

Term-end Review of Office of Auditor General Somalia Peer Support Project 2021-2025

Final Report

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By:



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Abbreviations

AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
AG	Auditor General
BFC	Budget and Finance Committee of the Somali Parliament
CPI	Corruption Perception Index
EU	European Union
FGS	Federal Government of Somalia
FMS	Federal Member State
FMS OAG	Federal Member State Offices of the Auditors General
HR	Human Resource
IBP	International Budget Partnership
IDI	INTOSAI Development Initiative
INTOSAI	International Organization for Supreme Audit Institutions
ISSAI	International Standards for Supreme Audit Institutions
IBP	International Budget Partnership
IT	Information Technology
MDA	Ministries, Departments and Agencies
MFA	Norwegian Ministry of Foreign Affairs
MoU	Memorandums of Understanding
OAGS	Office of the Auditor General Somalia
PESA	Professional Education for SAI Auditors
PFM Act	Public Finance Management Act of FGS
PSP	Peer Support Project
SAI	Supreme Audit Institution
SAI PMF	SAI Performance Measurement Framework
SC	PSP Steering Committee
SLDP	Senior Leadership Development Program
SNAO	Swedish National Audit Office
TI	Transparency International
ToC	Theory of Change
ToR	Terms of Reference

Executive Summary

The Office of Auditor General Somalia (OAGS) Peer Support Project (PSP) has been implemented since 2021 by three main partners; OAGS responsible for execution of activities, the INTOSAI Development Initiative (IDI) responsible for the funds and coordinating peer-support and the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) providing technical support and access to regional events, networks and resources. In addition, the Supreme Audit Institution (SAI) of Uganda and the SAI of Malawi have provided in-kind support. The project is funded through a *Grant Agreement* between the IDI and the Norwegian Ministry of Foreign Affairs (referred to as the MFA).

The PSP was designed to support the OAGS to implement its *Strategic Plan 2017-2022*. In 2023 a new Auditor General (AG) was appointed and OAGS' new *Strategic Plan 2023-2027* came into play and the PSP continued to support the achievement of the new *Strategic Plan*.

This End-term Review Report presents the data gathered, findings and conclusions drawn and provides recommendations to the main PSP partners that are relevant to the design of a new PSP project.

Context

Somalia continues to grapple with the aftermath of its civil war, political instability, and climate-induced crises, which have severely impacted governance, the economy, and social structures. Decades of conflict, the collapse of state institutions in 1991, and ongoing instability have eroded trust in government institutions, making the development of a functional OAGS crucial for improving public financial management. The country faces recurring droughts, food insecurity, and economic devastation, compounded by deep-rooted inequalities and the control of rural economies by warlords. Disputes between the Federal Government of Somalia (FGS) and Federal Member States (FMS) over power and resource sharing hinder reforms. Somalia consistently ranks among the world's most corrupt and lowest in rule of law. Legislative reforms, including the *Public Finance Management Act* and the new federal *Audit Law*, aim to modernize governance, but challenges remain, including a lack of financial independence for the OAGS.

Findings

The PSP has been found to be very relevant to OAGS (achieving its *Strategic Plan*), to IDI (in fulfilling its *Bilateral Policy* and *Competency Framework*) and to AFROSAI-E achieving its *Strategic Plan*. The PSP was designed as a flexible way of supporting OAGS' strategic and operational plans where the OAGS' priorities have determined the support provided by the PSP.

Lessons from the previous PSP appear to have been fully considered in the current PSP. But the design of the PSP should have been based on a more thorough gender analysis ensuring that the project's goals relating to providing capacity building to an established percentage of women were realistic.

The complementarity of PSP-specific support activities and the in-country long-term consultants funded by the World Bank and EU was a success. The conclusion is that the achievements of OAGS during the period have depended on both types of support as well as the strong drive and new working methods introduced by the OAGS' former AG and continued by its current AG.

The activities carried out during the project period included a considerable number of face-to-face, hybrid and on-line training events and coaching and advisory sessions which were highly valued by OAGS' staff. The main PSP partners have learnt throughout the project what works well and modified facilitation techniques to ensure that workshop and training events are effective and allow for

language barriers. The planning of PSP activities was done annually with OAGS clearly leading the process and the PSP met its targets regarding project-activities completed. There was a significant budget overrun which was due to the security situation since fewer training events and meetings could be held in Somalia necessitating OAGS staff and leadership travelling to other locations.

In collaboration with peers from AFROSAI-E, SAI Malawi, SAI Uganda, the IDI and consultants funded by the European Union and the World Bank, the project appears to have achieved most of the anticipated output targets for 2023. The PSP supported the OAGS in achieving four of the OAGS' seven Goals and Objectives for Capacity Development. The fact that the OAGS has delivered increasing numbers of financial, compliance and forensic audit reports as well as the *Annual Audit of the National Accounts* on time shows the OAGS' competence has improved significantly.

The PSP approach has resulted in lasting improvements in OAGS' performance and capacity, visible in the introduction of regular planning, monitoring, and reporting processes, the expansion of audit activities, and a stronger legal framework. However, challenges persist around the financial and legal sustainability of OAGS, which require continued focus. Additionally, effective HR structures and systems have yet to be implemented, limiting the ability to provide in-house staff training, basic technical audit training, and opportunities for audit staff to specialize in specific audit types.

The PSP governance arrangements have operated effectively, reinforced by a collaborative and amicable working relationship among the main partners. The main partners and peer SAIs have successfully carried out their roles and responsibilities. IDI has delivered high-quality support to OAGS, and shared learning between OAGS, IDI, and AFROSAI-E has led to enhancements in the assistance provided. Practical solutions have been pursued to address needs, resulting in a perceived improvement in the quality of support.

1. Introduction

This Draft Report presents the data gathered, findings and conclusions drawn for the Term-end Review of Office of Auditor General Somalia Peer Support Project 2021-2025. The Peer Support Project (PSP) is being implemented by the Office of Auditor General Somalia (OAGS), the INTOSAI Development Initiative (IDI) and the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E). The Office of the Auditor General of Uganda (here referred to as SAI Uganda) and the Malawi National Audit Office (here referred to as SAI Malawi) have provided in-kind support. It is funded by the Norwegian Ministry of Foreign Affairs (MFA) that signed a *Grant Agreement*¹ with IDI for NOK 8.6 million to cover implementation of the PSP starting in December 2021 until February 2025. The PSP was amended in 2024 with additional budget allocated and the *Results framework amendment*².

Swedish Development Advisors AB was commissioned, after a competitive tender, to carry out the review between May and October 2024.

1.1 Background, Purpose and Users

The PSP is coming to an end and in accordance with the *Grant Agreement* a term-end review is to be carried out. The IDI and OAGS are also considering a new phase of the PSP and this term-end review will be used as an input to its design and to assist in the implementation of similar bilateral projects in the future.

The purpose of the review is:

- i. To examine whether the project design meets the requirement of achieving the intended results;
- ii. To examine whether the project level outputs and outcomes are on track for achieving the intended project impact; and
- iii. To provide recommendations for improving implementation of the project for the remainder of the project period and document lessons learned for the design and implementation of similar future projects.

The users of the review are, primarily, the OAGS, IDI, AFROSAI-E and the MFA. Secondary users are peer SAI partners (the SAIs of Malawi and Uganda). Other users may be IDI's board and management and other relevant International Organization for Supreme Audit Institutions (INTOSAI) bodies.

1.2 Scope of the Review

This term-end review responds to the requirements in the *Grant Agreement* with the MFA. It covers the period 2021 until the first quarter of 2024 which includes the two *Cooperation Agreements* between IDI, OAGS and AFROSAI-E for 2021-2022 and, 2023-2024, respectively. The *Results framework amendment* is used to assess achievement of project deliverables and whether project

¹ Norwegian Ministry of Foreign Affairs. *Grant Agreement between the Norwegian Ministry of Foreign Affairs and INTOSAI Development Initiative regarding SOM-20/0008 Office of the Auditor General of Somalia (OAGS) Peer Support 2021-2025*. Dec 2021.

² IDI, OAGS, AFROSAI-E. *Result framework amendment*. August 2024.

deliverables have contributed to the achievement of selected OAGS “Goals and Objectives for Capacity Development”³ and “OAGS Outputs”⁴. The reason for this is that:

- IDI has reported to the MFA against the *Results framework amendment*; and
- The document responds to MFA’s requirements for an end-term review focusing on the results achieved as per the *Grant Agreement*.

The review is, in accordance with the Terms of Reference (ToR), not to assess implementation of OAGS’ two *Strategic Plans*; the one covering 2017-2022 (which was extended) or the one covering 2023-2027. However, since the objective of the PSP is to support the OAGS in achieving its *Strategic Plans*, the PSP is closely linked to the OAGS’ outputs and outcomes (as established in the two OAGS *Strategic Plans*).

This end-term review was carried out by Ms. Åsa Königson (Team Leader), Mr. Martin Grimwood (team member) and Ms. Johanna Lindström (Quality Controller) between May and October 2024.

1.3 Review Criteria and Questions

The review questions suggested in the ToR were reviewed and regrouped under the following review criteria: relevance, effectiveness, efficiency, sustainability and partnership. The final review questions are shown in Appendix 1.

1.4 Structure of the Report

The report begins with a recap (as to not repeat the *Inception Report*) and short description of the methodology applied (chapter 2). Chapter 3 provides a description of the PSP and the context in which OAGS operates. Chapter 4 is where we provide our findings and the evidence gathered to support these and conclusions. Chapter 5 summarizes our conclusions and chapter 6 presents the Review Team’s recommendations.

2. Methodology

2.1 Overall Approach

Our overall approach to the review is the utilization-focused approach. The approach is based on the principle that an evaluation should be judged on its usefulness to the intended users.⁵ This means that the review has been planned and conducted for the findings to inform decisions and improve performance. This has involved clearly identifying and engaging with the IDI during the inception phase of the review, and with OAGS and IDI during the fact-finding to ensure that the intended use of the review has guided the planning and implementation of the review. This has been done by

- Discussing the *Draft Inception Report*, the reformulated Theory of Change (ToC) and result hypothesis with the IDI, jointly with the IDI developed the list of interviewees and documents to review;
- Planning and engaging with the OAGS to arrange and implement interviews with OAGS staff and leadership and external stakeholders;
- Providing brief updates on progress (interviews completed, issues encountered, persons where the stakeholders’ assistance may be needed to contact them) with the IDI and OAGS;

³ OAGS. *Strategic Plan 2023-2027*. No date.

⁴ Ibid.

⁵ Patton, M.Q. (2008). *Utilization-Focused Evaluation*. 4th Edition. Sage Publications.

- Carrying out a debriefing meeting with the IDI’s Project Manager during the analysis phase;
- Quality Assuring the Draft Report against the ToR and Inception Report;
- Submitting a Draft Review Report for comments and considerations by the stakeholders; and
- Addressing comments received on the Draft Report and submitting a Final Report which was presented to IDI, OAGS and the MFA in a meeting in October 2024.

The final methodology and approach were established in the *Final Inception Report* and approved by the IDI before embarking on the fact finding.

2.2 Methodology

Different approaches have been used to assess the review criteria relevance, effectiveness, efficiency, sustainability and partnerships.

To assess **relevance** the Review Team used a qualitative approach and gathered and analyzed data from interviews and project-related documentation to assess the relevance of the program to the OAGS’ Goals and Objectives for Capacity Development and OAGS Outputs. Interviews allowed the Review Team to gain an understanding of stakeholders’ perceptions of relevance, changes in the context during the project period and helped identify further areas for improvement.

In order to assess **effectiveness** the Review Team has

- a) compared planned activities, participation of OAGS staff and quality and relevance of the project deliverables against actual results for selected sub-goals of the Goals and Objectives for Capacity Development; and
- b) used the contribution analysis methodology to assess how the project deliverables have contributed to OAGS’ Outputs.

In order to assess achievement of OAGS’ Goals and Objectives for Capacity Development and OAGS Outputs the Review Team has a) interviewed project stakeholders and gathered their views on if and how the Goals and Objectives for Capacity Development and OAGS Outputs have been achieved, and b) sought documented evidence (from PSP reporting, OAGS annual reporting or the existence of actual manuals, policies etc.) to verify progress against targets.

The contribution analysis methodology involved the following steps:

- Reformulating the project-ToC based on the *Result framework amended*. This involved clarifying the results hypothesis (also called causal paths), assumptions and risks. This was done in the *Inception Report*;
- Establishing the following attribution question to assess: Has the PSP’s manner of identifying project deliverables to implement (jointly and in coordination with project stakeholders) contributed to the achievement of Goals and Objectives for Capacity Development;
- Gathering evidence and data to be able to identify the factors contributing to the outcome results (see Appendix 1 for the data gathering methods). This has also included identifying external factors that might have influenced results; and
- Developing a Contribution Story that presents conclusions as to if the results hypothesis has been validated, the identification and valuation of factors contributing to the outcomes (and ranking these) and exploring alternative explanations for the outcome.

When assessing **efficiency**, an information and views from interviews with OAGS and other stakeholders were gathered and collated with responses from written requests received from nine OAGS staff members. This was to gather qualitative data on delivery mechanisms and to answer the specific review questions related to efficiency.

In assessing **sustainability** and **partnerships** different stakeholders were interviewed and their information, perceptions and opinions analyzed to arrive at a conclusion as to the sustainability (or pre-conditions for sustainability) of the project results.

2.3 Methods and Tools for Data Collection

The Review Team has gathered data using two methods: review of documentation and interviews.

Document review

Documentation relating to the following has been reviewed (a complete list of documents reviewed can be found in Appendix 2):

- Project documentation;
 - *Grant Agreement* documents and cooperation agreements
 - Project plans, operational plans and reporting against the operational plans
 - Project reports to the Project Steering Committee (SC) and the MFA
 - Activity reports (ToR and reports on training, workshops etc.)
- OAGS’ documents validating deliverables, outcomes etc.
 - Manuals,
 - Audit reports to the Parliament
 - Strategic and operational plans
 - Policies,
 - Performance reports etc.

Additional documentation identified by reading the documents already received, in interviews and through open sources will be gathered during the review process.

Interviews

The Review Team has interviewed IDI staff, OAGS staff and leadership, AFROSAI-E staff and staff from the SAI of Uganda and Malawi involved in the PSP, external consultants working with the OAGS funded by other donors and representatives of other donors to the OAGS. The following number and categories of interviewees have been interviewed:

Table 1 Interviewees	Total	Male	Female
OAGS staff and leadership	14	10	4
IDI staff and leadership	4	4	
AFROSAI-E staff and leadership	4	1	3
Staff of peer support SAIs	3	1	2
Staff of donors to OAGS (including the MFA)	3	2	1
External consultants to OAGS	2	2	
Total	30	20	10

The interviews were conducted using an interview guide and the Review Team asked interviewees to also respond in writing to questions relating to their involvement in, and learning from, the PSP. Nine written responses from OAGS staff and leadership were received. Two of the donors and staff of implementing partners chose to respond in writing to the questions. The interviewees’ responses (written and oral) have been collated using an Excel collation tool to be able to analyze the data gathered.

The list of persons interviewed and those responding in writing can be found in Appendix 3.

2.4 Limitations and Risks

The following limitations in data gathering were experienced:

- The interviews have all been virtual with the limitations that virtual meetings entail (language issues, inability to read body language and potential that a rapport is not established). Some language barriers were experienced but clarification was sought during the interviews. In addition, the written responses provided by the interviewees helped interviewees to be able to provide answers in their own time using, if needed, translation tools.
- Several attempts to contact the Budget and Finance Committee (BFC) of the Somali Parliament (to which the OAGS reports) was done both directly by the Review Team and by OAGS. Also the Attorney General’s office was contacted by OAGS but neither the Review Team nor OAGS were able to secure interviews with the two institutions. This means that these external stakeholders’ opinions of the OAGS’ work and validation that OAGS’ output is actually used and how it has developed over time has not been attained. Conclusions as to the usefulness of the OAGS’ reports to the primary users of their findings can therefore not be drawn.

The risks to the completion and quality of the review we have identified and how they were mitigated are presented below.

Table 2 Risks to the completion of the End-term Review of the OAGS PSP		
Risk	Consequence	Risk mitigation
That interviewees do not respond to requests for interviews.	The proposed methods rely quite heavily on interviews with OAGS staff. This will require that OAGS staff are willing and able to participate in the review. If we are unable to interview a sufficient number of OAGS staff, or that the quality of the communication method is too poor to be able to hold a meeting, there is a risk that only a few persons’ views are collected and that data is therefore biased.	The Review Team has spoken to key staff and leaders in OAGS, IDI and AFROSAI-E. All interviews were completed with good Internet connection. In addition, the written responses have helped interviewees to express themselves in their own words.
That interviewees do not turn up for interviews or that the quality of the connection is insufficient to be able to hold a conversation.		
The political context in Somalia changes and affects the independence and current management of the OAGS (e.g. if the AG is changed and additional key staff leave)	Change of management and staff of the OAGS and insecurity among remaining staff may mean that the willingness or relevance of participating in review is reduced. If an insufficient number of OAGS staff members with knowledge and willingness to discuss the PSP are not available this will create a bias in the report that will reduce the quality.	

3. Review Object

3.1 The Somali Context 2021-2022

Somalia is still suffering from the effects of the civil war and long-term political instability with fighting still ongoing in parts of the country. Since the full-scale civil war and complete collapse of the state institutions in 1991⁶, and continuing instability since, trust in institutions remains low which is why the development of the OAGS is so vital. If a functional OAGS can be established and its reports trusted by the citizens it will improve the quality of Public Financial Management in the country.

Climate induced shocks are a perennial source of economic and humanitarian crises in Somalia⁷. Between 2020 and late 2022 the rains which usually come twice a year, failed five times in a row, causing Somalia's worst drought in 40 years. Somalia faced two famines in the last decade and these famines enormously damaged the country's economy by hampering agricultural production which left nearly half of the population with food insecurity. This has led to the devastation of livelihoods, triggering significant displacement and urban migration.⁸ The unequal distribution of resources and embedded structural inequalities further impede the socioeconomic development of the country. Minority and caste groups have long been discriminated against and excluded from politics and the economy⁹. The collapse of the state during the civil war and conflicts relating to the building of a federal structure meant that war lords and politico-military entities took control of the economic activities in rural areas in southern Somalia. This further exacerbated the humanitarian situation for the population.¹⁰

The absence of strict separation of powers and disagreements on power and resource sharing between the Federal Government of Somalia (FGS) and Federal Member States (FMS) deepens the weakness of administrative capacity and hampers effective implementation of administrative reforms. Somalia is a Federal Republic divided into a number of member states. Not all of the member states are currently under control of the central government and the borders are not agreed.¹¹ The federal model left many aspects of power distribution undefined and the disagreements between the FGS and FMS contributed to the disputes on administrative and economic issues.

According to the Corruption Perception Index (CPI) developed by Transparency International (TI), Somalia ranks as the most corrupt in the world (180th of 180 countries)¹².

The most recent elections were held in 2021. After a 16-month delay, and following a lengthy negotiation and selection process, a new parliament was established in April 2022. The Parliament then elected a president in May 2022.

⁶ <https://bti-project.org/en/reports/country-report/SOM>

⁷ <https://www.usaid.gov/somalia/news/sep-08-2023-focus-climate-crisis-somalia>

⁸ <https://www.rescue.org/article/crisis-somalia-what-you-need-know-and-how-help>

⁹ <https://bti-project.org/en/reports/country-report/SOM>

¹⁰ Ibid.

¹¹ Bertelsmann Stiftung, BTI 2024 Country Report — Somalia. Gütersloh: Bertelsmann Stiftung, 2024.

¹² <https://www.transparency.org/en/cpi/2023/index/som>

3.2 Legislative Developments

A new *Public Finance Management Act of FGS (PFM Act)* was passed in 2019¹³ and associated Regulations passed in 2020. The *PFM Act* provides a modernized legal and regulatory framework for management and accountability of public funds of FGS. Audits have been conducted based on this new *PFM Act* from the beginning of the financial year of 2021.

The new *Law of the Office of the Auditor General of the Federal Republic of Somalia* (Law No. 14, of 10 September 2023 Federal Audit Law) impacts all aspects of the OAGS, including its structure, activities, and relationships with other government agencies and international institutions. The new law establishes an independent office that operates separately from various government agencies, with broader duties and responsibilities than the previous law including the implementation of financial, compliance and performance audits. The OAGS will be accountable to Parliament for reporting and is subject to audits conducted by Somalia's public accounts committee known as the BFC. A noteworthy improvement within the new legislation lies in the processes governing the appointment and removal of the Auditor General. However, the OAGS does not, according to this law, have financial independence as its budget is decided by the Ministry of Finance.¹⁴

One of the most important problems that Somalia is facing is the lack of good governance and the rule of law.¹⁵ In 2022 Somalia was rated 193 of 193 countries when it came to the *Rule of law index*.¹⁶ Somalia lacks robust and competent institutions, has outdated laws and institutions poorly equipped to enforce the antiquated laws. This has contributed to a climate of insecurity and impunity where there is limited trust in public institutions.

3.3 The OAGS

The OAGS developed its first ever *Strategic Plan* covering the period 2017-2020. This was extended to 2022 when its second *Strategic Plan* covering 2023-2027 was drafted. The OAGS' *Strategic Plan 2023-2027* defines the following outcomes and the outputs that are to lead to the achievement of outcomes.

¹³ <https://mof.gov.so/legislation/pfm-act-2019>

¹⁴ Analysis by the Review Team of the *Law of the Office of the Auditor General of the Federal Republic of Somalia* (Law No. 14, of 10 September 2023 Federal Audit Law)

¹⁵ <https://www.idlo.int/where-we-work/sub-saharan-africa/somalia>

¹⁶ https://www.theglobaleconomy.com/Somalia/wb_ruleoflaw/

Graph 1: OAGS’ Outputs Contributing to the Achievement of OAGS Outcomes

OAGS Outputs

i. High-quality annual financial audits delivered on time for the FGS
ii. High-quality specialized audits delivered annually on major cross-cutting compliance challenges in teh MDAs
iii. High-quality specialized audits conducted in specific areas of public interest, including audits of IS and environmental changes.
iv. High-quality forensic audits delivered on main issues of fraud, waste and abuse related to the use of public funds.
v. High-quality performance audits delivered on issues of public interests and great national importance including SDGs.
vi. Increase role of OAGS in audit of donor funded projects and high-quality audits of such projects delivered on time.
vii. Enhanced oversight of registration and assessment of government contracts and concession agreements that have financial implications
viii. 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.
ix. Regular and timely interaction with the Executive on the audit findings, recommendations, and emerging issues.
x. Regular and timely interaction with the Parliament on audit scrutiny and follow-up.
xi. A framework for collaboration with the audit offices of the FMS established and implemented including harmonization of audit processes, capacity development support and advocacy for enhanced resources.



OAGS Outcomes

i. Role model organization in good governance
ii. Parliament playing an active role in follow-up implementation of audit recommendations
iii. Improved implementation of audit recommendations
iv. Well-functioning FMS audit offices delivering quality audits in line with international standards

Source: OAGS. *Strategic Plan 2023-2027*. No date.

In February 2023 a new Auditor General (AG) for OAGS was appointed by the new President and OAGS’ new *Strategic Plan 2023-2027*¹⁷ came into play.

During the 2021-2024 period the OAGS has increased its staff, been allocated additional funding and has shown an impressive development. The following are some of key performance indicators:

Table 3 OAGS Key Performance Indicators¹⁸	2021	2022	2023	2024
Total staff	108	114	138	162 ¹⁹
Auditors and audit support staff (%)			49%	47% ²⁰
FGS Actual Budget Allocation (USD ‘000)	2,5	2,6	3,2	
Compliance Audits completed	28	31	15	
Project Audits completed	23	23	24	
<i>Annual Financial Statements of the Federal Government of Somalia</i> report submitted and published on time			Yes	

During the period 2021-2024 the OAGS has been supported by the PSP, the European Union (EU) and the World Bank. Recently the Swedish National Audit Office (SNAO) has begun cooperating with OAGS.

¹⁷ OAGS. *Strategic Plan 2023-2027*. No date.
¹⁸ OAGS *Performance reports 2021, 2022, 2023*.
¹⁹ OAGS. *OAGS Human Resources.20240805.Final.xls*
²⁰ Ibid.

3.4 The Peer Support Project

The OAGS PSP has three main partners; OAGS is the main part responsible for execution of activities, the IDI is responsible for the funds and coordinating peer-support and AFROSAI-E provides technical support and access to regional events, networks and resources. The IDI reached out to seek peer-support SAIs for the project with the SAI Uganda and the SAI Malawi responding. Two Memorandums of Understanding (MoU) were signed between the IDI and the two SAIs with the purpose of supporting the OAGS PSP with in-kind support.

The PSP is funded through a *Grant Agreement* between the IDI and the MFA that covers the entire period 2021-2025. The OAGS, IDI and AFROSAI-E signed a three-party *Cooperation Agreement*²¹ covering 2021-2022 and a new *Cooperation Agreement*²² for 2023-2024 that is still in force.

The PSP was designed to support the OAGS to implement its *Strategic Plan 2017-2022*. With the new AG for OAGS entering in February 2023 OAGS' new *Strategic Plan 2023-2027*²³ came into play. It sets out seven Goals and Objectives for Capacity Development during the period. The *Results Framework* for the PSP was re-drafted and a new *Cooperation Agreement* between the OAGS, IDI and AFROSAI-E was signed. A new *Cooperation Agreement* for 2023-2024 was signed and the *Grant Agreement* with the MFA was also changed: additional funding was allocated and a new *Result framework amendment*²⁴ was agreed.

The roles of the implementing partners within the PSP are the following:

- OAGS is the main implementing partner as well as beneficiary of the project activities with the responsibility to ensure that implementation moves forward, that project activities and plans are in line with the OAGS's strategic plans, and to monitor project progress.
- IDI is the lead partner responsible for budgeting, budget monitoring and financial control of the MFA funding, for providing project management support and mobilizing financial and human resources to achieve the project deliverables.
- AFROSAI-E is a key provider of technical support to OAGS to achieve the project deliverables.

The SAIs of Uganda and Malawi have provided in-kind support in the form of time and competence of its auditors to build OAGS' capacity on specific topics (training, on-the-job training and coaching during audits).

The overall objective of the PSP was to “enable OAGS to successfully implement the strategic priorities in the period 2021-2022 and 2023-2024, respectively.”²⁵ The three outcomes and 11 outputs were not further explained using a Theory of Change (ToC) in the *Strategic Plan 2023-2027*. In addition to the outcomes and outputs, OAGS defined “Goals and Objectives for Capacity Development” with underlying sub-goals in the *Strategic Plan 2023-2027*. No ToC which explains the link between the Goals and Objectives for Capacity Development and OAGS' outputs and outcomes was provided in the *OAGS Strategic Plan 2023-2027*.

²¹ IDI, OAGS, AFROSAI-E. *OAGS Peer-support Project Phase 2 - 2021-2022*. Feb 2021.

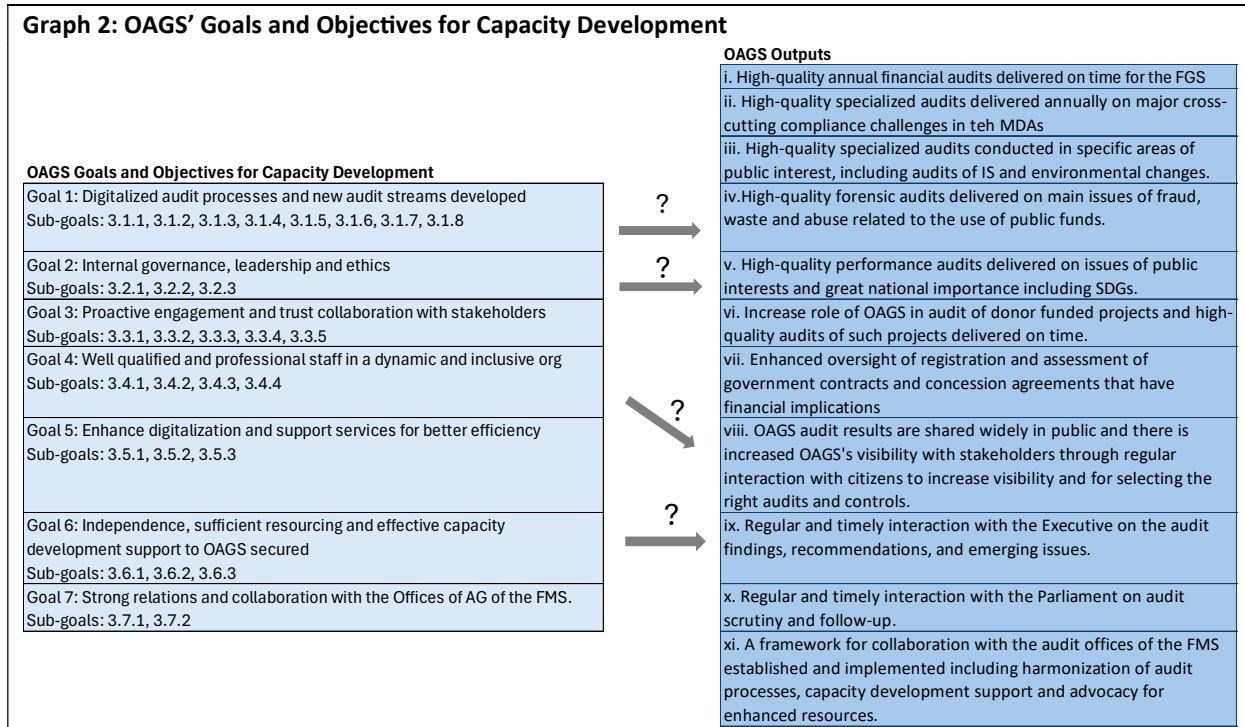
²² IDI, OAGS, AFROSAI-E. *Cooperation Agreement OAGS Peer-support Project 2023-2024*. May 2023.

²³ OAGS. *Strategic Plan 2023-2027*. No date.

²⁴ IDI. *Results framework amendment - OAGS Peer Support Project 2023 – 2024*. May 2024.

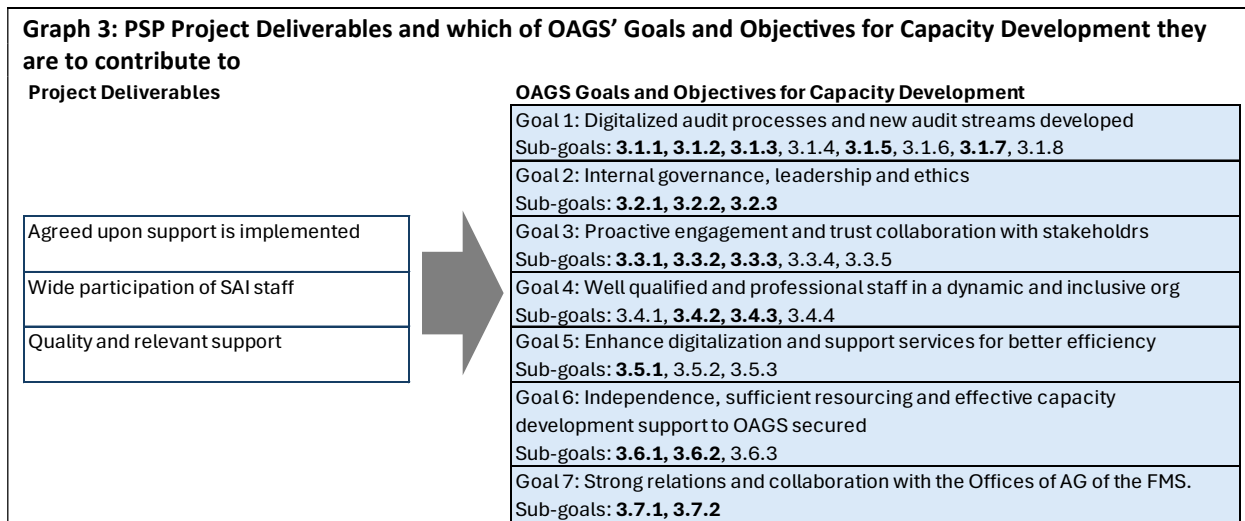
²⁵ IDI, OAGS, AFROSAI-E. *OAGS Peer-support Project Phase 2 - 2021-2022*. Feb 2021. And IDI, OAGS, AFROSAI-E. *Cooperation Agreement OAGS Peer-support Project 2023-2024*. May 2023.

Graph 2: OAGS' Goals and Objectives for Capacity Development



The PSP has established that project deliverables are to contribute to OAGS achieving selected Goals and Objectives for Capacity Development and selected OAGS outputs.

Graph 3: PSP Project Deliverables and which of OAGS' Goals and Objectives for Capacity Development they are to contribute to



The project deliverables (training events, quality control, development of tools) were planned on an annual basis jointly by IDI, OAGS and AFROSAI-E as part of the drafting of OAGS' *Operational Plans*. These *Operational Plans*²⁶ establish the activities to be carried out in order to achieve the OAGS outputs²⁷, which OAGS department responsible for the activities, a timeline, the activities that each partner is to support (through the PSP, EU or World Bank projects, respectively) and the budget for each activity to be funded by partners.

²⁶ OAGS. *OAGS Operational Plan 2024.xls*.

²⁷ As per OAGS' *Strategic Plan*.

4. Findings

4.1 Relevance

The following chapter presents and analyzes the evidence gathered to respond to Review Questions 1-5 (see Appendix 1).

4.1.1 The PSP’s Consistency with the IDI Bilateral Policy

It is clear from the document review of the *IDI Strategic Plan 2024-2029* and supporting documentation that the PSP falls well within the ambit of IDI’s work and is in accordance with IDI’s *Competency Framework*²⁸. IDI’s *Bilateral Policy*²⁹ was approved in 2017 and helps IDI to support “the most challenged SAIs”, a category that the OAGS was assessed by IDI, OAGS and peer SAIs to fall into at the start of the PSP phase 1. The PSP is directly in line with the *IDI Bilateral Policy* as it allows IDI to fulfill the roles of

- 1) broker (soliciting additional support for the OAGS from peer SAIs e.g. SAI of Uganda, Malawi and the Swedish National Audit Office - SNAO);
- 2) providing lifeline support as a means of maintaining competence (in the case of the PSP paying the salary of the Assistant to the AG); and
- 3) providing specialized capacity development.

The IDI’s four selection principles were all fulfilled:

Table 4 IDI’s Bilateral Policy Conditions and OAGS’ fulfillment of these	
IDI Bilateral Policy – selection conditions	OAGS’ fulfillment of conditions
1. The SAI has major challenges and there is a need for bilateral support in areas where IDI has competencies and comparative advantages	At the time of the PSP in 2021, the OAGS was assessed by AFROSAI-E ³⁰ and OAGS to have certain policies and manuals in place but was not applying them, nor were the ISSAIs fully implemented.
2. The SAI does not receive extensive support and there are no other INTOSAI/SAI community providers able to deliver the support needed	OAGS was supported through the PSP, by the EU and World Bank only. No other peer SAIs were providing support. ³¹
3. IDI has the capacity to provide support and proper working arrangements can be established	The MFA funding was a pre-requisite for the PSP. It meant that IDI’s project coordinator could dedicate time to the project and take on a coordinating role. Although on-site support at OAGS’ offices was not deemed possible by IDI, the main partners and peer-support SAIs met in person at either secure locations in Mogadishu or elsewhere in Africa. The conditions for online support were sufficient to be able to allow proper working arrangements. ³²

²⁸ <https://www.idi.no/elibrary/about-us/1707-2022-idi-competency-framework/file>

²⁹ IDI. *IDI Bilateral Policy*. Mar 2017

³⁰ AFROSAI-E. *Somalia QAR Report Final*. 2020.

³¹ Interview with IDI staff and OAGS former AG.

³² Interviews with IDI staff involved in developing the PSP at the time.

Table 4 IDI’s Bilateral Policy Conditions and OAGS’ fulfillment of these	
IDI Bilateral Policy – selection conditions	OAGS’ fulfillment of conditions
4. The SAI demonstrates a willingness and continued commitment to strengthen its performance and operate according to the principles of transparency and accountability	The commitment of the OAGS to a) the <i>Strategic Plan</i> b) “transforming the SAI into a modern one” ³³ and c) the progress made by 2021 ³⁴ showed that this condition was fulfilled.

Conclusion

The document review shows that the PSP is highly relevant to OAGS achieving its *Strategic Plan*, is in accordance with the *IDI Bilateral Policy* and *IDI’s Competency Framework* and that the PSP fulfilled IDI’s selection conditions at the time of starting the PSP.

4.1.2 Relevance of Project Design to OAGS and Involvement of Partners

The design of the PSP was fully congruent with the OAGS’ *Strategic Plan* and met the expressed needs of the OAGS. The IDI and AFROSAI-E were closely involved in designing the OAGS’ *Strategic Plan 2021-2022* and *2023-2027* and in shaping the PSP activities. The PSP is built upon the outcomes, outputs and Goals and Objectives for Capacity Development in the *Strategic Plan 2021-2022* and later the *Strategic Plan 2023-2027*, documents that were developed with the support of IDI and SAI Malawi.

Interviews with OAGS’ staff and former leadership show that they feel that the PSP project was very relevant to them, to the OAGS’s goals and that the PSP was “directly contributing to the strategic goals of enhancing accountability, transparency and governance”³⁵.

Conclusion

As the PSP is directly linked to the achievement of the *Strategic Plan*, and that the PSP allows for a high level of flexibility on an annual basis, it can be concluded that the relevance to OAGS is high.

4.1.3 Lessons from Previous PSP Incorporated

The fact that all three of OAGS’ *Strategic Plans* (for 2017-2020, 2021-2022 and 2023-2027) include more or less the same Goals and Objectives for Capacity Development³⁶ and that the aims of the PSPs (phase 1 and 2) were designed to support OAGS in achieving its goals, the PSP required little alteration apart from the addition of the #7 Goal and Objective for Capacity Development.

An analysis of the recommendations from the evaluation of the previous PSP project³⁷ shows that of the 14 recommendations relevant to the PSP, one has not been fully implemented in the current PSP. It pertains to IDI’s budget management role where the evaluators recommended IDI to report on budget vs actual costs for activities (field workshops, online workshops etc.). According to IDI this would require IDI to structure its financial reporting differently, which has not been done. These recommendations do not appear to have been fully implemented. The other 13 recommendations were taken forward and have been addressed in the current PSP.

³³ AFROSAI-E. *Somalia QAR Report Final*. 2020.

³⁴ OAGS. *2021 Annual Performance Report*. No date.

³⁵ Interview/written response from OAGS staff member.

³⁶ Called “Strategic Goals and Objectives” in the OAGS’ *Strategic Plan 2027-2020*.

³⁷ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. Jun 2023.

Lessons learnt from the previous PSP mainly relate to the manner of working together i.e. through hybrid workshops, online meeting, the need to compensate for not being able to meet face-to-face by ensuring online accessibility and additional time in online meetings. Also, coordination with other advisors (EU and World Bank consultants) was seen as key and that on-site on-the-job support is needed to fully implement new audit methods. All of these lessons have been taken on board and have been part of the PSP with OAGS staff members praising the accessibility of IDI staff and the hybrid workshop methods.

Conclusion

Lessons from the previous PSP appear to have been fully taken into account in the current PSP.

4.1.4 Gender Inequality Issues Analyzed

A detailed gender analysis was not carried out at the outset of the project. The issues to consider are firstly, the goal of the PSP regarding gender balance, and secondly, the gender equality goal i.e. the non-discriminatory participation of women. Neither were fully established based on a gender analysis at the outset of the project.

The gender imbalance in OAGS was analyzed using OAGS’ data:

Table 5: OAGS Human Resources		2020	2021	2022	2023	2024
Staff	total	103	108	114	138	162
	male	67	69	72	87	104
	female	36	39	42	51	58
Auditors	total	23	25	40	51	58
	male	13	14	29	36	41
	female	10	11	11	15	17
Support auditors	total	10	10	13	17	18
	male	5	5	8	8	9
	female	5	5	5	9	9
Non-auditors	total	30	32	61	70	86
	male	12	14	38	44	58
	female	18	18	23	26	28
Auditors with professional qualifications	total	2	3	2	6	7
	male	1	2	1	4	5
	female	1	1	1	2	2

Source: OAGS. OAGS Human Resources. 20240805.Final.xls

The HR data shows that, currently, 34 percent of the professional staff (auditors and support auditors) are women. In comparison, only 29 percent of the persons trained through the PSP in 2023 (of which most or all were professional staff) were female. This indicates that the PSP has not achieved its goal of having a +35 percent female participation rate, and that fewer female professionals were trained relative to the female/total ratio for professional staff.

The reasons for this need to be analyzed by the main PSP partners together. However, the more detailed gender data shown above, was not available to the main partners at the time of the design of the PSP. There was overall data available on total number of women staff (professional and non-auditors) but this is insufficient when designing a program with the aim of training professional staff and a goal of involving a certain percentage of female professional staff. Furthermore, the OAGS selects the staff members to be sent for training. In the future, the following table could be used to analyze the gender balance among different types of staff members.

Table 6 OAGS professional staff	2024		Individual participants in PSP activities (data from 2023)	
	Total	Female	Total	Female
Auditors	58	17		
Support auditors	18	9		
Other Professional Staff				
Clerical and Administrative Staff				
General Support Staff				
Non-auditors	86			
Total	162	58	106 ³⁸	31 ³⁹

With such data it is possible to determine if the PSP has managed to train/coach/involve an equal ratio or higher ratio of female auditors and support-auditors in the PSP compared to the OAGS female/total staff ratio.

The OAGS is responsible for selecting staff members to be sent for training. It is important to that the OAGS sends staff members that need the training to carry out their jobs and not send managers or directors with an in-direct role in the technical aspects of e.g. financial, performance or forensic audit.

The other issue is gender inequality i.e. addressing “discrimination on the basis of sex or gender causing one sex to be routinely privileged or prioritized over another”⁴⁰. The ability to engage with OAGS’ female staff during training was felt by some interviewees as difficult with women holding back, not speaking in training and deferring to male and/or more senior colleagues. The lack of participation also applies to junior staff of either gender speaking in front of their seniors. According to male interviewees, this is a cultural issue for Somalia (which was not confirmed by female Somali interviewees) but does require a different approach when planning and implementing training, coaching and meetings. Ensuring that all participants in meetings (on- and off-line) are engaged could, possibly be done by creating all-female discussion groups for some assignments/exercises during a training event or requiring that a minimum number of women are part of every audit team that PSP partners coach. The PSP partners need to consider how to address gender inequality as it is a form of discrimination (irrespective of the cultural or historic reasons) and it is very important that women participate and have an equal voice.

Conclusion

The PSP was not based on a relevant or detailed gender analysis which has had implications for the project. The target for female participation (one of the project deliverables) may have been erroneously established since the target was established based on insufficient gender information. The target should be related to the training of female professional staff (female audit and support-audit staff). A more detailed analysis of the current gender balance among different staff categories is needed as well as clearer targets in the PSP to address gender imbalances.

³⁸ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

³⁹ Ibid.

⁴⁰ <https://www.savethechildren.org/us/charity-stories/how-gender-discrimination-impacts-boys-and-girls#:~:text=What%20is%20gender%20inequality%3F,violated%20by%20gender%2Dbased%20discrimination.>

The gender inequality issue also needs to be considered in all interactions with OAGS staff to ensure that women are not discriminated against and that they engage and are equal participants in all PSP activities.

4.1.5 Changes Due to the Pandemic

The worst effects of the pandemic were over prior to the review period. Thus, the answer to the question relates mainly to the previous PSP phase. The evidence given to us by key stakeholders is that the main effect of the pandemic was to prevent OAGS staff from travelling abroad for seminars and training. However as, due to security constraints, training under the PSP was already given remotely, there was little effect to the in-country training program delivered under the project.

4.2 Efficiency

The following chapter presents and analyzes the evidence gathered to respond to Review Questions 6-9 (see Appendix 1).

4.2.1 Efficiency of Delivery Mechanisms

The efficiency of delivery mechanisms has been analyzed based on information gathered from the stakeholders interviewed and not from a cost perspective. The PSP financial data was not sufficiently detailed to allow a cost comparison of delivery mechanisms nor does the review question compel a cost-comparison to be carried out.

The PSP delivery mechanisms have needed to take into account the precarious security situation in Somalia and the security routines for the main partners' and peer support SAI. The delivery mechanisms have consisted of:

- Online, hybrid and face-to-face training events/workshops/seminar with the face-to-face training mostly organized in Africa but outside of Somalia;
- Meetings and coaching online;
- Face-to-face meetings where a majority of the face-to-face meetings have taken place outside of Somalia for security reasons, but where some meetings took place in the airport compound in Mogadishu;
- In-country training events (by SAI Uganda and the Turkish Court of Account); and
- E-learning courses.

Of the 15 training events delivered or funded by the PSP during this most recent phase, eight were face-to-face events taking place outside of Somalia⁴¹. Two training sessions were held online, and the PSP funded and supported two training events for FMS OAGs and OAGS heads of department in Somalia. In addition, workshops to develop the *Strategic Plan 2023-2027* were held face-to-face and a significant amount of online support and advice was provided, especially in 2023.

The most appreciated methods of delivery have, according to OAGS staff interviewed, been the face-to-face training. This is more effective, according to the interviewees, since it allows for a discussion about the topic, questions and examples to be discussed. Hybrid and online training events and meetings were also appreciated, with the hybrid ones mentioned more positively.

⁴¹ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. Jun 2023 and IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

Of the interviewees that had taken e-learning courses there was a mixed response. Some felt these were very effective and that the material provided was of very high quality. Others found that this method of delivery was less effective as the e-learning participants would be required to carry out the course in her/his own time (as per the OAGS' rules), which may be difficult as it was done at home in the evenings/ weekends.

An important issue that was mentioned as challenging during the previous phase of the PSP (prior to 2021) by both facilitators and OAGS staff was the language issue. The command of the English language has greatly improved since 2021 with external stakeholders and facilitators commenting that most training participants can express themselves in English and adopt the learning. However, English is Somalians' third language and online interaction requires either a translator or a very good command of English. Audits are carried out in Somali and the audit terminology is very specific. Translators may use different terms in Somali for the same term in English. An English-Somali audit glossary is needed to help.

The facilitators and external trainers interviewed also commented that many of the training participants had very little prior knowledge of the topics (e.g. Forensic Audit) and that this could more easily be identified and addressed in face-to-face settings than in online training.

Inviting and training women has been a target in the PSP project. However, the ability to engage with OAGS' female staff during training was felt by some interviewees as difficult with women holding back, not speaking in training and deferring to male and/or more senior colleagues. Other facilitators stated that it was easier to engage with women during face-to-face training/meetings than in online interactions.

The document review⁴² and a majority of the interviews with external stakeholders revealed that the OAGS' output results and achievement of several of the Goals and Objectives for Capacity Development needed the in-country consultants' work alongside the PSP. Experience of the Review Team⁴³, as well as of the facilitators, trainers and experts interviewed as part of this review is that self-sufficiency in audit methods is a long-term process where several factors are needed;

- A. competent staff with relevant qualifications;
- B. training in (new) audit methodologies;
- C. manuals and guidelines;
- D. on-the-job training during several audit cycles;
- E. structures systems and processes; and
- F. in-house training structures and processes to maintain and update competence levels.

The PSP has, together with the World Bank and EU consultants supported OAGS all of the above, but where the on-site consultants have focused on B and D. The on-site consultants have supported OAGS's staff during pilot audits and during audit field work in a manner that the PSP has not been able to without an on-site presence. The importance is the complementarity of being able to offer both training, new materials (manuals, templates etc.), support to the structuring of the processes and on-the-job training to put learning into practice. Neither the IDI's nor AFROSAI-E's mandate and structures allow for secondment of staff or employing long-term consultants to high-risk countries

⁴² IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. Jun 2023 and IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

⁴³ Ongoing work by Martin Grimwood supporting the SAIs of Tadjikistan and Pakistan and Martin's experience from supporting the establishment of the SAI of Bosnia and Herzegovina.

such as Somalia. Instead, they rely on the idea of reciprocity of peer SAIs whereby SAIs having specific expertise (e.g. SNAO) or having been supported by their peers in the past (e.g. SAI of Uganda and Malawi), support the OAGS. However, all support is short term (training, coaching, online advice) as the peer SAIs do not have staff that can be spared for long term assignments.

There were challenges at first in the cooperation between IDI, AFROSAI-E and the on-site consultants. The PSP partners learned that it was essential to involve on-site consultants in developing the methodologies and facilitating the training. This helped ensure that the training and coaching by all parties are congruent and not conflicting.

Conclusion

The combination of the PSP specific supporting activities and the in-country long term consultants funded by the World Bank and EU appears to have been a recipe for success and something that the IDI and AFROSAI-E should consider in future bilateral support programs.

There have been a significant number of face-to-face training courses which have been highly appreciated by the OAGS staff interviewed. The face-to-face training, workshops and coaching is more effective when building capacity from the basic level and when language barriers exist.

4.2.2 Consistency in Planning and Budgeting

The PSP was designed to be flexible and allow the OAGS to plan, decide and implement activities that would help OAGS implement the *Strategic Plan*. The planning of activities undertaken as part of the PSP has followed an annual cycle where the OAGS' Planning and Performance department had the overall responsibility for drafting an *Operational Plan* each year and discussing this with OAGS' donors. The final *Operational Plan* included all activities and also established which ones the PSP, World Bank and EU would fund or support. From the *Operational Plan*, the *Annual Overall Audit Plan* was developed establishing which institutions/projects would be audited and the scope of the audits.

Interviews with OAGS staff and leadership showed that the OAGS staff felt very much "in the driving seat" and that the *Operational Plans* emanated from the *Strategic Plans* detailing the activities to implement each year. This is very much in line with the intention of the PSP. There are several stakeholders interviewed who have stated that the OAGS is very ambitious, possibly too ambitious. They indicated that the drive to begin learning and carrying out forensic audits and performance audits may be premature and that good competence (knowledge and skill) and capacity (number of auditors with competence) in financial audit (and, also, using compliance auditing in support of rather than as a "stand-alone" exercise) should be prioritized over embarking on new audit techniques. This discussion was a recurring one among the main partners of the PSP. The resulting diversification into audit streams new to the OAGS would suggest that the OAGS is the main decision-maker in the PSP.

The plans were thus agreed annually, and an analysis of the PSP-supported activities shows that more than 70 and 80 percent of the agreed activities were completed on time (see table 13 in chapter 4.3.4 below). The peer SAIs are asked by IDI to support on specific topics. Their involvement is, however, dependent on the availability of their staff and during certain periods their staff cannot dedicate time to the PSP. In those cases, training or coaching was delayed. There are MOUs drafted for the engagement that the peer SAIs agreed to carry out under the PSP where the IDI is to specify more closely the involvement as and when it is planned in more detail (e.g. workshops, training events etc.). Close cooperation with the IDI and AFROSAI-E is required in order to be able to deliver against the OAGS' expectations.

The Review Team’s analysis of the budget showed that there were significant budget overruns relating to conference costs. The initial idea was to hold training events, meetings and workshops in Somalia. But the security situation hindered this and face-to-face training events were held in other countries (e.g. Ankara, Pretoria, Entebbe) with the additional cost of flights and accommodation for OAGS staff in those locations. The following table shows the budget for 2021-2023 and the actual spending by the end of 2023 on different types of cost items.

Table 7 Budgeted vs Actual costs 2021-2023 Cost Item (NOK) ⁴⁴	Budget	Accumulated actual costs 2023	Actual/budget
Staff salaries	3 024 020	3 417 369	113%
Conference cost budget 2021-2023	563 236	1 201 269	213%
Travel	762 293	858 975	113%
Operating costs/overheads	867 356	894 074	103%
Total	5 216 905	6 371 687	122%

Source: IDI. *Budget Report – MFA Norway – OAGS Peer Support Project*. No date.

Costs incurred by IDI and OAGS have been over budget while costs incurred by peer SAIs (for travel and conferences) have come in significantly below budget. AFROSAI-E appears to have spent close to or slightly under what was budgeted⁴⁵. The main budget overrun is the conference costs incurred by OAGS and IDI.

Conclusion

The planning of activities was done in a flexible manner with the OAGS clearly in the driving seat. The PSP also hit the targets relating to the percentage of planned activities that were undertaken. The budget was, however, exceeded substantially with the security situation precluding face-to-face training events and meetings being held in Somalia. This resulted in very high conference costs incurred by OAGS and IDI compared to the budgeted costs.

4.2.3 Risk Management

The *Cooperation Agreement 2021-2022* included a risk matrix that was further elaborated and managed during the project period. The PSP was deemed high risk due to the complex political and security environment in Somalia. The risks to the success of the project were discussed and updated in joint seminars between the three main partners each year and documented in the project reporting in accordance with good practice. The frequent and joint project management of the PSP also contributed to reducing risks, sharing learning, mitigating risks and finding solutions.

Key risks to manage during the 2021-2024 period were identified, and actions to mitigate the risks carried out. The following table shows the main risks identified, how they were addressed and the PSP partners’ assessment of risk level by the end of 2023:

⁴⁴ The budgeted and actual costs are those presented for each main partner and the peer SAIs in the document *IDI. Budget Report – MFA Norway – OAGS Peer Support Project*. No date.

⁴⁵ With one invoice for 2023 that has not been captured in the budget analysis yet.

Table 8 Analysis of PSP Risks and Mitigating Actions		
Risk	Risk mitigation actions	Change in risk rating by 2023
Limited independence of the OAGS ⁴⁶	<ul style="list-style-type: none"> • Advocacy efforts of development partners resulting in a new <i>Audit Law</i> in 2023 	Reduced
Corruption and fraud related to project funds and activities ⁴⁷	<ul style="list-style-type: none"> • OAGS <i>Human Resource Policy Manual</i>⁴⁸ and <i>Code of Ethics</i> are to be implemented by the OAGS • Procurement rules training • Use of IDI procurement policy for all procurements 	No change
Limited sustainability (including the unexpected removal of SAI leadership and high staff turnover) ⁴⁹	<ul style="list-style-type: none"> • Involved a high number of OAGS staff in PSP activities • Interlinked processes and systems for audit, Quality Management, reporting and dissemination implemented • Training of OAGS staff by OAGS not implemented 	Increased
Limited coordination ⁵⁰	<ul style="list-style-type: none"> • Several measures to ensure regular coordination implemented 	Reduced
Delays related to audit activities ⁵¹	<ul style="list-style-type: none"> • Project coordination team meetings regularly held • Annual project planning with main partners • Flexibility in PSP activities 	No change
Limited impact ⁵² (related to lack of follow-up by Parliament or executive)	<ul style="list-style-type: none"> • Sensitization efforts with Parliament were tried but lack of an appointed Parliament delayed efforts. • Lack of Parliament and Executive follow-up is still an issue and continued sensitization efforts are being carried out by the OAGS. 	No change

The main partners have discussed and carried out actions to mitigate risk that are both within the control of the OAGS and attempted to influence external actors (e.g. the President to sign the *Audit Law*) with some success.

There is still a strong risk to the sustainability of the PSP project as the OAGS' *HR Policy Manual* and the *Training and Professional Development Program*⁵³ have not been implemented fully. The *HR Policy Manual* establishes that an HR plan should be developed and implemented each year that

⁴⁶ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. Jun 2023 and IDI, OAGS, AFROSAI-E. *Report 2021 OAGS Peer Support Project*. Feb 2022

⁴⁷ Ibid.

⁴⁸ OAGS. *Human Resource Policy Manual*. May 2021.

⁴⁹ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. Jun 2023 and IDI, OAGS, AFROSAI-E. *Report 2021 OAGS Peer Support Project*. Feb 2022

⁵⁰ Ibid.

⁵¹ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

⁵² Ibid.

⁵³ OAGS. *Training and Professional Development Program*. Aug 2020.

involves training of staff but this has not yet been implemented by the OAGS (as per the *Semi-annual Report 2023*⁵⁴ and from interviews with OAGS). Furthermore, the *Training and Professional Development Program* focuses almost solely on staff obtaining professional and academic qualifications while internal training on audit techniques etc. is not mentioned.

The OAGS is highly focused on its auditors gaining professional qualifications. However, the PSP should, going forward, also consider a step-by-step approach whereby staff are offered sub-professional, technician level, training. For some staff this will be all the theoretical training that they need. This will be more cost-effective since 1) some staff will achieve technician level competence and thus improve audit quality, and 2) help to identify staff who have the skills and motivation to go onto study for the full professional qualification with a higher chance of gaining a professional qualification.

Key to the sustainability of the OAGS is to establish internal training programs to ensure that support-auditors and auditors have the competence to carry out financial, compliance and combined audits as well as forensic and performance audits. This is important for the current professionals at OAGS but also to ensure that internal training is available for newly recruited staff (or replacing staff that leave). This type of training is currently being provided by OAGS’ donors (through the PSP and by SNAO) but this is not sustainable. This is further analyzed below in chapter 4.5 on Sustainability.

Conclusion

The management of risks in the project follows good practice. Risks to the success of the PSP are jointly identified regularly by all the main partners, discussed and risk mitigating actions determined. These are followed up regularly and reported against. Despite efforts, some of the key risks remain unchanged and the risk to the sustainability of the project has increased.

4.2.4 Quality of Delivery

The PSP partners identified lessons relating to the quality of the PSP activities from the previous phase of the PSP that were important to implement. Lessons learnt were followed-up and documented throughout the project period. Important learnings relating to the method and quality of delivery that were addressed were the following:

Table 9 Quality of Delivery issues	Comment
Hybrid models for training	Four of the seven OAGS staff members interviewed appreciated the hybrid training carried out.
Online training having the same quality criteria as physical training – more time allocated	According to six of seven OAGS staff interviewed online training worked well but there was a wish for more physical training events.
Coordination with consultants funded by other donors is important	External stakeholders commented on the need to work jointly with other donors’ consultants. This is often a challenge among donors as in the PSP at the outset. However, involving the consultants in PSP training events, coordinating and making efforts to ensure consistency in the application of the methodologies to be applied (i.e. AFROSAI-E’s materials) was key to ensure consistency and quality of results.

⁵⁴ OAGS. *Semi-Annual Report 2023*. No date.

Table 9 Quality of Delivery issues	Comment
Financial support to send OAGS to events	The security situation meant a need to send OAGS staff to training events outside Somalia at a greater expense.
Involving peer SAIs throughout the audit cycle, and sharing of working papers to allow effective coaching and on-the-job training	The peer SAIs have been involved in specific tasks and supported the OAGS with training and also coaching throughout pilot audits. The fact that they were also able to provide support during the planning of the audit helped improve the quality according to interviewees.
Coordination and sensitization of peer SAIs to understand the support needed	The peer SAIs are called upon by IDI to support on specific issues (e.g. strategic planning, forensic audit) and the importance of coaching, onboarding them and explaining the background and needs of the OAGS are key to ensure high-quality delivery of training, coaching, advice etc. According to the peer SAIs this was done.
Sharing learning and solutions with peer SAIs	Several OAGS staff members interviewed mentioned that AFROSAI-E and peer SAI training was especially useful as it allowed them to share problems with peer SAIs and find solutions. "Localizing" the solutions was very useful.

The PSP has measured the quality of delivery by sending out surveys to all staff in the OAGS⁵⁵. An overall score has been reported to the MFA which has fallen short of the target in 2021 and 2022 but improved in 2023. The analysis of the responses shows that the respondents rated the knowledge of the facilitators higher in 2022 and 2023 and that the respondents appreciated the tailoring of the training to the OAGS' needs. Feedback (in open questions) included ensuring that more junior staff be allowed to attend the training, that more face-to-face training be carried out and that the training be implemented within OAGS.

The reporting to the MFA on quality of delivery is very aggregated and may not correctly reflect the efforts to ensure that sufficient time is allowed for online training, the tailoring of the training to better reflect the needs of the OAGS and the different staff levels. This is an area that requires attention also in future PSP and carefully analyzing the responses and bringing feedback to the attention of all PSP partners is the OAGS' responsibility.

Conclusion

The documentation and interviews show that the PSP main partners have taken lessons learned and feedback from PSP participants to heart and addressed these. The quality of delivery, as measured by the participants, has improved over the course of the PSP.

4.3 Effectiveness

The following chapter presents and analyzes the evidence gathered to respond to Review Questions 10-15 (see Appendix 1). In addition, the attribution problem is assessed in accordance with the contribution analysis method.

⁵⁵ In 2021 there were 23 responses, in 2022 some 33 responses and in 2023 there were 18 responses.

4.3.1 Analysis of ToC and Monitoring and Reporting Arrangements

The PSP was designed to ensure that all activities carried out supported the OAGS in its achievement of its *Strategic Plan*. This is a manner of aiding the OAGS in taking and retaining ownership of the project and being responsible for its implementation. It ensures flexibility in a very volatile context and with a “unskilled” SAI that began the project with highly limited resources, few functioning internal systems, manuals and procedures and without sufficient formal independence.

The key results hypothesis underlying the ToC for the PSP is that

- 1) by implementing project activities that were agreed among the implementing partners;
- 2) with large participation of OAGS staff (and female staff);
- 3) of a quality that is perceived by OAGS staff to be high;

this will lead to the achievement of selected OAGS’ Goals and Objectives for Capacity Development.

There is, however, no link in the OAGS *Strategic Plan 2023-2027* showing how the Goals and Objectives for Capacity Development will contribute to OAGS achieving the 11 OAGS outputs or four OAGS outcomes (see Graph 2 above). The underlying ToC for the PSP cannot be said to be clear as the causal link between either the project deliverables and the OAGS’ Goals and Objectives for Capacity Development or between these goals and objectives and OAGS’ outputs have been clearly shown.

An alternative ToC presented by one of the stakeholders during interviews was that by building the OAGS’ ability to plan, monitor and report against strategic and operational goals, the OAGS’ ability to achieve these goals and build its capacity would be improved. In the implementation of the PSP the evidence shows that planning of activities each year has been done together with OAGS and AFROSAI-E and as part of OAGS’ operational planning. OAGS’ annual *Operational Plans* have thus been reviewed and discussed with the two main PSP partners and with other donors (most importantly, the World Bank and EU) to establish a plan and, importantly, coordinate the support each donor will provide to specific activities. OAGS’ Planning and Performance department is responsible for developing the *Operational Plan* and monitoring its execution. This is done quarterly and semi-annually⁵⁶ and monitoring of the achievement of the *Strategic Plan* is done annually in the *OAGS Performance Report*⁵⁷. OAGS’s monitoring and reporting of its strategic and operational plans follow good practice and also clearly show progress, where there is less progress, and deviations from planned activities. The *Annual Performance Report 2022* is exemplary in that it clearly reports performance relating to the strategic goals established in the *OAGS Strategic Plan 2021-2022* and measures achievement/lack thereof against the established indicators.

The alternative ToC presented appears to have guided the main PSP partners and resulted in the PSP contributing to the OAGS’ continued ability to plan, monitor and achieve results.

The monitoring of results can be improved further; in the *Annual Performance Report 2023*⁵⁸, four of 11 outputs are not measured and there is less precise reporting against the sub-goals established in the *OAGS Strategic Plan 2023-2027*. The 2023 report does not show progress against the indicators established for the OAGS’ Goals and Objectives for Capacity Development. The *SAI Performance Measurement Framework* (SAI PMF) is to be used to measure progress against many of the indicators.

⁵⁶ OAGS. *Semi-Annual Report 2023*. No date.

⁵⁷ OAGS. *Annual Performance Report 2022*. No date.

⁵⁸ OAGS. *OAGS Annual Performance Report 2023*. Dec 2024.

However, the SAI PMF was used by independent reviewers⁵⁹ and by OAGS staff (in a self-assessment) in 2020 and as a self-assessment in 2022 but not in 2023. The Review Team finds that measuring change using the SAI PMF each year is too often, and a better manner would be to measure the baseline (at the outset or end of the previous PSP), mid-way and as part of an end-evaluation.

Conclusion

The conclusion is that the underlying ToC of the PSP, as surmised from the project documentation, is not clear and that the causal links between project activities and OAGS' Goals and Objectives for Capacity Development are not established. However, the alternative ToC presented (building OAGS' planning, monitoring and reporting of strategic and operational goals will lead to results achieved) is clearer and evidence presented above also shows that building planning and monitoring capacity has helped OAGS achieve results. In future bilateral projects the main partners should consider conceiving a more tailored ToC (similar to the alternative ToC presented) In the case of OAGS, the ToC for the next PSP should identify the key mechanism/function within OAGS that needs to be built/improved in order for the OAGS to be able to achieve its strategic goals. It could be the relationship with the Parliament, or the development of a professional HR system and in-house training, or another key function.

The PSP was not designed as a stand-alone logical set of activities leading to specific goals, but rather to allow a flexible approach answering to the OAGS' annual needs. As such the PSP has succeeded in that the OAGS' priorities have determined the support provided by the PSP, and ultimately, the results achieved by the OAGS.

The planning, monitoring and reporting mechanism applied by the OAGS to ensure that activities are a) implemented and b) contribute to the OAGS' outputs are in line with best practice. It is also the OAGS' monitoring and reporting against strategic and operational targets that is of sufficiently high quality to be used to report to the MFA and the PSP SC.

4.3.2 Synergies with IDI/AFROSAI-E and Other Initiatives

The project documentation⁶⁰ and interviews with OAGS staff show that IDI and AFROSAI-E are well placed to support the OAGS, especially, considering AFROSAI-E's training programs, tools and seminars that they offer their members in which OAGS staff and leadership have been involved as appropriate. Key initiatives that IDI and AFROSAI-E have implemented during 2021-2022 where OAGS has been involved have included:

- Enrolment of 15 OAGS staff + 5 coaches in the IDI Professional Education for SAI Auditors (PESA) program in 2022;
- Enrollment of the AG in AFROSAI-E's Senior Leadership Development Program (SLDP) in 2023;
- Participation in AFROSAI-E's regional HR workshop in 2022;
- Participated in AFROSAI-E's Annual Technical Updates in 2021; and
- Participated in M&E regional training in Pretoria in 2023.

The IDI and AFROSAI-E also have tools that the OAGS has been trained on and are beginning to use:

- Using the SAI PMF to establish a baseline against which to assess progress of the OAGS and to measure progress during the PSP;

⁵⁹ AFROSAI-E. *Quality Assurance Review of the Supreme Audit Institution (SAI) of Somalia*. Dec 2020.

⁶⁰ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024; IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. June 2023; OAGS Performance reports 2021, 2022, 2023; and AFROSAI-E tools and training materials.

- AFROSAI-E *Information Systems Audit Manual*;
- AFROSAI-E's *Institutional Capacity Building Framework* (ICBF); and
- Training and installation of AFROSAI-E's SAI Enhancement Audit Tool (SEAT), an online audit management system for SAIs.

The main benefit from working with IDI and AFROSAI-E that the OAGS and stakeholders emphasize has been engaging with staff from peer SAIs to share their experiences and knowledge. The synergetic results that interviewees highlight are the technical knowhow transferred and solutions to overcome common challenges (working in un-secure contexts and with similar limitations in terms of resources, competence, political interference, logistical challenges, issues with independence and lack of internal systems and procedures).

The SAI of Uganda has supported OAGS in training and on-the job coaching related to forensic audit and the SAI of Malawi participated and supported the drafting of the most recent *Strategic Plan 2023-2027* and has recently been involved in coaching and training relating to financial audit.

Throughout most of the project period the World Bank and the EU have had projects whereby consultants have been deployed to Somalia to work with the OAGS staff on a daily basis. This has been recognized by the main PSP partners⁶¹, the OAGS, the World Bank and EU consultants as being necessary in helping the OAGS achieve the significant results. Specifically mentioned were the audits completed, the enactment of the new *Audit Law* and that these achievements would not have been possible without their continuous presence and support. The fact that these consultants were also invited and participated in PSP-arranged training for OAGS on different topics is very important to ensure consistency and coordination.

The coordination and work to ensure that there is limited overlap between the donors and that the peer SAIs and consultants organize their work to ensure common methods and goals can be attributed largely to the IDI and OAGS. The planning of the work (in *Operational Plans*) is combined with bi-weekly project management coordination team meetings between the IDI, AFROSAI-E and OAGS and semi-annual meetings with all OAGS' donors and annual SC meetings for the PSP project. At the Project Management Coordination Team meetings the main partners meet to plan, discuss challenges and find solutions.

Conclusion

IDI, and especially, AFROSAI-E, are well placed to be able to involve the OAGS in scheduled ongoing capacity building programs that they offer. The synergetic effects are two: firstly, being able to involve OAGS staff in recurring or specific initiatives on topics relevant to the OAGS and, a chance to interact, share experiences and learn from peer SAIs.

The synergetic effects of having consultants contracted by other donors working in Somalia with the OAGS have been emphasized as needed in order for the OAGS to achieve the significant improvement seen in the OAGS' ability to execute its mandate. Ensuring that the consultants work alongside the PSP capacity building initiatives toward common goals has been a role that the IDI has taken on and been successful in.

⁶¹ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

4.3.3 PSP Contribution to SAI Outputs and Outcomes

The PSP’s aim is to support the OAGS in achieving the outputs and outcomes established in OAGS’ *Strategic Plans* during the period 2021-2025. This sub-chapter presents the evidence gathered by the Review Team relating to the level to which the OAGS has achieved, or not, the outputs and outcomes.

OAGS has, during the period 2022 to 2023 achieved the following outcome results:

Table 10 Achievement of OAGS’ Outcome results 2021-2023			
OAGS Expected outcomes ⁶²	Indicator Definition	Status at end of 2022	Status at end of 2023
1. 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	In 2021, there was no indication of progress. In 2022, this is not met due to the newly appointed parliament member and delay in submitting the audit report. ⁶³	No indication of progress. ⁶⁴ Evidence from International Budget Partnership (IBP): Question 118 same score as 2021 ⁶⁵ .
2. 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	There are several indications of follow-up of audit reports by the executive. But the indicator scoring so far suggests it is not met. In 2021 <i>Open Budget Survey report</i> , this indicator was not met. ⁶⁶	No indication of progress. ⁶⁷ Evidence from IBP: Question 101 same score as 2021. ⁶⁸

By the end of 2023 there was no evidence of progress against the outcomes. Communication, sensitization and cooperation with the Parliament is a priority for the OAGS during 2024 and a three-day sensitization workshop is being planned for August 2024.

⁶² OAGS. *Strategic Plan 2021-2022*. No date

⁶³ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. June 2023

⁶⁴ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

⁶⁵ International Budget Partnership. *Open Budget Survey Questionnaire Somalia*. May 2024

⁶⁶ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. June 2023

⁶⁷ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

⁶⁸ International Budget Partnership. *Open Budget Survey Questionnaire Somalia*. May 2024

OAGS has, during the period 2022 to 2023 achieved the following output results:

Table 11 Achievement of OAGS' Output results 2021-2023				
OAGS expected outputs⁶⁹	Indicator Definition	Target	Status at end of 2022⁷⁰	Status at end of 2023⁷¹
1. Financial Audits with improved quality delivered on time for the FGS	Whether the annual consolidated financial audit report is submitted by the 30 th of June deadline to Parliament	Met	Not achieved. Audit report submitted to Parliament end of November 2022	Met
2. Compliance audits with improved quality delivered annually on major compliance challenges	Percentage of Ministries, Departments and Agencies (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	100%	n.a.	100%
3. Forensic audits with improved quality 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	100%	Not achieved. The forensic audit still in the reporting phase.	100%
4. 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	Yes	n.a.	Yes
5. 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	2	n.a.	0
6. Regular and timely interaction with the Parliament	Number of annual sensitization seminars are held by the OAGS for the	1	n.a.	0

⁶⁹ OAGS. *Strategic Plan 2021-2022*. No date

⁷⁰ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

⁷¹ Ibid.

Table 11 Achievement of OAGS' Output results 2021-2023				
OAGS expected outputs⁶⁹	Indicator Definition	Target	Status at end of 2022⁷⁰	Status at end of 2023⁷¹
on audit scrutiny and follow-up	Budget and Finance Committee commenced during the year			

By the end of 2023 four of the output results had been achieved with the interaction with Parliament and the Executive Branch of Parliament still remaining.

The activities carried out as part of the PSP project have been decided jointly among the three main partners and have focused primarily on supporting OAGS to achieve the seven OAGS Goals and Objectives for Capacity Development (see Graph 2 above). The achievement of the Goals and Objectives for Capacity Development are measured using both the SAI-PMF indicators and through specific indicators (see Appendix 4 for the reporting by the main PSP partners on results compared to targets for the OAGS' Goals and Objectives for Capacity Development). As the reporting against the targets for 2023 is incomplete (since the SAI-PMF assessment was not carried out) the Review Team has carried out a document review to analyze progress which has shown the following key results:

Table 12 Achievement of OAGS' Goals and Objectives for Capacity Development	
Goals and Objectives for Capacity Development	Evidence and conclusions on results achieved by 2024
Goal 1: Digitalized audit processes and new audit functions established	<p>There is clear evidence of the development of the technical work undertaken by the OAGS. The Review Team's analysis of a selection of the more recent compliance and financial audit reports, together with the OAGS annual <i>Performance Reports</i>, showed that the OAGS has moved from merely undertaking "Prior Control" work (which is internal control work rather than audit) and regularity audits to the full range of compliance, financial, information technology (IT) and forensic audits. This was confirmed by external stakeholders and audit experts interviewed. In addition, OAGS has undertaken audits at the behest of aid donors and other special audits⁷². Performance audit is one area where OAGS is just starting to develop competence and procedures, with the support of SNAO.⁷³</p> <p>The <i>Audit Opinion and Report on the 2022 Annual Financial Statements</i> was submitted to Parliament on time (30 June 2023) for the first time ever. The AG has also produced both adverse and disclaimer reports in the review period which is prima facie evidence for the independence of the OAGS.</p>
Goal 2: Strong internal governance, leadership and ethics for enabling OAGS efficiency and effectiveness	<p>The annual Operational Plans have been soundly devised and with the participation of relevant departments⁷⁴. They were also discussed with donors and project partners⁷⁵. As with all such plans, the quality and accuracy of it will improve over time as staff learn the skills necessary to fine tune the operations.</p> <p>The OAGS produces timely and comprehensive Annual Performance Reports⁷⁶. These provide a background to the OAGS for new readers and examine the progress over the year in terms of each of the goals which form part of the annual <i>Operational Plan</i>. There is a <i>Code of Ethics</i>⁷⁷ that appears to be fit for purpose and that staff are trained in⁷⁸. There are no principles for portfolio and project management within OAGS.</p> <p>The monitoring of the Operational Plan and Strategic Plan follow good practice but could be improved by ensuring that indicators are followed up and measured each year and that next steps are identified.</p>

⁷² OAGS *Performance Reports* 2022 and 2023.

⁷³ Interview with SNAO and with OAGS staff.

⁷⁴ Interviews with OAGS staff and leadership and with IDI.

⁷⁵ Interviews with main PSP partners, MFA, SNAO, EU and World Bank consultants.

⁷⁶ OAGS *Performance Reports* 2021, 2022 and 2023

⁷⁷ Analysis of OAGS. *Code of Ethics*. 2023.

⁷⁸ Written responses from OAGS staff.

Table 12 Achievement of OAGS' Goals and Objectives for Capacity Development	
Goals and Objectives for Capacity Development	Evidence and conclusions on results achieved by 2024
Goal 3: Proactive engagement and trustful collaboration with key stakeholders	There is limited evidence to show that Parliament understands, addresses and acts upon the OAGS' findings and recommendations. According to the documents reviewed, the OAGS' reports have been "received positively by the public" ⁷⁹ but evidence for this has not been presented. The OAGS has published <i>Summary Audit Reports</i> annually ⁸⁰ . The OAGS has also held semi-annual sensitization meetings with media and other stakeholders that were well attended ⁸¹ and has, according to IDI, a good online presence on X and have a good website where audit reports and performance reports are published.
Goal 4: Well qualified and professional staff in a dynamic and inclusive organization	OAGS has experienced a considerable increase in staff over the project period (see table 5 above). However, there are only marginal increases in the ratio of auditors to support staff and in the gender balance over the period. In addition, at present, there are only seven auditors with professional qualifications of the 76 professionals working in audit at the OAGS ⁸² . However, the OAGS is actively seeking to increase the number of professionally qualified using PESA. The OAGS has received increasing amounts of funding in nominal and inflation-proofed terms. At the same time the number of staff has increased to 138 (2023). Of the total funding to the OAGS by donors in 2022 ⁸³ , the FGS' contribution represented 21 percent which may be an indication of the actual need of the OAGS. There is a five-year professionalization plan ⁸⁴ developed by AFROSAI-E in collaboration with the HR department. And a new professional training committee will help ensure that training is directed to the appropriate personnel. However, there is a significant lack of qualified audit professionals in OAGS⁸⁵.
Goal 5: Enhance digitalization and	The IT infrastructure has been increased (with more computers and other machinery in use) ⁸⁶ as well as needs analysis of software and management information systems carried out ⁸⁷ .

⁷⁹ There is however no evidence of this presented by OAGS i.e. statistics on media's or other stakeholders' mentioning or commentary.

⁸⁰ Published on oag.gov.so.

⁸¹ Interview with OAGS staff.

⁸² OAGS. *OAGS Human Resources.20240805.Final. xls*

⁸³ OAGS. *Operational Plan 2022*. No date.

⁸⁴ OAGS. Training and Professional Development Program. Aug 2020.

⁸⁵ Confirmed in interviews with the main PSP partners and peer SAI, documented in PSP reports and conformed in interviews with OAGS staff and leadership.

⁸⁶ Interview with OAGS staff and leadership.

⁸⁷ OAGS. *OAGS Annual Performance Report 2023*. No date.

Table 12 Achievement of OAGS' Goals and Objectives for Capacity Development	
Goals and Objectives for Capacity Development	Evidence and conclusions on results achieved by 2024
support services for better efficiency in the OAGS	The S-SEAT electronic tool has been rolled out but has not been fully implemented in all audit processes. ⁸⁸
Goal 6: Strengthen OAGS independence, resourcing and capacity development support	There is clear evidence that the legal and administrative framework has developed and meant improved independence for the OAGS. It provides a sound basis for the ongoing development and sustainability of the project. The basic mandate has been modernized by the new <i>Audit Law</i> and the new <i>Audit Regulations</i> will be available soon. Several important manuals and instructions have been issued e.g. <i>Financial Audit Manual</i> , the <i>Quality Assurance Policy</i> ⁸⁹ and the <i>Planning and Performance Policy</i> ⁹⁰). There are still concerns relating to the financial independence of the OAGS and how the AG is appointed.
Goal 7: Strong relations and collaboration with the Offices of the Auditor General of the Federal Member States	The cooperation with and development of FMS OAG has not progressed during the project period. The development of the FMS OAG was part of goal 3 in the <i>Strategic Plan 2021-2022</i> but underfunded by the OAGS and external donors. A high-level meeting of most of the FMS AG was implemented but there has not been any training of FMS OAG during the period ⁹¹ .

⁸⁸ OAGS. *OAGS Annual Performance Report 2023*. No date.

⁸⁹ OAGS. *Quality Assurance Policy*. Aug 2023.

⁹⁰ OAGS. *Planning and Performance Policy*. May 2023.

⁹¹ OAGS. *Semi-annual Report 2023*. No date.

The Review Team has gathered secondary evidence (in the form of reporting by the PSP and OAGS), primary evidence in the form of actual audit reports published, policies and manuals drafted and evidence from interviews with OAGS staff and PSP partners (see table 12 above). The evidence gathered and reviewed by the Review Team suggests that there has been progress toward the targets established for four of the Goals and Objectives for Capacity Development (Goals 1, 2, 5 and 6) by the end of 2023.

Establishing the PSP’s contribution to the OAGS’ outputs and outcomes is done using the contribution analysis method and as part of that, the attribution question to answer was:

Has the PSP’s manner of identifying project deliverables to implement (jointly and in coordination with project stakeholders) contributed to the achievement of Goals and Objectives for Capacity Development?

The evidence gathered shows that the joint and coordinated decision-making among the PSP partners has contributed to progress against the Goals and Objectives for Capacity Development. In the implementation of the PSP the evidence shows that planning of activities each year has been done together with OAGS and AFROSAI-E and as part of OAGS’ operational planning. OAGS’ annual *Operational Plans* have thus been reviewed and discussed with the two main PSP partners and with other donors (most importantly, the World Bank and EU funded projects) to establish a plan and, importantly, coordinate the support each donor will provide to specific activities. The decision what activities to support by the main PSP partners has been motivated by each main partners competence where AFROSAI-E has contributed with its training, materials, tools and facilitators and the IDI with the coordination of the PSP, the work to involve other peer SAIs and ensure that the competence building activities that the OAGS asked for have been implemented.

An alternative explanation to the achievement of OAGS’ Goals and Objectives for Capacity Development could be the on-site presence of EU and World Bank consultants to coach and provide on-the-job training. However, the training materials, tools and bulk- training of several staff would not have been possible for single consultants. The work of the on-site consultants has contributed to the results.

Another alternative explanation is the impetus and working methods and culture instilled by the former AG and continued by the current AG. However, the OAGS relies to a significant extent on external donors for competence building and would not have been able to fund the same amount of training on of staff (courses or on-the-job training) on the budget allocated by the FGS.

Conclusion

The conclusion is that the PSP, in coordination with other donors’ on-site consultants and under the leadership of the OAGS, supported the OAGS in its achievement of four of the seven Goals and Objectives for Capacity Development. The PSP has delivered capacity building activities, the on-site consultants supported OAGS’ audit teams during the implementation of the new learning and OAGS’ leadership (with the PSP partners) has developed a best practice structure for planning, monitoring and reporting against targets that has created a “we can do” culture in OAGS.

4.3.4 Achievement of Project Deliverables - Project Activities

This section describes the contribution of different project deliverables to the outputs and outcomes described above. The following table shows the project deliverables and actual results.⁹²

Project deliverables	Indicator Definition	2021		2022		2023	
		Target	Actual	Target	Actual	Target	Actual
Agreed upon support is implemented	% of agreed project deliverables in the annual plan completed	70%	70%+	80%	80%+	80%	83%
Wide participation of SAI staff	a) cumulative number of SAI staff taking part in project funded activities	35	90	40	63	50	148
	b) Female participation rate	35%+	32%	35%+	17%	35%+	26%
Quality and relevant support		4,5	4,0	4,5	3,72	4,0	4,0

The table above shows that the PSP has exceeded the target related to the number of agreed activities completed each year. All three donors appear to have been highly flexible as to what thematic areas to support. According to interviews, the OAGS was “in the driving seat” determining what activities to carry out during each year.

The ensuing sub-chapters analyze each of the three project deliverables; support implemented, participation of staff and quality and relevant support.

The evidence collected from interviews, OAGS staff written responses to questions and the documentation reviewed show that the PSP project has been instrumental in improving competence levels. The evidence gathered has shown that new learning is applied in the following fields:

- Overall project and organizational planning, monitoring and reporting that is evidence through
 - the *Planning and Performance Policy*;
 - the Strategic- and operational plans;
 - reporting on the monitoring of the Strategic- and operational plans;
 - the OAGS’ annual *Performance Reports* published; and
 - interviews with OAGS staff where the planning, monitoring and reporting processes have been clearly explained.
- Audit planning – with the preparation of the *Annual Overall Audit Plan* by OAGS several years running.
- Quality management with the approval of the *Quality Assurance Policy* and the establishment of the Quality Management department.
- Emerging competence and application of audit procedures for forensic and IT Audit

The *Operational Plan 2024*, as well as interviews with key internal and external stakeholders, indicate that the OAGS is not competent yet to issue high-quality financial, compliance, forensic or IT audit

⁹² As reported in IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

reports. This will take support, coaching, on-the job training during several audit cycles as well as updates and further tailoring of processes and manuals.

The PSP has not worked in isolation. Key factors that have been necessary for the OAGS' results to have been achieved mentioned by a majority of the interviewees are:

- The engagement and strong leadership of the former AG. He was able to create a vision and strategy that donors and staff believed in and were willing to support. He also managed to change the culture of the OAGS and thereby deliver impressive results in a short period of time.
- The increase in staff members and change in working ethics and culture within the OAGS. Many of the OAGS staff members interviewed have been promoted to leadership positions during Phase 1 or Phase 2 of the PSP and have adapted the vision of the former and current AG, increased their knowledge and competence levels and diligently adapted their working methods accordingly. This is a change in working ethics and culture that remains within the OAGS and can be attributed to the former and current leadership of the OAGS.
- The support of full-time, in-country consultants funded by World Bank and EU projects, respectively. These consultants worked in sync with the PSP partners to build the capacity of the OAGS. PSP training provided basic and specialized knowledge, but the application of this knowledge, new procedures and new tools requires handholding in order to ensure that the audits adhere to the ISSAIs. This was provided in a consistent manner by the in-house consultants. The PSP partners and peer support SAIs also provided this, but in an on-line format which meant that it was not accessible on an everyday basis.
- The coordination of the work of the PSP main partners and the OAGS' priorities and the coordination of PSP activities and the work of the in-country consultants (EU and World Bank funded). All parties participated in annual SC meetings and in semi-annual meetings with donors. The World Bank and EU consultants were also invited and attended training arranged for OAGS by the PSP partners which ensured a common approach and methodology applied by the consultants in the on-the-job coaching of OAGS staff.

Conclusion

There is strong evidence that the manner in which the activities implemented during a year were decided has been a strong contributor to the results achieved relating to the Goals and Objectives for Capacity Development.

4.3.5 Achievement of Project Deliverables – Staff Participation

Table 13 above shows very high numbers of participants in PSP activities and it is unlikely that these numbers reflect individuals but rather the number of participants in each activity (where one individual may have participated in several activities). This conclusion is drawn from the fact that in 2021 OAGS had a total of 108 staff (including support staff such as drivers, cleaners etc.) and that in 2023 the total staff number was 138. There are thus limited conclusions to be drawn from this data. The Review Team has gathered further evidence related to the training of OAGS staff and competence built which is presented below.

The lack of capacity (number of audit staff) and competence (audit staff with relevant skill and education/certification) is mentioned by almost all interviewees (OAGS staff and leadership and external stakeholders). There are only seven certified auditors⁹³ in OAGS. The large majority of staff

⁹³ OAGS. *OAGS Human Resources.20240805.Final.xls*

working on audits (auditors and “support auditors”⁹⁴) are pooled and brought in to audit teams when needed⁹⁵. This means that one of OAGS’ support auditors can work on different types of audits during a year. Specific departments for financial, compliance, specialized and performance audit have been created but these are very small and comprise few dedicated staff (could be only a director, a deputy director and an assistant neither of which would carry out an actual audit). The lack of audit staff dedicated to one type of audit means that competence building becomes more difficult, and competence could be lost if the individual trained in e.g. forensic audit does a) not train her/his peers and b) not work on forensic audits.

There is also an issue of individuals being trained in one type of audit (e.g. forensic audit), but then moved to work on a different type of audit. The competence built is thus not used.

The evidence gathered from OAGS staff having participated in PSP activities is that they felt that the training they had participated in had greatly improved the following aspects of their professional lives:

Table 14 Perceptions from PSP participants The training/programs I have participated in have:	Individuals responding (of 9 responses in total) ⁹⁶
Improved my managerial, communication and planning skills	5
Enhanced my skills relating to a specific audit topic (e.g. forensic audit, audit planning, quality management)	4
Enhanced my career	3
Provided me with specific public sector auditing skills	1

The ratio of female participants in the OAGS has not reached the target levels. For a discussion about gender balance and equality, see Chapter 4.1.4 above).

Conclusion

The fact that the OAGS has delivered increasing numbers of financial, compliance and forensic reports as well as the *Annual Audit of the National Accounts* on time shows the OAGS’ competence has improved significantly. However, if this is due to few individuals with high competence being able to instruct her/his audit teams or that many individuals have improved their competence is not possible to ascertain. External stakeholders interviewed state that focused training events for staff members that are dedicated to a specific audit type would be more effective than training all of OAGS’ auditors and support auditors on a broad range of topics. At present there have been several individuals sent to training on separate audit topics i.e. receiving training in financial and forensic audit instead of sending a different set of individuals in order for them to specialize on an audit technique. It is also important that staff members trained in one type of audit work in that audit stream as to not waste the competence built. This approach would, however, require additional auditors to be employed and dedicated to specific audits or other functions (e.g. audit planning or quality management).

⁹⁴ Denomination from OAGS. *Annual OAGS Performance Report 2023*. No date.

⁹⁵ Interview with OAGS management.

⁹⁶ Written responses received from 9 OAGS staff members where questions as to their involvement, learning, the methods of delivery and professional development through the PSP were answered.

4.3.6 Achievement of Project Deliverables - High Quality and Relevant Support

Table 14 above shows an indicator for how OAGS' staff rated "the overall the quality and value of the support provided through the project"⁹⁷ in surveys circulated by the Planning and Performance department to all staff each year. In 2023 some 21 answers were received (and 30 answers in 2022) and the overall score had improved in 2023 compared to 2022 and reached the target value for 2023. The answers provided in the survey are consistent with those provided to the Review Team:

- "It is easy to interact and consult with the peers and advisors"⁹⁸. Feedback to the Review Team from OAGS staff was that IDI was highly accessible and provided feedback, responses, comments and support that was respected and highly appreciated.
- "The training and advice increased skills in important areas".⁹⁹ The training, coaching and support provided by AFROSAI-E and peer support SAIs was assessed to be of very high quality.

The responses the Review Team received showed that hybrid and face-to-face training was well received but that more face-to-face training would be preferred. There were stakeholders interviewed that indicated that face-to-face interaction is better when the skill levels of the participants are low to begin with or if language barriers exist. Facilitators often feel the need to assess the skill level of the groups at the start of the training event as participants may have been selected based on different criteria, or that self-assessments of skill levels may have been optimistic. There was also a mention of the language barriers that exist for Somali staff where English audit terms are translated differently by layperson translators or misunderstood as English is the third language for Somalians.

The responses to the Review Team furthermore indicated that sharing experiences with peers in similar contexts was very important and that networking with other SAI staff was very much appreciated.

Conclusion

The fact that the PSP activities are perceived to have improved the skills of the participants has contributed to the achievement of the OAGS' Goals and Objectives for Capacity Development. This is evident in the outputs published by OAGS (e.g. two forensic audit reports, increasing numbers of financial audits) but also the development of the Quality Management department and procedures and drafting of the *Annual Overall Audit Plan* each year. However, it is important to state that these results would likely not have been achieved without the Somali-based consultants (funded by the World Bank and EU) working with the OAGS staff on a day-to-day basis, further guiding them on how to implement the knowledge, interpret the manuals and ensure that they were put into practice.

4.3.7 Unintended Positive or Negative Outcomes

A number of un-intended positive outcomes have occurred that have affected the OAGS:

- With the significant results achieved by the OAGS, additional donors have shown an interest in supporting the OAGS (e.g. the SNAO and USAID). IDI has also been working to attract additional peer SAIs to support OAGS.

⁹⁷ IDI, OAGS, AFROSAI-E. *Report 2023 OAGS Peer Support Project*. Apr 2024

⁹⁸ IDI, OAGS, AFROSAI-E. *Report 2022 OAGS Peer Support Project*. Jun 2023

⁹⁹ Ibid.

- The OAGS' completed two forensic audits that had a significant effect (increased collection of government revenues and convictions for embezzlement) and showed the public and decision makers the important, tangible effects of having a strong and competent SAI.
- The former AG of the OAGS was elected Chairperson of the AFROSAI-E's Governing Board in 2021 which was seen by OAGS as an important manner of recognizing the OAGS' progress and making other African SAIs aware of the OAGS.

One unintended negative outcome of the PSP was the lull in activities that followed upon the appointment of the new AG in 2023 and the main PSP partners' *Joint Statement*¹⁰⁰ to the Somali Government. The *Joint Statement* was directed at the Somali Government and urged it to ensure the independence of the OAGS by establishing an appropriate process for appointment and removal of an AG in accordance with the *Mexico Declaration*, principle 2. This created a tense relationship between the newly appointed AG and the main partners and stalled the project for a few months. The new *Cooperation Agreement 2023-2024* was eventually signed in May 2023 and the project resumed. The relationship between the three main partners in the PSP appeared to be sound and mutually respectful at the time of drafting this review.

Conclusion

There have been unintended positive and negative outcomes of the project with the positive outcomes being the interest and attention that the OAGS received both internationally and nationally. The outcomes of this attention have been new partners supporting the OAGS and, potentially, improved interaction with the Somali Parliament and the Executive.

4.4 Sustainability

The following chapter presents and analyzes the evidence gathered to respond to Review Questions 16-17 (see Appendix 1).

4.4.1 PSP Method Increasing the Sustainability of Results

The PSP method of delivery has been to

1. Support the OAGS to develop a systematic strategic and operational planning method/process as well as procedures for monitoring and reporting of planned results and activities;
2. Help raise the competence in technical audit work i.e. widening the scope of audit work and improving its quality; and
3. Enhancing OAGS' legal and administrative framework: this includes the staffing and funding of the OAGS and the external mandate and internal guidance.

The strategic and operational planning processes (and templates for the documentation of operational plans) were developed together with the main PSP partners. These are embedded in the organization now as evidenced in interviews where OAGS staff and leadership are all aware of the *Strategic Plans*, the goals and refer to the *Operational Plans* and their monitoring to guide them in their work. The *Strategic Plan 2023-2027* and its goals and objectives are well known among interviewees and help the departments set their directions of work each year.

The *Operational Plans* are monitored quarterly and semi-annually and the *Strategic Plan* on an annual basis. This is an achievement per se, as there are many examples of institutions' strategic

¹⁰⁰ <https://www.idi.no/news/concern-about-recent-developments-impairing-the-independence-of-the-office-of-auditor-general-of-the-federal-government-of-somalia>. Downloaded 20240808.

plans ending up at the planning stage and never being monitored. According to interviews, the former AG required follow-up against the two plans thus creating a procedure and culture that has been carried on by the current AG. The planning, monitoring and reporting procedures are necessary for the achievement of results. Planning and knowing that activities will be monitored and results (or lack thereof) will be reported, incentivizes staff and leadership. This is reflected in the impressive technical audit results that the OAGS has achieved.

There is clear evidence of the improvement of the quality of the technical work undertaken by the OAGS; it has moved from merely undertaking prior control work (which is internal control work rather than audit but understandable given the situation in the country) and regularity audits to the full range of compliance, financial, IT and forensic audits. In addition, it has undertaken audits at the behest of aid donors and other special audits. In addition, the OAGS delivered the mandatory *Annual Financial Report* to Parliament on June 30, 2023, meeting the deadline for the first time. The OAGS has also successfully met the plan to conduct an annual compliance audit for the financial year ending December 31, 2022. Eight of nine of the written responses received from OAGS staff commented on OAGS' audit work having been improved as a result of the project. Examples of OAGS responses relating to how OAGS' audit work has been improved are:

- “improving methodologies, fostering innovation, and aligning our practices with international standards and best practices”;
- “enabling more thorough examinations and more insightful reporting”; and
- “more thorough and accurate audits being conducted”.

There is clear evidence that the legal and administrative framework has developed during the project period and now provides a sound basis for the ongoing development and sustainability of the project. The level of staffing has increased, as has the availability of funding for the OAGS. There has been a development in training of the staff under the PSP and with the support of other donors. The basic mandate has been modernized by the new *Audit Law*¹⁰¹ and there have been a wide range of supporting manuals produced. OAGS has also developed a range of supporting manuals and instructions. The supporting documentation includes:

- *Compliance Audit Manual* issued in October 2021. It follows international standards and is soundly based on the principles of compliance auditing; it concentrates on these as “stand-alone activities”. The manual should be updated with regards using compliance auditing as a support to the audit of the *Annual Financial Statements* which should be the main compliance audit activity;
- *Financial Audit Manual* issued in October 2021. It, too, follows international standards, is soundly based for the audit processes but does not appear to have instructions on the work to be undertaken vis a vis the follow-up to the audit reports. This is a key element of any SAI's work;
- *Planning and Performance Policy* issued in May 2023. It references the appropriate international audit standard and provides a good framework for audit planning;
- *Quality Assurance Policy*, issued in October 2023, is in accordance with international standards. This provides a good framework for QA;
- *HR Policy Manual*, issued in May 2021, and provides sound guidance on all aspects of HR management;
- *ICT Policy and Procedures*, issued in May 2021, and as adequate for its purpose; and

¹⁰¹ *Law of the Office of the Auditor General of the Federal Republic of Somalia (Law No. 14).*

- *Internal Audit Policy*, issued in July 2023, provides sound guidance for the operation of internal audit within the OAGS.

The document review of the above has concluded that they are soundly based and, apart from the comments made above, provide the support required for the OAGS to fulfil its long-term goals. There has been no support to Internal Audit within the OAGS. As part of good governance and quality control, consideration could be given to action on this in any future PSP. However, a future project should seek to review and update both the *Compliance and Financial Audit Manuals* (also other manuals). They should be fully customized for the OAGS; tested by means of pilot audits before being finalized. There is also a need to develop further supporting documentation which could include a Performance Audit Manual. This is being dealt with by a separate project under the auspices of the SNAO.

The OAGS' sustainability as a SAI is assessed to still be limited:

- Financial sustainability is assessed as low for two main reasons, firstly the fact that the *Audit Law* does not award the OAGS a separate independently managed budget. It is controlled by the MoF both in overall amounts and in the release of funds. The OAGS cannot, at the moment, employ sufficient numbers of staff with appropriate competence as a result. Secondly, donors are funding a significant number of technical audit work and capacity development activities which the OAGS' budget allocation would not be able to cover.
- Technical sustainability is on the increase. Currently, donors support, with basic training, technical audit work and train new recruits each year. Donors also support audit work, planning and reporting. The experience of the Review Team, corroborated by views of international audit experts interviewed, is that technical support is likely to be needed for financial audits and combined (financial and compliance) audits for a period of at least 3-5 years and for a period of up to 10 years for forensic audit and performance audit work. The competence of the staff has increased and, in the experience of the Review Team corroborated by views of international audit experts interviewed, it is important that formalized systems and procedures for internal training are established i.e. internal training material is developed and experienced/qualified staff train fellow staff members. OAGS has also identified a significant lack of professionally qualified staff¹⁰² and have begun sending staff for professional qualification certificates with the support of donors (to PESA through the PSP, for Chartered Public Accountant certificates with the support of the World Bank). Staff turnover and the loss of competence as a result is a reality that OAGS must plan for and have systems to overcome to become technically sustainable.
- The Parliamentary BFC (the Committee) does not have adequate support and is unable to understand or implement the recommendations contained in the various OAGS reports to it¹⁰³. If they do not have this, the usefulness of the OAGS may be perceived by politicians as low thus negatively impacting the relationship between parliament, the executive and the OAGS. The experience of the Review Team is that the Committee needs to develop a secretariat, staffed by suitably qualified personnel that is able to receive, understand and digest OAGS reports to ensure that Committee members can understand them and make effective decisions on the recommendations contained therein. Committee members also need training in their roles. The OAGS is making a start on this with a "sensitization" meeting covering the *Audit Law* and action that should be taken vis a vis their findings.

¹⁰² PSP reporting 2022 and 2023 as well as discussed in interviews.

¹⁰³ Reported in PSP reporting 2022 and 2023 and discussed in interviews.

- The relationship between the OAGS and FMS OAG is also important for sustainability. Being a Federal State, the quality of the audit of the Federal Government's *Annual Financial Statements* depends, in part, on the quality of the audit of the member states. The existence of a sound relationship between all of the Audit Offices helps ensure this. If member states audit offices rely on the OAGS for training and other support, they are more likely to "lobby" their respective governments to support the OAGS should the federal government attempt to control it. The relationship between the OAGS and the FMS OAG was added as an additional output (#7) in the most recent *Strategic Plan* and the capacity building and common working methods and frameworks is a priority for the OAGS. In terms of sustainability of the OAGS, the support of the FMS, as a result of pressure from their AG, can only help.
- Visibility of the OAGS is increasing. The OAGS holds semi-annual sensitization meetings with key stakeholders and for the media. A documentary video¹⁰⁴ was produced under the former AG and a revised version is currently under development. Good quality *Summary Audit Reports* are issued annually and the first of planned Annual Professional Seminars was held on 2 to 4 June 2024. In addition, further seminars will be held during the year. In addition, the forensic audits issued have resulted in tangible results (increased revenue collection, prosecutions and convictions) which are important to show the OAGS' role and contribute to the legal sustainability. The OAGS does not, however, appear to have a communications manual or strategy which should be developed.

Conclusion

The Review Team concludes that the PSP method of support has meant sustainable changes to OAGS performance and capacity. The changes that have been evidenced in the embedding of planning, monitoring and reporting routines, in the actual results achieved in widening the scope of audit work and improving its quality, and in the improved legal framework. There are still issues regarding OAGS' financial, technical and legal sustainability that need further work.

4.5 Partnerships

The following chapter presents and analyzes the evidence gathered to respond to Review Questions 18-21 (see Appendix 1).

4.5.1 IDI Partners' Responsibilities and PSP Governance

The OAGS has a wide range of partners undertaking a variety of roles within the overall capacity development area. The IDI's partners in the PSP are (apart from the OAGS) the MFA, AFROSAI-E, SAI of Malawi, and the SAI of Uganda.

Other partners to the OAGS include the SNAO, the World Bank and the EU. While not partners in the PSP, there is no doubt of their importance, especially in the areas of financing technical assistance and providing a long-term in-country presence. It is essential, both to avoid overlap and to maximize synergy, that there is co-ordination and co-operation between the PSP and all other interventions. It is clear from our findings that this does take place.

The roles of the PSP main partners and peer SAIs were established in the *Cooperation Agreement*. In summary the roles were:

- OAGS was to be the main implementing partner responsible for planning and monitoring of the OAGS' activities and ensuring that PSP-activities were integrated into the OAGS' activities.

¹⁰⁴ https://youtu.be/dugPS-S_ZGM?si=Uz8CJCXJmJ0aUJtT

The OAGS was to make staff available and to share information with other donors. The Review Team has found that the OAGS has fulfilled this role and closely involved the PSP partners in planning and monitoring and fully integrated the PSP activities into the normal audit and management work of the OAGS

- IDI was to take the PSP project management role and be the main contact point with the MFA. The IDI also had the responsibility for all MFA funds and their use and reporting. In addition, IDI was to use its network to mobilize peer SAIs and coordinate their involvement with the PSP. The Review Team's conclusion is that the IDI has fulfilled this role to the satisfaction of both the OAGS, peer SAIs and other external donors. IDI has also worked to mobilize additional support for the OAGS going forward, with the cooperation with SNAO as one success.
- AFROSAI-E was to be the main provider of technical support and regional networks. This has meant that the AFROSAI-E's significant training materials, tools and facilitators have been applied with AFROSAI-E as the main provider of technical knowledge.
- The two peer SAIs (SAI of Malawi and SAI of Uganda) were selected based on their demonstrated commitment to capacity development, willingness to collaborate, and alignment with the PSP's objectives. Their involvement came at the request of IDI and on specific topics (Forensic Audit training from the SAI of Uganda and Strategic Planning support and Financial Audit support by the SAI of Malawi). According to the interviewees supporting other SAIs is very important given the substantial support that they, previously and continuously, receive from AFROSAI-E, IDI and other peer SAIs. Supporting the OAGS is seen as "giving back". Their involvement appears to have been less than budgeted for and the reasons for this are, according to SAIs interviewed, the timing of the requests that coincided with busy periods for the peer SAIs and the actual training/activities were therefore postponed.

The governance framework for the PSP appears to have functioned well. It has consisted of an annual SC meeting attended by not only the PSP partners and peer SAIs but also other donors supporting the OAGS. Attendees have indicated that the SC has been working effectively over the lifetime of the project. One of the external advisers indicated that the SC is also a good forum for disseminating new ideas. The bi-weekly Project Coordination Team Meetings have been key to the planning of activities, learning and ensuring the flexibility of the PSP.

In addition to the PSP governance framework OAGS also holds semi-annual donor coordination meetings with all supporting donors which is important for the coordination of activities.

One of the reasons for the well-functioning project management and governance of the PSP has been the easy and congenial relationship, accessibility of both OAGS and IDI staff and the investment in time dedicated to the PSP. The working relationship between IDI and OAGS was described as familiar and friendly, as opposed to "transactional" by one stakeholder interviewed. Another contributing factor was the investment in strategic and operational planning methodology. Concepts were explained, templates developed for operational planning that have been used diligently throughout the PSP and continue to be a key working document for the OAGS. A third contributing factor was the culture of "getting things done" that was instilled by the former AG and that the current AG has continued. The former AG followed up diligently on activities and results which has resulted in the OAGS being seen as a "regional success story" by the AFROSAI-E.

Conclusions

The main partners and peer SAIs have all fulfilled their responsibilities and roles as established in the *Cooperation Agreement*. The governance arrangements have functioned well but have relied on a working culture between the main partners that has been familiar and friendly.

4.5.2 Mobilization of Support from Partners

The quality of the support that the PSP has provided has been seen as very high and increasingly relevant to the OAGS (based on interviews and the survey data collected by the OAGS on an annual basis). The AFROSAI-E has been the main provider of technical training and the feedback has been that the facilitators are knowledgeable.

To date AFROSAI-E has been able to meet the requests made of it by IDI under the project. However, they have concerns about the disbursement of funding under the project and do not feel that they are being appropriately reimbursed for the work undertaken. This could have an impact on the level of assistance which they are able to provide in future. This matter is one which will need to be resolved under any future project.

For SAI Uganda, they can only supply assistance at times of a year when their own workload permits. Also, for the same reason, they have to limit in-country assistance to a week or so. To date, SAI Uganda has been able to supply good quality staff and the necessary quantity of support. However, when in Somalia, their staff have worked significantly more hours than should be expected of peer staff (since they are required by their SAIs to carry out their tasks for the SAI as well as work with the PSP project). Their additional remuneration does not match this workload or provide incentives against the perceived dangers involved. There may be a need for IDI to discuss such situations with the peer SAI leadership to ensure that the staff members participating in the PSP (or other bilateral projects) are not overloaded.

Conclusion

The IDI has been able to source high-quality support to OAGS. However, there is a need to consider the reimbursement of peer SAIs and AFROSAI-E going forward to ensure that peer SAIs and AFROSAI-E continue to involve their staff and facilitators in the supporting the OAGS.

4.5.3 Mutual Learning

The PSP main partners have shared learning among each other, both informally during the bi-weekly Project Coordination Team Meetings, at SC meetings, with other donors and documenting important learning in reporting. The analysis in chapter 4.2.4 above shows that the PSP partners have addressed issues/learning in the project.

Working in-country in Somalia has not been possible for IDI staff and only with significant restrictions for AFROSAI-E and peer SAI staff. However, the PSP partners have worked at developing other ways of providing effective support. This has been achieved by means of:

- Short-term in-country support: it has been possible to provide short support, often limited to face-to-face interaction at the secure zone around the airport of Mogadishu;
- Remote and hybrid training: the use of online training has proved a way of overcoming the security constraints. Training courses have been modified to allow more time for translation and to enable working groups to have discussions in Somali. Also, the quality requirement for online training has increased as a result of learning from the past and current PSP. However, several OAG staff would still prefer face-to-face training;
- Cooperation: by co-operating with the in-country consultants, the various remote theoretical training sessions can be follow-up by on-the-ground audit work; and
- Out of country training: OAGS staff have been trained in other countries. However, the selection of staff to be trained and their ability to apply the training when back in the OAGS has often been problematic. Also, this was not initially budgeted for which has meant higher conference costs than what was budgeted for.

Conclusion

The learning shared between the OAGS, IDI and AFROSAI-E has led to improvement in the delivery of support to the OAGS. Practical solutions have been sought to meet and investments in physical meetings implemented which has led to the perceived quality of the support increasing.

5. Conclusions

The main conclusions drawn from the evidence collected and analyzed is summarized below.

Relevance

The document review shows that the PSP is highly relevant to OAGS achieving its *Strategic Plan*, is in accordance with the *IDI Bilateral Policy* and *IDI's Competency Framework* and that the PSP fulfilled IDI's selection conditions at the time of starting the PSP. The PSP was designed to allow a flexible manner of answering to the OAGS' annual needs. As such the PSP has succeeded in that the OAGS' priorities have determined the support provided by the PSP, and ultimately, the results achieved by the OAGS.

Lessons from the previous PSP appear to have been fully taken into account in the current PSP. The PSP was based on an insufficiently detailed gender analysis which has had implications for the project. The project deliverables may have been erroneously established since the target is not to train female non-audit team staff but to ensure that female auditors and support auditors are trained. A more detailed analysis of the current gender balance among different staff categories is needed as well as clearer targets in the PSP to address gender imbalances. Furthermore, the issue of gender inequality must be addressed in all interactions with OAGS staff to ensure that women are actively engaged and equally involved in all PSP activities.

The gender inequality issue also needs to be considered in all interactions with OAGS staff to ensure that women are not discriminated against and that they engage and are equal participants in all PSP activities.

The document review indicates that the PSP is highly relevant to OAGS in achieving its *Strategic Plan*, that the PSP aligns with the *IDI Bilateral Policy* and *IDI's Competency Framework* and met IDI's selection criteria when it commenced. Lessons learned from the previous PSP appear to have been fully incorporated into the current one. The PSP has continued to be relevant as it is designed to allow for planning of activities on an annual basis. This flexibility means that new competence needs can be addressed as and when they occur.

Efficiency

The combination of PSP-specific support activities and the in-country long-term consultants funded by the World Bank and EU has proven to be a successful approach. This is something that IDI and AFROSAI-E should consider replicating in future bilateral support programs.

A considerable number of face-to-face training sessions have taken place, which were highly valued by the OAGS staff interviewed. These in-person sessions, including workshops and coaching, have been particularly effective in building capacity from a foundational level, especially when language barriers are present. The documentation and interviews reveal that the main PSP partners have actively taken feedback and lessons learned from participants into account and addressed them. As a result, the quality of delivery, as rated by participants, has improved throughout the PSP. An analysis and comparison of delivery mechanisms and their costs has not been done due to only aggregate financial data being available regarding the PSP.

Activity planning was carried out flexibly, with OAGS clearly leading the process. The PSP also met its targets regarding the percentage of planned activities completed. However, the budget was significantly exceeded due to the security situation, which prevented face-to-face training events and meetings from being held in Somalia. This led to higher-than-expected conference costs for both OAGS and IDI.

Effectiveness

There is strong evidence that the OAGS has made considerable progress towards its stated goals during the period 2017 to 2023 and that this progress was, in no small part, achieved as a result of the PSP. In collaboration with peers from AFROSAI-E, SAI Malawi, SAI Uganda, the IDI and consultants funded by the European Union and the World Bank, the project appears to have achieved most of the anticipated output targets for 2023.

The PSP, in coordination with other donors' on-site consultants and under the leadership of the OAGS, supported the OAGS in achieving four of the OAGS' seven Goals and Objectives for Capacity Development. The PSP has delivered capacity building activities, the on-site consultants supported OAGS' audit teams during the implementation of the new learning and OAGS' leadership has developed a best practice structure for planning, monitoring and reporting against targets that has created a "we can do" culture in OAGS. The fact that the OAGS has delivered increasing numbers of financial, compliance and forensic reports as well as the *Annual Audit of the National Accounts* on time shows the OAGS' competence has improved significantly. This is evident in the outputs published by OAGS but also the development of the QM department and procedures and drafting of the *Annual Overall Audit Plan* each year. However, it is important to state that these results would likely not have been achieved without the Somali-based consultants (funded by the World Bank and EU) working with the OAGS staff on a day-to-day basis, further guiding them on how to implement the knowledge, interpret the manuals and ensure that they were put into practice.

The OAGS' planning, monitoring and reporting mechanism are in line with best practice. IDI, and especially, AFROSAI-E, are well placed to be able to involve the OAGS in scheduled ongoing capacity building programs that they offer. The synergetic effects are two: firstly, being able to involve OAGS staff in recurring or specific initiatives on topics relevant to the OAGS and, a chance to interact, share experiences and learn from peer SAIs.

There have been unintended positive and negative outcomes of the project with the positive outcomes being the interest and attention that the OAGS received both internationally and nationally. The outcomes of this attention have been new partners supporting the OAGS and, potentially, improved interaction with the Somali parliament and the executive.

Sustainability

The PSP approach has led to sustainable improvements in OAGS' performance and capacity. These changes are evident in the establishment of routine planning, monitoring, and reporting processes, the expansion and enhancement of audit work, and the strengthened legal framework. However, challenges remain regarding the financial, technical, and legal sustainability of OAGS, which require ongoing attention. Nor are effective HR structures and systems implemented to allow for in-house training of staff, basic audit technical training or for audit staff to specialize in one type of audit.

Partnerships

The PSP governance arrangements have functioned effectively, supported by a collaborative and amicable working relationship among the key partners. The main partners and peer SAIs have successfully fulfilled their roles and responsibilities as outlined in the *Cooperation Agreement*. IDI has been able to provide high-quality support to OAGS. The shared learning between OAGS, IDI, and AFROSAI-E has led to improvements in the support provided to OAGS. Practical solutions have been pursued to meet needs resulting in a perceived increase in the quality of support.

Challenges, Problems and Risks with the Current PSP

However, to help ensure that the progress achieved thus far is maintained there are issues to be addressed:

- Political Interference: there is an ongoing risk of political interference with the OAGS. The lack of financial independence and control by the MoF is an example of this. Whilst the new *Audit Law* is a great improvement over its predecessor, there are problems including the appointment of the AG and financing of the OAGS to be reviewed;
- Security: the security situation makes it difficult for auditors to work across the country and, even, get together for training courses;
- Parliamentary Committee: members do not have the skills to understand and act on the reports of the OAGS;
- Consultants: these need to be experienced public sector auditors who have extensive experience working with SAIs ;
- In-country support: the OAGS is of the opinion that in-country training is to be preferred. The PSP has provided some in-country support and this is not likely to change given the ongoing security situation which makes the situation “way above the acceptable risk level”. A possible solution would be for more financial support to peer in-country working and to continue the face-to-face training events/meetings in another country in Africa. There is also the need to clarify that role. Staff of peer SAI seem to be required to work as consultants without the concomitant rewards;
- Training Materials: initially, these are not always suitable for training the staff of the OAGS and required extensive customization to be useful. However, as the project progressed they became much more targeted and useful;
- OAGS’ communication and reporting: it is important that any systemic problems found in audits are reported as widely as possible. In the first Forensic Audit (Health Special Audit), the findings were summarized and shared with the international community/FBC members, which helped explain the basis for the Attorney General's action, and to identify subsequent areas in which system strengthening was required. However, in the second Forensic Audit (Management of Government Revenues collected from Work Permits and Visa Extension Services) no such summary was made available, limiting the wider value and impact of the audit. This seemed like a missed opportunity, and it would be helpful if the OAGS could revert to a more open approach to the findings of forensic audits in future, as their effectiveness is maximized when they can contribute to system improvements, not just prosecutions.
- Professionalism: whilst fully qualified auditors and accountants can only be to the benefit of any SAI, consideration should be given to developing a cadre of accounting/audit technician level staff to act as support roles; and
- Capacity of Staff: it has been suggested that some of the more recent appointments do not have the requisite professional backgrounds to be able to benefit from all of the training courses. Care needs to be taken to ensure that staff selected for training have the skill set to benefit from it.

6. Recommendations

The Review Team's recommendations to the PSP main partners, to the IDI and to OAGS respectively are provided below.

6.1 Recommendations to PSP Main Partners

The following recommendations are provided for all three PSP main partners when considering the design of a new PSP.

- Further efforts to build the capacity of the Parliamentary Committee on Budget, Finance, Planning, International Cooperation and Financial Oversight of Public Institutions are needed including establishing a secretariat that is able to receive, understand and digest OAGS reports to ensure that Committee members can understand them and make effective decisions on the recommendations contained therein.
- Further efforts to revise the *Audit Law* should be part of a new PSP where the financial independence of the OAGS from the MoF is assured as well as correct and appropriate procedures for the appointment of a new AG.
- The main PSP partners should consider developing a project-ToC that is tailored to the needs of the SAI and answer the question: what is the key mechanism/function that the PSP can help build/improve that will ensure the OAGS can achieve its strategic goals (or selected strategic goals)?
- The PSP partners need to carry out a more detailed gender balance analysis and establish goals for a gender balanced PSP going forward.
- The PSP partners need to consider manners in which to mitigate gender inequality in all its project activities ensuring that women are not discriminated against and that they engage and are equal participants in all PSP activities.
- The next PSP should develop an English-Somali glossary of audit terms to help with communication.
- The PSP is recommended to emphasize the development and implementation of internal training programs within the OAGS to ensure that support-auditors and auditors have the competence to carry out financial, compliance and combined audits as well as forensic and performance audits.

6.2 Recommendations to IDI

- The IDI should endeavor to work and coordinate with donors willing to send out in-country consultants or long-term advisors also in future bilateral support projects where IDI is unable to have long-term advisors. Working closely with other donors' consultants is key to ensure that the systems, procedures and methodologies to be applied are consistently taught and applied and this, also, provides the potential for synergy.
- IDI and AFROSAI-E to review the compensation structure going forward to ensure appropriate reimbursement and involvement.

6.3 Recommendations to OAGS

- The OAGS is recommended to establish training paths for sub-professional, technician level skills.
- In a future PSP the OAGS should carefully analyze feedback and surveys related to quality of delivery in order to ensure that participants' needs are addressed.
- OAGS' reporting (in *Annual Performance Reports*) could be improved by
 - more precise reporting against the indicators established each year, and

- identifying and documenting next steps where less progress against targets has been identified.
- The OAGS is recommended to use SAI PMF indicators to measure progress 1) as a baseline, 2) mid-way through the strategy period and 3) as part of an end-term evaluation.
- OAGS is recommended to update the *Compliance Audit Manual* with regards to using compliance auditing in support of the audit of the *Annual Financial Statements*. It should be fully tested by means of pilot audits before being finalized.
- OAGS is recommended to update the *Financial Audit Manual* with instructions on the work to be undertaken vis a vis the follow-up to the audit reports. It should be fully tested by means of pilot audits before being finalized.
- The OAGS is recommended to develop a communications manual and communications strategy to establish what and how to communicate with different stakeholder groups and what OAGS' communication goals OAGS are.
- OAGS is recommended to review the workload of professional staff when they are attending a self-paced learning cycle (e-learning) in order to allow them time to complete the learning tasks, exams etc.