



Monthly newsletter

April 2025



REPUBLIKA E SHQIPËRIË
KONTROLLI I LARTË I SHTETIT

100 VJET KLSH

RAPORTI VJETOR I PERFORMANCËS 2024

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TREGUESIT Kryesorë, Viti 2024



159 AUDITIME

Në përputhje me mandatin ligjor dhe objektivat strategjike institucionale, gjatë vitit 2024, KLSH ka kryer 159 auditime nga 155 të programuara, si auditime financiare, përputhshmërie, performance, auditime të sistemeve të teknologjisë dhe informacionit, auditime të kombinuara, për zbatimin e rekomandimeve dhe auditime tematike për çështje të veçanta.



194 OPINIONE/MESAZHE/ KONKLUZIONE

Bazuar në evidencën e auditimit dhe gjykimin profesional të audituesit, në vlerësim të kritereve të auditimit, materialitetit të gjetjeve dhe përhapjes së tyre, është konkluduar respektivisht me opinione/mesazhe/konkluzione auditimi, si më poshtë:



4378 REKOMANDIME

Për mangësitë, parregullsitë dhe problematikat e identifikuar në misionet e auditimit janë dhënë rekomandimet përkatëse për përmirësimin e situatës, të klasifikuara sipas llojit, si më poshtë:

The ALSAI submits the Performance Report for 2024 to the Parliament

The Albanian Supreme Audit Institution has submitted to the Parliament the Annual Performance Report for 2024, approved by decision no. 63, dated 28.03.2025 by the Chairman of the ALSAI, Mr. Arben Shehu.

In fulfilment of its constitutional and legal obligations, the ALSAI, in its capacity as an external public audit institution, during 2024 has carried out a total of 159 audit missions in public institutions, which include financial, compliance, performance, IT systems, combined, thematic audits, as well as verification audits for the implementation of recommendations.

In terms of audit coverage, in accordance with the legal mandate, the ALSAI has carried out audit missions in 205 entities that include independent institutions, central government, local self-government, public companies with state capital over 50% and audits of foreign-funded investments. In accordance with the mission of the ALSAI and International Auditing Standards, the objective of the audits is to conclude with the overall audit opinion or conclusion, accompanied by the provision of relevant recommendations, relevant for improving the situation of the audited entities, for the problems or shortcomings found.

In the audits conducted during 2024, 194 opinions/messages and audit conclusions were given.

The audit opinions or conclusions were accompanied by 4378 recommendations which include organizational, administrative and disciplinary measures, improvements to the legal framework, measures with economic damage and measures to address irregularities with a negative financial effect. These measures aim not only to fill the deficiencies, to establish individual or managerial responsibilities, but, above all, to prevent their recurrence in the future.

As an indicator of the audit work and in accordance with the legal obligation, the ALSAI conducts audits to verify the implementation of recommendations left in previous audits.

From the audits conducted, it was found that about 70% of the recommendations have been fully implemented, partially implemented or are in the process of implementation by the responsible institutions. This percentage shows that despite the high level of acceptability (99%), in order to increase the level of implementation, the ALSAI has continued to encourage institutions by re-requesting the full implementation of the recommendations.

Statistics



35 finalized audits for the year 2025

80 audits are in process

70% implemented recommendations

44 audit reports are published in the web

Message from the Chairman of the ALSAI, Mr. Arben Shehu

In fulfilment of our constitutional and legal mission, even during 2024, the ALSAI has continued with dedication to exercise the mandate of auditing public funds and state assets, with the aim of guaranteeing accountability, transparency and improving management in the public sector.

At the core of the ALSAI's mission lies the rigorous implementation of international public auditing standards (ISSAI), with the aim of ensuring that public funds are managed in a legal, regular and effective manner, in order to maximize value for citizens. The guiding principle of our work is that each budgetary unit is accountable for the use of the resources entrusted to it, in accordance with policy objectives and the public interest as the ultimate standard.

Financial audits conducted have highlighted repeated phenomena of misclassification of expenditures and revenues, failure to register public assets, failure to fully register arrears and their inaccurate reporting.

Many of these problems stem from weaknesses in internal controls and the lack of legal documentation, causing distortion of financial statements and an unfair reflection of the financial situation of institutions.

In compliance audits, public asset management continues to be a high-risk area, as unregistered properties, lack of ownership certificates, and depreciated assets not included in the balance sheets have been identified. In some institutions, takeover acts are missing and it is not clear who is responsible for the management of public assets.

In addition, violations of procurement legislation continue to be identified, such as: lack of real competition, one-sided criteria, unfounded assessments of operators and weaknesses in contract management. Contracts concluded with a single operator, procedures with missing documentation, as well as violations in the application of selection criteria have been identified. In some cases, procurements have been carried out for services that were covered by existing contracts, leading to double costs for the public budget. In the audit of the implementation of public contracts, payments for unfinished works, lack of penalties against contractors, etc. have been found.

In many public institutions, formal budget planning has been found, with no real connection to needs or strategic priorities. Supporting documentation for budget requests has often been insufficient, while projects have been presented outside the approved ceilings, without clear justification.

Budget execution has reflected numerous deviations and continuous changes, which have increased the risk of creating arrears and increased pressure on the budgets of subsequent years. In the area of public revenues, audits have revealed problems with the collection and administration of customs and tax revenues and the non-recovery of customs and tax debt. Meanwhile, incorrect tariff classifications and non-use of punitive measures have continued to be found.

Another area that deserves special attention is human resources management, the lack of a clear division of responsibilities, the lack of disciplinary processes and unfair dismissals that continue to be associated with additional costs to the budget of the institutions by the winners of the lawsuits.

Performance audits have shown that the orientation towards results remains limited or the results are negligible or immeasurable, measurable indicators are lacking and inter-institutional coordination is often lacking. Policies remain formal and are not accompanied by integrated budgeting or concrete implementation plans.



In the field of information technology, audits have highlighted weaknesses in systems management, information security and efficient use of technology, non-compliance with standards and recovery plans.

Also, during 2024, the ALSAI has continued to actively follow up on the recommendations left through 13 audits to verify the status of their implementation, which have resulted in being fully implemented, partially implemented or in the process of being implemented, at the level of 70%, despite the high level of acceptability at 99%. This indicator remains almost the same as the previous year, which underlines that the pace of implementation of recommendations still requires improvement. The SAI will continue to exert institutional pressure to promote the full and rapid implementation of recommendations, as a key mechanism for increasing the efficiency of public administration.

As part of our role as a contributor to the fight against corruption, the ALSAI has emphasized the importance of strengthening internal control in public institutions, aiming to prevent the phenomena of irresponsibility, negligence in the use of public funds and the provision of services to citizens. This, by pointing out in the audit reports not only the violations, but also the systemic reasons that make them repeatable.

The year 2024 for the Albanian Supreme Audit Institution was another year of continuity in the contribution that this institution provides as a guarantor of accountability, transparency and integrity in the administration of public funds. In accordance with its mandate, the ALSAI exercised extensive audit activity in institutions of all levels and categories, ensuring comprehensive coverage of the public sector.

The ALSAI reaffirmed once again its commitment to fully fulfill its constitutional and legal obligations while maintaining credibility as an independent, professional institution serving the public interest. This, being aware that the trust of citizens is earned daily, through systematic, objective work, impartial analysis and independent judgment.

Important challenges lie ahead, including further digitalization of processes, strengthening our preventive role and increasing the impact on good governance and transparency through recommendations that go beyond findings.

The future requires that all actors, the Assembly, executive institutions, civil society and citizens themselves, engage in building a new governance culture, a culture where transparency, accountability and integrity are not distant objectives, but unchanging norms for an efficient and trustworthy administration. On this path, the ALSAI remains committed to exercising its role with professionalism, independence and dedication, continuing to be an institution at the service of the public, an oversight mechanism that assists reforms and an independent voice whenever the public interest is violated.

ANNUAL PERFORMANCE REPORT 2024

MAIN INDICATORS



159 AUDIT MISSIONS

During 2024, the ALSAI conducted 159 audits out of 155 planned. 45 financial audits, 43 compliance audits, 35 combined audits, 15 performance audits, 8 IT audits and 13 recommendations implementation audits were conducted.



194 OPINIONS/MESSAGES/CONCLUSIONS

In the 2024 audits, 194 opinions/messages and audit conclusions were given, of which: 80 financial opinions/conclusions, 78 compliance opinions/conclusions, 15 performance audit messages, 8 IT audit conclusions, as well as 13 other conclusions on the implementation of recommendations.



205 AUDITED SUBJECTS

In accordance with the legal mandate, the ALSAI has conducted audits in 205 entities, of which: 97 entities representing public entities of central government, 75 of local self-government, 13 independent institutions, 20 entities of public companies with a state shareholder of over 50%.



4378 RECOMMENDATIONS

The audit opinions or conclusions were accompanied by 4,378 recommendations, which include: 2,594 organizational measures, 28 improvements to the legal framework, 1,059 disciplinary and administrative measures, 184 measures related to economic damage, as well as 513 measures for addressing irregularities with negative financial impact.



70% IMPLEMENTATION OF RECOMMENDATIONS

During 2024, verification of the implementation of recommendations left in 97 audits conducted in 2023 was carried out. From the audits on the implementation of 3937 recommendations left in previous audits, it was found that about 70% of the recommendations have been fully implemented, partially implemented or are in the process of being implemented by the responsible institutions.



Balkan Barometer 2024

The Regional Cooperation Council evaluates the ALSAI as a leader in the region for its independence and trust in its work effectiveness.

The Regional Cooperation Council (RCC) has published the annual Balkan Barometer 2024, which examines the socio-economic situation of the region, opinions and prospects in all Western Balkan countries based on public perceptions. The report was produced with the support of the European Union.



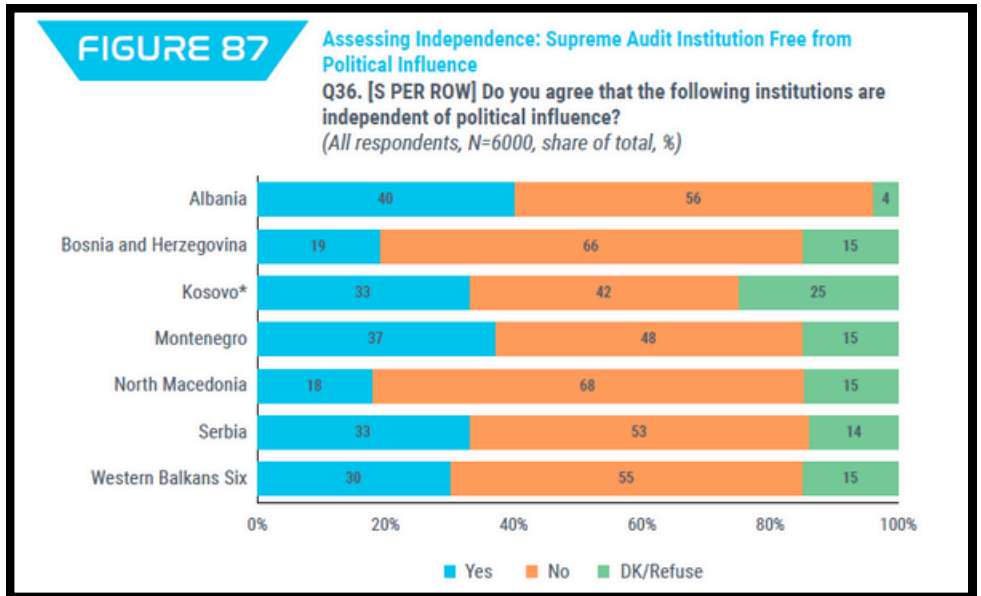
Part of the Balkan Barometer survey is also an assessment of the independence and effectiveness of the work of Supreme Audit Institutions (SAIs) to audit governments in the interest of citizens. Based on the results of the report, the Albanian Supreme Audit Institution (ALSAI) has maintained its position regarding independence and its oversight role, making the government more accountable to citizens. Compared to countries in the region, ALSAI is positioned at the top of the assessment for institutional independence, despite the high skepticism of citizens in all countries of the region.

In the six Western Balkan countries, according to the report's findings, Albania and Kosovo are among the countries with the highest trust in Supreme Audit Institutions in the region.

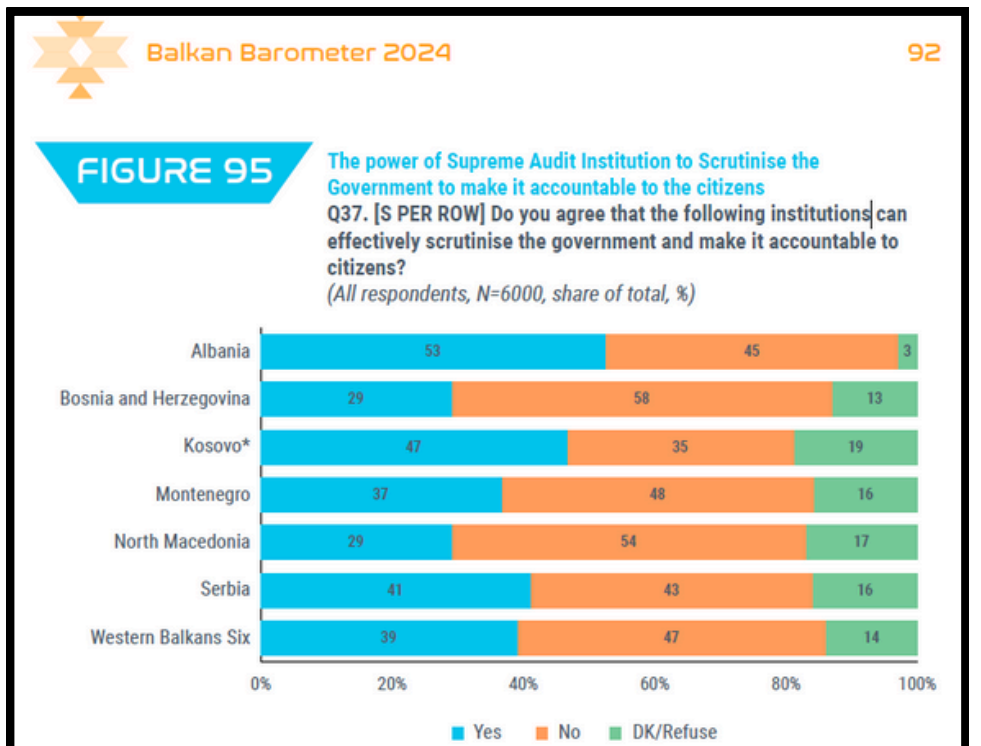
The report highlights that Albania and Kosovo emerge as leaders in trust, with 53% and 47% of respondents expressing the opinion that Supreme Audit Institutions can effectively review the work of the Government, to make it accountable to citizens.

The Balkan Barometer surveys were conducted during March and early April 2024 in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia.

Independence Assessment: The SAI freedom from political influence



The power of SAI to scrutinise the government to make it accountable to the citizens



The Regional Cooperation Council focuses on promoting and enhancing regional cooperation in South-Eastern Europe, with the aim of European and Euro-Atlantic integration of the aspiring countries, and aims to foster development in the region for the benefit of its citizens.

The RCC is composed of 46 countries, international organizations and financial institutions. The organization is financed by the European Union and its other members. Since January 2025, the Council has been headed by Mr. Amer Kapetanovic, Secretary General.



The Chairman of the ALSAI, Mr. Arben Shehu, hosts a meeting with senior experts from the National Audit Office of the United Kingdom (NAO UK)

The Chairman of the ALSAI, Mr. Arben Shehu, hosted in a meeting on 20 March 2025 senior experts from the National Audit Office of the United Kingdom (NAO UK), Mr. Benjamin Peters, Head of External Communications; Mr. Dan Gluckman, Senior Manager for Digital Communications; Ms. Natalie Low, Senior Manager of Audit, within the framework of bilateral cooperation with the support of the Westminster Foundation for Democracy (WFD).

NAO UK is coming to Albania for the first time to provide technical assistance to the ALSAI on the institution's communication strategy and the improvement of the techniques and manner of writing audit reports. The discussions focused on developing the capacities of auditors in writing audit reports and continuing cooperation in the field of communication. The importance of cooperation on the development of advanced methodologies that provide for the raising of professional standards was also emphasized.



NAO experts conduct training with ALSAI auditors on report writing and Communication Strategy

Within the framework of bilateral cooperation and technical support of the National Audit Office of the United Kingdom (NAO UK) and the Supreme Audit Office of Albania, with the support of the Westminster Foundation for Democracy (WFD), on 19-21 March, training on writing audit reports and on Communication Strategy was held at the Tirana International Hotel.

The training was carried out through technical assistance from senior experts in the field of communication of NAO UK, Mr. Benjamin Peters, Director of External Communications, Mr. Dan Gluckman, Senior Manager for Digital Communications and Ms. Natalie Low, Senior Manager of Audit.

NAO UK experts underlined the importance of an effective communication strategy for SAIs, interaction with Parliament, focusing on the drafting and dissemination of information in a clear and structured manner, drafting newsletters, to increase transparency and interaction with the public and institutional stakeholders, the use of digital tools to strengthen the impact of public messages and increase the effectiveness of institutional communication.

NAO UK experts assessed the Communication Strategy that the ALSAI has in place, expressing their willingness to offer their assistance in improving this document based on the practice followed by the NAO.

The training on writing audit reports, led by Ms. Natalie Low, focused on improving skills in writing audit reports. Through practical sessions and exercises, techniques on defining the scope of the audit and the main findings, the logical structure in reporting and techniques for effective reporting were concretely addressed.

At the end of the training, the participants emphasized the importance of using simple texts in reporting as well as the graphical presentation of data in a concise manner, to provide a complete and clear overview of the audit work.

This training constitutes an important step in strengthening the capacities of auditors and staff of the Albanian Supreme Audit Institution to develop and implement a sustainable communication strategy, increasing the impact and credibility of the institution in relation to the public and institutional partners.



ALSAI-UN Women Albania strengthen cooperation for gender equality



The Albanian Supreme Audit Institution and UN Women Albania signed on March 10, 2025 a “Memorandum of Understanding” to advance audits in the field of gender equality, ensuring that public resources respond to the needs of both women and men.

The Memorandum was signed in the premises of the ALSAI by the Chairman, Mr. Arben Shehu, and Mr. Michele Ribotta, representative of UN Women in Albania. This second agreement between the Supreme Audit Office and UN Women marks the deepening of the successful cooperation developed between the two partners so far in important areas such as the integration of the gender perspective in audit processes and the advancement of gender equality in the management of public finances.

The parties expressed their full willingness to successfully fulfill all commitments arising from the new bilateral agreement during the next 2 years.



Auditors of the ALSAI, part of the training at the European Court of Auditors (ECA)



For more than a decade, the cooperation of the Albanian Supreme Audit Institution and the European Court of Auditors through training practices has contributed to the professional formation of SAI auditors, to apply European standards and best practices in the field of auditing.

Within the framework of this cooperation, a training program was developed at the European Court of Auditors in Luxembourg for the period from October 1, 2024 to February 28, 2025, where SAI was represented by Ms. Blerta Hima, Head of the External Relations Sector; Mr. Fatlum Dogjani, auditor in the Department of Audit of Public Companies and Foreign Investments; Mr. Erald Kojku, auditor in the Department of Audit of Public Companies and Foreign Investments; Ms. Mirela Vasil, auditor in the Department of Audit of Central Institutions; Mr. Blerti Shehu, auditor in the Department of Audit of Security Institutions and Public Property. The training program aimed to improve the professional skills of auditors and provide them with knowledge of best practices and methodologies used by ECA.







The main benefits of the training include knowledge of contemporary ECA methodologies, improvement of risk assessment techniques, increased awareness of the importance of transparency and accountability and the importance of an organized and structured methodology in the audit process.

The cooperation of the ALSAI with the ECA has started since 2014 and over the years over 20 auditors have participated in the professional practices that this institution offers to European SAIs, especially those of EU candidate countries.

Thank you for reading!



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