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# Report 2021

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## **OAGS Peer Support Project**

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

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

**Funding:** Ministry of Foreign Affairs, Norway, SAI Latvia and IDI core funds

*Joint report to the Project Steering Committee and the MFA Norway*

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## Abbreviations

<b>AFROSAI-E</b>	African Organisation of English-speaking Supreme Audit Institutions
<b>AG</b>	Auditor General
<b>FMS</b>	Federal Member State
<b>IDI</b>	INTOSAI Development Initiative
<b>INTOSAI</b>	International Organisation of Supreme Audit Institutions
<b>ISSAI</b>	International Standards for Supreme Audit Institutions
<b>OAGS</b>	Office of the Auditor General, Federal Republic of Somalia
<b>PAC</b>	Public Accounts Committee
<b>PAP-APP</b>	Partenariat d'Appui Accéléré par des Pairs - Accelerated Peer-support Partnership
<b>PESA-P</b>	Professional Education of SAI Auditors – Pilot
<b>PFM</b>	Public Financial Management
<b>SAI</b>	Supreme Audit Institution
<b>SAI PMF</b>	Performance Management Framework for SAIs
<b>SFMIS</b>	Somalia Financial Management Information System
<b>S-SEAT</b>	Somalia - SAI Enhancement Audit Tool

## Summary

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

In 2021 support has been provided to OAGS work in all key areas of the strategic plan. Relating to the audits, on-the-job support was provided to the consolidated financial and compliance reports, as a supplement to the substantial on-site advice provided by consultants. The project also organized a three-day hybrid training for most OAGS auditors in financial audit methodology and Quality control good practices. Furthermore, guidance to the initiation of the outsourced audit of the SFMIS (Somalia Financial Management Information System) was provided by guiding on how to manage an outsourced audit. The major deviations to plans of support to goal 1 were related to *support to forensic audit and audit of ICT-risks as a part of the annual audits*. These areas were not supported as intended, mainly as audit of ICT-risks were not prioritized in the audit plan for 2021, and forensic audit support has been postponed to 2022 when peers are more available and OAGS is expected to have more time for enhancing capacity in this area.

For strengthening internal management in OAGS, advice was provided to OAGS work to develop policies in areas as planning, regional relations, HR and communication. Furthermore, continued guidance to OAGS key systems and routines for planning, monitoring and reporting was executed regularly. For professional development (goal 4), OAGS took a key step forward by enrolling 15 staff in the global PESA-P (Professional Education of SAI Auditors-Pilot) programme. Good progress was made in engaging with certification bodies in Kenya, assessment of staff for the different programmes and budget preparation. However, the actual enrolment of staff to professional development courses needs to be addressed in 2022.

Related to stakeholder engagements (goal 3), training and an annual seminar with the audit offices of the Federal Member States were executed by the OAGS with guidance and funding from the project. The major deviation to the plans in goal 3 are a delayed finalization of a video presenting OAGS for the wider public as well as a project presentation video.

Related to goal 5, much work was done to prepare the roll-out of the electronic tool S-SEAT (Somalia - SAI Enhancement Audit Tool). The system is almost finally configured and key staff trained enabling use in three pilot audits in 2022. The pilot audits were expected to start in 2021 but got delayed due to priority of annual audits and travel restrictions.

Related to goal 6, the audit bill was passed by Parliament in 2020, but is yet to be signed by the President. The political situation has contributed to delays in the final approval. The IDI organized an update with key development partners and issued an updated statement about the importance of the bill and possible actions going forward.

In spite of the ongoing pandemic and a challenging political situation in Somalia, the OAGS have been able to report and publicly share important audit findings and recommendations that can contribute to

impact. However, the actual impact of this work relies on an improved political situation, an Executive clearly dedicated to improving public financial management and a more active Parliament.

For the expected results as per the 2021-2022 Cooperation agreement, the expected results related to OAGS outcomes and impact (result level 1) are therefore at risk of not being achieved. This is mainly outside the control of the OAGS and project but will be sought addressed through important work in communications and external stakeholder engagement in goal 3.

Regarding expected results at level 2 (OAGS goals and objectives), there is a risk that expected results will not be achieved, in particular related to goal 1, 4 and 6:

- In goal 1, delays in the annual audit due to challenging political situation will make it hard to achieve:
  - o Whether audit reports are submitted within the 30th June deadline
  - o Forensic audit report completed and issued, using new methodology
  - o Audit of ict-risks conducted and reported
- In goal 4, there is a risk of continued delays in implementation of professional development and actual implementation of key HR-routines. This puts at risk the expected improvements of scores to the SAI PMF indicators in this area (SAI-22: Human Resource Management and SAI-23: Professional Development and Training)
- In goal 6, the delayed enactment of the audit bill in general puts at risk the results.

## **Project execution risks update**

The project risks were updated in November 2021 in a joint seminar with key OAGS staff. In general the political situation has continued to be challenging, and increased especially the risks of insecurity and lack of impact. The partners are to a little extent able to influence these risks, but need to monitor them and regularly discuss if the project plans need to be adjust taking these risks into account.

## **Main lessons learned and implications for 2022**

The main lessons of 2021 include:

- For workshops and trainings, a hybrid model where some are physically together and others online can work well as long as connection and technical tools are good. Online workshops should be planned with the same quality criteria as physical workshops, including good breaks, a varied programme and a high degree of interaction. Online interventions require a bit more time than physical workshops and this needs to be considered for future interventions.
- Key to have dedicated administrative support to ensure success in digitalization, as the S-SEAT. Easy communication with peers to handle arising challenges that OAGS is not able to address is cardinal. At times there have been thoughts of system issues when it is inadequate understanding of the way system operates.
- Engaging funding for professional development takes a long time, and an alternative approach may be considered for this to be established soon.

# 1 Introduction

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

Since 2018 OAGS has demonstrated a commitment to play a strong role in enhancing public financial management in Somalia. For the first time in the history of Somalia, it has submitted audit reports to the Parliament using internationally recognized standards, and these reports have got wide attention. The OAGS has also implemented several key strategic priorities set for 2018-2020, such as developing a new legal framework (not yet enacted), strengthened its internal governance systems and enhanced HR-management.

The OAGS has an ambitious strategic plan for 2021-2022. To successfully implement the strategic plan, external financial and technical support have been requested by OAGS. The OAGS, IDI and AFROSAI-E had a joint project for the years 2018 – 2020, funded by the Norwegian government. In 2021, the partners agreed a new phase of support building on the OAGS Strategic Plan for 2021-22.

The overall project objective is to enable OAGS to implement key strategic priorities for 2021-2022. This includes support to financial, compliance, ICT and forensic audits, professional development, digitalization of the audit process, quality control and assurance, legal framework, internal monitoring and reporting, stakeholder engagement (including Federal Member States OAGs) and coordination of providers of support. For 2023 and 2024, the project is expected to continue support in the same areas but adjusted for the new expected strategic plan of OAGS starting in 2023.

A combination of on-the-job guidance and trainings is to be provided by experienced staff in IDI and AFROSAI-E as well as peers from SAIs in the region. Financial support to some events and professional development courses of staff in OAGS will also be provided if not covered by other sources. OAGS benefits from support by several development partners and embedded consultants. Collaboration and seeking synergies with other providers of support is important.

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

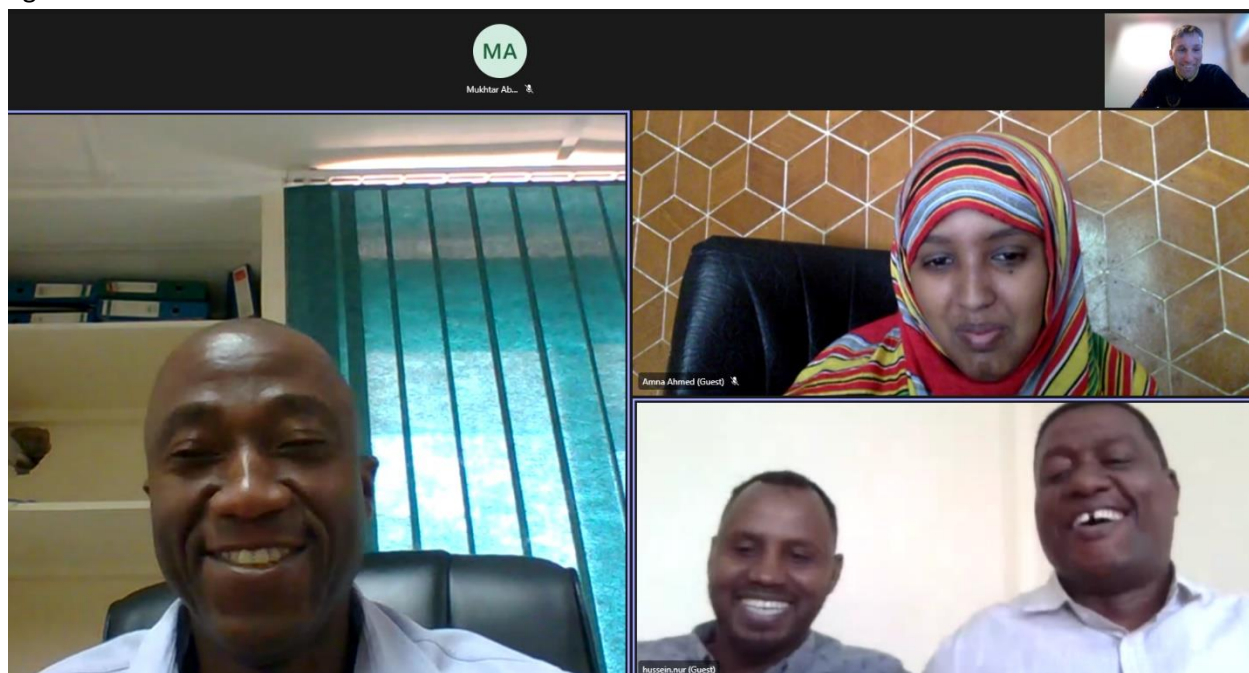
## 2 Objectives

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

The 2021-22 strategic plan has the following goals:

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

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



*Picture 1 Project coordination team*



### 3 Implementation strategy

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

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

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

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

The project also includes support to OAGS participation at AFROSAI-E events. There are both annual AFROSAI-E events where OAGS participation is pertinent, but also specific trainings relevant for the selected audits, internal governance systems and HR.

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

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



commitment to continuous learning in partnerships and the evolving conditions facing the SAI. Still, it must be clear that agreements and plans should be used actively during implementation.

## Overview of the OAGS Strategic Plan 2021 - 2022



## 4 Progress and results

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

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

### 4.1 Result level 1: OAGS outcomes and contribution to impact

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

The OAGS has actively shared the audit reports in public to increase the chance for impact. For instance by making a summary report and sharing infographics in many channels. However, planned actions to engage parliament directly and sensitize on how to use the audit reports for holding the executive to account has not been possible due to the challenging political situation.

The table below shows the status of expected results by the end of 2021.

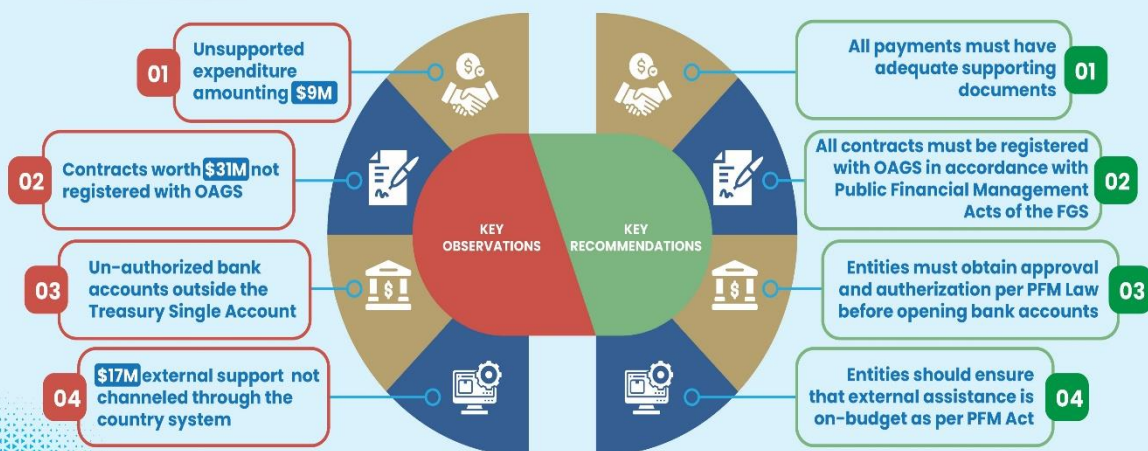
Expected Results	Indicator Definition	Source	Baseline (year)	Target 2021-2022	Status end of 2021
Budget and Finance Committee follow-up on the audit reports	Whether a Committee of the Legislature examines the Audit Report on the annual budget within six months of its availability,	International Budget Partnership Open Budget Survey: Question	No, a committee did not examine the Audit Report on the annual budget.	Improved score during the period	No indication of progress. Parliament not operative due to delayed elections and a difficult political situation.

Expected Results	Indicator Definition	Source	Baseline (year)	Target 2021-2022	Status end of 2021
	and publish a report with findings and recommendations	118 (2017 version)	(April 2020 report)		
Executive follow-up of audit reports	Whether the executive reports to the public on the steps it has taken to address audit recommendations made by SAI	Open Budget Survey question 101	0 (2019)	Improved score	Not measured



## HIGHLIGHTS OF THE ANNUAL COMPLIANCE AUDIT REPORT 2020

Entities: **25**  
 Embassies: **3**  
 Total findings: **209**  
 Total budget for 2020: **\$685M**  
 Audited budget: **\$287.8M**



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

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

#### *Resources allocated for support*

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

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

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

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

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

#### *Support provided*

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021	Comments on progress and challenges
Objective 1.1 An improved system for overall annual audit planning established and adhered to	<ul style="list-style-type: none"> <li>• Online advice for the overall audit plan, considering a customized training on risk assessment and compiling lessons learnt of previous years and PFM trends.</li> </ul>	<ul style="list-style-type: none"> <li>• 1 round of online advice to audit plan for 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• Training on overall risk assessment and compiling lessons learnt of previous years and PFM trends to be considered in 2022.</li> </ul>
Objective 1.2 Increased usage of ISSAI based manuals for financial and compliance audits applied	<ul style="list-style-type: none"> <li>• On-the-job guidance for the annual financial and compliance audit</li> <li>• Training in FAM and CAM</li> </ul>	<ul style="list-style-type: none"> <li>• Advice for the consolidated compliance and financial audit reports.</li> <li>• Training in FAM conducted.</li> </ul>	<ul style="list-style-type: none"> <li>• Peer support to specific audit engagements not requested. CAM training not prioritized as FAM had greater challenges as per QA.</li> </ul>
Objective 1.3 Forensic Audit Manual (FOAM) customized, introduced and applied	<ul style="list-style-type: none"> <li>• Forensic audit training and guidance for pilot audit and audit guideline/template</li> </ul>	<ul style="list-style-type: none"> <li>• Planning of training started</li> </ul>	<ul style="list-style-type: none"> <li>• Postponed to 2022, partly as peer team not ready to provide support in 2021 and OAGS were delayed in annual audits.</li> </ul>

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021	Comments on progress and challenges
Objective 1.4 Strengthened SFMIS knowledge and ICT-audit capacity	<ul style="list-style-type: none"> <li>• Audit of ict-related risks as part of annual audit</li> <li>• Training and advice for ict-audit guidelines</li> <li>• Strategic advice for establishing ict-audit capacity</li> <li>• Advice for procurement and management of outsourced SFMIS audit</li> </ul>	<ul style="list-style-type: none"> <li>• Advice for a ToR for SFMIS audit, and OAGS plan for managing the outsourced audit.</li> </ul>	<ul style="list-style-type: none"> <li>• Audit of ict-related risks not prioritized by OAGS in the annual audit plan, and therefore not supported as planned.</li> <li>• Guidance to the procurement process of the SFMIS audit firm offered, but not requested.</li> </ul>
Objective 1.5 Quality control system customized, introduced and applied	<ul style="list-style-type: none"> <li>• Quality control training workshop.</li> <li>• Ad-hoc advice to ongoing quality control of audits.</li> </ul>	<ul style="list-style-type: none"> <li>• Training in quality control held for managers and most auditors.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued training in Quality Control agreed for 2022.</li> </ul>
Objective 1.6 Quality assurance carried out	<ul style="list-style-type: none"> <li>• Facilitate an independent team executing and completing the Quality Assurance, including OAGS action plan.</li> <li>• Advice and guide for an OAGS QA function.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalization of Quality Assurance report facilitated.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality Assurance final report delayed due to delays in the SAI PMF indicator assessment and a need for discussion on the description of the status of financial audit in particular.</li> </ul>



Picture 2 Quality control training

### Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. OAGS were able to finalize and publish the consolidated audit reports, but not within the deadline. This is due to various reasons, in particular delayed financial statements issued by the Accountant General.



For 2022 it will be important to ensure easy available peer advice to supplement consultant support to execution of the annual audits and enable OAGS to deliver the audit reports earlier in the year. However, it should be noted that the audit process is likely to be very challenging for OAGS given the election and disrupted operations in various ministries. This may further delay OAGS plans to embark on forensic audit (objective 1.3) and audit of ict-risks (objective 1.4). As for 2021, a scenario is that the annual audit may take most of OAGS time and resources, and there will not be much human resources for achieving objective 1.3 and 1.4 in the second part of the year. This means the expected results of the Cooperation agreement related to goal 1 are at risk of not being met.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2021
<b>Financial and compliance audit reports submitted to Parliament, President and Prime Minister</b>	Yes (2020)	Output achieved	Achieved
<b>Forensic audit report completed and issued, using new methodology</b>	No (2020)	Output achieved	Not achieved as not prioritized by OAGS in 2021. To be addressed in 2022.
<b>Audit of ict-risks conducted and reported</b>	No (2020)	Output achieved	Not achieved as not prioritized by OAGS in 2021. To be addressed in 2022.
<b>Whether audit reports are submitted within the 30th June deadline</b>	Not met (2020)	Met	Not achieved due to various reasons, incl delays in receiving financial statements and covid-19 situation.
<b>SAI-8: Audit Coverage</b>	1 (2020)	Improved score	N/A (to be measured for 2022)
<b>SAI-11: Financial Audit Results</b>	Not measured	Score 1 or better	N/A (to be measured for 2022)
<b>SAI-17: Compliance Audit Results</b>	3 (2020)	Score maintained	N/A (to be measured for 2022)

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

##### *Resources allocated for support*

Funding is provided for selected OAGS events in goal 2, and advice and training provided by the Strategic management peer-team consisting of Jostein Tellnes, IDI (lead) and Carol Mphande, SAI Malawi.

Financial support is also provided to the AG Special Assistant position. This salary support is justified by the need to have a person in this position with strong language skills and a non-Somali passport which would be difficult to recruit in the local labour market and with the standard government salary. The support is sorted under goal 2 support, although the position is key to enable progress and coordination in all OAGS areas.

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

### Support provided

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

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021	Comments
Objective 2.1: Strengthened SAI Performance Management	<ul style="list-style-type: none"> <li>• Advice for strategic management systems, planning, monitoring, reporting and follow-up</li> <li>• Strategic dialogue and advice AG</li> <li>• Develop strategic plan 2023-2027</li> <li>• Funding for AG Special Assistant</li> <li>• Fund OAGS representation in high-level meetings, incl AFROSAI-E Governing Board</li> <li>• Advice for coordination of projects and partners, incl bi-annual Partner meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Advice for strategic management systems, planning, monitoring, reporting and follow-up</li> <li>• Advice for OAGS policy for Planning and performance management</li> <li>• Strategic dialogue and advice AG</li> <li>• Funding for AG Special Assistant</li> <li>• Advice for coordination of projects and partners, incl bi-annual Partner meetings</li> </ul>	<ul style="list-style-type: none"> <li>• New IDI developed digital system for strategic management to be considered in 2022, enabling an easier use of OP and quarterly reporting in OAGS.</li> <li>• New strategic plan process key for 2022.</li> </ul>
Objective 2.2: Strong change management and a new organizational structure implemented in OAGS	<ul style="list-style-type: none"> <li>• Training in strategic change management, conducted as a follow-up of the Management Development Programme</li> <li>• Advice for implementation of new organizational structure</li> <li>• Develop OAGS competencies, principles and system for portfolio and project management, through trainings and advice on the job.</li> </ul>	<ul style="list-style-type: none"> <li>• Change management training delivered in relation to the S-SEAT (see goal 5)</li> <li>• Project management training planned, but not executed</li> </ul>	<ul style="list-style-type: none"> <li>• New organizational structure implementation awaiting new audit act approval</li> </ul>
Objective 2.3 Strengthened integrity internally	<ul style="list-style-type: none"> <li>• Advice and fund annual ethics training in OAGS</li> </ul>	<ul style="list-style-type: none"> <li>• Advice and funding for annual ethics session with staff, in combination with other sessions</li> </ul>	





Picture 3 OAGS Planning department and strategic management peer team

### Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The expected results by the end of 2022 seems possible to meet.

In addition to the expected results listed in the table, it should also be noted that the project contribution to the AG Special Assistant position seems to be of great benefit for OAGS and leading to progress and effectiveness. In 2021 the AG Special Assistant has been crucial in overall coordination and follow-up of office activities, such as the production of the annual audit reports. The Special Assistant to the AG is not only the focal point of contact for the international donors and partners, but also the go-to person for any internal inquiries. She monitors every project from inception to completion and ensures that it gets delivered on time. She proofread key documents of OAGS and assist the staff with translations, assessments and presentations.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2021
<b>Operational plan set annually</b>	Yes (2020)	Output achieved	Done in 2021
<b>OAGS Performance report published annually</b>	Yes (2020)	Output achieved	Done in 2021
<b>OAGS principles for portfolio and project management set</b>		Output achieved	Initiated in 2021. To be completed in 2022.
<b>All staff code of ethics training conducted annually</b>	Yes (2019)	Output achieved	Done in 2021
<b>SAI-3: Strategic Planning Cycle</b>	3 (2020)	Average score improved	N/A (to be measured for 2022)

**SAI-6 Leadership and internal communication.**

2 (2020)

N/A (to be measured for 2022)

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

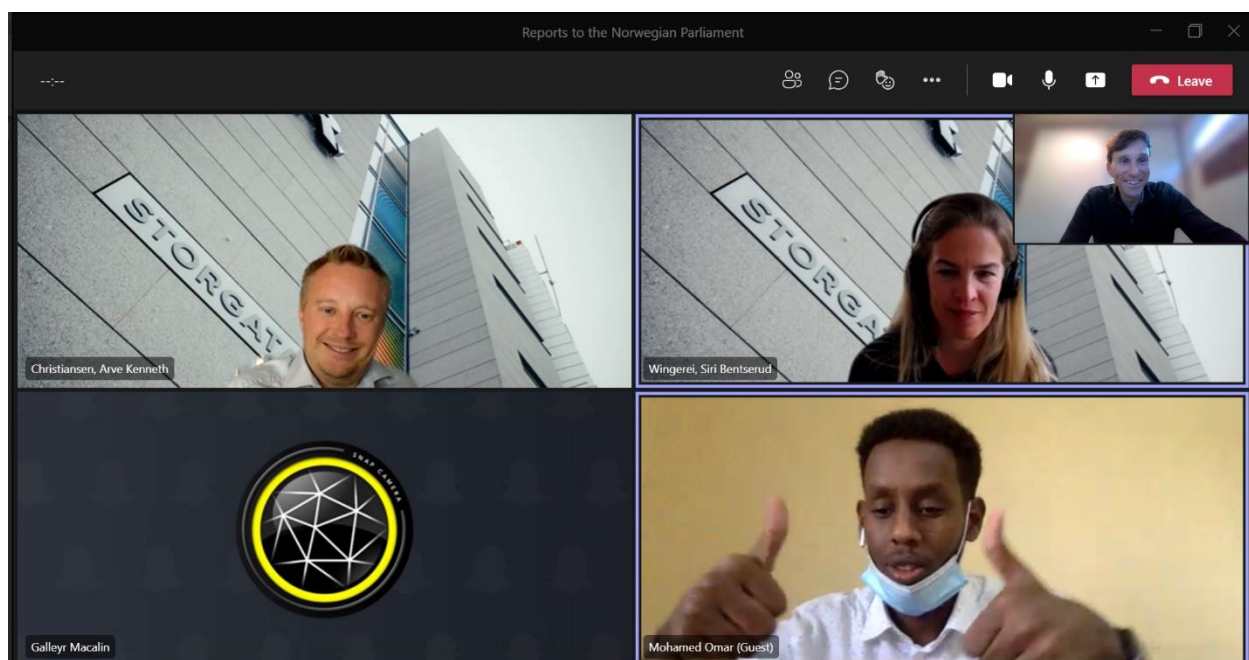
##### *Resources allocated for support*

Funding for key workshops and events, and advice and training by the Stakeholder engagement peer-team consisting of Jostein Tellnes, IDI (lead) and Annerie Pretorius, AFROSAI-E. In addition to the project support, OAGS benefits from a WB-funded on-site consultant for communication.

##### *Support provided*

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021	Comments
Objective 3.1: Strengthened relations with key stakeholders as the Parliament, the Judiciary, the President, Office of the Prime Minister	<ul style="list-style-type: none"> <li>Advice and fund OAGS stakeholder events, especially with Government, Parliament and Civil Society Organizations.</li> <li>Enable benchmarking and learning from other SAIs and Parliaments on the role of the SAI and use of audit reports</li> </ul>	<ul style="list-style-type: none"> <li>Advice for stakeholder event with Government representatives</li> <li>Advice for article in the INTOSAI journal presenting the OAGS strategic journey since 2018</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder events shifted to 2022 given challenging political situation and Parliament not operative</li> </ul>
Objective 3.2 SAI reports and information are publicized and shared	<ul style="list-style-type: none"> <li>Advice and fund OAGS documentary video for wide public sharing</li> <li>Advice and fund town hall meeting or citizen engagement activity</li> <li>Advice for website and Social Media use on request</li> </ul>	<ul style="list-style-type: none"> <li>OAGS documentary video production initiated</li> <li>Peer-advice for publication of reports in an election year</li> </ul>	<ul style="list-style-type: none"> <li>Documentary video awaiting final recording in Mogadishu and editing</li> </ul>
Objective 3.3: The degree of implementation of audit recommendations is clearly shown in the annual audit report	<ul style="list-style-type: none"> <li>Support delivered as part of objective 1.2 – guidance to audit reports</li> </ul>	<ul style="list-style-type: none"> <li>See objective 1.2</li> </ul>	<ul style="list-style-type: none"> <li>Guidance and financial support for graphical overviews or material showing extent of implementation of recommendations to be considered</li> </ul>
Objective 3.4: Strengthen relations and collaboration with the Federal Member States OAGs	<ul style="list-style-type: none"> <li>Advice for collaboration and events as annual professional seminar with FMS OAGs</li> <li>Advice and financial support for sharing of experiences and joint</li> </ul>	<ul style="list-style-type: none"> <li>Advice and funding for OAGS visit and mapping of areas of collaboration with five FMS OAGs</li> <li>Advice for OAGS training in basic international standards</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided in 2021	Comments
	trainings with FMS OAGs in selected areas, as audit planning, audit methodology and manuals, strategic management, stakeholder engagement and HR-management	for FMS OAGs representatives <ul style="list-style-type: none"> <li>• Advice for OAGS policy for Regional and International unit</li> <li>• Advice and funding for annual professional seminar with FMS OAGs (hybrid)</li> </ul>	



Picture 4 Discussion with SAI Norway on publication of audit reports in election times

#### Results and implications for support going forward

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

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2021
<b>Sensitization meeting with key stakeholders held annually</b>	Yes (2020)	Output achieved	Not held in 2021 – postponed to Feb 2022
<b>Documentary video of OAGS finalized and shared</b>	N/A	Output achieved	Initiated in 2021. To be completed in 2022.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2021
<b>Summary audit report issued annually</b>	Yes (2020)	Output achieved	Achieved in 2021
<b>Annual professional seminar for all FMS OAGs</b>	Yes (2020)	Output achieved	Achieved in 2021
<b>SAI-24 Communication with the Legislature, Executive and Judiciary</b>	1 (2020)	Average score improved	N/A (to be measured for 2022)
<b>SAI-25: Communication with the Media, Citizens and Civil Society Organizations</b>	3 (2020)		N/A (to be measured for 2022)

#### 4.2.4 Goal 4: Well qualified and professional staff and management

##### *Resources allocated for support*

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

##### *Support provided*

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided by end of 2021	Comments
Objective 4.1 Strengthened HR-capacity established	<ul style="list-style-type: none"> <li>Advice on request for HR-capacity, such as for recruitments, induction, coordination of training and professional development</li> </ul>	<ul style="list-style-type: none"> <li>Participation of OAGS in AFROSAI-E regional HR workshop addressing amongst others professionalization, staff wellness and gender actions by SAIs</li> </ul>	<ul style="list-style-type: none"> <li>Advice and training for actual implementation of key elements of the HR-policy to be sought done in 2022.</li> </ul>
Objective 4.2 Training and Professional Development Programme implemented	<ul style="list-style-type: none"> <li>Advice for implementation of professional development programme</li> <li>Consider financial support for some professional development courses</li> </ul>	<ul style="list-style-type: none"> <li>Enrolment of 15 OAGS staff to the IDI PESA-P programme.</li> <li>Advice for OAGS application to the WB for funding of professional development courses.</li> </ul>	<ul style="list-style-type: none"> <li>Professional certifications planned by OAGS not implemented. Funding through the peer support project to be considered in 2022.</li> </ul>

### Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The expected results by the end of 2022 can be met but will require an extra effort in 2022. While the HR-policy is done, great effort is required to ensure its implementation (for instance staff appraisal) and result achievement of SAI-22. For professional development, the execution of prioritized courses and certifications<sup>1</sup> for key OAGS staff needs to be facilitated, in addition to ensuring OAGS participants in PESA-P succeeds.

@OAG\_Kenya hosts the 2021 @AFROSAIE Annual Human Resource Regional Workshop in Mombasa, Kenya. Auditor-General Nancy Gathungu opened the Workshop. The Workshop has both physical and virtual attendees.



OAGS outputs supported in particular and performance indicators	Baseline2 (year)	Target 2021-22	Status end of 2021
<b>HR policy and manual finalized and staff trained</b>		Output achieved	HR policy finalized and 1 staff sensitization held. More training needed in 2022.
<b>SAI-22: Human Resource Management</b>	1 (2020)	Average score improved	N/A (to be measured for 2022)
<b>SAI-23: Professional Development and Training</b>	0 (2020)		N/A (to be measured for 2022)

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

#### Resources allocated for support

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

<sup>1</sup> Institute of Certified Public Accountants of Kenya (ICPAK) —for Auditors (3-year programme)  
 Certified Fraud Examiner (CFE) by ACFE South Africa  
 Certified Human Resource Management Kenya (CHRM) – for HR  
 Kenyan School of Law – for the Lawyers  
 Information Systems Audit & Control Association (ISACA) – for the IT Auditor  
 Leadership Development – AFROSAI-E

<sup>2</sup> The baseline scores of SAI PMF indicators are based on scores set by the independent quality assurance report of 17th Feb 2021. If the scores are adjusted after OAGS feedback and in the final QA report, the baseline scores for the project also needs to be updated.



### Support provided

Objective	Peer-support planned 2021-22	Peer-support provided by end of 2021	Comments
Objective 5.1: Strengthen ICT-management capacity and support service	<ul style="list-style-type: none"> <li>• Training in ICT-management, in relation to AFROSAI-E regional events in particular</li> </ul>	<ul style="list-style-type: none"> <li>• No particular support conducted, except for general ict-management advice related to S-SEAT</li> </ul>	<ul style="list-style-type: none"> <li>• AFROSAI-E training ICT management in 2022 can be a good opportunity to improve general ICT management</li> </ul>
Objective 5.2: Adequate ICT-hardware and Information management systems used in all SAI operations	<ul style="list-style-type: none"> <li>• Advice based on request.</li> </ul>	<ul style="list-style-type: none"> <li>• Advice for sourcing funding through PFAC (INTOSAI grant for SAIs through Covid).</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Objective 5.3 Implement electronic audit system	<ul style="list-style-type: none"> <li>• Advice and training for S-SEAT implementation</li> </ul>	<ul style="list-style-type: none"> <li>• General advice for server and configuration.</li> <li>• Change Readiness Assessment conducted and 2 change workshops held related to A-Seat</li> <li>• Online training in S-SEAT for key staff</li> <li>• Physical training in S-SEAT for selected staff (travel for OAGS funded by WB)</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

### Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The expected result seems possible to meet, with dedicated guidance to the audit teams piloting S-SEAT in 2022. Supplementary support to enable robust OAGS capacity for ICT-governance and management may be required.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2021
<b>Whether S-SEAT has been used for a complete audit assignment</b>	No	Output achieved	In process. S-SEAT configured and ready to be used for 3 pilot audits in 2022

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

#### Resources allocated for support

Funding for key workshops and events, and advice and training by the Independence peer-team consisting of Jostein Tellnes, IDI (lead) and Marte Briseid, IDI.

### Support provided

OAGS strategic objective	Peer-support planned 2021-22	Peer-support provided by end of 2021	Comments
Objective 6.2: A finalized legal framework submitted to the President for approval	<ul style="list-style-type: none"> <li>Advice based on request</li> </ul>	<ul style="list-style-type: none"> <li>Coordinated with Development Partners on the status and way forward for contributing to a new Audit Bill.</li> <li>Guidance to translation of Parliament approved bill (done by OAGS)</li> </ul>	<ul style="list-style-type: none"> <li>Audit bill approved in Parliament, but awaiting signing of the President.</li> <li>Collaboration with development partners to be continued.</li> </ul>
Objective 6.2: Legal framework implemented	<ul style="list-style-type: none"> <li>Advice for revising regulations</li> <li>Advice and funding of stakeholder events related to new legal framework</li> </ul>	<ul style="list-style-type: none"> <li>No support provided.</li> </ul>	<ul style="list-style-type: none"> <li>To be addressed when Audit bill is enacted.</li> </ul>

### Results and implications for support going forward

The table below shows the main results expected as per the Cooperation agreement 2021-22. The achievement of the results relies on the enactment of the Audit bill, and there is a risk that this will be delayed or not achieved given the highly uncertain political situation. Continued effort to stimulate enactment of the bill is required in 2022, under the direct guidance of the AG ensuring the sensitivities and ongoing political situation are taken into account. To prepare for the implementation of the audit act, the project will seek to facilitate selected trainings for OAGS legal staff.

OAGS outputs supported in particular and performance indicators	Baseline (year)	Target 2021-22	Status end of 2021
<b>SAI-1: Independence of the SAI</b>	1 (2020)	Average score improved	N/A (to be measured for 2022)
<b>SAI-2: Mandate of the SAI</b>	3 (4 <sup>3</sup> ) (2020)		N/A (to be measured for 2022)

<sup>3</sup> OAGS original score was 3, while the QA assessed it as 4.



## 4.3 Results level 3: Project deliverables and management

### 4.3.1 Project coordination and management

#### *Resources allocated for support*

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

#### *Activities*

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

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

The team intended to conduct a project sensitization seminar for OAGS staff and all peers mobilized in 2021. However, this was postponed due to delays in OAGS audit activities and not conducted. This will be sought held in Q1 of 2022.

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

### 4.3.2 Results and implications for the way forward

Expected Results	Indicator Definition	Baseline (time)	Target (upper cell) and actuals (lower cell)	
			2021	2022
Agreed upon support is implemented	Percentage of agreed project deliverables in the annual plan completed during the year	67 %*	70 %	80 %
			Above 70 % <sup>4</sup>	
Wide-participation of SAI staff	a) Cumulative number of SAI staff taking part in project funded trainings (minimum 1 full day activity)	a) 15 b) 40 % (2020)	a) 35 b) above 35 %	a) 40 b) above 35 %
	b) Female participation rate		a) 90 b) 32 %	
Quality and relevant support	Average SAI staff satisfaction and perceived project quality, on a 1-5 scale	4,45** (2018-2020)	4,5	4,5
			4,0	

<sup>4</sup> Counting and categorizing actual completion is a bit challenging given that some activities are ongoing. A counting of the activities set in the plan for 2021 for the SC shows approximately 75 % of the support activities can be regarded as completed or ongoing. The rest are either canceled or postponed to 2022.

\* Of 34 planned activities in 2020, at the end of the year 16 were completed, 7 ongoing and 11 canceled. The completed and ongoing constitute 67 %.

\*\* Average score of Evaluation survey on quality of advices online and workshops conducted by the project 2018-2020.

Regarding quality and relevance of support, this was measured through a satisfaction survey sent to all OAGS staff in February 2022. 21 responses were received in total, out of about 90 invited. A majority of the respondents have received support for more than 5 days. Most of the respondents have received support related to Goal 1 (18). For the other areas it is around 8 for goal 2-5, and then only two for other areas.

In general scores of 4 (“Agree”) or 5 (“Strongly agree”) about the quality of support, and especially:

- The peers are knowledgeable
- The training and advice have increased my skills in important areas
- The peers enable us in the SAI to take lead and own the processes of change

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

- The training and advice is tailored to what can work for our SAI in our situation
- It is easy to interact and consult with the peers
- The workshops are well organized (consider both online and physical events)

When asked about what is working really well, the main factors raised were repetitive trainings and the collaboration approach. When asked about what should be improved, many staff mentioned there should be more regular trainings.

## 5 Lessons learnt

The main lessons of 2021 includes:

- For workshops and trainings, a hybrid model where some are physically together and others online can work well as long as connection and technical tools are good. Online workshops should be planned with the same quality criteria as physical workshops, including good breaks, a varied programme and a high degree of interaction.
- Online interventions require a bit more time than physical workshops and this needs to be considered for future interventions.
- Challenges have been faced in the roll-out of S-SEAT. At times there have been thoughts of system issues when it is inadequate understanding of the way system operates. A lesson learnt is that it is key to have dedicated administrative support in OAGS to ensure handling issues at a daily basis. Furthermore, the project need to ensure easy communication with peers to handle arising challenges that OAGS is not able to address on their own.
- Coordination with other advisors and partners is key to ensure sharing of work done, plans and for creating synergies. This requires establishing good routines for regular meetings and sharing of each other's plans and reports, as this is not a standard way of operating among providers and donors.
- Joint activities with Federal Member States OAGs work very well, such as in the area of audit methodology. This should be continued and built on in 2022 for other areas of collaboration, depending on the priorities of OAGS and the FMS OAGs
- Even though not much support to gender equality has been provided, OAGS has taken steps to increase the role of female workers in the office. Support to gender assessment and integration of gender issues in the HR-policy needs to be follow-up in later years by support to actual implementation.

## 6 Risk management

The project risks were updated in November 2021 in a joint seminar with key OAGS staff. In general the political situation has continued to be challenging, and increased especially the risks of insecurity and lack of impact. The partners are to a little extent able to influence these risks, but need to monitor them and regularly discuss if the project plans need to be adjust taking these risks into account.

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

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

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

## 7 Integration of gender issues and empowerment of women

Gender is expected to be taken into consideration when selecting persons for the cooperation activities and when mobilizing advisors. The table below presents key number of participants in different activities. Staff are counted if they have been in direct contact with peers over a period for a dedicated activity, such as FA and QC training.

Parameter	2018	2019	2020	2021	Comments
Number of SAI staff	96	88	103	107	
Female rate in SAI staff	29 %	33 %	36 %	36 %	
OAGS staff involved in activities with peers	35	34	15	44	Based on FAM and QC training 2021 mainly
OAGS Female rate in activities	34,5%	29,5%	40 %	43 %	
Participants in project funded events	111 (incl FMS)	56	64	90	Figure including seminar for all staff. External participants only counted in 2018.
Female rate in project funded larger events	17 %	19,5%	30 %	32 %	

As shown in the table above, about 44 staff of the 107 in total have during 2021 taken part in several days of capacity development support by peers. In particular audit managers, staff in the Planning Directorate and staff in the Strategic Support Unit have been in regular interaction with peers and taken part in more training activities. The training in financial audit included 19 unique participants, and the training in quality control included 30 unique participants (some took part in both).

In addition to these training events over several days, most OAGS staff have been involved in one-day events funded by the project. There has also been involvement of representatives of the FMS audit offices, in particularly through an online training held in September involving 24 staff from the FMS OAGs.

The percentage of females in the project organized events is expected to be equal to or higher than the proportion of female employees in OAGS. For OAGS staff involved in project activities, the female rate has increased in 2021, while the female rate in larger project funded events is slightly below the SAI total rate.

Among the persons engaged in 2021 in the various peer teams (IDI, AFROSAI-E and peer-SAI staff), there were five female and five male.

The project is expected to ensure the intentions of the UN Security Council Resolution 1325 on women, peace and security (s/res/1325 (2000)) are understood and be implemented in a way that promotes the intentions of the resolution in the best possible way. In 2021 the intentions of this resolution have been



addressed by enhancing gender equality in the project activities and integrating support to SAI gender actions in the support, especially related to Goal 4.

The main support provided to OAGS gender related efforts, were facilitation of OAGS participation in AFROSAI-E's gender assessment in August 2021 and attendance of Gender Equality Workshop in September 2021. Furthermore OAGS participate in a module on "Developing a Gender Strategy" at the regional HR Workshop in November 2021. The project has through interaction encouraged OAGS to empower females in various activities. For 2022, it will be key to assist OAGS to identify relevant actions to further promote gender equality, especially in the new strategic plan.

## 8 Financial report

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

The total project costs in 2021 was 1,4 mill NOK (164 000 USD). There is a deviation of 2 % from the budget set following the annual meeting in February 2021. There were less costs than budgeted by IDI due to canceled travels and less actual persondays, and higher costs for OAGS events and travels than budgeted.

The remaining part of the Norwegian embassy project grant for 2018-2021 (1 070 NOK or 108 000 USD) has been fully utilized in 2021. Supplementary funding for 2021 has been mobilized by allocation of SAI Latvia funding to IDI to the project (160 000 NOK) and IDI core funding.

From 2022 and onwards the new grant agreed with the Norwegian embassy in December 2021 will be utilized.



## Appendix I: Pre-requisites and Risk assessment

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

1. A relatively stable Somalia which allows collection of audit evidence in key Ministries in Mogadishu and presence in the audit office by OAGS staff regularly.
2. Government support and commitment to increased capacity and a more independent OAGS.
3. Reasonable level of financial allocation to OAGS operations from the Government of Somalia.
4. Financial assistance from Development Partners to new permanent staff, LTAs and infrastructure costs, including successful execution of that support.
5. An operative Public Accounts Committees in the Somalia Legislature.

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

No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible	Control measures taken 2021	Residual risk assessment after measures
1	<b>Political instability and conflict:</b> The political environment could deteriorate, and conflict escalate, creating unfavorable conditions for the OAGS and project implementation. Political changes could have a damaging impact on the ability of the SAI to maneuver and carry out its mandate.			a. Ensure regular dialogue with the partners on the political situation and implications for OAGS. b. Consider scaling down the project if the overall situation makes project implementation difficult.	All, especially Project Coordination Team.	Regular dialogue on the political situation held	High
2	<b>Security:</b> There is a risk that the security in situation in Somalia deteriorates, leading to security			a. Conduct regular security assessments of locations for meetings/workshops.	OAGS and IDI for a and b.	Travels canceled in 2021 due to covid-19 restrictions.	High

No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible	Control measures taken 2021	Residual risk assessment after measures
	risks for OAGS staff and project advisers.			<p>b. Ensure all staff and advisors travelling are aware of the security risks and safety routines.</p> <p>c. Make use of the IDI and AFROSAI-E routines for crisis management.</p> <p>d. Use online platform if security risk does not allow local and/or international travels.</p>	<p>IDI and AFROSAI-E for c</p> <p>Project coordination team for d.</p>		
3	<p><b>Limited independence of the OAGS:</b> Independence is a precondition for any SAI to carry out its mandate. The absence of a legal framework guaranteeing the independence of the OAGS poses a risk to its ability to operate independently. Limited independence will also have an impact of the ability of the OAGS to effectively make use of the support provided through the project. While the Audit bill is passed by Parliament, it is yet to be signed by the President, and there is a risk that there will be continued delays.</p>			<p>a. Continue advocacy efforts and work in a coordinated manner with development partners to put pressure on the new Government to sign the Audit Act as soon as possible.</p> <p>b. The signing of the Audit bill will in itself be a key control measure. Advocating for the bill to be signed will have high priority in the project.</p>	All. Specific support through Goal 6 peer team.	Joint meeting with development partners held, raising the signing of the audit bill in particular.	High

No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible	Control measures taken 2021	Residual risk assessment after measures
4	<p><b>Corruption:</b> Corruption is a deep-rooted and widespread problem in Somalia (CPI 179/180), affecting the effectiveness and efficiency of public institutions including OAGS. OAGS staff may face risks of bribery and fraud, as well as the risk of misuse of office assets for personal benefits. Such instances would mean a reputational risk for both the OAGS and the partners in the project.</p> <p>While most project funds are provided in-kind, there is a risk that funds are mismanaged through e.g. selection of suppliers/procurements in Somalia, causing reputational damage and the risk of freezing of project funds.</p>			<p>a. Continuous implementation of the OAGS HR manual and Code of Ethics, including annual ethics seminar for staff.</p> <p>b. Strengthen internal control routines within OAGS, improve financial management policy and procedures, and provide procurement rules/procedures training for OAGS staff</p> <p>c. Facilitate sharing of experiences in SAI financial management and controls with other SAIs.</p> <p>d. Use of IDI Procurement policy for all procurements and ensure due diligence in the disbursement of project funds, e.g. in relation to invoice requirements and documentation for payments.</p>	<p>OAGS for a and b.</p> <p>IDI for c and d.</p>	<p>OAGS all staff session on ethics held.</p> <p>B and c not done.</p> <p>D done, but need to organize staff training on procurement regulations.</p>	Medium
5	<p><b>Limited sustainability:</b> There is a risk that a sudden and unexpected change of AG could challenge the sustainability of project results.</p> <p>High staff turnover of OAGS staff poses another risk to project sustainability</p>			<p>a. Involve a high number of OAGS staff in project activities, to ensure continuity and sustainability.</p> <p>b. Introduce a holistic approach as regards support to auditing, management quality control, reporting and</p>	<p>All, especially Project Coordination Team</p> <p>OAGS for c. in particular.</p>	<p>a and b done.</p> <p>c. Initiated, but increased efforts required.</p>	Medium

No	Risk factors	Proba- bility	Impact	Control measures planned	Responsible	Control measures taken 2021	Residual risk assessment after measures
				dissemination – interlinked processes and systems. c. Implement the OAGS HR manual, which includes a mechanism of staff retention			
6	<b>Limited impact:</b> There is a risk that the project will have limited impact, due to e.g. lack of follow-up of audit results by the Parliament or Executive, or significant resistance among influential elites to strengthening the SAI			a. Include sensitization of key stakeholders and goal 3 as a part of the project. b. Scale up support to OAGS' interaction with Parliament in line with OAGS priorities and opportunities.	IDI, and Goal 3 Stakeholder engagement peer team for specific support.	a. Done. b. Planned, but not implemented due to political situation.	Medium
7	<b>Limited extent, relevance and quality of the advice:</b> There is a risk that the external advice has limited relevance due to e.g. lack of in-depth knowledge of the political economy of Somalia, communication challenges between OAGS staff and peers (Project staff and peers only speak English, and several staff in OAGS has limited understanding of English) and non-systematic project management and coordination. Insufficient support may lead to sub-standard contents of audit reports which can undermine the reputation of the SAI.			a. Emphasize personal qualifications of advisors b. Train advisors in country context, conflict sensitivity as well as the country- specific PFM system c. Utilize globally accepted standards and best practices as a basis for advice and training but adapt manuals and guidance material to the context. d. Keep a regular dialogue on how to ensure relevance and quality of support. e. Seek to establish English language training for OAGS staff.	IDI and Project Coordination team.      Project Coordination Team	a.Done b.Not yet done, but planned in Q1 2022 c. Done d. Done through event evaluations e. Not yet done – to be integrated in goal 4 support	Medium

No	Risk factors	Probability	Impact	Control measures planned	Responsible	Control measures taken 2021	Residual risk assessment after measures
8	<b>Limited coordination:</b> There is a risk that activities are not coordinated, both within the project and with other supporters of OAGS, due to lack of information sharing systems within the SAI, and lack of information sharing between the development partners and peers.			<p>a. Ensure active use of mechanisms for coordination, especially the bi-annual Partner meetings for all partners of OAGS.</p> <p>b. Regular meetings for the technical providers of support with the OAGS management team, to ensure alignment of advices and training.</p> <p>c. OAGS annual plan and report showing what each partner is doing.</p> <p>d. Partners invite other partners for Steering committee meetings etc.</p> <p>e. Assist OAGS in implementing its Support Ecosystem principles.</p>	<p>All, especially Project Coordination Team and donors.</p> <p>Support by goal 2 and 3 peer teams.</p>	<p>a. Done</p> <p>b. Partly done</p> <p>c. Done</p> <p>d. Done</p> <p>e. Done</p>	Low
9	<b>Delays</b> in the implementation of planned activities: delays may be due to audit data not available as expected; staff not available as supposed; level of activities not adapted to the competency levels of staff involved			<p>a. Project coordination team established meeting bi-weekly and regular contact to manage and follow-up on project activities</p> <p>b. Annual project planning done in relation to OAGS planning</p> <p>c. Be ready for flexibility and annual adjustment of plans.</p>	<p>All, especially Project Coordination Team</p>	<p>a. Done</p> <p>b. Done</p> <p>c. Done</p>	Medium

## **Appendix II: Financial report 2021**

See separate file

## Appendix III: Results 2018 - 2020

The results of 2018-2020 are included here as this report will be used as the final report of the grant period 2018-2021.

OAGS strategic goals (especially 1, 2 and 6) were the main expected outcomes of the Cooperation agreement for 2018-2020. In 2020 OAGS demonstrated a sustained ability to deliver key audit reports to Parliament, President and the Prime Minister. Although submitted in November after the deadline 30th June, a strong achievement is the submission and public release of both the annual compliance and the financial audit report of the Financial statement of the Government of Somalia, based on the new methodology.

Related to goal 2 of internal governance, the targets were not met. This was partly related to the covid-19 situation which made the implementation of the Operational plan difficult in 2020, and the indicator is possibly less relevant in such an extraordinary year. Still a notable result is reasonably good scorings of some SAI PMF indicators, such as for strategic management. The SAI PMF indicators were measured for the first time by OAGS.

Enactment of a new audit bill is another major project goal. A major achievement was the unanimous approval of the bill in the Lower House and submission of it to the President for signing. To stimulate progress for the bill, the project has supported the SAI in stakeholder engagement activities and consulted key development partners on the concern of the bill pending signing of the President.

The table below shows status of indicators agreed between the cooperation partners and the Ministry of Foreign Affairs, Norway for the project period 2018-2020. The indicators show fairly good goal achievement in goal 1, while targets for goal 2 and 6 have not been met. Still there are notable results in these areas in the form the act approved in Parliament and key internal governance developed in OAGS.

Indicator	Target	2018	2019	2020	Comment
<b>Strategic goal 1: Timely, relevant and high-quality audit reports in line with international standards</b>					
Audit of the Somalia government financial statement (consolidated accounts) 2015-19.	Executed and reported for FY 16-17 in 2018, FY 2018 in 2019 and FY 2019 in 2020.	Achieved	Achieved	Achieved	FY 2015 not reported. Audit report submitted after the deadline 30th June.
Percentage of completed annual audits at MDA level using the new audit manuals.	50 % in 2019		37 %	52 %	35 entities of 67 were audited, while the plan was to audit 41 entities. Less



Indicator	Target	2018	2019	2020	Comment
					entities than planned due to covid-19.
Annual audits including audit of ict-risks	3 MDAs by 2020			0 MDAs	Training in audit of ict-risks done, as a basis for such audits in 2021. Audits not executed due to delayed annual audit, which again was caused by covid-19.
SAI PMF indicators SAI-9 to SAI-11 and SAI 15-17: financial and compliance audit standards, process and results.	Average score of 2 by 2020.*			2,5 as average**	SAI-16 Compliance audit process and SAI-17 Compliance audit results.***
<b>Strategic goal 2: Strengthening internal governance for efficient and effective audit services</b>					
Percentage of operational plan activities implemented	70 % annually	67 %	54 %	Below target	Covid-19 made less activities implemented as compare to plan.
SAI PMF indicators SAI-3 to SAI-8: strategic planning cycle, organizational control environment, outsourced audits, leadership and internal communication, overall audit planning, audit coverage.	average score of 2 by 2020.*			1,8 average**	Low score on outsourced audits and audit coverage is the reason why target average is not met. High score for strategic planning cycle in particular.
<b>Strategic goal 6: Amend the old legal framework OAGS currently operates under</b>					
Enacted new legal framework		In progress	In progress	Bill approved in Parliament.	Federal Audit Bill developed and approved in Parliament. Awaiting President signature.
SAI PMF indicators SAI-1 to SAI-2 on independence and mandate of the SAI	Average score of 2 by 2020			2 on average**	Potentially the target was set too low, as there has not been a change in the legal status of OAGS in the period.

\* Score 2 in SAI PMF means at a development level. Typically the feature exists and the SAI has begun developing and implementing relevant strategies and policies, but these are not complete and are not regularly implemented.

\*\* The OAGS scorings of the SAI PMF indicators are undergoing an external and independent quality review. The scorings may be adjusted following this review, expected finalized by end of February 2021.

\*\*\* Not all indicators listed in the Strategic Plan have been measured due to limited capacity and prioritizing compliance audit.

## Appendix IV: Lessons learnt registry

### General on project design and implementation

- Collaboration online can work well and be efficient for many project tasks, such as co-working on documents and shorter discussions.
- For workshops and trainings, a hybrid model where some are physically together and others online can work well as long as connection and technical tools are good. Online workshops should be planned with the same quality criteria as physical workshops, including good breaks, a varied programme and a high degree of interaction.
- Although OAGS is in a challenging situation, dedicated leadership and commitment of staff can lead to tangible outputs.
- Smooth communication and coordination can be established despite distance-based support. Lack of presence on a daily basis must and can be compensated by frequent phone/online calls, as well as prioritizing relationship building activities in meetings and workshops.
- Mobilizing additional funding and support in the form of long-term advisors for OAGS can take long time.
- Active project management and regular coordination among peers is critical to ensure synergies between supported areas and relevant support.
- Coordination with other advisors and partners is key to ensure sharing of work done, plans and for creating synergies. This requires establishing good routines for regular meetings and sharing of each other's plans and reports, as this is not a standard way of operating among providers and donors.
- Joint activities with Federal Member States OAGs work very well, such as in the area of audit methodology
- Logistical support to organize events can enable OAGS to conduct important events in Mogadishu by their own.
- Recruitment for the position of special advisor for the AG was challenging in terms of getting suitable candidates and ensuring sufficient compensation in line with the CIM framework.
- Identifying a good company to do translation from English to Somali is challenging. A lesson learnt is that it may be better to rely on OAGS internal resources for translation, and if long documents make sure the provider is checked properly.
- Payment via bank to hotels and providers of services in Mogadishu is challenging. A lesson learnt is that extra time may be required and planned for to ensure payments. It is also important to inform providers of the risk that they may not receive funding if any blocking of payment due international sanctions or similar.

### Audit capacity development related

- Shifting to new audit methodology is a long-term process, where a large degree of on-site on-the-job support is required.
- Delayed translation of the manuals and lack of understanding of concepts hindered use of new audit methodology in 2019. Early translation of audit manuals is important.

- A few selected controls and working papers to be used in the audit process could have helped improve general quality of audits in the first years of adopting FAM.
- Identification of reportable audit findings and writing skills are key challenges. A lessons learnt is that this needs to be properly explained in audit trainings.
- OAGS should be supported to compile key permanent information about each auditee (Master or permanent files), such as laws, structures, mandate, key personnel, key developments etc, to be available for both staff and advisors to make the annual audit more efficient.

## Appendix V: Implementation of evaluation findings and recommendations

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

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

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.10	Bilateral Policy	Add an assessment of the absorption capacity of the recipient SAI to the factors underpinning a decision whether or not to provide bilateral support. This would support the interpretation of the current condition that refers to the 'extensiveness' of the support given by other donors.	Yes	Agree. This can be made more explicit in the bilateral policy.	This is to be considered when the bilateral policy is to be revised.	Bilateral Support manager	Q4 2021	In process. Bilateral policy not yet revised.	Open
5.11	Bilateral Policy	The payment of regular staff of the supported SAI. Generally, such funding is controversial among development partners given the medium-term sustainability risks. If IDI wants to make use of this option, it is recommended to be explicit about it in the Bilateral Policy.	Yes	Agree. The conditions for such type of support is good to clarify, given the risks.	This is to be considered when the bilateral policy is to be revised.	Bilateral Support manager	Q4 2021	In process. Bilateral policy not yet revised.	Open

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.12	Project design	The OAGS indicates that 'on the ground' advisers provided by other donor projects offer a higher degree of effectiveness in supporting the SAI's capacity building efforts. IDI should consider ways to be more visible in Mogadishu to the extent that security considerations and COVID travel restrictions allow. Regarding safety concerns, IDI should align itself with other international donors. In case IDI staff are not available for a more prominent presence in country, IDI should consider to recruit such expertise from peer SAIs or, possibly, the market. Project management will reside in IDI's office in Oslo.	Yes	Agree. The approach taken during 2018-20 was set by the IDI Board considering the security situation and IDI risk appetite and approach to staff safety.	In 2021 this seems not an option to consider given the current security situation in Somalia. However, more permanent presence in Mogadishu can be considered half way in the second phase of the new project. The security situation in Somalia would have to be stable for IDI to consider more permanent presence in Mogadishu, and the IDI Board would have to agree on such an arrangement.	Project manager	Q4 2022	To be considered in new project period 2023 and onward	Open

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.16	Phase 2 project design Somalia	More attention should be given to increasing the impact of OAGS' audit work. Critical review of the current communication practices of the OAGS with all stakeholders (Executive, Parliament, media and NGOs) would be necessary followed up by concrete actions of the Project to engage these stakeholders with the role and outputs of the OAGS	Yes	Review of communications work to contribute to impact fits with OAGS strategy. Greater engagement with stakeholders to facilitate impact needs to be considered as part of OAGS strategy.	In the phase 2 project design, prioritize resources to support to stakeholder engagement.	Project manager	Q2 2021	Done	Closed
5.5	Project management	The budget performance table should include the original budget, approved amendments to the original budget and outturns. Deviations of the outturns should be calculated against the original and amended budget;	Yes	This makes sense and should be done in future financial reports.	Review set-up of financial report and ensure this is captured.	Country project manager	Q2 2021	Done	Closed



No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.6	Project management	The accountability on activities should be improved as it is at this level that the Project is fully in control and accountable (as outputs are a collaborative effort with the OAGS and/or other donors). This requires that the performance report is comparable to the activity plan at the same level of detail.	Partly	Partly agree. What matters in the project is that the SAI meets its objectives, and project activities are executed and possibly adjusted to enable this. It is still good to report the extent of implementation of activities, at an appropriate level (not too detailed).	The extent of implementation of planned activities will be included in future reporting. Nevertheless, the main focus will remain on achieving the higher level project results and not whether planned activities are delivered.	Bilateral Support manager	Q1 2022	Done	Closed

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

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
				spent on it.					
				Regarding evaluation forms after activities, these should be used for all major activities.					
5.8	Project funding	Clarity on the use of core funds for bilateral projects. The Policy still includes core funding as a possible source for funding for bilateral projects, but this is at odds with decision of the IDI Board block the use of core funding for Years 2 and 3 of the project. A precise interpretation of the Board's decision in the policy will increase transparency.	Yes	Agreed.	This will be considered for the revision of the Bilateral Policy.	Bilateral Support manager	Q4 2021	Done. The Board has clarified this and opened for some limited use of core funds.	Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.13	Location workshops	Given the appreciation of the Client for workshops as learning approach, consideration should be given to organising more regular workshops in the relative secure airport area of Mogadishu to make efficiency gains. Again, as above, provided that COVID-related travel restrictions are eased and safety can be guaranteed.	Yes	Agreed. Workshops in Mogadishu airport can save both costs as well as time spent by OAGS staff for travel. The challenge is the unstable security situation and reluctance of some peers to travel to Mogadishu. This needs to be respected.	Workshops at Mogadishu airport area will be planned as the preferred option in the next phase of the project. When mobilizing resource persons, the SAI will be requested to find persons that are open to travel to Mogadishu as long as the IDI security assessment concludes it is safe.	Project manager	Q3 2021	Done	Closed

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

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
				level, and seek synergies between FMS support and capacity development in OAGS.					
5.1	Project partners	IDI should make a realistic calculation of its charge out rate for different staff levels. Unless that is done and applied to the budgeting and accounting of bilateral programs, they are cross-subsidized by IDI's core funds and the real costs of bilateral projects remain fuzzy.	Yes	This could be done, but will add more time for administration in IDI. Most probably the overall criteria of not cross-subsidizing will be achieved anyway given how the indirect costs are	No further actions	NA	NA		Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
				calculated at the end of the year for the whole Bilateral Support unit.					



No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.2	Project partners	The expected inputs of resource persons need to be clearly agreed beforehand and formalised in an enforceable contract with the peer SAI rather than a letter of intent. Such formalisation serves: the project manager of the bilateral project who can better manage these inputs; the resource person who is not expected to work 'double shifts'; the peer SAI who can plan for replacement; the taxpayers in the peer SAI's country as it gets transparent how much public funds are invested in peer-cooperation; and transparency on the real costs of the bilateral project.	Yes	Agree. The current practice is to make an agreement with the peer SAI including expected competences and person-days of the resource persons. These agreements are a good basis for release of resource persons for project activities, and for discussing with the SAI if the contribution is not as expected. However,	No further actions	NA	NA		Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
				the agreements can not be enforced as the resource persons are contributed in-kind.					
5.4	Project management	Changes in the results framework should be formally reflected in an amended results framework agreed by the recipient SAI and approved by the funding organisation;	Yes	Agree. This is a standard element of contracts and cooperation agreements.	No further actions	NA	NA		Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
5.9	Project management	Clarity on the charge-out rate for IDI staff that are engaged in bilateral projects. Such rates need to be updated on an annual basis reflecting actual costs. As stated above, unless that is done IDI's core funds are still used to run bilateral projects.	Yes	Partly agree. For accounting, the actual costs have been used, both for indirect, overhead and direct staff costs. This means that there has not been a cross-subsidy of IDI core funds to bilateral projects through indirect costs. The challenge has been to set appropriate budget rates. With the new accounting	No particular actions	NA	NA		Closed

No	Topic	Recommendation	Accepted - yes, partly or no	Response	Actions	Responsible	Completion target (quarter)	Progress update end of 2021	Status
					system in IDI, more correct budget rates are easier to set. There is also a need to ensure consistency in the use of rates across the bilateral support projects. This is to be done when budgets are set.				