JANUARY-JUNE Newsletter

OFFICE OF AUDITOR GENERAL PUNTLAND

Promoting Good Governance in Puntland

OUR MISSION | SERVE WITH INTEGRITY & EXCELLENCE

As the **independent supreme audit institution,** we enhance accountability and promote good governance in the public sector by providing stakeholders with **timely and reliable audit insights** that drive **transparency and value** for the citizens.

KEY AUDIT HIGHLIGHTS

Summary of significant audit findings, recommendations, and impact across Ministries, Agencies and District Councils in Puntland.

GOVERNANCE & IMPACT

Promoting accountability, transparency and efficient use of public resources for better service delivery.

14 Compliance Audit Reports Issued

35 Audit Engagements Underway

2 Training Conducted

42+ Staff Pursuing Professional Certification

22+ Laptops Facilitated for Office Staff

"Transparency builds trust,
Accountability drives progress,
Good governance delivers results."

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Auditor General's Welcome

Building a Future Grounded in Transparency and Genuine Accountability

It is with great satisfaction that the Office of the Auditor General of Puntland releases its first Semi-Annual Institutional Performance Newsletter. This publication is dedicated to transparently sharing the Office's operational progress and achievements in safeguarding Puntland's public resources. Our commitment is rooted in the legislative mandate entrusted to this Office, which directs us to serve as the primary independent guardian of public funds.

Over the past six months, we have strengthened the scope of our operations to expand overall audit coverage, while ensuring that all government institutions comply with established public financial management frameworks. Within this newsletter, we highlight the successful completion of 14 key Compliance Audit reports, alongside the successful completion of the Annual Financial Audit, which brought government financial transactions under independent review.

Our commitment to strengthening professional capacity remains firm. Through continuous training programmes and rigorous international certification initiatives, we are actively building a modern and resilient workforce. We invite all stakeholders **government institutions, civil society, international partners, and the public** to engage with this newsletter. An informed public is the greatest partner in building sustainable accountability.

Office of the Auditor General
Puntland State of Somalia

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OVERSIGHT MANDATE

Effective public audit is not merely administrative; it constitutes the cornerstone of state integrity — guaranteeing that public resources transparently reach their intended communities and are managed in strict adherence to statutory law.

Article One

Advancing Professional Development and Technological Innovation

Staff Capacity Building and Professional Development

During the **first half of 2026**, the Office of the Auditor General of Puntland placed a strong emphasis on strengthening staff capacity and professional development. Through continuous training programs, professional certifications, and skills enhancement initiatives, employees were equipped with the knowledge and competencies required to deliver high-quality audit services, improve productivity, and promote greater accountability across the institution

Digital Transformation and Technology Integration

The Office has also accelerated the modernization of its operations by expanding the use of digital systems and emerging technologies, including Microsoft SharePoint and Artificial Intelligence (AI). With a strategic objective of digitizing more than 80% of office processes, continuous progress is being made in strengthening operational efficiency, streamlining service delivery, and enhancing overall institutional performance. These initiatives reflect the Office's commitment to building a modern, technology-driven institution capable of adapting to the evolving needs of public sector governance and oversight.

Auditor General of Puntland State of Somalia
H.E OSMAN MOHAMUOD ALI

“As we continue strengthening accountability and transparency across Puntland's public institutions, I commend the dedication and professionalism demonstrated by our staff throughout this first half of 2026. The progress achieved reflects our collective commitment to excellence, integrity, and public service. By investing in continuous learning, professional development, and innovation, we are building a stronger institution capable of delivering greater value to the people of Puntland. Together, we will continue to uphold the highest standards of auditing and contribute to good governance and sustainable development.

Article Four

OAG Puntland Releases 14 Compliance Audit Reports, Strengthening Public Financial Oversight and Institutional Accountability

Between January and June 2026, the Office of the Auditor General (OAG) of Puntland successfully completed 14 Compliance Audits under its 2026 Annual Audit Plan. These audits covered nine government ministries and five independent public institutions, all of which were concluded within the reporting period.

The audit reports play a critical role in strengthening accountability across government institutions, safeguarding public resources, and identifying instances of non-compliance with applicable laws, regulations, and established financial management procedures. They also contribute to improving governance, reinforcing internal control systems, and promoting transparency in the management of public funds.

In addition to the audits conducted under the Annual Audit Plan, OAG Puntland initiated a Special Audit of the Puntland Football Association (PFA) on 1 June 2026. Undertaken outside the regular audit programme, the Special Audit forms part of the Office's mandate to strengthen transparency, accountability, and good governance. The audit is examining the Association's financial records, governance arrangements, and internal control systems to provide independent assurance and identify opportunities for institutional improvement. The final audit report will be issued upon completion of the audit process.

These audit activities directly support Strategic Pillar Three – Audit Excellence of the OAG Puntland 2026–2030 Strategic Plan, reaffirming the Office's commitment to delivering independent, high-quality audits in accordance with international auditing standards while enhancing public confidence in the management of public resources.

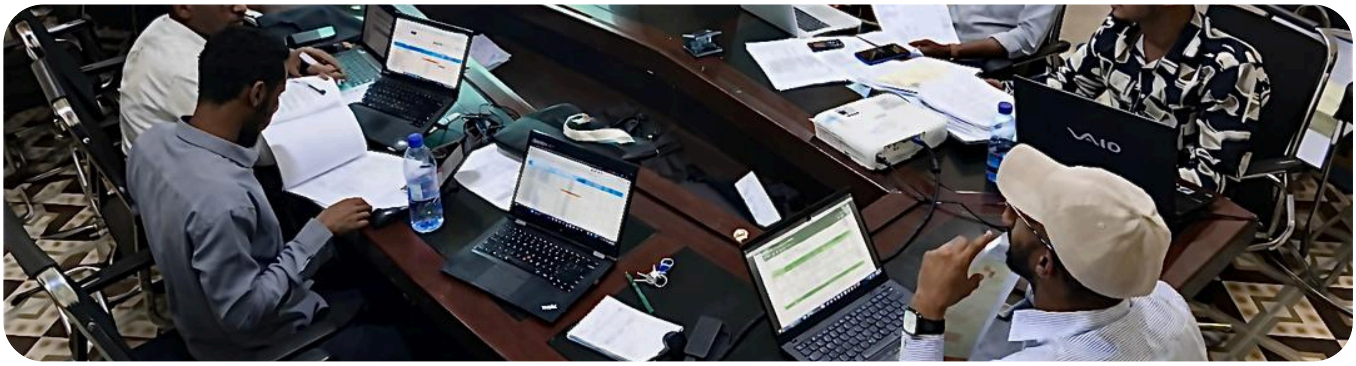
World Bank Project Audits — $10.2 Million in Development Funding Verified

During May 2026 reporting period, the OAG successfully completed audits of 5 World Bank-financed projects operating in Puntland, with a combined value of $10,195,868. These engagements were conducted as Compliance Audits, verifying that project funds were managed in accordance with national regulations and the fiduciary requirements set out in the respective World Bank financing agreements.

The significance of this achievement is twofold. Internally, it provides assurance that development financing was applied efficiently, transparently, and in strict compliance with applicable financial management standards. Externally, it reinforces the confidence of international development partners and donors, demonstrating that the OAG possesses the institutional capacity and technical competence required to conduct audits to international standards.

This accomplishment is a clear indicator of the OAG's growing audit quality and its steady progress toward building a modern, independent, and internationally aligned Supreme Audit Institution.

Article Three



Annual Financial Audit Advances: Securing the Integrity of Public Revenues and State Expenditures

▼ AUDITED EXPENDITURE	▲ AUDITED REVENUE
$107,832,303.52	$107,132,115.93
Total state expenditures independently verified	Total public revenues reconciled and verified

One of the most consequential responsibilities of any Supreme Audit Institution is the independent audit of the government's annual financial statements. During the January to June 2026 period, the OAG continued this critical function, conducting a comprehensive review of financial transactions in public revenue and expenditure.

During the reporting period, an extensive examination was carried out covering all financial transactions and operations of the government, with careful verification of data accuracy and compliance with applicable financial regulations. The audit specifically focused on ensuring that all financial transactions across government entities, ministries, and local administrations are accurately recorded in official books and fully consistent with Puntland's public financial management laws and procedures.

Audit findings revealed that the total value of expenditures examined amounted to $107,832,303.52, while the total value of revenues examined reached $107,859,464.80 . These figures clearly demonstrate the scale and depth of the financial oversight conducted across government institutions, while also reflecting the significant responsibility the OAG carries in ensuring that public resources are managed with the highest standards of efficiency and accountability.

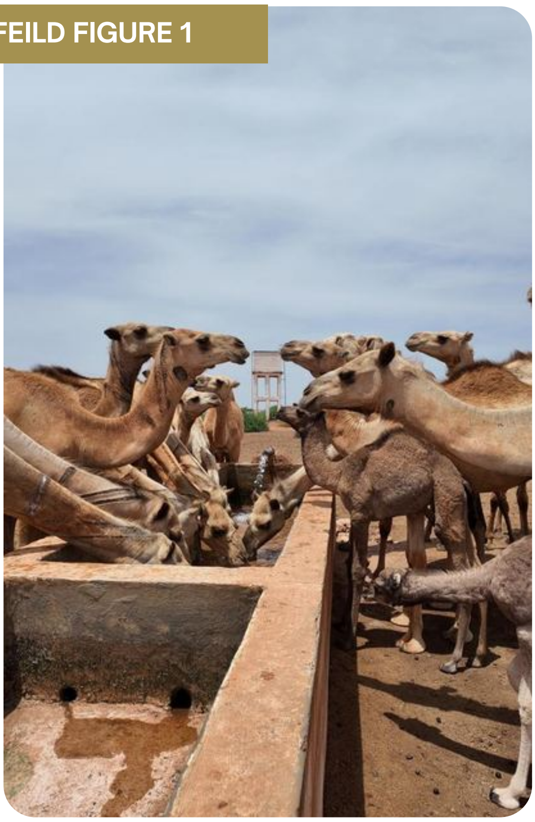
The audit work further included a comprehensive review of financial documentation, verification of data supporting both expenditures and revenues, and confirmation that all funds were utilized in strict accordance with applicable laws, the approved budget, and financial management regulations. This rigorous and structured approach has significantly strengthened confidence in the government's financial system and elevated the standard of public asset management.

The completion of the Annual Financial Statement audit stands as one of the OAG's most critical institutional responsibilities, reflecting the Office's unwavering commitment to ensuring that the Government of Puntland maintains a financial system that is transparent, credible, and fully responsive to the needs of its citizens and the principles of good governance.

Article Four

Biyoole Project Performance Audit: Strengthening Accountability and Service Delivery Effectiveness

FEILD FIGURE 1



Between January and June 2026, the Office of the Auditor General (OAG) of Puntland successfully completed 14 Compliance Audits under its 2026 Annual Audit Plan. These audits covered nine government ministries and five independent public institutions, representing a significant milestone in the implementation of the Office's annual audit programme.

The audits assessed compliance with applicable laws, financial regulations, and public financial management procedures. They also evaluated the adequacy of internal control systems, financial management practices, and institutional governance arrangements to ensure that public resources are managed efficiently, transparently, and in accordance with the legal framework.

The completed audit reports provide practical recommendations aimed at strengthening financial accountability, improving institutional performance, addressing identified control weaknesses, and supporting audited entities in enhancing governance and service delivery.

FEILD FIGURE 2

In addition to the audits conducted under the Annual Audit Plan, OAG Puntland initiated a Special Audit of the Puntland Football Association (PFA) on 1 June 2026. Conducted outside the regular audit programme, the Special Audit reflects the Office's commitment to responding to emerging public interest issues and fulfilling its constitutional mandate to promote transparency, accountability, and good governance.

The ongoing audit is examining the Association's financial records, expenditure management, governance arrangements, procurement practices, and internal control systems to provide independent assurance and identify opportunities for institutional improvement. Upon completion of the audit process, the Office will issue a formal audit report containing its findings, conclusions, and recommendations.

These audit activities directly support Strategic Pillar Three – Audit Excellence of the OAG Puntland Strategic Plan (2026–2030), reaffirming the Office's commitment to delivering independent, high-quality audits in accordance with international auditing standards while contributing to stronger public financial management and enhanced confidence in public institutions.

04-07 APRIL 2026

MONITORING THE HANDOVER CEREMONIES ACROSS MINISTRIES

Upholding Accountability, Transparency and Good Governance

HANDOVERS CONDUCTED IN ACCORDANCE WITH GOVERNMENT PROCEDURES

Between 04 and 07 April 2026, the Auditor General of Puntland State, **Mr. Osman Mohamuod Ali**, chaired the Government Handover Committees and supervised official handover ceremonies across several ministries and government institutions. He oversaw the smooth transfer of leadership responsibilities and institutional duties, ensuring that all handover processes were conducted transparently and in full compliance with established legal and administrative procedures.

MINISTRIES & INSTITUTIONS WHERE HANDOVERS TOOK PLACE

- Ministry of Environment, Rangelands and Climate Change
- Ministry of Civil Aviation and Airports
- Ministry of Interior, Federal Affairs and Democratization
- Ministry of Planning, Economic Development and International Cooperation
- Ministry of Justice, Religious Affairs, Constitution and Rehabilitation
- Ministry of Information Telecommunication Culture and heritage
- Puntland State Bank
- Ministry of Fisheries and Marine Resources
- Ministry of Agriculture and Irrigation
- Ministry of Youth and Sports
- Ministry of Livestock and Rangelands
- Ministry of Finance
- Ministry of Women Development and Family Affairs
- Ministry of Health

> The participation of the Office of the Auditor General in these ceremonies, including its role in chairing the Government Handover Committees, reflects its unwavering commitment to strengthening transparency, accountability, and good governance while ensuring that institutional transitions are conducted in accordance with legal and administrative frameworks.

ROLE OF THE OFFICE OF THE AUDITOR GENERAL

Throughout the handover process, the Office of the Auditor General provided independent oversight to ensure that all transfers were conducted in accordance with applicable laws, government procedures, and public financial management standards. This oversight reinforced transparency, accountability, the protection of public assets, and sound governance across government institutions.

ABOUT THE HANDOVER PROCESS

The handover ceremonies were supervised by the Government Handover Committees, chaired by the Auditor General of Puntland State. Outgoing officials presented reports on institutional performance, finances, assets, and pending responsibilities before incoming officials formally assumed office. The process demonstrated the Government's commitment to transparency, accountability, and institutional continuity.

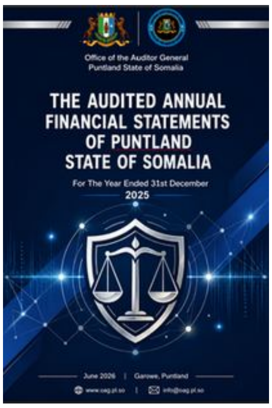
KEY ACHIEVEMENTS

Highlights of Institutional Performance During January–JUNE 2026

During the reporting period (January–June 2026), the Office of the Auditor General of Puntland (OAG Puntland) made significant progress in advancing its strategic priorities and strengthening accountability. Guided by the 2026–2030 Strategic Plan and the 2026 Annual Operational Plan (AOP), the Office achieved notable milestones in audit delivery, institutional development, professional capacity building, and digital transformation.

A key achievement during the period was the successful completion of 14 Compliance Audit reports covering nine government ministries and five independent public institutions. These audits contributed to strengthening compliance with public financial management laws and regulations, improving internal control systems, and reinforcing accountability across public institutions.

REPORT LINK : https://oag.pl.so/reports/annual-audit-report-fy2025-english



A major achievement during the reporting period was the audit of the Government of Puntland's Annual Financial Statements, which verified the accuracy of public revenue and expenditure in accordance with applicable public financial management laws and auditing standards. This audit strengthened transparency, reinforced accountability, and enhanced confidence in the management of public resources.

The Office also successfully completed the audits of five World Bank-funded projects, demonstrating its growing capacity to provide independent assurance over externally financed development programmes in accordance with internationally recognized auditing standards. These audits strengthened accountability and transparency in the management of donor-funded resources and provided valuable recommendations to improve financial controls, compliance, and overall project implementation effectiveness.

Steady progress was recorded in the implementation of the Office's first Performance Audit on the Biyoole Project. Major milestones, including the pre-study assessment, audit planning, and fieldwork, were completed during the reporting period. This progress reflects the Office’s increasing capacity to undertake performance audits focused on economy, efficiency, and effectiveness in the use of public resources, and represents an important step toward expanding performance auditing within Puntland’s public sector.

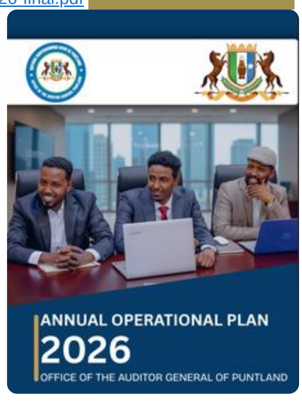
Investment in human capital remained a strategic priority throughout the reporting period. OAG Puntland continued to strengthen staff capacity through internationally recognized professional certification programmes and targeted technical training initiatives, enhancing audit competencies and aligning professional practices with international standards. Further details are presented in the Capacity Building section of this newsletter.

The Office also advanced its digital transformation agenda through the procurement of 24 high-performance laptops, improving the operational efficiency of audit teams and supporting more effective fieldwork, documentation, and reporting. In parallel, the Human Resources Management Department strengthened organizational performance by implementing a standardized staff performance appraisal system and enhancing personnel management and professional development practices.

STRATEGIC PLAN 2026-2030 LINK https://oag.pl.so/documents/strategic/strategic-plan-2026-30.pdf

Institutional development remained a major priority throughout the period. The Office finalized its Strategic Plan (2026–2030) and the 2026 Annual Operational Plan (AOP), and completed the SAI Performance Measurement Framework (SAI-PMF) Assessment, providing a solid foundation for implementing strategic reforms and strengthening institutional performance.

https://oag.pl.so/documents/strategic/aop-2026-final.pdf ANNUAL OPERATION PLAN LINK



These achievements reflect OAG Puntland's continued commitment to building an independent, professional, and modern Supreme Audit Institution. Through ongoing institutional reforms, capacity development, and modernization initiatives, the Office continues to strengthen transparency, accountability, and effective public financial oversight across Puntland.

Article Six

WHAT THE OFFICE HAS STRATEGICALLY PLANNED(Capacity Building Strategic Plan)

02–05 April 2026 – The Office of the Auditor General of Puntland, in collaboration with the European Union (EU), conducted a Media & Communication and Microsoft Office Training Workshop for OAG staff at Caduun Hotel, Garowe. The workshop was attended by 25 staff members and enhanced participants' competencies in professional communication, report writing, and the effective use of Microsoft Office applications in audit-related work. This initiative reflects the Office's continued commitment to strengthening staff capacity and developing a skilled, efficient, and professionally competent workforce aligned with international auditing standards and best practices.

In addition **21–23 June 2026** – The Office of the Auditor General of Puntland organized a Donor Compliance and Auditing Capacity Building Workshop for OAG staff, facilitated by Save the Children in collaboration with the Office of the Auditor General of Puntland. Held at Martisor Hotel, Garowe, the workshop was attended by 25 staff members. The training focused on donor compliance requirements, auditing standards, and effective audit practices for development-funded projects, further strengthening the Office's institutional capacity in auditing, communication, and digital skills.

Building Professional Excellence Through Continuous Learning

During the reporting period, the Office of the Auditor General of Puntland implemented a Mass Professionalization Campaign to strengthen staff knowledge, technical competencies, and professional capacity in line with international public sector auditing standards. As part of this initiative, 55 staff members enrolled in internationally recognized professional certification programmes, including ACCA/CAT (22), Certified Fraud Examiner (CFE) (5), Certified Internal Auditor (CIA) (2), Certified Public Accountant (CPA) (1), and IDI PESA (20). During the reporting period, 12 staff members sat professional examinations. Of these, four CFE candidates successfully passed their examinations, one staff member earned the Project Management Professional (PMP) certification, while six IDI PESA candidates completed their examinations and are awaiting official results. In addition, 43 staff members continue to pursue their professional qualifications, demonstrating the Office's sustained commitment to developing a highly skilled, professionally certified workforce capable of delivering high-quality public sector audit services in accordance with international standards and best practices.

Vision for the Next Half Year

The Office of the Auditor General of Puntland envisions a workforce that demonstrates clear progress in professional development, with staff actively preparing for and undertaking professional certification examinations. Through targeted support, mentoring, and learning opportunities, the Office aims to foster a culture of continuous learning and enhance the professional competence of its employees. By the of the next Half year, a significant number of staff will have either sat for professional examinations or be actively engaged in certification pathways.