



The Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, during his report to the Committee on Economy, Employment and Finance

The Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, presents the “State Budget Implementation Report for 2024” to the Committee on Economy

On November 4, 2025, the Chairman of the Supreme State Audit Institution, Mr. Arben Shehu, presented the “Report on the implementation of the budget for 2024” to the Committee on Economy, Employment and Finance.

In drafting the report, the ALSAI was based on audits conducted in the Ministry of Finance, its subordinate units responsible for the administration of revenues, special funds, as well as on the results of audits pertaining to the economic and financial activity of several spending units for 2024, a total of 106 audits.

The Chairman of the ALSAI highlighted some of the problems found in the audits for the implementation of the State Budget for 2024, such as: exceeding legal deadlines in several links of the process, frequent changes to the initial budget through normative acts, changes in the priorities for selecting new projects, concluding contracts beyond available funds, increasing tax and customs debt obligations, deficiencies in the administration of property and its provision for use by local self-government units, underfunded budget for the health sector, etc.

"Fiscal risks remain high, as exposure to public enterprises, especially energy, has increased due to mutual, outstanding and pre-agreed obligations. Meanwhile, the stock of arrears and contingent litigation also remains at high levels."

The stock of liabilities, by the end of December 2024, results in 7.32 billion ALL, of which, central government liabilities are about 2.66 billion ALL, local government liabilities are about 3.26 billion ALL and VAT reimbursement liabilities are about 1.4 billion ALL.

Actual and contingent liabilities for ECtHR decisions are reported at a value of around 18 million euros, which pertains to 10 decisions, which are in excess of the 3-month deadline and risk interest payments for delayed liquidation. While the reports of the International Court of Arbitration Decisions until the end of 2024, for actual and contingent liabilities are presented at a value of around 180 million euros. Regarding concession contracts/PPP with budget support, discrepancies were found in the payment plan and reporting, fragmented financing outside the relevant programs, insufficient monitoring of payments for unrealized volumes and lack of annual performance reporting. "- reported the Chairman of the ALSAI.

Mr. Shehu emphasized that the Albanian Supreme Audit Institution, while exercising its constitutional and legal mandate, continues to promote inter-institutional cooperation and good administration of the state budget through recommendations, in the interest of the public and the sustainable development of the country.

Speech by the Chairman of the ALSAI, at the Committee on Economy, Employment and Finance on the “State Budget Implementation Report for 2024”

Honorable Chairperson of the Committee on Economy, Employment and Finance,
Honorable Ladies and Gentlemen Deputies, Members of the Committee,
Honorable Mr. Minister,

The Albanian Supreme Audit Institution has prepared the report “On the implementation of the 2024 State Budget”, in accordance with the Constitution of the Republic of Albania, Article 164 of Law No. 154/2014, dated 27.11.2014 “On the organization and functioning of the Supreme State Audit Office”, Law No. 9936/2008 “On the Management of the Budget System in the Republic of Albania”, as amended, Law No. 10296/2010 “On financial management and control”, as amended, and Law No. 97/2023 “On the 2024 Budget”, as amended.

This report is based on the International Standards of Supreme Audit Institutions (ISSAI), such as: the Lima Declaration, which is the guideline for government auditing, ISSAI 100 “Fundamental Principles of Public Sector Auditing”, ISSAI 4000 “Compliance Auditing Standards”, as well as other principles and standards of external public sector auditing. In this sense, the ALSAI, by submitting to the Assembly the “Report on the Implementation of the 2024 Budget”, together with the relevant conclusion, fulfills its constitutional and legal obligation, in accordance with legal requirements and International Auditing Standards and the relevant deadline.

The ALSAI report on the implementation of the 2024 budget aims to review and evaluate the report prepared by the Ministry of Finance “On the implementation of the annual budget, the macroeconomic and fiscal situation during 2024” and the report on the functioning of the public internal financial control system and on public debt.

The Albanian Supreme Audit Institution has conducted audits in the Ministry responsible for Finance, its subordinate units responsible for revenue administration, units responsible for special funds administration, as well as on the results of individual audits pertaining to the economic and financial activity of several spending units for 2024, a total of 106 audits. The report was prepared based on the results of audits on issues of revenue, expenditure, budget deficit and its financing, arrears and contingent liabilities, issues of budget planning, implementation, monitoring and reporting, good administration of public funds, including the reserve fund and contingency, public debt, public internal financial control, internal audit, as well as issues related to accounting, public finance management, etc.

Based on the results of these audits, their degree of materiality and prevalence, on the implementation of the Budget for 2024, the following issues have been identified:

• In the planning phase of the 2024–2026 MTBP documents and the 2024 draft budget, legal deadlines were exceeded in several links of the process, documentation was not updated, and budget requests above the established ceilings were found, without a unified analysis of priorities and especially capital expenditures.

• Frequent changes to the initial budget through normative acts continue to be identified, throughout the budget year, with a high concentration in December, actions that have undermined the quality of planning, liquidity management and budgetary discipline in the receipt and registration of commitments for investment projects.

• Changes are noted in the priorities for selecting new projects foreseen in the MTBP or newly proposed projects without going through the investment planning and approval process in this document, opening of projects outside the 20/30/30 rule, spread over a multi-year period.



These actions have increased the risk of not advancing ongoing projects, where for some of them it has been found that the value of the investment commitment has been pushed beyond the 3-year budget approved by the annual budget law, with the effect of creating new arrears.

• Regarding budget monitoring, a lack is found in terms of redistribution of funds committed to projects with slow implementation and not according to the payment plan or with zero implementation towards other priority projects or sectors of the economy, in need of these budget funds or for payments in favor of reducing the stock of arrears.

• In 23 cases of the audited projects, contracting authorities initiated procurement procedures for values higher than the funds available according to the 3-year distribution of the approved budget, contrary to the provisions of Article 50 of the Law “On Budget System Management”. In 20 cases of the audited projects, the procurement/commitment procedure was carried out beyond the legal deadline of October 15, as the deadline for undertaking new commitments in accordance with Article 51 of the Law “On Budget System Management”. In 19 cases, of the audited projects, it was found that contracts were concluded beyond the funds available, contrary to the provisions of Article 50 on budget system management.

• According to the Standard Budget Implementation Guide, the details/revisions of budget funds within or between projects become valid and produce effects for the following periods only after registration in the GFIS. The audit found records of these revisions with retrospective accounting dates from the dates of the normative acts with which these revisions were formalized. Furthermore, records of changes to the budget plan during the months of December 2024 to February 2025 are found, at the same time or in excess of the deadline set for the execution of expenditures, this, not in accordance with the law on budget system management.

• In the area of revenues, the total realization is below plan, mainly due to the non-realization of customs revenues and grants, while their reporting continues to include collections for prepayments unrelated to a tax obligation or other non-tax items, in the accuracy, comparability and analysis of the realization of fiscal indicators.

Also, the revenue plan does not appear to have taken into account the effects of tax and customs debt collections, which, despite the payments made during the year, respectively show an annual increase of 7.4 billion ALL for tax debt and about 1 billion ALL for customs debt.

•Special funds show problems related to non-declaration and non-payment in full or on time of payrolls submitted by general government institutions and public entities, with the effect of increasing the stock of liabilities of entities towards social and health insurance schemes, where at the same time, debt management at the end of 2024 has not been accompanied by standardized measures for prosecution and execution.

▸ Income from contributions to the SII, despite the realization, has not been sufficient to cover the expenses of the urban and rural pension scheme, resulting in a continuous deficit, which compared to 2023 appears to be decreasing.

▸The audit of debtors for social security contributions has found a significant increase in them, especially from the private sector, reflecting difficulties in collecting obligations and a risk to the sustainability of the scheme. Shortcomings in inter-institutional cooperation between the SSSI and the GPT have been identified, problems in data transmission and payroll collection, as well as a lack of inspections in some regional directorates.

▸ The audit of the pension scheme found problems with the planning and financing of the pension bonus, deviation from planning due to the redistribution of funds and the shift of the weight of expenditure from pension indexation to the bonus for pensioners, as well as the calculation of indexation at a lower level than the previous year.

▸ The budget allocated to the health sector resulted in underfunding, with procedural delays, combined with irregularities throughout the process of drug administration, supply supervision, and lack of monitoring by the responsible bodies.

▸ The audit conducted on the administration and control process of the List of Reimbursable Medicines (LRM) for 2024 showed that CHCIF and its implementing structures have not guaranteed an effective mechanism for supervision and monitoring of the supply chain and circulation of drugs.

Deficiencies were identified in the implementation of legal and contractual provisions, including the failure to verify reference prices and the lack of physical control of invoices, which made it impossible to objectively assess compliance and implement the provisions for terminating contracts in the event of repeated violations. The inventory process in pharmaceutical warehouses was inaccurate and undocumented, with discrepancies between physical and electronic data in the “e-Depo” system, as well as with incorrect use of drug codes and incorrect declarations of status, increasing the risk of inaccuracies and lack of transparency. Also, the lack of regular controls in pharmaceutical warehouses, penalties for contractual violations and verifications for hospital drugs distributed in the open network, evidence of weaknesses in the internal control system and a lack of administrative response to repeated deviations.

▸ The Contingency Fund and the Reserve Fund were not fully used for the purposes for which they were created, but to cover expenses that were foreseeable.

▸ During the budget implementation phase, problems were found in the recording of expenses in the Treasury GFIS system, not in accordance with the rules of fiscal discipline.

Specifically, registration of contracts beyond the legal 5-day deadline, delays beyond the legal 30-day deadline in submitting invoices to the Treasury, partial payment of invoices, etc. were found.

Also, incorrect classifications between current expenditure items and investment items have been found, such as in the case of projects financed by the Reconstruction Fund or projects with foreign financing.

▸ The budget deficit has been projected at a higher level and has been revised downwards by normative acts due to the expectation of increased revenues and the expectation of a decrease in disbursements from foreign borrowing. Meanwhile, the realization of the deficit only in December was conditioned by the concentration of expenditures in this month, where 21% of the annual total was carried out. Also, this result has been affected by some non-unified accounting treatments such as transfer income from expropriations and the transfer of the financial result of the State Investment Service.

▸ During 2024, with regard to sub-loans, state guarantees and other loans, the audit found that the state's rights to collect from beneficiaries, mainly in the energy, water supply and sewage sectors and local self-government units, continued to increase, as a significant part of the entities did not respect the contractual repayment terms and did not take effective measures to recover their obligations. As a result, payments were made from the state budget to cover the insolvency of beneficiaries through budget guarantees, increasing fiscal exposure.

Despite the establishment of the Agency for the Management of Guarantees and Non-Performing Loans, shortcomings in administrative and legal follow-up, the lack of a unified methodology for monitoring sub-loan agreements, delays in reconciliations, as well as the lack of effective mechanisms for insurance, collateral and timely applicable sanctions, have not enabled the recovery of these obligations. Thus, during 2024, 40.5 billion ALL principal and interest were paid from the state budget on account of the state loan and guarantee.

▸ Regarding liquidity, although the TSA's position on 31.12.2024 resulted within the approved limit, with the inclusion of special accounts, this limit is exceeded by about 25.1 billion ALL. Throughout the year, high liquidity surpluses were maintained, losses from exchange rates and from deposit investments, limitations on available operational instruments, lack of notifications from general government units for foreign exchange transfers above the threshold, accompanied by a lack of analysis on the optimal way of using and converting currencies.

▸ In terms of accounting and financial reporting, despite the obligation provided for in Article 63 of the Law “On Budget System Management”, the annual consolidated statements of the state's financial transactions for 2024 have not been drafted and submitted, which has made it impossible to express a financial audit opinion on them. Despite this limitation, in the individual financial audits conducted by the ALSAI, in addition to deficiencies in the form and deadlines for the preparation of financial statements by the audited institutions, incorrect classifications in the positions of the financial statements have also been found, not only due to the lack of accounting documentation, but also due to the lack of a regulatory framework for financial reporting.

▸ Fiscal risks remain high, as exposure to public enterprises, especially energy, has increased due to outstanding and pre-agreed mutual obligations. Meanwhile, the stock of arrears and contingent litigation also remains at high levels. The stock of liabilities by the end of December 2024 results in 7.32 billion ALL, of which, central government liabilities are about 2.66 billion ALL, local government liabilities are about 3.26 billion ALL and VAT reimbursement liabilities are about 1.4 billion ALL. Actual and contingent liabilities for ECHR decisions are reported at a value of about 18 million euros, which belongs to 10 decisions that are overdue for 3 months and risk interest payments for delayed liquidation.

While the reports of the decisions of the International Court of Arbitration until the end of 2024 for actual and contingent liabilities are presented in the amount of about 180 million euros.

Regarding concession contracts/PPP with budget support, inconsistencies were found in the payment plan and reporting, fragmented financing outside the relevant programs, insufficient monitoring of payments for unrealized volumes and lack of annual performance reporting.

• In the fiscal and tax administration area, the audit found incorrect treatment of VAT exemptions, unauthorized construction works, discrepancies between physical and accounting inventories, lack of financial analysis of liabilities to partners, low declaration of salaries, sales below cost and market prices without justification, as well as incorrect VAT crediting for fuel. In addition, shortcomings were identified in the monitoring of entities with differences in tax declarations, repeated losses, delays in submitting financial statements, unapplied penalties, risk of tax evasion and unfair benefits from VAT.

• The audit in the customs administration found incorrect application of the elements of the value of the goods, incorrect use of the transaction value without complete documentation, inconsistent revaluations for the same subject and item, declaration of prices below the cost of raw materials, non-inclusion of discounts in the customs value and lack of documentary and physical control during import. In addition, non-unified treatments of customs violations, tariff misclassifications affecting the obligations for the plastic packaging tax, non-compliance with deadlines in transit and storage regimes, as well as non-inclusion of items in the lists of references for customs valuation were identified.

• Regarding the functioning of internal control systems, it was found that the internal audit service was not extended to all units in the field of law and in some cases there was a lack of complete documentation of inter-institutional agreements for service coverage. Human and professional capacities have proven insufficient, with gaps in coverage and certification, with audit plans submitted and approved outside the deadlines or without a documented risk analysis. Low implementation of the performance and IT audit plan was found, as well as low implementation of the recommendations given. Regarding financial management and control, quality assessments were carried out without clear deadlines and with a low annual coverage, in relation to the number of assessments carried out each year and the legal requirement for the periodicity of carrying out these assessments.

Regarding the above, the ALSAI assesses that increasing the quality of budget planning and reporting, in function of accountability, accountability and transparency of public expenditures, as well as improving budget monitoring as a whole, management and good governance of increasing fiscal risks, including issues of financial management and internal control, are important for ensuring sustainable public finances and the credibility of the fiscal framework.

The ALSAI, in its mandate, as the highest institution of economic and financial control, provides relevant recommendations for improving the situation, strengthening internal controls, in order to prevent problems and deficiencies found, by requesting:

• **Improvement of the budget planning process** and strengthening fiscal discipline through respecting legal deadlines in drafting and executing the annual budget, justifying new or increased budget requests, based on continuous and informal monitoring of investment spending performance.

• **Avoiding frequent changes to the budget plan through normative acts**, respecting budget ceilings to avoid **undermining** the entire planning process, as an important element for managing available public resources, according to the destination and priorities set in medium-term and strategic plans.

• **Addressing issues in recording transactions in the Government Financial Information System**, through improvements in integrated control systems, with the aim of preventing budgetary commitments from being made without available funds, avoiding delays in registration and non-compliance with budgetary discipline. In particular, for local government units, more careful monitoring of the right to make expenditures within the framework of revenues inherited from own revenues or budgetary transfers is recommended.

• **Reflection in consolidated fiscal indicators** of each plan distributed with DCM throughout the year for general government units, to ensure coherence between the tables of the law, comparability and timely funding of needs and harmonization with the Government Financial Information System.

• **Increased attention to tax and customs debt management**, drafting concrete plans for its reduction, to avoid losses from the prescription of these obligations.

• **Detailing of funds** according to existing commitments and contractual calendars.

• **Increased attention by institutions to inventorying, administering public property** and conducting registrations for the purpose of fair presentation in the financial statements of institutions.

• **Accelerating the process of approving and implementing the National Public Accounting Standards (NPAS)** with the aim of drafting consolidated financial statements of the state.

• **Improving the management of public debt** and fiscal exposure to state credit and state guarantees by the Ministry of Finance and the responsible structure established for this purpose, ensuring effective follow-up of these obligations of sub-loan beneficiaries, with effective mechanisms for their recovery.

• **Analyzing and identifying the needs for strengthening the pharmaceutical, hospital and concession contract control system**, for guaranteeing the integrity of electronic data and implementing sanctioning mechanisms for entities that violate contractual conditions.

• **Strengthening the structures of internal audit units at all levels of government**, through more effective monitoring by the responsible supervisory structure, to strengthen audit capacities and through conducting assessment processes, as a mechanism for identifying weaknesses.


In conclusion, I would like to emphasize that the mission of the Albanian Supreme Audit Institution remains to guarantee the effective, economical and efficient use of public funds, strengthening public accountability and transparency in the management of state finances.






The ALSAI, while exercising its constitutional and legal mandate, through recommendations, continues to promote inter-institutional cooperation and good administration of the state budget, in the interest of the public and the sustainable development of the country.


Thank you!










Economic Damage 2024

Summary of economic damage and negative financial effects for the 2024 budget



Economic Damage	EXPENSES	<u>21,029</u>	<small>In thousand ALL</small>
Salary, bonuses and social security	1,186		
Other expenses	506		
Implementation of works / investments	19,337		
	INCOME	<u>121,700</u>	
Revenue from customs activity	73,534		
Other income	48,166		
TOTAL		<u>142,729</u>	



Negative Financial Effects	EXPENSES	<u>1,886,258</u>	<small>In thousand ALL</small>
Expenses for investments	301,089		
Operating expenses	508,358		
Salary, bonuses and social security	109,985		
Other expenses	966,826		
	INCOME	<u>8,493,409</u>	<small>In thousand ALL</small>
Income from mismanagement of state property / third parties	397,014		
Revenue from customs activity	565,974		
Revenue from tax activity	370,180		
Other income	5,881,658		
Revenues from the tax sector in local government	1,278,583		
TOTAL		<u>10,379,667</u>	



The Chairman of the ALSAI reports to the Assembly on the institution's activities, the Resolution for 2024 is approved

The Chairman of the ALSAI, Mr. Arben Shehu, reported at the plenary session of 06.11.2025 of the Parliament of Albania on the activity of the institution during 2024. In his speech, Mr. Shehu presented a summary of the work of the ALSAI during 2024, focusing on the audit activity, results, findings, measures and recommendations made.

"During 2024, the ALSAI carried out 159 audits at all levels of government: central government, local government, independent institutions and state-owned enterprises, in accordance with the requirements of International Auditing Standards, Manuals, and the Regulation on Audit Procedures, based on the universal values of Supreme Audit Institutions, such as independence, professionalism, integrity and transparency. According to the type of audits, the following were carried out: 45 financial audits, 43 compliance audits, 35 combined audits, 15 performance audits, 8 information technology audits and 13 audits on the implementation of recommendations. In terms of audit coverage, these missions were carried out in 205 entities: 97 central government units, 75 local self-government units, 13 independent institutions and 20 public entities. This territorial and institutional extension shows the ALSAI's continuous effort to ensure "a complete and balanced coverage of the public sector with audit," said the Chairman of the ALSAI.

Focusing on audit areas with public sensitivity, the head of the ALSAI announced that during 2024, 15 performance audits were conducted, which were developed in sectors with a direct impact on citizens, such as: health, education, environment, culture and gender equality.

"The audits conducted have shown that public institutions have not yet consolidated a sustainable strategy towards results orientation and impact assessment of programs or policies as standard management practice. Shortcomings in inter-institutional coordination, planning, monitoring and use of resources reflect a low level of efficiency and effectiveness in the implementation of public programs, policies and strategies, directly affecting the quality of services provided and the perception of citizens about the reliability of the administration." - emphasized the President of the ALSAI, Mr. Arben Shehu.

Regarding the implementation of recommendations left in audits, Mr. Shehu said that the level of acceptability of recommendations, verified in 97 audits conducted in 2023, has reached 99%, which indicates an increased impact of the work of the ALSAI in strengthening the management and monitoring of public finances. About 70% of these recommendations have resulted in being fully, partially or in the process of implementation. During 2024, the ALSAI has filed 13 criminal reports, which include cases where the audit has found actions or omissions in violation of the Criminal Law. Within the framework of legal obligations and cooperation agreements with justice institutions, the ALSAI has forwarded 35 materials on issues that require further investigation.

At the end of his speech and the answer to the questions of the deputies, Mr. Shehu guaranteed that the institution of the Albanian Supreme Audit Institution will be maximally committed to fulfilling its constitutional and legal obligations, also evaluating any communication with citizens and the media that addresses various issues, in the service of the public and the general interest, to contribute to strengthening the mechanisms of good governance. After discussions, the Resolution of the Assembly of Albania on the evaluation of the activity of the Albanian Supreme Audit Institution for the year 2024 was adopted.



HEARING SESSION



The ALSAI presents the requests for the 2026 draft budget to the Parliament

The ALSAI presented at the hearing held on 13.11.2025 by the Committee on Civic Initiatives, Cooperation and Institutional Oversight, the requests for the draft budget for 2026.

The meeting was attended by the Chairman of the ALSAI, Mr. Arben Shehu, accompanied by the Director of Human Resources, Ms. Ermira Hoxha, the Director of the Support Services Directorate, Mr. Elton Bodini and Ms. Alketa Kalleshi from the Finance Sector.

At this hearing, the ALSAI presented the budget execution rate for 2025, the progress of implementing recommendations, and several requests for additions to the budget ceilings were submitted to fulfill the obligations arising from the Resolution of the Albanian Parliament for 2024.

The ALSAI emphasized that the approval of the budget requests for 2026 will enable the institution to fulfill legal obligations and requirements from the Albanian Parliament for conducting audits in specific areas that include concession contracts, hydrocarbon agreements, Sustainable Development Goals, conducting parallel audits with counterpart institutions, digitalization of the work process, etc.

The European Commission assesses the work of the ALSAI: In line with International Auditing Standards

The European Commission once again evaluates the Albanian Supreme Audit Institution for its work and role in the integration process of Albania. The 2025 Report, published on 04.11.2025, also shows that the quality of the audit work continued to be in line with the standards of the International Organization of Supreme Audit Institutions (INTOSAI).

“The impact of the audit work improved. 99% of the recommendations made in the 2024 audits were accepted, of which 47% were fully or partially implemented.” – states the Progress Report.

The European Commission stresses that Albania needs to improve the implementation of external audit recommendations.

“The Parliamentary Subcommittee on Audit held several hearings during the reporting period and issued resolutions on a number of audits by the Albanian Supreme Audit Institution, which is a positive trend,” the European Commission document states.



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COMMISSION STAFF WORKING DOCUMENT

Albania 2025 Report

External audit

Albania's **legal framework** safeguards the independence of the State Audit Institution. The **institutional capacity** of the State Audit Institution stood at 216 staff out of a foreseen 243, broadly similar as in 2023. The **quality of audit work** continued to comply with the standards

of the International Organisation of Supreme Audit Institutions (INTOSAI). The **impact of audit work** progressed. 99% of recommendations issued in 2024 audits were accepted, of which 47% were fully or partially implemented. Albania should improve implementation of external audit recommendations. The parliamentary subcommittee on audit has held several hearings during the reporting period and issued resolutions in relation to a number of audits by the Albanian Supreme Audit Institution (ALSAI), which is a positive trend.

Planning the “Audit Program 2026”, the Chairman of the ALSAI discusses the proposals with the departments



In the Albanian Supreme Audit Institution, meetings were held during November 2025 on planning the audit activity for 2026. The meetings were held at the ALSAI premises with the State Budget Audit Department, the Performance Audit Department, the Local Self-Government and Public Property Audit Department, and the Information Technology Audit Department. In these meetings, the Chairman of the ALSAI, Mr. Arben Shehu, emphasized the importance of continuous cooperation between the ALSAI structures to ensure a more effective and risk-oriented audit program, with the ultimate goal of fulfilling the mission of the Albanian Supreme Audit Institution in protecting the public interest.

The departments reviewed the proposals for the 2026 audit program, presented within the framework of the institutional obligation of each auditor to identify needs and issues aimed at increasing the effectiveness of public audits. The auditors presented their proposals, accompanied by concrete arguments and suggestions for strengthening the planning process.



Representatives of the Congress of Local and Regional Authorities meet with the President of the Albanian Supreme Audit Institution

On 18 November 2025, the Chairman of the Albanian Supreme Audit Institution Mr. Arben Shehu, and representatives of the ALSAI received a delegation from the Congress of Local and Regional Authorities, as part of their Mission to Albania to monitor the implementation of the European Charter of Local Self-Government. During the meeting, the members of the delegation appreciated the contribution of the Albanian Supreme Audit Institution in strengthening good financial governance, increasing transparency and ensuring public accountability at central and local levels. The discussions also focused on the implementation of the European Charter of Local Self-Government and Recommendation No. 468/2021 of the Congress, the financial situation of municipalities and regions, as well as financial supervision procedures at local level. The importance of implementing the recommendations left by the ALSAI audits was emphasized, as an indispensable tool for improving the performance and financial management of local self-government units.

The European Commission's TAIEX mission conducts a working visit to the ALSAI



The Chairman of the ALSAI, Mr. Arben Shehu, and representatives of the ALSAI held a working meeting with the team of the Technical Assistance and Information Exchange Mission (TAIEX) of the European Commission.

The meeting took place on 21 November 2025 at the ALSAI premises, within the framework of the support that the European Union is providing for the strengthening of legal and institutional guarantees that guarantee the independence of central banks in candidate countries. International experts shared European experiences and practices on the optimal functioning of supreme audit institutions in relation to central banks.



The discussions focused on the role and scope of the ALSAI's audits of the Bank of Albania in the current situation, as well as in the context of Albania's future obligations after EU membership, as well as on the relationship between the accountability of the central bank and respect for its institutional, functional and financial independence, evaluating the most successful models of EU countries.

During the meeting, Mr. Ger Bom, Senior Legal Advisor at the Bank of the Netherlands and Mr. Hans Weenink, Senior Advisor for Central Banking Affairs, praised the work, professionalism and role of the Supreme State Audit Office as an institutional guarantor of transparency and good governance in Albania, emphasizing the important contribution of audits to strengthening integrity and public trust in state institutions.

The Chairman of the ALSAI, Mr. Shehu, expressed his willingness to continue cooperation with EU experts and counterpart institutions, with the aim of full integration with European public audit standards.

TAIEX is an instrument of the European Union for institutional capacity building by providing support to public administrations in EU candidate countries and beyond.

The Chairman of the ALSAI hosted the International Monetary Fund Mission in a meeting



On November 13, 2025, the Chairman of the ALSAI, Mr. Arben Shehu and other representatives of the institution held a meeting with the delegation of the International Monetary Fund (IMF), within the framework of their Mission in Albania.

During the meeting, the importance and role of independent external audit institutions, such as the ALSAI, in strengthening good financial governance and ensuring public accountability were discussed.

The Head of the IMF Mission to Albania, Ms. Anke Weber, praised the contribution of the Albanian Supreme Audit Institution in increasing transparency and accountability in the use of public funds, as well as in improving the management of state financial resources.

Special attention was paid to the findings and problems identified during the audits of the state budget accounts, as well as their impact on the planning and administration of public finances.

The parties also exchanged views on the challenges associated with the implementation of the state budget, with a focus on strengthening inter-institutional cooperation and improving financial control and reporting mechanisms.

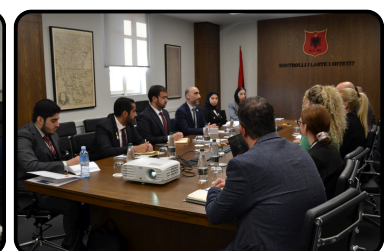
Working visit by the delegation of the Accountability Authority of the United Arab Emirates

On 14 November 2025, a delegation from the United Arab Emirates (UAE) Accountability Authority conducted a working visit to the ALSAI. The UAE delegation included Mr. Khaled Abdulla Al Habsi, Director of the Department of Sovereign and Strategic Entities Affairs, Mr. Hussain Juma Hassan Abdulla, Head of the Community and Humanitarian Affairs Section, Mr. Abdulla Al Jaberi, Senior Analyst, Ms. Fatima Alhemeiri, European Affairs Specialist, Mr. Mohammed Faisal Albannay, Graduate Intern – European Affairs Section, and Ms. Reem Al Kaabi, Graduate Intern – First Research and Investigation Section.

The delegation was initially received in a meeting by the Chairman of the ALSAI, Mr. Arben Shehu. During the meeting, opportunities to strengthen relations between the two institutions were discussed.

In his speech, Mr. Shehu expressed his appreciation for the leadership and professional achievements of the President of the UAEAA, His Excellency, Mr. Humaid Abushibs, recognizing the valuable contribution of the UAEAA to the regional and international audit community.

The heads of the audit departments at the ALSAI and the UAE delegation then held a technical meeting, where the general organizational structures, mandate and field of activity of the respective institutions were presented. During the meeting, cooperation between the two institutions was discussed, including areas of mutual interest.



The technical meeting concluded with a joint commitment to continue dialogue and maintain close professional ties, strengthening the partnership between the ALSAI and the UAE.



The regional workshop “On Capacity Building in Project Financial Management (PFM)” is held in Istanbul by the Islamic Development Bank

The workshop “Capacity Building in Project Financial Management (PFM)” organized by the Islamic Development Bank (IsDB) and the Multilateral Cooperation Center for Development Finance (MCDF) was held in Istanbul from 18 to 20 November 2025.

Projects financed by the Islamic Development Bank are implemented by Executing Agencies (EAs) and Project Management Units (PMUs) in member countries. PMUs and Supreme Audit Institutions (SAIs) have often faced various challenges related to financial management and audit requirements, including compliance with the functioning of internal controls, as well as the timely preparation and finalization of audits.

The workshop focused on examining financial management and audit compliance issues in IsDB-supported projects.

The event was attended by representatives from Project Management Units, Supreme Audit Institutions, Multilateral Development Banks (MDBs), as well as global partners such as PEFA and IDI.

The event served as a platform for dialogue and exchange of experiences on good practices in financial management and auditing of development projects.

The discussions focused on the current challenges of Project Management Units and SAIs, integrating previous experiences, consolidated practices and the latest technological developments in the field of project financial management and auditing.

Participants had the opportunity to identify practical challenges from project implementation and discuss new approaches to improving the monitoring and supervision processes of projects financed by the Islamic Development Bank.



The ALSAI was featured in this workshop with Ms. Joniada Goçaj, Director of the Department of Security and Standards Implementation, among others, which also showed a picture of the organization and functioning of the ALSAI, as well as the challenges and various plans for what could be.

DATA ENVELOPMENT ANALYSIS

ALSAI participates in the EUROSAI workshop “Data Envelopment Analysis (DEA) and other comparison methods”

The EUROSAI Project Group on “Data Envelopment Analysis (DEA) and other comparison methods” held its VIII workshop on 27-28 November in Bucharest. DEA is a EUROSAI project co-led by the National Audit Office of Sweden and the National Audit Office of Norway, within the framework of EUROSAI Strategic Objective No. 2, “Development of Institutional Capacity”.

The DEA method is a tool used in conducting performance audits to assess the efficiency of public institutions in various fields of activity. The workshop provided theoretical information and practical application of specific programs for assessing efficiency.



During the two days, the results of audits conducted by several SAIs in the fields of education and medicine using the DEA method in assessing the performance of institutions were presented. In addition, the participants practiced the use of specific programs in analyzing data adapted for training purposes.

Representatives from various SAIs in Europe participated in the event. The ALSAI was represented by Ms. Ermira Hoxha, Director of Human Resources, Ms. Arminda Bushi, Chief Auditor in the Department of Audit of Local Self-Government and Public Property and Ms. Laura Lila, Adviser.

A workshop on updating the Performance Audit Manual is held at the ALSAI with the assistance of experts from the Norwegian Auditor General's Office.



Within the framework of the activities foreseen in cooperation with the Office of the Auditor General of Norway, as a commitment stemming from the bilateral cooperation agreement, a 3-day workshop on updating the Performance Audit Manual was held on 25–27 November 2025 at the premises of the ALSAI, under the assistance of Norwegian experts Torkel Graham-Haga and Bjørn Martin Ørvim. The meeting focused on the modernization and improvement of the Performance Audit Manual, an essential document for the methodological orientation of the SAI auditors. During the three days of the workshop, the current implementation of the manual was analyzed, the challenges encountered and the elements that require updating were identified, to reflect contemporary practices and ISSAI standards.

Discussions focused on clarifying the audit methodology, standardizing the documentation process, and improving the formats of the Performance Audit Program and Report. The workshop then focused on drafting a new structure for the updated manual, based on a clearer, simpler and more practice-oriented approach. The parties agreed on a work plan with clear deadlines for the finalization of the new manual document. The working groups confirmed their commitment to continue cooperation in this important process, with the aim of preparing a contemporary, useful manual fully harmonized with the requirements of international public audit standards. The meeting also discussed cooperation on the new audit to be supported by the Norwegian SAI.

IDI PUBLISHES GLOBAL REPORT

“Climate Change Adaptation Actions”, part of the audit also by the ALSAI

The INTOSAI Working Group on Environmental Auditing (WGEA) in collaboration with the INTOSAI Development Initiative (IDI) launched a joint global audit project “Climate Change Adaptation Actions (CCAA)”. As part of this project, the joint report “Global Climate Adaptation Audits for a Resilient Future: Findings and Recommendations from Supreme Audit Institutions” was published in November.

As part of this project, the Albanian Supreme Audit Institution conducted a performance audit “Implementation of the National Climate Change Adaptation Plan”, the report of which can be accessed at the link: <https://www.klsh.org.al/raport-perfundimtar-auditimi-zbatimi-i-planit-kombetar-per-pershtatjen-ndaj-ndryshimeve-klimatike/>

The joint report published by IDI, among other things, highlights the findings of the audit conducted in Albania.



“Albania has a National Adaptation Plan that includes a strategic framework for climate adaptation actions; however, the plan lacks operational details, is fragmented and not institutionalized. The audit found that the lack of continuity and integration weakens long-term adaptation efforts.” - the report states.

The joint report “Global Climate Adaptation Audits for a Resilient Future: Findings and Recommendations from Supreme Audit Institutions” is available at the link: <https://www.environmental-auditing.org/media/ss5kffpl/261025-ccaa-global-publication.pdf>

The forum “Together for breast cancer prevention – regular breast screening saves lives”



Following the "Pink October" campaign, which this year has been extended by the Ministry of Health and Social Protection to November due to its special importance, the Albanian Supreme Audit Institution (ALSAI) in cooperation with the Regional Directorate of the Health Care Service Operator (RDHCSSO) in Tirana, organized on November 26, 2025 the forum on the topic "Together for the prevention of breast cancer - regular breast examination saves lives".

The activity took place at the premises of the ALSAI. It was attended by representatives from the Tirana Regional Directorate and the Albanian Supreme Audit Institution, the Institute of Public Health, as well as medical professionals, including oncologists, gynecologists, imaging specialists, and employees of the ALSAI.

The meeting opened with a welcoming speech by the Secretary General of the ALSAI, Ms. Valbona Gaxha, who thanked the representatives of the health institutions that initiated this activity and the Chairman of the ALSAI, Mr. Arben Shehu, for the promotion and care in organizing the event. Ms. Gaxha emphasized that this topic has a special importance for the ALSAI, where 47% of the staff are female employees. Moreover, at the core of the audit work lies the preventive function of deficiencies, where prevention is also the keyword of this campaign.

The Education and Public Health Directorate of the Regional Directorate of the Health Care Service Operator, Tirana, Ms. Haxhire Kasaj, in her speech thanked the Chairman of the Albanian Supreme Audit Institution for his will on organizing this activity.

Ms. Kasaj highlighted that now, every month, all over the year, it will be "pink" in different cities of the country.








Following this, the doctors Dr. Naun Sinani, Dr. Ariela Malaj, Dr. Ilir Qefalia, Ms. Edlira Klosi, Ms. Ardita Ibraj, Ms. Entela Todhe, advised and gave information on early discovering the breast cancer, the importance of medical check up-s, the ways of diagnosing, treating etc.

They highlighted the importance of making the medical check up-s as often as they can and periodic at the doctors making it possible to diagnose it on time, to prevent the development of the disease, to grow the life expectancy and to lower the fatal cases.

As part of this activity, mammography was performed for a group of employees of the Albanian Supreme Audit Institution.

Thank you!

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