



STATEMENT BY THE INTOSAI DEVELOPMENT INITIATIVE ON THE PROPOSED AUDIT LEGISLATION IN SOMALIA

The INTOSAI (International Organization of Supreme Audit Institutions) Development Initiative, hereby represented by the Director General, hereafter states its position regarding the framework of the Supreme Audit Institution of the Federal Republic of Somalia. This statement has been made related to the Parliament's deliberation of the Federal Audit bill in 2019.

RECALLING:

- The Lima Declaration of Guidelines on Auditing Precepts (INTOSAI-P 1).
- The Mexico Declaration on Supreme Audit Institutions Independence (INTOSAI-P 10).
- The United Nations resolution A/66/209 of 22 December 2011 promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions.
- The provisional Constitution of Somalia article 114 on Independent Offices stating that "There shall be independent institutions which the Federal Government and the Federal Member States shall have; such as the Attorney General, the Auditor General and the Federal Central Bank."

CONSIDERING THAT:

- Supreme Audit Institutions (SAIs) can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence, as stipulated in the Lima Declaration of Guidelines on Auditing Precepts and the Mexico Declaration on Supreme Audit Institutions Independence.
- SAIs have an important role to play in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals, including the Sustainable Development Goals.

- The International Organization of Supreme Audit Institutions (INTOSAI), since its establishment in 1953, has played an increasing role in the creation of an international framework for sharing and disseminating knowledge, standards and good practices to strengthen external control of public finances, and to sustainably improve the independence, professional competence, credibility and influence of SAIs for the benefit of citizens in the respective countries, supported by its autonomous, independent and apolitical character, as well as its special status in the United Nations Economic and Social Council (ECOSOC).
- The Office of the Auditor General of Somalia is a member of the International Organization of Supreme Audit Institutions (INTOSAI), of the African Organization of Supreme Audit Institutions (AFROSAI), the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E), and the Arabic Organization of Supreme Audit Institutions (ARABOSAI).

AKNOWLEDGING:

- The submission of a new public audit act in Somalia by the Cabinet in August 2018, following consultations with various stakeholders and partners.
- The subsequent deliberation by the Lower House and passing of the bill to the Upper House in February 2019.
- The impressive progress of the Supreme Audit Institution of Somalia over the last years.

THE INTOSAI DEVELOPMENT INITIATIVE HAS DECIDED TO BRING TO THE ATTENTION OF THE PARLIAMENT THAT IT:

1. Expresses concern following the Federal Audit Bill as not ensuring sufficient independence of the Supreme Audit Institution of Somalia.
2. Considers especially the conditions for appointment and removal of the Auditor General as critical for an independent Supreme Audit Office, and encourages involvement of the Parliament in this process in the spirit of the Lima and Mexico Declarations.
3. Encourages the Parliament to take fully into account principle 2 of the Mexico declaration stating “The independence of SAI HEADS and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties. The applicable legislation is expected to specify the conditions for appointments, reappointments, employment, removal and retirement of the head of SAI and members of collegial institutions, who are:
 - a. appointed, reappointed, or removed by a process that ensures their independence from the Executive;

- b. given appointments with sufficiently long and fixed terms, to allow them to carry out their mandates without fear of retaliation; and
 - c. immune to any prosecution for any act, past or present, that results from the normal discharge of their duties as the case may be.”
- 4. Encourages the Parliament to take fully into account principle 8 of the Mexico Declaration stating “Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources:
 - a. SAIs should have available necessary and reasonable human, material, and monetary resources - the Executive should not control or direct the access to these resources. SAIs manage their own budget and allocate it appropriately.
 - b. The Legislature or one of its commissions is responsible for ensuring that SAIs have the proper resources to fulfill their mandate.
 - c. SAIs have the right of direct appeal to the Legislature if the resources provided are insufficient to allow them to fulfill their mandate.
- 5. Encourages the Parliament to address these concerns in this historical opportunity to develop a modern legal framework for the Supreme Audit Institution, and work for the vision of a Supreme Audit Institution able to fully implement and work in the spirit of the principles of the Lima and the Mexico Declarations, and in particular, having a consistent and broad mandate, sufficient and appropriate human, material and financial resources for the achievement of its mission, and the functional autonomy enabling the Supreme Audit Institution to work in a professional, independent and effective manner.
- 6. Reaffirms its strong commitment to initiate and to support all possible actions intended at advocating for the independence of SAIs as supported by the principles recorded in the Lima and Mexico Declarations mentioned above.
- 7. Formulates the wish that any future institutional developments in Somalia will be an opportunity, thanks to the determination of the competent authorities in Somalia and to the support of their stakeholders, to endow the Supreme Audit Institution with institutional, organizational and professional capacities enabling it to accomplish its mission effectively, in order create value and benefits for the citizens.
- 8. Offers its support in cooperation with other stakeholders from the INTOSAI community, in the spirit of the INTOSAI motto “Mutual experience benefits all” and building on the international wealth of expertise, to any initiative geared towards providing the Office of the Auditor General with an appropriate institutional framework that will ensure compliance with Lima and Mexico Declarations.

This is a voluntary and non-binding statement, issued without legal status under the law of the host country of the INTOSAI Development Initiative.

Oslo, Norway, 29 November 2019

A handwritten signature in blue ink, appearing to read "Einar Gørrissen".

Mr. Einar Gørrissen
Director General
INTOSAI Development Initiative