• Funding support for project heads legal training	• To be addressed when Audit bill is enacted.

Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The achievement of the results relies on the enactment of the Audit bill, and there is a risk that this will be delayed or not achieved given the highly uncertain political situation. Continued effort to stimulate enactment of the bill is required in 2022, under the direct guidance of the AG ensuring the sensitivities and ongoing political situation are taken into account. The project has provided funding support for the training of project heads from various institutions of the Federal Government of Somalia regarding the contracts and agreements, their preparation approaches, various activities relating to the projects implementation manner and the procedures for registration of those contracts and agreements at the Office of the Auditor General.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2022
SAI-1: Independence of the SAI	1 (2020)	Average score improved	Not achieved. Score 1 at the end of 2022
SAI-2: Mandate of the SAI	3 (4[4]) (2020)	Average score improved	Achieved. Score 4 at the end of 2022

4.3 Results level 3: Project deliverables and management

4.3.1 Project coordination and management

Resources allocated for support

In IDI, three staff are contributing to the management of the project and handling logistics. In AFROSAI-E and peer partners, resources for overall project management and coordination are provided in-kind.

Activities

A project coordination team consisting of representatives of the three partners have met regularly (every second week usually) to:

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[4] OAGS original score was 3, while the QA review assessed it as 4.

- oversee and ensure good timing and progress of support
- monitor and follow-up on quality of support provided
- ensure synergies across areas of peer support and with support provided by consultants

The team has conducted a project sensitization seminar for OAGS staff and all peers mobilized in 2022.

Finding appropriate and efficient approaches to logistically organizing events, conducting procurements and enabling payments is a critical part for success in the project. This has been possible through online methods to a great extent but requires good communication and collaboration with OAGS staff on the round. In 2022, a training in procurement requirements in IDI was organized to enable greater understanding and efficiency of procurements process.

4.3.2   Results and implications for the way forward

Expected Results	Indicator Definition	Baseline (time)	Target (upper cell) and actuals (lower cell)	
			2021	**2022**
Agreed upon support is implemented	Percentage of agreed project deliverables in the annual plan completed during the year	67 %*	70 %	80 %
			Above 70 %	80 %[5]
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	a) 15 b) 40 % (2020)	a) 35 b) above 35 %	a) 40 b) above 35 %
			a) 90 b) 32 %	a) 63 b) 17%
Quality and relevant support	Average SAI staff satisfaction and perceived project quality, on a 1-5 scale	4,45** (2018-2020)	4,5	4,5
			4,0	3,72

* Of 34 planned activities in 2020, at the end of the year 16 were completed, 7 ongoing and 11 canceled. The completed and ongoing constitute 67 %.
** Average score of Evaluation survey on quality of advice online and workshops conducted by the project 2018-2020.

Regarding quality and relevance of support, this was measured through a satisfaction survey sent to all OAGS staff in January 2023. 30 responses were received in total. A majority of the respondents have

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[5] Similar to previous year, counting and categorizing actual completion is a bit challenging given that some activities are ongoing. A counting of the activities set in the plan for 2022 for the SC shows approximately 80% of the support activities can be regarded as completed or ongoing. The rest are either canceled or postponed to 2023.

received support for more than 2 days. Most of the respondents have received support related to Goal 1 (16). Between 4 and 7 people received support related to goal 2-5, and then only 3 for other areas.

In general, the majority of respondent give scores of 4 ("Agree") or 5 ("Strongly agree") on all areas. The respondent view that strongest quality of the support is especially in areas:

- It is easy to interact and consult with the peers and advisors (66.7%)
- The training and advice have increased my skills in important areas (66.6%)
- The peers and advisors enable us in the SAI to take lead and own the processes of change (76.7%)

A bit lower scores with some 3 ("neutral") on:

- The training and advice is tailored to what can work for our SAI in our situation (40%)
- The workshops are well organized (consider both online and physical events) (36.7%)

The respondents give score 3.63 when asked about the overall the quality and value of the support provided through the project. When asked about what is working really well, the respondent expressed that the project has enabled the OAGS to achieve its strategic goals and objectives. However, the respondents also expressed that more effort should be done to support the needs of the office and expand the activity so that more staff can involve and increase the number of trainings.

5 Lessons learnt

The main lessons of 2021-2022 includes:

- Flexible and active peer technical and financial support is critical to contribute to OAGS results due to uncertainty in Somalia. The results achieved by OAGS are very impressive and substantial, especially related to audits, and this seems partly due to flexible and active peer technical and financial support. However, key challenges still remain in the areas of delivering annual audit on time, S-SEAT actual use and benefits, new audit legal framework and audit staff professionalization.
- The support to strategic and operational plan and overall framework for support 2018-2022 have given a solid foundation for the development of OAGS in all key strategic goals. These plans guide the OAGS direction and making decisions on allocating its resources to attain strategic goals, and as control mechanism for guiding the implementation of the strategy and monitor progress.
- Change management support, as well as strong project management and coordination systems, routines and processes are critical to address the current challenges the office had. The peer support has been appreciated by OAGS in all areas, such as by trainings, sharing of resources, strategic advice, and coordination with Development Partners. However, progress varies and sometimes processes are slow. This could be due to different reasons, both related to OAGS and IDI, or OAGS and the peers providing support. It could be over ambitious plans, competencies, confidence, language, available time, various degree of support and commitment.
- Consultants on the ground supported by EU and WB have been necessary conditions for the successes OAGS – the audits reported, and the legal framework submitted would not possibly have succeed with the peer support project only. However, coordination with consultants can be a challenge in a similar manner as between peer partners.
- Financial support to events and the support to the AG personal assistant are essential to succeed in meeting the results. Due to security risk, not all activities are able to take place in Mogadishu. Some selected staff from OAGS needs to travel to nearby cities to participate in the workshop and trainings. Furthermore, the support to the AG personal assistant has enabled good communication and seems to make the project and peer support less dependent on own resources for coordination. The Special Assistant to the Auditor General is a key position enabling overall communication and coordination in the office.
- For workshops and trainings, a hybrid model where some are physically together, and others online can work well as long as connection and technical tools are good. Online workshops should be planned with the same quality criteria as physical workshops, including good breaks, a varied programme and a high degree of interaction. Online interventions require a bit more time than physical workshops and this needs to be considered for future interventions.
- OAGS collaboration with Audit Offices at the federal member states are critical to ensure transparency and accountability in Somalia. However, the budget to support these activities has not been sufficient as it usually involves covering the travel and accommodation for a large group of people. For the next cooperation agreement, it is suggested to mobilize funding from other sources to support the activities with FMS.

- In both 2021 and 2022 the delays of the annual audit process contributed to various delays in other activities. Some incomplete efforts and outstanding results in forensic audit, IS-audit are due to majority of staff involve in these audits are focusing their priority on annual audit report. Future intervention should involve combination of staff with less coordinating role so they can focus on completing the audit.
- For the future work, it is important to clarify roles of resources person and AFROSA-E staff to understand each partner responsibility. As a peer advisor, these individuals are an active member of a peer team, proactive in suggesting customization and develops competency and understanding of what OAGS truly needs. However, as a peer trainer/facilitator, the individuals are mainly contributing to events and need much guidance on customization. For each key outputs, it is important to have at least one peer advisors.

6 Risk management

The project risks were updated in December 2022 in a joint meeting with key OAGS staff. In general, the political situation has continued to be challenging, and increased especially the risks of insecurity and lack of impact. The terrorist group has stepped up attacks in a show of resilience since the new government launched an offensive against the al-Qaeda-linked group in August 2022. The partners are to a little extent able to influence these risks but need to monitor them and regularly discuss if the project plans need to be adjust taking these risks into account.

Furthermore, there is still a need to manage the risks of:

- Limited independence of the OAGS
- Corruption
- Limited sustainability
- Limited extent, relevance and quality of the advice
- Limited coordination

To coordinate advisors in the project, several joint meetings were held. The relevance and quality of advice has been less a risk in 2021 and 2022, given the experience gained in 2018 and 2019. The new advisors brought in were coached by the more experienced peers. See details of risks in appendix I.

7 Integration of gender issues and empowerment of women

Gender is expected to be taken into consideration when selecting persons for the cooperation activities and when mobilizing advisors. The table below presents key number of participants in different activities. Staff are counted if they have been in direct contact with peers over a period for a dedicated activity, such as FA and QC training. Of the 110 total staff in OAGS, about 63 staff have during 2022 taken part in several days of capacity development support by peers. A larger number of persons were involved in activities funded by the project, including representatives of the FMS audit offices. The percentage of females in the project organized events is expected to be equal to or higher than the proportion of female employees in OAGS. For OAGS staff involved in project activities, the female rate has decreased in 2022, while the female rate in larger project funded events is slightly over the SAI total rate.

Parameter	2018	2019	2020	2021	2022	Comments
Number of SAI staff	96	88	103	107	110	
Female rate in SAI staff	29 %	33 %	36 %	36 %	38%	
OAGS staff involved in activities with peers	35	34	15	44	15*	staff where the PSP have been working closely over time in many ways, not only for event.
OAGS Female rate in activities with peers	34,5%	29,5%	40 %	43 %	40 %	
Participants in project funded events	111 (incl FMS)	56	64	90	63	
Female rate in project funded larger events	17 %	19,5%	30 %	32 %	17%	

*Estimates based on manual calculation

Among the persons engaged in 2022 in the various peer teams (IDI, AFROSAI-E and peer-SAI staff), there were five female and five males.

The project is expected to ensure the intentions of the UN Security Council Resolution 1325 on women, peace and security (s/res/1325 (2000)) are understood and be implemented in a way that promotes the intentions of the resolution in the best possible way. In 2022 the intentions of this resolution have been addressed by enhancing gender equality in the project activities and integrating support to SAI gender actions in the support, especially related to Goal 4.

8 Financial report

The project costs and funding for the peer support project are shown in appendix II.

The total project costs in 2022 was 3,7 million NOK (352 thousand USD). There is a deviation of 48 % from the budget set following the annual meeting in February 2022. There were increase costs than budgeted by IDI due to increase of flight cost for travel, and higher costs for OAGS, AFROSAI-E and SAI partner for events and travels than budgeted. Additionally, the higher actual spending was also due to the rates set in the budget for staff and allocated costs are lower than actual salary rates.

The remaining part of the Norwegian embassy project grant 3,9 million NOK will be allocated for 2023-2025 activities.

Appendix I: 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:

1. 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.
2. Government support and commitment to increased capacity and a more independent OAGS.
3. Reasonable level of financial allocation to OAGS operations from the Government of Somalia.
4. Financial assistance from Development Partners to new permanent staff, LTAs and infrastructure costs, including successful execution of that support.
5. An operative Public Accounts Committees in the Somalia Legislature.

For risk management, the table below shows an update on the status of the most important risks and related control measures and responsibilities. The status is an estimate, where a color of red indicates a high risk, yellow medium and green low.

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible	Control measures taken 2022	Residual risk assessment after measures
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.	■	■	a. Ensure regular dialogue with the partners on the political situation and implications for OAGS. b. Consider scaling down the project if the overall situation makes project implementation difficult.	All, especially Project Coordination Team.	Regular dialogue on the political situation held	High
2	**Security**: There is a risk that the security in situation in Somalia deteriorates, leading to security	■	■	a. Conduct regular security assessments of locations for meetings/workshops.	OAGS and IDI for a and b.	Only one travel was conducted to Mogadishu in 2022.ISOS advise	High

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible	Control measures taken 2022	Residual risk assessment after measures
	risks for OAGS staff and project advisers.			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.	are complied on all travel.	
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 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.			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 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.	Joint meeting with development partners held, raising the signing of the audit bill in particular.	High

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible	Control measures taken 2022	Residual risk assessment after measures
4	**Corruption:** Corruption is a deep-rooted and widespread problem in Somalia (CPI 179/180), 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 through e.g. selection of suppliers/procurements in Somalia, causing reputational damage and the risk of freezing of project funds.			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 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.	OAGS for a and b. IDI for c and d.	OAGS all staff session on ethics held. B and c not done. D done, staff training on IDI procurement regulations done.	Medium
5	**Limited sustainability:** There is a risk that a sudden and unexpected change of AG could challenge the sustainability of project results.			a. Involve a high number of OAGS staff in project activities, to ensure	All, especially Project Coordination Team	a and b done. c. done, but trainings for staff	Medium

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible	Control measures taken 2022	Residual risk assessment after measures
	High staff turnover of OAGS staff poses another risk to project sustainability			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	OAGS for c. in particular.	will be conducted in 2023.	
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.	a. Done. b. Done	Medium

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible	Control measures taken 2022	Residual risk assessment after measures
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.			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.	IDI and Project Coordination team. Project Coordination Team	a.Done b.Not yet done, but planned in Q1 2023 c. Done d. Done through event evaluations e. Not yet done – to be integrated in goal 4 support	Medium
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.			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.	All, especially Project Coordination Team and donors. Support by goal 2 and 3 peer teams.	a. Done b. Partly done c. Done d. Done e. Done	Low

No	Risk factors	Proba-bility	Impact	Control measures planned	Responsible	Control measures taken 2022	Residual risk assessment after measures
				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.			
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 adapted to the competency levels of staff involved			a. Project coordination team established meeting bi-weekly and regular contact to manage and follow-up on project activities b. Annual project planning done in relation to OAGS planning c. Be ready for flexibility and annual adjustment of plans.	All, especially Project Coordination Team	a.Done b.Done c.Done	Medium

Appendix II: Financial report 2022

See separate file

Appendix III: Implementation of evaluation findings and recommendations

See evaluation report here and article about main findings here: Evaluation of IDI and AFROSAI-E's dedicated support to SAI Somalia 2018-2020

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
5.3	Project partners	During project implementation, personnel costs in terms of working days need to be monitored and budgets should only be exceeded where there is formal authorisation.	Yes	Agree on monitoring. Exceeding and authorization needs to be considered in IDI in general.	IDI will improve routines for authorisation of responsible managers when personnel costs are expected to significantly exceed budgets. This is mainly planned done through the IDI 4-monthly monitoring system. The Bilateral Support unit will pilot use of Xledger for planned persondays per project and use of the system for monitoring.	IDI Director General Deputy Director Generals Bilateral Support manager	Q4 2021	MS Budget System for easier monitoring established. Monitoring routines of budget vs actual done monthly.	Closed

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5.10	Bilateral Policy	Add an assessment of the absorption capacity of the recipient SAI to the factors underpinning a decision whether or not to provide bilateral support. This would support the interpretation of the current condition that refers to the 'extensiveness' of the support given by other donors.	Yes	Agree. This can be made more explicit in the bilateral policy.	This is to be considered when the bilateral policy is to revised.	Bilateral Support manager	Q4 2021	In process. Bilateral policy not yet revised.	Open
5.11	Bilateral Policy	The payment of regular staff of the supported SAI. Generally, such funding is controversial among development partners given the medium-term sustainability risks. If IDI wants to make use of this option, it is recommended to be explicit about it in the Bilateral Policy.	Yes	Agree. The conditions for such type of support is good to clarify, given the risks.	This is to be considered when the bilateral policy is to revised.	Bilateral Support manager	Q4 2021	In process. Bilateral policy not yet revised.	Open

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5.12	Project design	The OAGS indicates that 'on the ground' advisers provided by other donor projects offer a higher degree of effectiveness in supporting the SAI's capacity building efforts. IDI should consider ways to be more visible in Mogadishu to the extent that security considerations and COVID travel restrictions allow. Regarding safety concerns, IDI should align itself with other international donors. In case IDI staff are not available for a more prominent presence in country, IDI should consider to recruit such expertise from peer SAIs or, possibly, the market. Project management will reside in IDI's office in Oslo.	Yes	Agree. The approach taken during 2018-20 was set by the IDI Board considering the security situation and IDI risk appetite and approach to staff safety.	In 2022 this seems still not an option to consider given the current security situation in Somalia. IDI has recruited one staff from peer SAI as a project manager for SAI Somalia and resides in Oslo.	Project manager	Q4 2022	Due to security reasons, it is still not feasible to have on the ground advisers. One new staff was recruited as a project manager for SAI Somalia residing in IDI office in Oslo.	Close

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5.16	Phase 2 project design Somalia	More attention should be given to increasing the impact of OAGS' audit work. Critical review of the current communication practices of the OAGS with all stakeholders (Executive, Parliament, media and NGOs) would be necessary followed up by concrete actions of the Project to engage these stakeholders with the role and outputs of the OAGS	Yes	Review of communications work to contribute to impact fits with OAGS strategy. Greater engagement with stakeholders to facilitate impact needs to be considered as part of OAGS strategy.	In the phase 2 project design, prioritize resources to support to stakeholder engagement.	Project manager	Q2 2021	Done	Closed
5.5	Project management	The budget performance table should include the original budget, approved amendments to the original budget and outturns. Deviations of the outturns should be calculated against the original and amended budget;	Yes	This makes sense and should be done in future financial reports.	Review set-up of financial report and ensure this is captured.	Country project manager	Q2 2021	Done	Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
5.6	Project management	The accountability on activities should be improved as it is at this level that the Project is fully in control and accountable (as outputs are a collaborative effort with the OAGS and/or other donors). This requires that the performance report is comparable to the activity plan at the same level of detail.	Partly	Partly agree. What matters in the project is that the SAI meets its objectives, and project activities are executed and possibly adjusted to enable this. It is still good to report the extent of implementation of activities, at an appropriate level (not too detailed).	The extent of implementation of planned activivities will be included in future reporting. Nevertheless, the main focus will remain on achieving the higher level project results and not whether planned activities are delivered.	Bilateral Support manager	Q1 2022	Done	Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
5.7	Project management	Field workshops are the most cost intensive activity of the Project. Nevertheless, accountability on these events in terms of costs and quality is limited. It is recommended that activity reports provide information on actual costs against budgets and that quantitative and qualitative feedback retrieved from written evaluation forms filled by participants is included.	Partly	Field workshops are summed up by a report including lessons learned. Analyzing the costs of these events versus other activities could be done, but that seems most practical at an end of the year assessment if there are major deviations from budget. Otherwise it may not add that much value versus time to be	A basic template evaluation form is to be developed for bilateral support, enabling customized use for various type of activities and concentrating on lessons learned.	Bilateral Support manager	Q2 2021	Template developed. To be used in 2022.	Closed

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				spent on it. Regarding evaluation forms after activities, these should be used for all major activities.					
5.8	Project funding	Clarity on the use of core funds for bilateral projects. The Policy still includes core funding as a possible source for funding for bilateral projects, but this is at odds with decision of the IDI Board block the use of core funding for Years 2 and 3 of the project. A precise interpretation of the Board's decision in the policy will increase transparency.	Yes	Agreed.	This will be considered for the revision of the Bilateral Policy.	Bilateral Support manager	Q4 2021	Done. The Board has clarified this and opened for some limited use of core funds.	Closed

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5.13	Location workshops	Given the appreciation of the Client for workshops as learning approach, consideration should be given to organising more regular workshops in the relative secure airport area of Mogadishu to make efficiency gains. Again, as above, provided that COVID-related travel restrictions are eased and safety can be guaranteed.	Yes	Agreed. Workshops in Mogadishu airport can save both costs as well as time spent by OAGS staff for travel. The challenge is the unstable security situation and reluctancy of some peers to travel to Mogadishu. This needs to be respected.	Workshops at Mogadishu airport area will be planned as the preferred option in the next phase of the project. When mobilizing resource persons, the SAI will be requested to find persons that are open to travel to Mogadishu as long as the IDI security assessment concludes it is safe.	Project manager	Q3 2021	Done	Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
5.14	Peer persons engagement	If the Project wants to make use of resource persons, their contribution needs to be more fully integrated into project delivery. A key condition hereto is, as discussed above, formalisation of the relation between IDI, the resource person and the 'peer SAI.	Yes	Agreed. This has partly been done, but can be improved on going forward.	a) Mobilize greater peer resources and make clear agreements b) Have kick-off meetings with each peer team and make a contract c) Invite SAI Peer-partners for annual meetings, to keep them updated and have a dialogue	Project manager	Q2 2021	Done	Closed
5.15	Phase 2 project design Somalia	Given the results of the Quality Assurance assessment done at the end of 2020 which suggests that the consistent application of the new manuals cannot yet be assumed, the focus of the Project's efforts should be on deepening the results achieved in the period 2018-2020 at the OAGS at the Federal Government level rather than broadening the scope to the SAIs of the Federal Member States.	Partly	Deepening efforts for maintaining results 2018-2020 seems a good priority. At the same time the support to FMS OAGS is a new priority of OAGS. It could be supported through the project at a more lighter	In the phase 2 project design, prioritize resources to maintaining the OAGS audit work supported in phase 1.	Project manager	Q2 2021	Done	Closed

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				level, and seek synergies between FMS support and capacity development in OAGS.					
5.1	Project partners	IDI should make a realistic calculation of its charge out rate for different staff levels. Unless that is done and applied to the budgeting and accounting of bilateral programs, they are cross-subsidized by IDI's core funds and the real costs of bilateral projects remain fuzzy.	Yes	This could be done, but will add more time for administration in IDI. Most probably the overall criteria of not cross-subsidizing will be achieved anyway given how the indirect costs are	No further actions	NA	NA		Closed

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				calculated at the end of the year for the whole Bilateral Support unit.					

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
5.2	Project partners	The expected inputs of resource persons need to be clearly agreed beforehand and formalised in an enforceable contract with the peer SAI rather than a letter of intent. Such formalisation serves: the project manager of the bilateral project who can better manage these inputs; the resource person who is not expected to work 'double shifts'; the peer SAI who can plan for replacement; the taxpayers in the peer SAIs country as it gets transparent how much public funds are invested in peer-cooperation; and transparency on the real costs of the bilateral project.	Yes	Agree. The current practice is to make an agreement with the peer SAI including expected competencies and persondays of the resource persons. These agreements are a good basis for release of resource persons for project activities, and for discussing with the SAI if the contribution is not as expected. However,	No further actions	NA	NA		Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
				the agreements can not be enforced as the resource persons are contributed in-kind.					
5.4	Project management	Changes in the results framework should be formally reflected in an amended results framework agreed by the recipient SAI and approved by the funding organisation;	Yes	Agree. This is a standard element of contracts and cooperation agreements.	No further actions	NA	NA		Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2022	Status
5.9	Project management	Clarity on the charge-out rate for IDI staff that are engaged in bilateral projects. Such rates need to be updated on an annual basis reflecting actual costs. As stated above, unless that is done IDI's core funds are still used to run bilateral projects.	Yes	Partly agree. For accounting, the actual costs have been used, both for indirect, overhead and direct staff costs. This means that there has not been a cross-subsidy of IDI core funds to bilateral projects through indirect costs. The challenge has been to set appropriate budget rates. With the new accounting	No particular actions	NA	NA		Closed

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				system in IDI, more correct budget rates are easier to set. There is also a need to ensure consistency in the use of rates across the bilateral support projects. This is to be done when budgets are set.					