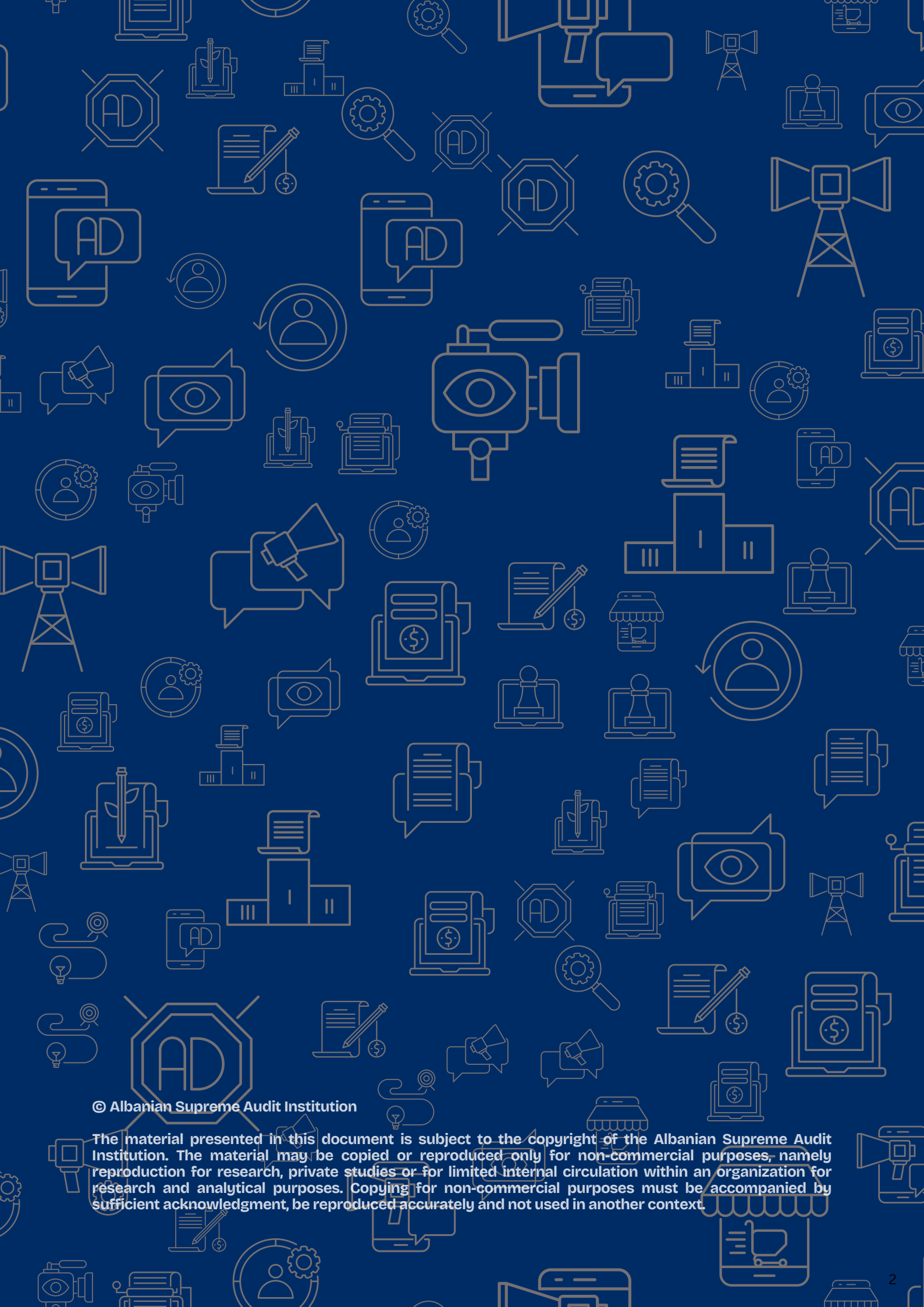
ALBANIAN SUPREME AUDIT INSTITUTION

ANNUAL NEWSLETTER



2025

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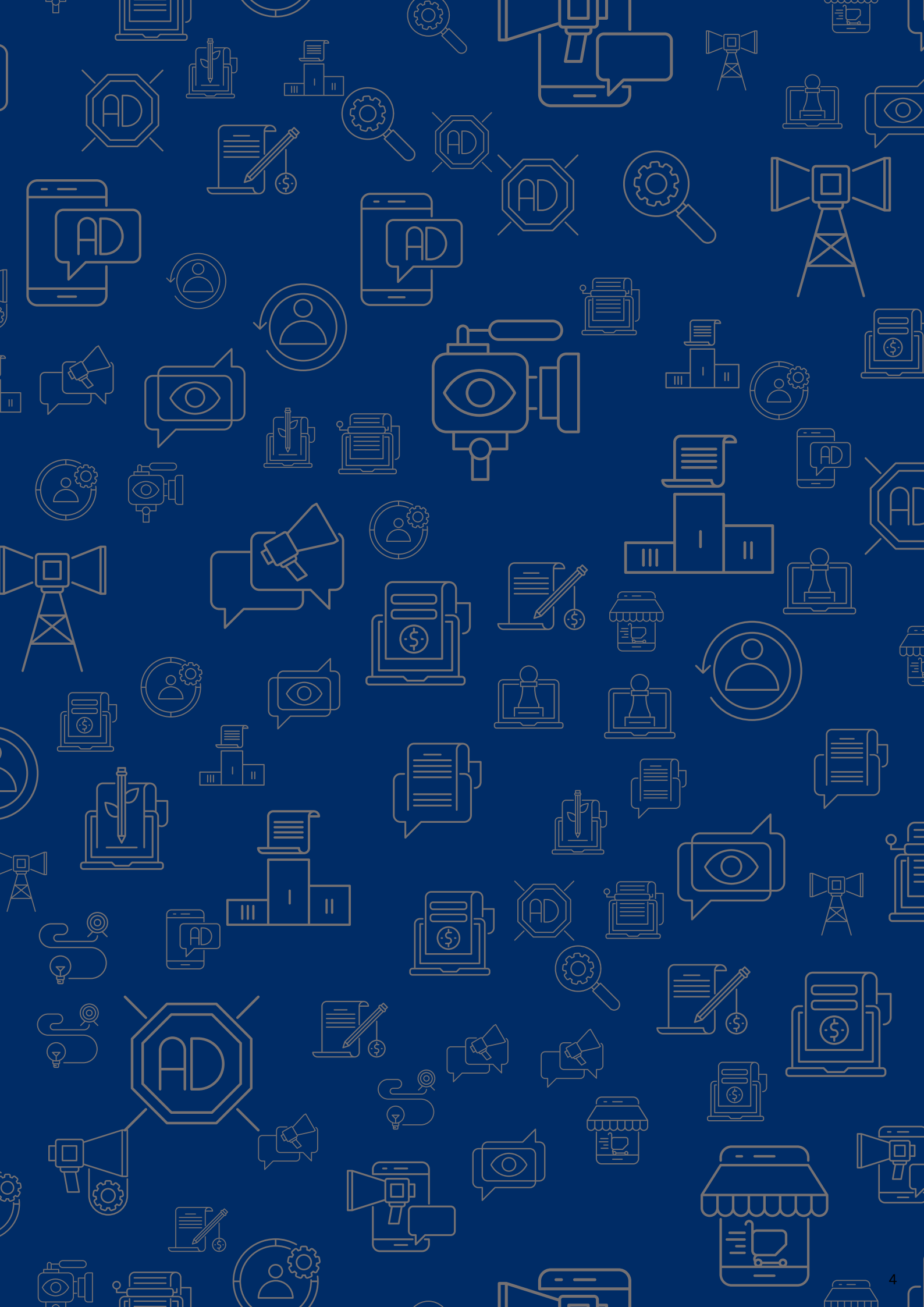
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INTRO

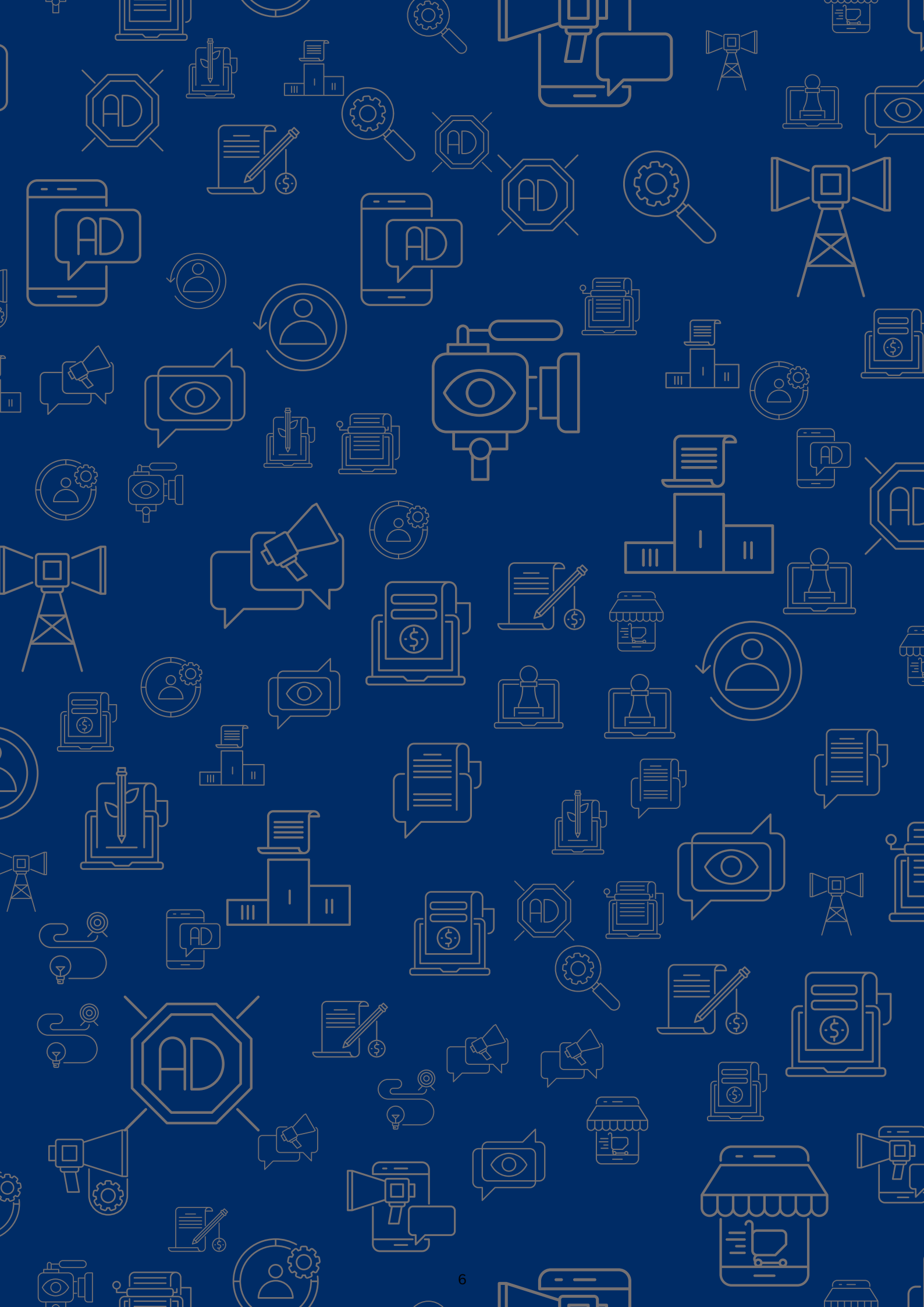
ALSAI, more accessible to the public and interest groups

To promote efficient and transparent communication with the public and stakeholders, the Albanian Supreme Audit Institution (ALSAI) has commenced the publication of the informational material "Monthly Newsletter" as of November 2024. This innovative communication format seeks to enhance the institution's accessibility to the public by delivering clear and organized information regarding the activities of the ALSAI.

The annual summary contained in this document consolidates the 13 issues of the monthly newsletter (November 2024 - November 2025) into a single publication. This document outlines the institution's key activities, significant audit findings, and collaborations with both domestic and international audit organizations, offering a comprehensive overview of the ALSAI's operations over the year.

The annual newsletter functions as a guiding resource for the public, partner institutions, and all interested parties, while simultaneously serving as an updated repository of the Albanian Supreme Audit Institution's activities. Through this publication, the institution seeks to enhance the culture of information, elevate public awareness regarding the role and mission of public external audit, and further promote transparency standards in public governance.

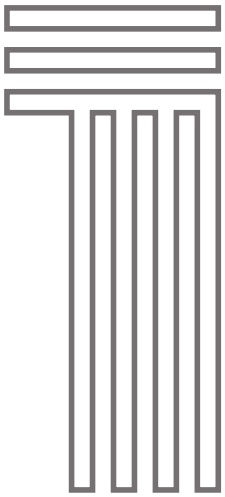
> *Transparency constitutes a fundamental pillar of our institutional mission. By providing continuous and reliable information, we seek to enhance citizens' trust and offer a clear overview of the institution's activities, processes, and commitments. The issuance of the monthly newsletter and its annual summary exemplifies our dedication to open communication, bolstering accountability, and fostering a sustainable dialogue with the public and stakeholders.*
> *Informing the public transcends a mere legal obligation; it embodies a steadfast commitment to accountability and integrity.*
>
> **Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu**



NOVEMBER
2024

NEWSLETTER

NO.



ALBANIAN SUPREME AUDIT INSTITUTION

NO.1

Monthly newsletter

November 2024



The Chairman of the ALSAI, during his report to the Committee on Economy and Finance

The ALSAI submits to the Parliament the Report on the Implementation of the 2023 State Budget

In accordance with the Constitution of the Republic of Albania, Law No. 154/2014, dated 27.11.2014 "On the organization and functioning of the ALSAI", Law No. 9936, dated 26.6.2008, "On the Management of the Budget System in the Republic of Albania", Law No. 10296, dated 08.07.2010 "On financial management and control", as well as Law No. 84/2022, dated 24.11.2022, "On the 2023 Budget", as amended; the ALSAI has submitted to the Assembly of Albania on 22.10.2024 the report "On the implementation of the Actual Budget for the year 2023".

On 29.10.2024, the Chairman of the ALSAI, Mr. Arben Shehu, reported to the Committee on Economy and Finance on the Budget Implementation Report for 2023.

During his report to the Committee, Mr. Shehu emphasized that through the presentation of this Report to the Assembly, the ALSAI, in addition to implementing constitutional and legal obligations, aims to promote transparency, predictability, and unity in the management of the budget system and special funds, with the aim of the economic, efficient, and effective use of public resources, in the service of good governance and in the function of improving the lives of taxpayers, Albanian citizens.

THE AUDITS RELATING TO THE ACTIVITY OF THE YEAR 2023 HAVE RESULTED IN:

- missing budget revenues in the amount of **16,935 thousand ALL;**
- in the area of expenditures, economic damage in the amount of **104,374 thousand ALL;**
- as well as the use of public funds without effectiveness, efficiency and economy in the total amount of **5,205,396 thousand ALL.**

Albania Supreme Audit Institution continues to consider fiscal risks with budgetary impact issues related to:

- performance of major state-owned enterprises;
- expenditures on concession and public-private partnership (PPP) contracts with budget support;
- general government arrears and other contingent liabilities for international litigation.

Statistics



106 finalized **audits** in October 2024

18 finished **audits** in October 2024

55 audits that are in the process of being finalized

89 audit **reports** are published in the web

Findings from audits in customs, taxes and SII

Audit conducted at the Social Insurance Institute

1. Until 31.12.2023, **The Social Insurance Fund results in a number of debtors of 110,129 entities,** which corresponds to a value of arrears of 18,456,251 thousand ALL, which accounts for about 11% of the annual budget expenditures realized, which if collected, would have exceeded the income from contributions by 14%.
The contribution obligations pursued by the Social Insurance Fund are in total 5,882,737,711 ALL, which compared to a year ago, have increased to the amount of 225,014,906 ALL. This category of debtors presents an increased problem, since the repayment of obligations can be interrupted due to age, which also makes their liquidation difficult.

2. The audit found a lack of regular inter-institutional interaction and communication between the SII and the GDT, a problem that has continued for years. **By the end of 2023, a total of 1,482,748 missing payment lists** (paper format) of paying entities belonging to the tax periods 2006–2012 resulted.

3. The audit results that there are **9,614 uninspected and uncertified files from the SII,** of which 8,775 uninspected pension files, belonging to the year 2020, as well as 839 files belonging to the years 2019-2021, for review. According to the provisions of Law No. 7703, dated 11.05.1993, Article 62, point 3, measures should have been taken in order to avoid financial effects for the SSSI and the state budget as a result of exceeding the 3-year legal deadline for claiming surpluses unjustly obtained from beneficiaries.



General Directorate of Customs

From the audit of 200 customs declarations in the tariff code 3304499 (beauty and skin care preparations) and the documentation attached to them in the Asycuda World system for the category of injectable skin care products, **51 customs declarations with injectable skin maintenance products, fillers/botox, of the type:** Ejal 40mg, Hyamino care 500mg/2mg, Chaeum Hyaluronic Acid, Nythia Injectable, Aqualyx cosmetic, Sedyfill60cc, Mesoheal, Botulax, Boneta, Profhilo H-L, ASCEplus, Gouri, PCL Booster, Exotokine, Pidiroenne, Wanna Fill H, Elasty G/D/F, Rejunox and others, from 9 entities, **with a total declared value of 65,062 Euros and 75,743 USD, which do not result to be equipped with the certificate for the registration of the medical device.** relevant in the National Register of Medical Devices, maintained by the National Agency of Medicines and Medical Devices as defined by Law No. 89/2014 dated 17.07.2014 “On Medical Devices”, as amended, Article 13, products that have been cleared and put into circulation without the relevant approvals for both the manufacturer and the trader, these products with a small weight and high value although as has been evidenced, the declared value results in deviations. The customs control structures have not carried out physical checks on these products in order to identify irregularities. Out of 51 recorded declarations, it has been found that 38 cases or about 75% of them were imported from South Korea.



General Directorate of Taxes

The audit at the GDT found that **the state of unpaid tax liabilities at the beginning of 2023 is presented in the amount of about 146,767 million ALL**, which belongs to a number of 182,490 debtor entities, and at the end of 2023 these liabilities result in the amount of about 155,165 million ALL, which belongs to a number of about 181,023 debtor entities. The liabilities added during 2023 are 40 billion ALL or approximately 3 billion ALL more compared to 2022, where the added liabilities were 37 billion ALL. The General Directorate of Taxes has an unpaid tax liability outside the C@TS system in the amount of 2,351,817,199 ALL.
From the self-declarations of the Regional Tax Directorates, it was found that 109 controls out of 2,982 planned controls or about 4% of the total were not started, creating a stock of entities planned for control and not controlled. The Risk Management Directorate at the GDT in the last 5 years has not carried out any control proposal for entities registered as "NGOs", despite the high turnover that these entities realize, where from the activity database for the last 5 years, there are NGOs with turnover up to 728,808,724 ALL, but also for the other risks that these businesses carry.
During 2023, the field verification groups were not equipped with the electronic monitoring system "E-Inspector", which serves for the identification and registration of taxable entities, the automation of work processes and the achievement of objectives in the fight against informality.

Audit at CHCIF

From the compliance audit conducted at the Compulsory Health Care Insurance Fund, for the period of year 2023, it resulted that:

1. List of reimbursable medicines was not drafted and approved on time, not respecting the history of the periodicity of its approval, with consequences on the level of reimbursement financing and/or with an impact on the health of the beneficiary population. Referring to the administered data, it results that the lack of drafting of the LRM in 2023 and the failure to include new alternatives with a lower price would have saved the budget about 3,759,890 EUR or 417.3 million ALL.

2. From the audit on the planning of expenditures for the reimbursement of medicines, it resulted that the CHCIF did not argue in a concrete and exhaustive manner the fact of the increase in the reimbursement of medicines in actual terms, followed by the increase in reimbursable prescriptions despite the decrease in the prices of medicines. From the comparison with the previous year with the year 2022, **an increase in reimbursement expenses of a total of 563.9 million ALL is noted.** This increase is due to the increase in the number of reimbursed prescriptions, the increase in the average prescription value, the increase in the reimbursement value per patient, as well as the increase in the number of drugs that belong to the reimbursed list of the open network.

3. Regarding the financing of PPP contracts, It has resulted that in three contracts, the value of annual financing, as well as their financing forecasts in the 2023-2025 MTBP, are beyond the budgetary support foreseen for their implementation, specifically:

a) PPP **"For the provision of integrated services for the supply of personalized sets of sterile surgical instruments, the supply of sterile disposable medical materials in surgical rooms, the treatment of biohazardous waste and the disinfection of surgical rooms."** In 2022, 1,700,000 thousand ALL were foreseen according to the annual budget and 1,750,000 thousand ALL in the 2023 annual budget, while the payments made for 2022 and 2023 are on an increasing trend of 1,699,975 thousand ALL and 1,749,982 thousand ALL.

b) PPP **"Haemodialysis service"**, in 2022 the invoices received are in the amount of 807,647 thousand ALL, for 2023 the amount is 851,974 thousand ALL, meanwhile the projection on the budget support by years results that for 2022 it was 786,451 thousand ALL and for 2023 it was 835,385 thousand ALL.

c) Regarding PPP **"Laboratory service"** it has resulted that in 2023 compared to 2022, **the number of examinations has increased by 182,816 cases,** while budget expenditures amounted to 111,836 thousand ALL.



"Effectiveness and safety of medicines"

ALSAI, at the conclusion of the audit on the topic **"Effectiveness and safety of medicines circulating in Albania"** came out with the message:

The Ministry of Health and Social Protection and the National Agency for Medicines and Medical Devices should continue their work in **guaranteeing a sustainable system for ensuring the quality and safety of medicines, to protect the health of the population** and improve public trust in the health system, through:

- improving legislation and regulations in line with international standards for the quality and safety of medicines;
- increasing control and strengthening safety procedures;
- implementing advanced technologies for testing the quality of medicines;
- training and qualification of personnel;
- strengthening cooperation between institutions;
- undertaking awareness campaigns among citizens and health professionals on the importance of using safe and controlled medicines;
- and encouraging reporting by patients and doctors on possible side effects or defects of medicines.

Energy efficiency

From the audit at the entity "Energy Efficiency Agency" (EEA), irregularities were found regarding the compliance of this institution's activities with the legal framework in force, the most important of which, in summary, are:

1. **EEA has signed the contract** no. 306/12, dated 14.05.2021, with the object "Installation of the lighting system, parking, electrical supply of cars, 2 km smart city, clean energy road", completion deadline 6 months, but this contract has not yet been completed, causing this project to not achieve the purpose for which it was designed, as well as the value of the investment made of 78,113,691 ALL excluding VAT (according to the final situation), to be an ineffective expense.

Also, over the years, the installed equipment will be depreciated and additional funds will be required to put it into operation, increasing the value of the investment, as well as causing a loss of the value of the energy that the installed equipment should produce.

2. **EECERT data entry system**, which is the energy efficiency system, has not had maintenance of its modules and presents various problems, both in data entry and in their processing. This system does not enable the generation of various reports, which were necessary to conduct surveys regarding data entry by independent energy auditors.

3. **EEA has launched the procurement procedure** with the object "Pilot project for improving energy efficiency in wastewater treatment plants", in the Durrës Municipal Utility, at the request of the latter, but without the request and cooperation of the National Agency for Water Supply, Sewerage and Solid Waste, which is the responsible agency in relation to the facility procured by AEE. At the end of the investment, AEE did not monitor the actual energy efficiency achieved, thus not really determining whether the investment made has achieved its goal regarding increasing energy efficiency.

Audit conducted at the Institute of Statistics



The ALSAI, from the audit conducted at INSTAT, for the audited period 01.01.2021 to 31.12.2023, **has identified several shortcomings, mainly regarding the Population and Housing Census Project.** INSTAT has not developed the Census Project according to the 2022 Annual Plan, failing to respect the approved deadlines and postponing the phases of data collection, processing and publication, as a result of the public procurement procedure for the purchase of tablets and other equipment, which failed due to inconsistencies in the technical specifications, as well as its cancellation by the Public Procurement Commission. These shortcomings highlight the weaknesses in the planning and implementation of the project, jeopardizing the fulfilment of legal obligations and established objectives.

During the audit of the preparatory phase of the Population and Housing Census Project conducted in 2023, the ALSAI has identified several shortcomings in the provision of facilities for the storage of electronic devices (tablets), jeopardizing the security and confidentiality of data.

MEETINGS AT UNIVERSITIES FOR THE AUDIT PLAN IN 2025

Workshop

During October-November 2024, the audit departments at the ALSAI held working meetings at several public universities regarding the process of preparing audit topics for 2025.

On 05.11.2024, the State Budget Audit Department and the Local Self-Government Units Audit Department held the workshop "Planning of audit activity for year 2025" at the "Luigj Gurakuqi" University in Shkodër.

The welcoming speech of this workshop was delivered by the Secretary General of the ALSAI, Ms. Valbona Gaxha, who, after thanking the university leaders for their hospitality, emphasized the importance of this meeting in the continuation of the activities of the ALSAI Strategic Plan.

In her speech, Ms. Gaxha focused on the audit activity of the ALSAI, the final audit reports which are reflected on the official website of the institution for the general public, the results of which should also be discussed in meetings with students and lecturers.

Afterwards, Ms. Gaxha stated that the doors of the Albanian Supreme Audit Institution are open to students who are interested in applying to become part of the ALSAI after completing their studies.

Rector Mr. Tonin Gjuraj, in his welcoming speech, thanked the Chairman of the ALSAI, Mr. Arben Shehu, for choosing the auditor of the "Luigj Gurakuqi" University to present the audit work of the ALSAI.

Mr. Gjuraj emphasized the importance of this meeting for both parties, as the provision of opinions and discussions is valuable to lecturers and students in the academic field, but also to the ALSAI auditors in their perspective on audit work.

During the meeting, discussions were held with lecturers and students regarding various aspects of the activity of the Albanian Supreme Audit Institution.



On October 29-30, the Department of Audit of Central Institutions and the Department of Audit of Public Companies and Foreign Investments held the workshop "Planning of Audit Activity for 2025" at the "Fan S. Noli" University.

The Directors of the Audit Departments emphasized that there is now a tradition of drafting an audit plan, which becomes mandatory after approval by the Chairman of the ALSAI and, for the purpose of transparency, is published on the official website of the institution.

The activity was welcomed by the Rector of the "Fan S. Noli" University, Prof. Dr. Lenci Ekonomi and the Dean of the Faculty of Economics, Prof. As. Dr. Ledina Aliolli. Also present at this meeting were students, who were encouraged to actively participate and give their opinions on their perception of the problems of reality. At the end of the activity, ideas were exchanged on the subjects that should be included in the annual audit plan for year 2025.

On 01.11.2024, the Performance Audit Department at the ALSAI finalized the process of preparing audit topics for 2025 at the "Eqrem Çabej" University in Gjirokastër. This meeting was attended by heads of the institution and audit departments at the ALSAI, as well as auditors of the Performance Audit Department.

Director of the Performance Audit Department, Mr. Alfred Zylfi, made a summary of the entire process of implementation, planning of audit topics, based on the Performance Audit Manual, presenting some of the areas that have been proposed to be included in the annual audit plan for 2025.

Participating in the activity were Prof. Dr. Jaho Cana, Rector of "Eqrem Çabej" University, lecturers and students.

EUROPEAN COMMISSION

Brussels, 30.10.2024
SWD(2024) 690 final

COMMISSION STAFF WORKING DOCUMENT

Albania 2024 Report

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF REGIONS

The EU progress report assesses the role and work of the ALSAI in the integration process

The 2024 European Union Progress Report for Albania assesses the role and work of the Supreme State Audit Office in the integration process.
In the section on the analysis of Chapter 32 on **"Financial Control"**, the European Commission (EC) states that the quality of audit work has improved and is in line with the standards of the International Organization of Supreme Audit Institutions (INTOSAI).

"The legal framework of Albania guarantees the independence of the Albania Supreme Audit Institution. During the reporting period, the ALSAI adopted the Development Strategy 2023-2027. The ALSAI has continued to improve its institutional capacities. The number of staff has increased to 216 employees. The ALSAI continues to carry out professional development activities for the audit staff, based on the annual plan. The ALSAI's objectives have shifted to performance and financial audits. The impact of the audit work has shown progress. In 2023, 160 audit reports were submitted to the Assembly. The ALSAI regularly reports on the implementation of its recommendations," the 2024 Progress Report states.

In this document, the EC recommends that Albania improves the implementation of external audit recommendations. "Although 98% of the recommendations given in the 2022 audits were accepted, only 47% were fully or partially implemented by the end of 2023. The ALSAI reported four criminal reports to the Prosecutor's Office in 2022, involving 16 officials. The ALSAI continues to cooperate and provide information to the prosecution body regarding the findings of its audits, which may have elements of a criminal offense. The SAI forwarded 67 materials to the Special Prosecutor's Office in 2023," the Progress Report states.

The EC highlights that increased use of the ALSAI's audits in the parliamentary budget oversight process should be ensured through the operationalization of the recently established parliamentary subcommittee. The Progress Report states that further efforts are required to ensure the implementation of the ALSAI's recommendations and that the institution's reporting should be assessed and used meaningfully by Parliament.

ACTIVITIES

ALSAI-TCA intensify cooperation

The Chairman of the ALSAI, Mr. Arben Shehu, on 03.10.2024, received on a two-day official visit the President of the Turkish Court of Accounts, Mr. Metin Yener and the delegation accompanying him.
During this visit, a Memorandum of Understanding was signed for the continuation of cooperation between the two Supreme Audit Institutions.
The Chairman of the ALSAI thanked Mr. Metin Yener for the visit and expressed the highest appreciation for the cooperative relationship that has been established with the Turkish Court of Accounts.
Mr. Shehu and his Turkish counterpart, Mr. Yener, expressed their full commitment to strengthening cooperation on issues of common interest.



ALSAI-NAO Kosovo working meeting in support of improving public auditing

At the invitation of the Auditor General of the Republic of Kosovo, Ms. Vlora Spanca, the Chairman of the ALSAI, Mr. Arben Shehu, together with a delegation, conducted a working visit on October 25 in Prizren.
The meeting aimed to comprehensively discuss topics of common interest, in the service of improving public auditing in both countries.



Thank you for reading!

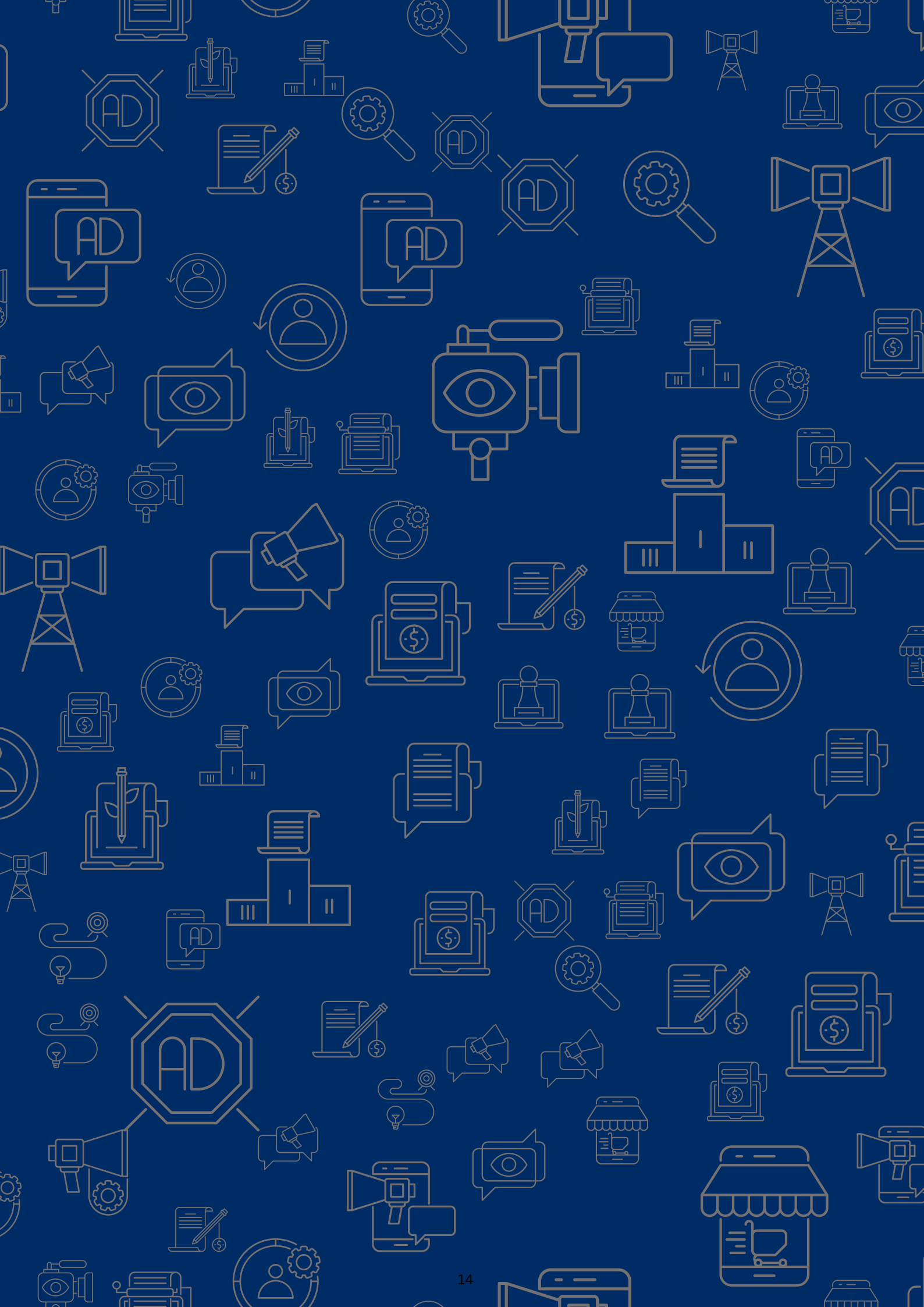
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Monday Thursday: 08:00 – 16:30
Friday: 08:00 – 14:00



DECEMBER
2024

NEWSLETTER

NO. 2

ALBANIAN SUPREME AUDIT INSTITUTION

NO.2

Monthly newsletter

December 2024



The Chairman of the ALSAI, Mr. Arben Shehu, during the meeting with the Deputy Prime Minister of the Republic of North Macedonia, Mr. Arben Fetai

The Chairman of the ALSAI, Mr. Arben Shehu, received on an official visit the Deputy Prime Minister of North Macedonia, Mr. Arben Fetai

The Chairman of the ALSAI, Mr. Arben Shehu, on 14.11.2024, received on an official visit the Deputy Prime Minister of the Republic of North Macedonia, Mr. Arben Fetai, along with his delegation. During this visit, Deputy Prime Minister Fetai was accompanied by Mr. Agim Mahmuti, Chief of Staff of the Deputy Prime Minister and Ms. Bardha Nasufi, Advisor to the Cabinet, as well as the Ambassador of the Republic of Albania to the RNM, Mr. Denion Mejdani.

The Chairman of the ALSAI thanked Mr. Arben Fetai for the visit and expressed his highest appreciation for the current cooperation with the Republic of North Macedonia. Also, Mr. Shehu emphasized the commitment to intensifying relations with the counterpart institution of the State Audit Office of North Macedonia, in order to share experience in conducting quality audits and promoting accountability, transparency and improvement of public services.

Mr. Fetai shared in this meeting the challenges faced by the institutions, focusing on the importance of preventing and fighting corruption and the role of the supreme audit institution in particular. At the end of the meeting, Mr. Shehu and Mr. Fetai expressed their joint commitment to the continuation of cooperation in the future, concretized with projects for priority areas assessed as of particular importance.



Statistics



111 finalized **audits** until November 2024

4 finished **audits** in November 2024

32 audits are in the process of being finalized

89 auditing **raports** are published in the web

The new Code of Ethics of the ALSAI is approved based on International Standards of Supreme Audit Institutions

To guarantee public trust in the Albanian Supreme Audit Institution, in support of the law "On the organization and functioning of the Albanian Supreme Audit Institution", **the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, approved the Code of Ethics for employees on 15.11.2024.**

The Code of Ethics contains the values and principles that must be followed and guide the activities of all employees of the institution, at all levels, as well as other persons working on behalf of this institution, in order to ensure a behaviour and working environment that promote the implementation of ethical principles according to international standards of supreme audit institutions. These entities, in turn, have the obligation to recognize and correctly implement the provisions of the Code of Ethics during the fulfilment of their duties and in everyday life.

The Code enables employees of the ALSAI to identify, evaluate and avoid reactions or situations that may threaten the respect of the fundamental principles of ethics and serves as a practical guide for discussions and positions related to ethical doubts and ambiguities, in the spirit of legal and sub-legal acts and international auditing standards, which regulate the activities of this institution and which address ethical issues.

The Code of Ethics was drafted by the working group established by Order No. 28, dated 12.3.2024 "On the establishment of the working group for updating the Code of Ethics of the ALSAI", of the Chairman of the ALSAI, with the contribution of the management body, based on the provisions of Law No. 154/2014 "On the organization and functioning of the Supreme State Audit", the international standards of INTOSAI-P1 "Lima Declaration", INTOSAI – P-10 "Mexico Declaration: On the independence of Supreme Audit Institutions", INTOSAI-P12 "Values and benefits of Supreme Audit Institutions", ISSAI 130 "Code of Ethics", and the legislation in force in the Republic of Albania.



Integrity - a priority of the ALSAI

Our audits are guided by a Code of Ethics, fully compliant with ISSAI 130,ensuring that integrity remains our top priority, aiming to:

- To ensure impartiality and avoid conflicts of interest in our work.
- To respect and protect sensitive information obtained during audits.
- To maintain professionalism, ensuring that our behavior reflects positively on our institution.

The ALSAI successfully completes the piloting of ISSAI 140, for the implementation of an Effective Quality Management System, led by IDI



After almost 2 years of continuous work, the INTOSAI Development Initiative (IDI) project "SAI Quality Management System Piloting in the context of the revision of ISSAI 140" was successfully completed in December. This initiative aims to provide all SAIs worldwide with the necessary tools to enhance the quality and effectiveness of their audits and to ensure compliance with the new ISSAI 140 "Audit Quality Management" standards, revised. The pilot project was a milestone, designed to assist SAIs in developing and implementing their audit quality management systems and involved 12 SAIs from the English-speaking regions, representing EUROSAI, CAROSAI, ASOSAI and AFROSAI-E.

As part of EUROSAI, the ALSAI participated in this project with a multidisciplinary team with expertise in auditing standards, audit methodology, quality assurance, strategic planning and policy development. Led by IDI, this team ensured that the Quality Management System (SoAQM) also aligned with the strategic objectives of the SAI.

Through piloting, continuous online training and physical meetings, the SAI team, under the guidance of IDI, assessed existing control systems, identified gaps and developed policies to create a Quality Management System Framework, fully compliant with ISSAI 140, revised.

At the end of the continuous training cycle, part of the program of this project, **the ALSAI drafted the document "Needs Analysis and Quality Management System Policy at the ALSAI",** approved by the Decision of the Chairman of the ALSAI no. 128, dated 01.07.2024; as well as the Risk Management Guide, approved by the Decision of the Chairman no. 219, dated 18.11.2024, which constitute the legal and regulatory framework for the successful implementation of an effective quality management system, in accordance with all that is dictated by the International Auditing Standards.

The ALSAI, part of the global audit on "Climate Change"



The Albanian Supreme Audit Institution, within the framework of the Joint Global Audit on "Climate Change Adaptation Actions" initiated by IDI and INTOSAI WGEA, has conducted a performance audit in this area, following all the trainings and "on-line" discussions by IDI and INTOSAI WGEA.

The ALSAI proposed and implemented the topic "Implementation of the National Adaptation Plan to Climate Change" (which is related to Sustainable Development Goal No. 13).

As above, this audit project assessed:

- Effectiveness of the implementation of the NAP monitoring and reporting system.
- Effectiveness of the management of funds for priority actions undertaken on climate change adaptation.
- Efficiency of the structures established for the purpose of implementing the NAP.

In conclusion , the group concluded in this **audit message:**

"Over the past two decades, the challenge of climate change has been faced with an approach of shared responsibility at the international level. This includes efforts to promote adaptation measures to combat the harmful impacts of climate change that are already inevitable. Through the drafting of the National Adaptation Plan, the Ministry of Tourism and Environment (MTE) aims to take successful measures to respond to climate change. However, despite the priority actions set, the MTM has not played a proactive role in respecting the comprehensive integration initiative for the NAP process.

Climate change adaptation, as a relatively new approach, is not yet supported by adequate capacities in the country. A proper monitoring and evaluation system has not been established and the majority of climate change-related funding in Albania is heavily dependent on the international community and donors.

"Furthermore, it is important that the MTE takes measures to make the NAP process more effective, ensuring the implementation of measures and the learning of lessons on a periodic basis."

Population aging - the ALSAI, parallel audit with the SAI of Israel

In implementation of the decision of the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, to participate in the Parallel Performance Audit on the topic of "Population Aging" which is led by the SAI of Israel, **the Performance Audit Department will conduct the audit "Government's Comprehensive Plans and Budgetary Aspects for an Aging Population".**

A total of 6 Supreme Audit Institutions (Albania, Portugal, Paraguay, North Macedonia, Slovakia and Israel) will be engaged in this audit topic.

The audit is part of the "Annual Audit Plan for 2025" and will start in January 2025, following the deadlines set by all participating SAIs.

To conduct this audit, an online kick-off meeting was held on November 7 with the participation of Mr. Matanyahu Englman – Head of the SAI of Israel and Ombudsman and currently President of EUROSAI. 15 SAIs, including the ALSAI, had expressed interest in engaging in this parallel audit, specifically, Austria, Bulgaria, the Czech Republic, France, Hungary, Israel, Lithuania, Malta, Mexico, North Macedonia, Paraguay, Poland, Portugal and Slovakia.

The meeting discussed several proposed topics for the audit with a focus on population aging in reference to the situation and developments in each country.

At the end of the discussions, the following 5 topics were selected:

1. Comprehensive government plans and budgetary aspects for an aging population.

2. Preparing the health system for an aging population – Community-based care for the elderly.

3. Preparing the welfare system for an aging population – Well-being and quality of life after retirement.

4. Effects of an aging population on the labour market and the welfare system.

5. Preparing the retirement system for an aging population.

Regarding the proposed topics, the majority of SAIs, including the ALSAI, voted for the first topic "Government comprehensive plans and budgetary aspects for an aging population", considering that the audit on this issue should begin at the macro level to assess whether the government has approved and budget-supported plans and policies, as well as data.

THE ALSAI APPROVES THE AUDIT ACTIVITY PROGRAM FOR THE YEAR 2025



In accordance with the Constitution of the Republic of Albania, Law No. 154/2014 "On the organization and functioning of the Albanian Supreme Audit Institution" and the internal regulations of the institution, **the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, approved on 15.11.2024 the "Audit Activity Plan for 2025".** The program contains **180 audits** of various types according to departments and is published on the institution's official website.

The ALSAI audits the implementation of recommendations in 10 entities, 98% are accepted and 36% of the measures are fully implemented

The Albanian Supreme Audit Institution, in order to assess the level of implementation of recommendations left from previous audits, their coherence and managerial accountability with reference to audit standards, audited the "Implementation of recommendations left from previous audits" in the 10 entities as follows:

- University of Medicine, Tirana
- University of Sports, Tirana
- National Emergency Medical Center
- University Trauma Hospital
- General Directorate of Road Transport Service
- Transmission System Operator
- Electricity Distribution Operator
- Albanian Railways JSC
- Albanian Post JSC
- Albpetrol JSC

From the audit "On the verification of the implementation of the recommendations made by the ALSAI, in the audits of 2023 (second half-year)", the level of implementation of the recommendations according to their type is presented as follows:

From the audit conducted in 10 subjects, a high level of acceptance of the recommendations sent by the ALSAI for improving the situation was identified, where **out of a total of 474 recommended measures, 465 measures or 98% were accepted,** and 9 measures or 2% were not accepted.

The level of implementation of the recommendations received for these entities results in as the following structure:

- **168 measures or 36% fully implemented;**
- **185 measures or 40% partially implemented;**
- **and 112 measures or 24% not implemented.**

In more detail, the situation is presented as follows:

Measures for improvements/changes to legislation

Of the 2 recommended measures, 2 recommendations or 100% were fully accepted. Of the accepted measures, 2 recommendations or 100% were partially implemented.

Organizational measure

Of the 314 recommended measures, 310 recommendations or 98% were fully accepted and 4 recommendations were not accepted or 2%.

Of the accepted measures, 132 recommendations or 39% were fully implemented; 138 recommendations or 38% were partially implemented, and 41 recommendations were not implemented or 23%.



Measures with negative financial effect (3E) "Foregone revenue"

Of the 80 recommended measures worth 2,409,219,159.8 ALL, 9,579 EUR and 60,620,807 USD, 79 recommendations or 99% of them (worth 2,409,219,159.8 ALL and 9,579 EUR and 60,620,807 USD) have been fully accepted.

Of the measures accepted, 20 recommendations or 25% were fully implemented, amounting to 234,226,014.8 ALL and 9,579 EUR, 19 recommendations or 24% of them were partially implemented (in the amount of 496,303,816 ALL, 39,247,000 USD), and 40 recommendations or 51% of them were not implemented (in the amount of 2,261,491,685.8 ALL and 21,373,807 USD).

Damage compensation measure

Of the 64 recommended measures worth 4,954,702,000 ALL, 61 recommendations or 96% of them (worth 4,939,870,302 ALL) were fully accepted and 3 recommendations or 4% (worth 14,831,698 ALL) were not accepted.

Of the accepted measures, 13 recommendations or 21% worth 3,547,275 ALL were fully implemented; 20 recommendations or 33% worth 3,282,021,282 ALL were partially implemented, and 28 recommendations were not implemented worth 1,754,301,745 ALL or 46%.

Disciplinary measures

Of the 11 recommended measures, 10 recommendations or 91% were fully accepted and 1 recommendation was not accepted or 9%.

Of the accepted measures, 2 recommendations or 20% were fully implemented, 6 recommendations or 60% were partially implemented and 2 recommendations or 20% were not implemented.

Administrative measure

Of the 2 recommended measures, 2 recommendations or 100% of them have been fully accepted.

Of the accepted measures, 1 recommendation or 50% has been fully implemented and 1 recommendation has not been implemented or 50%.

"Unimplemented" recommendations for the audit at Albpetrol JSC

- Albpetrol JSC shall be required, through legal means, by following all necessary administrative procedures and all levels of judgment, to collect the amount of 1,180,887,615 ALL from the company BPA LTD, created by the non-payment of the amount of the energy consumption obligation and the late payment interest for late payments of BPA LTD, an obligation which is paid to Albpetrol on behalf of FSHU JSC.
- The administrator of the company Albpetrol JSC Patos to take measures for the withdrawal of the quantity of 29,103.96 tons of crude oil, on behalf of the Pre-Existing Production (PEP) and the Albpetrol Share (PPA) created from the effective date until 31.12.2022, setting as priorities that during the planning of the sale of crude oil through auction procedures to determine large quantities of oil obtained from the hydrocarbon agreement. The value of the quantity of 29,103.96 tons at the sales prices of the period 31.12.2022 is 14,476,000 USD and constitutes missing income for the company.



The ALSAI-Parliament cooperation, the Subcommittee on Public Sector Audit begins work

On 12.11.2024, the first meeting of the Parliamentary Subcommittee on Public Sector Audit was held. The review of the draft budget of the ALSAI for 2025, as well as the presentation of the performance audit report “Care for the Elderly” were the two items on the agenda.
Under the leadership of the Chair of the Subcommittee, Ms. Emilia Koliqi, a hearing on the draft budget was held with representatives of the ALSAI. This meeting was attended by the Secretary General of the ALSAI, Ms. Valbona Gaxha, the Director of the Directorate for Relations with the Parliamentary Subcommittee, Ms. Brunilda Zeneli, Ms. Alketa Kalleshi, Executive Officer.
Ms. Gaxha explained that in drafting the medium-term budget requests for 2025-2027, the institution's priority is to increase staff due to increasing requests for audits from interest groups, investments in IT infrastructure in order to increase cybersecurity, as well as the approval of the fund calculated for the celebration of the 100th anniversary of the establishment of the institution.
After the hearing on the draft budget, the meeting continued with the presentation of the performance audit report "Care for the Elderly".

Ms. Arminda Bushi, auditor at the Albanian Supreme Audit Institution, summarized the main audit findings, highlighting the insufficient number of employees providing services in residential centers, the lack of infrastructure and access to provide services according to standards for the elderly, etc.

Audit findings: Healthcare assessment
Regarding the evaluation of healthcare and treatment provided to resident elderly people, some of the issues identified during the audit are:

- Lack of specialist doctors (according to the problems and needs of the elderly) in residential institutions.
- Lack of a psychiatrist engaged in residential institutions, despite the fact that on average 45% of residents present mental health problems.
- Lack of a vehicle available for the purpose of transferring the elderly from the hospital after their rehabilitation.
- Lack of access to dental services for the elderly.
- Lack of a unified list of medicines kept in residential institutions for emergency cases, etc.

Department for Legal Affairs against Fraud of the National Audit Office of the Republic of Kosovo conducts a study visit to the ALSAI

In the context of deepening cooperation, a study visit of the heads of the Department for Legal Affairs against Fraud of the National Audit Office of the Republic of Kosovo (NAO) was held at the premises of the Albanian Supreme Audit Institution on 4-5 November 2024. The NAO representatives were welcomed during the first day of the visit by the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, Ms. Marjola Llanaj and the head of the Legal Directorate at the ALSAI.
The purpose of the two-day visit was to exchange experiences and good practices regarding the process of following up cases by the Prosecutor's Office. During the discussions, the role of the Albanian Supreme Audit Institution in preventing and identifying abusive cases and criminal offenses was addressed. Special attention was paid to the role of the audit group in identifying cases that can be sent to the Prosecutor's Office, recommending criminal charges or suggesting detailed technical-legal treatment of the materials according to the provisions of the Criminal Code.



The meeting also discussed the cooperation of supreme audit institutions with other institutions and the Prosecutor's Office in the fight against corruption.

COOPERATION AGREEMENT WITH THE SAI OF NORWAY TRAINING SESSIONS WITH NORWEGIAN EXPERTS ON PERFORMANCE AUDITS AND IT ARE HELD AT THE ALSAI





Following the cooperation agreement with the Norwegian SAI (OAGN), signed in May 2022, for environmental performance audits and IT audits, Norwegian experts have conducted trainings with the auditors of the Albania Supreme Audit Institution.

On 12-13 and 18-19 November 2024, training sessions led by Norwegian experts for performance audits were held at the premises of the Albania Supreme Audit Institution. The first audit was on the topic “Beach water quality” with the group consisting of: Mr. Aulent Guri (group leader), Ms. Arminda Bushi, Ms. Annavanessa Hoxhaj, Ms. Vjola Kojani and Ms. Eva Kushta and under the expertise of Norwegian experts: Ms. Andrea Lowrie and Mr. Bjørn Martin Ørvim. The second selected audit was the one on the topic "Psycho-social service in the pre-university education system" with the group consisting of: Mr. Klarenc Xhaferaj (group leader), Ms. Xhuljeta Çelaj, Ms. Jorida Zhegu, Ms. Arjeta Çoku, and Ms. Brisilda Hyka, under the expertise of Norwegian experts: Ms. Florina Zagragja, Mr. Torkel Grahm-Haga and Mr. Bjørn Harald Bratli.

The main focus of the Norwegian experts' assistance in both audits is to support the audit teams, starting from the drafting of audit programs, to go further into details regarding the pyramid of questions, as well as the issues or findings expected to be generated for each question, to the drafting processes, visual presentation of data, based on the best practices of the Norwegian SAI.

The audit teams presented the data provided so far by the entities, as well as the expectations on the possible audit findings.

The Director of the Performance Audit Department, Mr. Alfred Zylfi, thanked the representatives of the OAGN for all their commitment and emphasized the importance of this cooperation in terms of further development of performance audit processes in the ALSAI.

For their part, the Norwegian experts also expressed their willingness to continue their support, referring to the practices followed by them in performance audits, as well as the further intensification of relations between the two SAIs.

Training for the IT auditin:

Also, on October 28 - November 1, 2024, the next training with Norwegian experts on improving the quality of IT audits was held at the ALSAI, with a focus on Information Security and IT Governance. The training contributes to improving IT audit capacities, but also ensures that SAI auditors are equipped with the necessary skills and tools to adapt to the evolving requirements of IT auditing, thus strengthening the effectiveness and depth of audit practices.

The ALSAI's commitment to developing knowledge in IT Cyber and Financial Security audits remains a long-term objective, focused on providing ongoing training and improving audit methodologies. With continued cooperation with the Norwegian SAI, 3 additional training topics for Information Technology auditors are planned for 2025.

“IMPROVEMENT OF REPORT WRITING”

Workshop organised by SIGMA and CEF in Ljubljana with the candidate and potential candidate SAIs

SIGMA and CEF organized in Ljubljana, on 7 and 8 November, a workshop with the network of Supreme Audit Institutions of candidate and potential candidate countries on the topic “Improving report writing”. This workshop was also supported by the Swedish National Audit Office (SNAO). The meeting was opened by the welcoming speech of the Director of CEF, Ms. Jana Repansek, who presented the concept “How public institutions can become a learning organisation”, which was applied in CEF, as well as Ms. Bianca Breteche, Deputy Director of SIGMA. The organizers and participating counterpart institutions had the opportunity to present and share at this roundtable not only the principles and elements of effective writing of audit reports, the drafting and implementation of guides on the use of simple and reader-friendly language and stakeholders, but also the identification of barriers.



in this process, during the application, the opportunities and the positioning of each Supreme Audit Institution (SAI) for all these aspects.

In the light of the experience brought by the European Court of Auditors (ECA), SNAO and the SAIs of the network, discussion tables were set up, which concluded with concrete suggestions for the SAIs and the network with the aim of developing good report writing practices in the future. The ALSAI was represented at this meeting by Ms. Valbona Gaxha, Secretary General and Ms. Xhesika Xhuveli, Head of Communication, Publication and External Relations.



Delegation of ALSAI participates in the 25th anniversary of the establishment of the State Audit Office of North Macedonia

On 26 and 27 November 2024, a delegation of the Albania Supreme Audit Institution participated in the activities organized on the occasion of the 25th anniversary of the establishment of the State Audit Office (SAO) of the Republic of North Macedonia.

In celebration of this anniversary, under the organization of the SAO and partially supported by EUROSAI, a conference was organized in Skopje on the topic "Exchanging experiences in the communication processes of Supreme Audit Institutions with stakeholders – opportunities and challenges", which brought together experts from various international organizations, Supreme Audit Institutions and professional organizations. The first session of the conference focused on transparency and the importance of clear communication of audit findings as a basis for building trust and encouraging timely responses, while the second session was dedicated to the implementation of innovative communication tools and technology, which improve the audit process and increase transparency.

The ALSAI was represented in these activities by the Cabinet of the Chairman, Ms. Marjola Llanaj and Mr. Ardian Myslimaj, as well as Mr. Ryisim Xhaja, Head of Public Companies and Foreign Investments Audit Department and Ms. Xhesila Nano, Auditor.

The ALSAI, part of activities of the 30th anniversary of of the establishment of the State Audit Office of Croatia

The delegation of the Albania Supreme Audit Institution, represented by Ms. Valbona Gaxha, Secretary General, Mr. Bledar Doracaj, Head of the Local Self-Government Audit Department, Ms. Joana Troqe, Head of the State Budget Audit Department, and Mr. Paolo Xhezo, Head of the Department of Defence Audit Department, Security and Public Property, participated in the activities organized on the occasion of the 30th anniversary of the establishment of the National Audit Office of Croatia, which took place in Zagreb, on 20-21 November 2024.

During the opening speech of the conference organized on the occasion of the 30th anniversary of the State Audit Office of Croatia, Mr. Ivan Klešić, Auditor General, thanked the attendees for their participation, and expressed his willingness to intensify cooperation in areas of common interest with counterpart SAIs, with the aim of exchanging best experiences on audit quality.

INFORMING THE PUBLIC - The ALSAI in Facebook and Instagram

As part of informing the public and interested groups, information regarding the activities of the Albanian Supreme Audit Institution can be followed on social media platforms such as Facebook and Instagram.

Facebook:
https://www.facebook.com/profile.php?id=61569509802410&mibextid=ZbWKwL



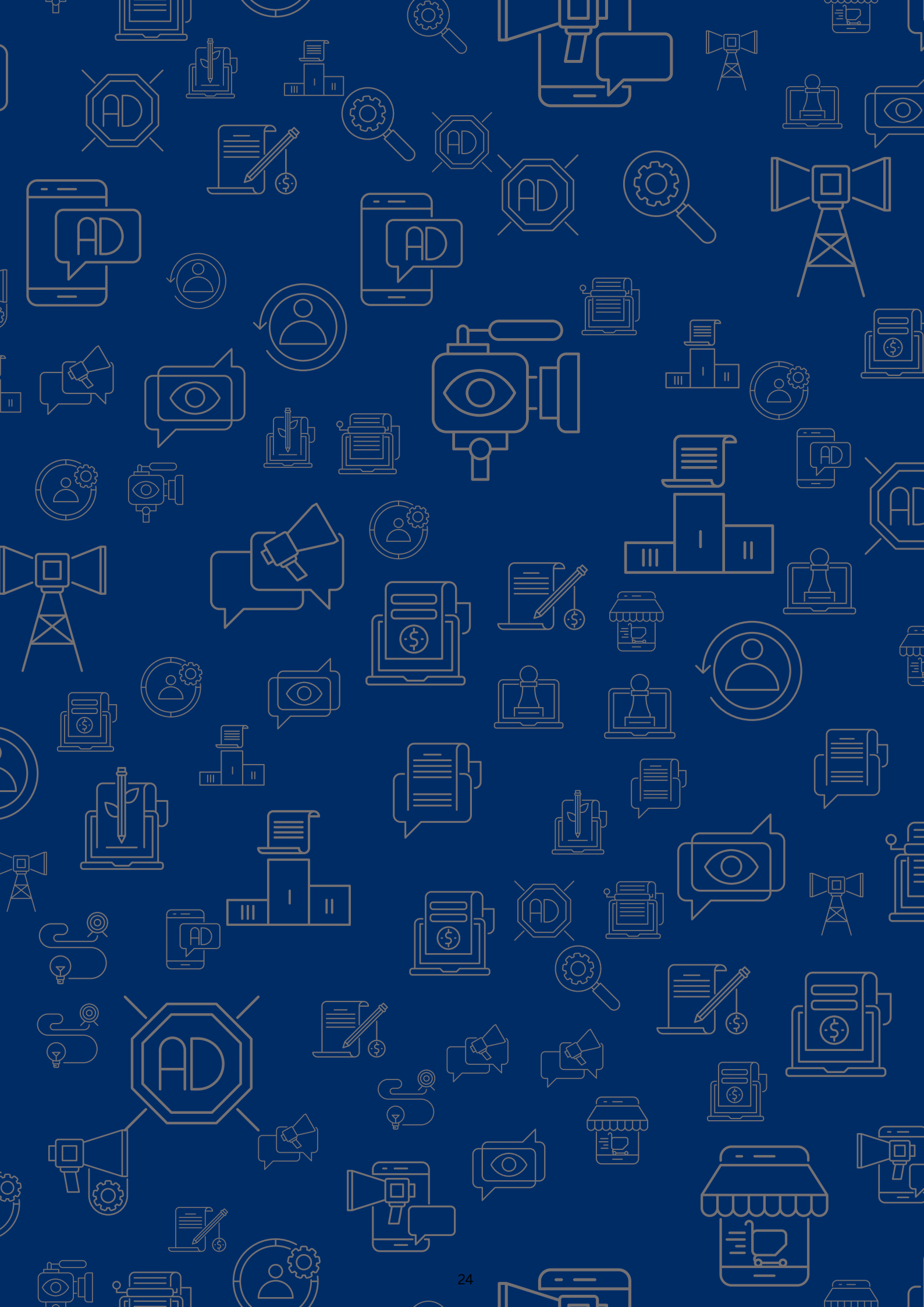
Instagram:
https://www.instagram.com/kontrolli_i_larte_i_shtetit/



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NEWSLETTER

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ALBANIAN SUPREME AUDIT INSTITUTION

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Monthly newsletter

January 2025



From the closing meeting in Tirana for the SECO project

ALSAI successfully concludes SECO project. 3 pilot audits for concession and PPP contracts are carried out

In the framework of the closing of the project "Strengthening External Audit Oversight for Concessions and Public Private Partnerships (PPP) in Albania", funded by the State Secretariat for Economic Affairs (SECO) of Switzerland, on December 23, 2024, at the premises of the "Plaza" hotel in Tirana, the closing ceremony was organized.

The Deputy Swiss Ambassador, Mr. Philipp Arnold, the management staff of the ALSAI, the auditors involved in the pilot audits, as well as experts from civil society were invited to the event.



In his speech, the Deputy Swiss Ambassador emphasized the importance and successful progress of cooperation with the ALSAI in the field of auditing concessions/PPPs, as a valuable contribution to the audit of public funds management. This cooperation has contributed to the improvement of audit techniques, as well as to the further increase of the ALSAI's capacities.



The ALSAI representatives emphasized that the fruitful cooperation within the framework of this project has laid the foundation for further cooperation, to ensure the continuation of capacity building in this field and beyond, thus supporting the sustainable development of the public sector in Albania.

The Concessions/PPP Audit Manual was also presented at this meeting, as a valuable document that presents all the audit processes and techniques used for the audit of concession/PPP contracts, as identified by best practices and recommended by the International Organization of Supreme Audit Institutions (INTOSAI).

Statistics



122 finalized **audits** in 2024

11 finished **audits** in December 2024

47 audits are in process

106 audit **reports** are published in the web



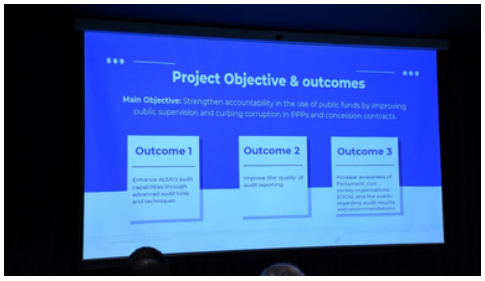
Project "Strengthening External Audit Oversight for Concessions and Public Private Partnerships in Albania", funded by the Swiss State Secretariat for Economic Affairs (SECO)

The project "Strengthening External Audit Oversight for Concessions and Public Private Partnerships (PPP) in Albania" was formalized with the signing of Agreement No. 307, dated 09.03.2020 between the Swiss State Secretariat for Economic Affairs (SECO) and the Supreme Audit Institution of Albania.
This project aimed to strengthen accountability in the use of public funds by promoting oversight and avoiding corruption in the drafting and implementation of concession and PPP contracts in Albania.
The monitoring and implementation of the project was carried out by the Project Implementation Unit, composed of Ms. Valbona Gaxha, Ms. Aulona Jonuzi, Ms. Joana Troqe, Ms. Xhesila Nano and Mr. Rodjan Alimerkaj.
Through this project, the ALSAI successfully implemented the products and activities foreseen in the Agreement, as follows:
1. Conducting 3 pilot audits in the field of concessions and PPPs supported in all stages of the audit by the external expert contracted as part of the project.

2. Drafting of the "Manual for the Audit of Concessions and PPPs" which reflects the experience gained during the conduct of 3 pilot audits, accompanied by the necessary training.

3. Study visit to the Turkish Court of Account with the aim of exchanging knowledge in the field of concessions, where about 20 ALSAI auditors learned from the expertise of colleagues in this field.

4. Organizing the themed activity **"The role of external audit in avoiding corruption in concessions and PPPs"** which also coincided with the finalization of this entire almost 4-year work, attended by auditors, civil society representatives, external experts, as well as representatives of the Swiss Embassy in Albania and the Swiss State Secretariat for Economic Affairs (SECO). The results of the project were presented at this meeting.





The ALSAI audited the following concession contracts:
(i) "Financing, establishment and operation of
container and other vehicle scanning service in the Republic of Albania and the scanning service fee".
(ii) "Granting by concession of **legal control service for measuring instruments,** through the verification of fuel and liquefied gas distribution instruments and the approval of the bonus in the competitive procedure granted to the company.
(iii) Hydrocarbon agreements.

"**The SECO** project aimed to strengthen accountability in the use of public funds by promoting oversight and avoiding corruption in the design and implementation of concession and PPP contracts in Albania."

THE CHAIRMAN OF THE ALSAI, MR. ARBEN SHEHU, HELD A MEETING WITH THE REPRESENTATIVE OF THE GUARDIA DI FINANZA, MR. GIAMPIERO CARRIERI.



Mr. Shehu in the meeting with Mr. Carrieri

The Chairman of the Albania Supreme Audit Institution, Mr. Arben Shehu, held a meeting at the premises of the Albania Supreme Audit Institution with the representative of the Guardia di Finanza, Colonel Giampiero Carrieri, expert for Albania, Kosovo and Montenegro at the Embassy of Italy in Tirana.
The meeting discussed the institutional cooperation to date and the joint commitment between the Albanian Supreme Audit Institution and the Guardia di Finanza. The meeting also set priorities for the joint work between the two institutions for 2025.

The ALSAI conducts a study visit to the Turkish Court of Accounts for the exchange of experiences in the audit of concession contracts and PPPs



Within the framework of the implementation of the final phase of the project "Strengthening External Audit Oversight for Concessions and Public Private Partnerships (PPP) in Albania", financed by the State Secretariat for Economic Affairs (SECO), 20 auditors from the Albanian Supreme Audit Institution (ALSAI) visited the Turkish Court of Accounts (TCA) on 3 and 4 December.
The delegation of auditors was welcomed by the President of the TCA, Mr. Metin Yener, who welcomed the meeting on the second day of the proceedings.



The purpose of this study visit was to exchange the experience of the TCA in auditing concession contracts and public private partnerships (PPPs).

According to the jointly approved agenda, the ALSAI auditors presented the project products to their colleagues through presentations of the methodology created and the three audit results carried out with the assistance of external experts, as well as being introduced to their experience and methodology in auditing concession contracts.

To further concretize this expertise, a visit was held with all representatives to the "Etilik" hospital city, one of the three largest hospitals in the world, as one of the largest concession contracts of public-private partnership in Turkey, in the third year of its implementation.



Fuel marking concession contract audited

The ALSAI has audited the compliance of the implementation of the concession contract for "Fuel Marking" at the Ministry of Finance and Economy. The audit resulted in the following findings:

- The unsolicited proposal for the concession of this service does not appear to have been based on the strategic priorities of the government for the period in question up to the moment of the proposal for the concession of this service. Also, a study with the necessary cost-benefit analysis was not carried out by the relevant structures, to predict the respective costs of this service, to identify whether this project was affordable for the state budget and to assess the protection of consumer interests regarding the quantity, quality and level of the tariff applied for this fuel marking service.
- The contract did not provide for penalties for the concessionaire in cases where the marking and monitoring services provided are not in accordance with the technical offer, the requirements and criteria set out in the DSK.



- Referring to the data of the Financial Statements, it results that the realization of investments is at the rate of 68%, in contradiction with the Council of Ministers No. 200, dated 13.03.2013 "On the approval of the concession contract, for the marking and monitoring service of fuels".
- The audit team conducted a field verification on the implementation of the contract, where it was found that the marking process is completely manual, the steps followed by the GFI operators to carry out the marking process are not according to the procedure specified in the contract, the proper concentration of the marker in the fuel is not guaranteed (homogenization does not occur), and no tests are carried out or samples are taken to verify whether the concentration of the marker is according to the norms specified in the agreement.

IT Systems audit at the NANR

The ALSAI conducted an audit of the Information Technology systems at the National Agency for Natural Resources (NANR), for the period of activity 01.01.2021-31.12.2023.
The audit resulted in the following:
-The information system for the administration and monitoring of the activity of mining concessions and permits on the natural resources of the Republic of Albania (Revzone), as well as the license and concession management system (GIS) have deficiencies that affect the smooth running, use and continuity of their functioning. Despite the efforts and investments in the field of technology, the situation at NANR in this regard is not consolidated compared to the investments made, given the fact that the development of the systems over the years has not been developed according to a long-term strategic planning.
-The "Revzone" system does not have the necessary mechanisms for input control, increasing the risk of populating the system with data that exceeds the deadlines for declarations that entities must make, as well as duplicating information, and consequently issuing incorrect reports.

ALSAI, part of INTOSAI's joint global audit on climate change

The audit "Implementation of the National Climate Change Adaptation Plan" was conducted within the framework of the joint global audit on "Climate Change Adaptation Actions", initiated by IDI and INTOSAI WGEA



As part of the joint global audit on "Climate Change Adaptation Actions" initiated by the INTOSAI Development Initiative (IDI) and the INTOSAI WGEA (INTOSAI Working Group on Environmental Audits), the ALSAI has completed the performance audit on the topic of "Implementation of the National Climate Change Adaptation Plan".

Audit message

Over the past two decades, the challenge of climate change has been faced with an approach of shared responsibility at the international level. This includes efforts to increase adaptation measures to combat the harmful impacts of climate change that are already inevitable. Through the drafting of the "National Adaptation Plan", the Ministry of Tourism and Environment aims to take successful measures to respond to climate change.
However, despite the priority actions set, the Ministry of Tourism and Environment has not played a proactive role in adhering to the comprehensive, integrated approach to the climate change adaptation process. Climate change adaptation, as a relatively new approach, is not yet supported by adequate capacities in the country. A proper monitoring and evaluation system has not been established and the majority of climate finance in Albania is heavily dependent on the international community and donors. It is therefore important that the Ministry of Tourism and Environment takes measures to make the climate change adaptation process more effective, ensuring the implementation of measures and the learning of lessons on a periodic basis.

Audit on the Ministry of Interior

The ALSAI has conducted a compliance and financial audit at the Ministry of Interior, for the period of activity 01.01.2021-31.12.2023. Among the main findings from the audit are:

1. From the audit of the expenditure order on electricity payments, it was found that the Ministry of Interior has incurred a liability of 136,142,855 ALL, which consists of the value of unliquidated invoices in the amount of 67,516,013 ALL and arrears interest in the amount of 68,626,842 ALL, for which the institution has concluded an agreement for the total amount proposed to be paid in 60 instalments.

2. The audit found that in addition to the negative financial effect of the settlement of court decisions for those unjustly dismissed from work and their failure to integrate them into the current organizational structure of the Ministry of Interior, another costly consequence for the state budget is the obligation generated by the reassessment of the monthly payroll with these winning courts over the years as a result of the prolonged legal proceedings. From the verification of the arrears declared in the financial statements with those in the C@TS tax system, it is found that the Ministry of Interior has obligations in social security and health insurance contributions (until 06.03.2024), in the amount of 17,399,158 ALL. Based on the above, the audit group verified the "age" of the debt in this type of tax as well as the reason for these high values, where only fines and interests are 10,828,310 ALL.

3. The audit found that the property with an area of 28,452 m2 where the former Center for Services and Administration of Transport Vehicles (CSATV), an institution under the auspices of Ministry of Interior, operated, within a period of 24 hours, without a prior study and assessment of the complaint received from citizens, in relation to the interests of the Ministry of Interior and the important function that CSATV has in the administration and repair of vehicles of the Ministry of Interior and the GDSP, respectively passed into the ownership of the MoFE with a total area of 4,122 m2 (7 times smaller than the area in which CSATV operated), under the management responsibility of the Ministry of Interior, in order for CSATV to be relocated to this property.



The environment where CSATV currently carries out its activities

The property alienation procedure was carried out outside any time limit provided for in the legal and sub-legal provisions in force, although there was no emergency for the initiation of this draft act, where the approval of the DCMs would require a minimum of 10 calendar days from the proposal to the approval of the draft act, which is the responsibility of the MoFE and the MoI.

4. The unstudied process of property alienation has brought financial implications for the state budget, use of budget funds according to DCM no. 980, dated 02.12.2020 "On the use of the reconstruction fund for financing the design, implementation of works, supervision and approval of the Center for Services and Administration of Transport Vehicles", in the amount of 259,699 thousand ALL, outside the destination approved by the legislator and as a result has been accompanied by delays in the reconstruction process and the timely correction of the effects of the natural disaster. Changing the destination of reconstruction funds from the MoFE, in the amount of 259,699 thousand ALL and their use for other purposes that are not related to the correction of the consequences of the earthquake, is an ineffective, inefficient and uneconomical management of state budget funds.

Audit at the Pashaliman Shipbuilding and Repair Yard

The Albanian Supreme Audit Institution has completed the audit of the "Shipbuilding and Repair Yard, Pashaliman" and the Ministry of Defense.

-The audit results that one of the most important assets of this enterprise, the "Kosjakova" ladder together with the underwater rail line was built in 1969 and the depreciation of this ladder on 31.12.2023 is in the amount of 91,421,173 ALL and the remaining value is in the amount of 41,391,341 ALL or 31%, i.e. highly depreciated.

The initial value determined by the appraisal experts in 2015 is in the amount of 120,378,876 ALL. The year of production of this platform, the technical condition and depreciation over the years make the work activity of the KNRA conditional and at risk for extraordinary events. The failure of the ladder, in addition to endangering life and property, removes all the vessels of the Armed Forces from operational readiness.

- The audit found that the Naval Force Command, referring to the obligations arising from the order of the Chief of the General Staff of the Armed Forces "On the plan for docking and repair of naval equipment" and the Secretary General's letters on the approved detailed budget, has not entered for repair/docking in the KNRA all the planned and approved vessels according to the schedule.

It results that from 2016 to 2023, 49 vessels have not been brought to the dock for docking/repair. The failure to go out for repair of 49 vessels has negatively affected the collection of income and the financial position of the enterprise in an amount of 87,193,861 ALL excluding VAT.

- The audit finds that the depreciation calculated for buildings and machinery reflected in the balance sheet has brought a negative financial result for the KNRA for all years of the operating period since the establishment of the company. The accumulated depreciation from 2015 to 2023 is in the amount of 574,988,878 ALL.

The Shipbuilding and Repair Yard, Pashaliman has under its administration 148,860 m² of land valued at 823,195,800 ALL, constructions and installations valued at 637,773,954 ALL. There are 13 buildings that are out of use (not used for the company's activities). Of these, four buildings are owned by the KNRA, while the rest are used by the Turkish garrison, according to an agreement with the Naval Force Command that preceded the establishment of the KNRA, an agreement about which the KNRA is not aware.

Findings from the audit at the Tirana Customs Branch

The ALSAI has completed the compliance audit at the Tirana Customs Branch, for the period 01.01.2022 to 31.12.2023. Among the main findings from the audit are:

The audit conducted at the Tirana Customs Branch resulted in deficiencies and irregularities in the import customs procedures according to the agreements in force related to the reduced customs tariff; incorrect application of the elements of the value of goods for customs valuation purposes; transport valuation procedure for customs valuation purposes not in accordance with the legal framework in force; tariff classifications not in accordance with the nomenclature of goods in the Republic of Albania; cases where for some entities the values of imported items were declared and treated with a transaction even though the attached documentation does not meet the conditions to be treated as such; non-unified revaluations for the same items; declarations of prices of finished products below the price of raw materials, customs duties for the national TAM tax on plastic packaging, the national tax on whey, milk cream, and excise duty.

During the customs activity of the RPA type economic regimes, it was found that the value of the goods and the value of the declared transport costs were very low and for which revaluations of customs duties were calculated with effects on customs revenues in the state budget. Problems were also found with their control for verifying the utilization coefficient of various goods or violations of deadlines during their activity. Regarding the transit regime, deficiencies were found regarding the failure to record and document justified delays or incidents and the measures taken for customs supervision, as well as the failure to penalize entities for not respecting the time limit for arrival at the customs of destination. Deficiencies were found in the legal documentation of the type "Veterinary Certificate" for imported animal products, and the accompanying document of the type "Analysis Report", "Phytosanitary Certificate", "Health Certificate", "Certificate of Origin" for ready-made food products.

The Commissioner for the Right to Information and Personal Data Protection is Audited

The ALSAI has audited the Commissioner for the Right to Information and Personal Data Protection (CRIPDP), for the period 01.01.2021-31.12.2023.

The main findings from the audit are:

In the audited decision-making practices of the CRIPDP in the field of personal data protection, the audit group has found 6 cases of non-completion of the initiated administrative procedure, 2 cases in which the Commissioner did not express an opinion on the incomplete verifications of the inspection group, 4 cases without a final decision on the administrative violations found for which the legislation provides for an administrative fine.

In the audited decision-making practices of the CRIPDP in the field of the right to information, the audit team found irregularities in the procedure for determining administrative offenses and in the content of the documentation accompanying the Commissioner's decision-making.

The CRIPDP Office has not drafted an internal regulation/manual regarding the definition of requirements, methods followed for the procedures for determining and reviewing administrative offenses, identifying responsibilities, and recording the work of the parties involved in the process.

The Commissioner of the CRIPDP Office for the three years under audit has granted financial rewards to staff, including himself, without withholding and calculating tax on the income received for the years 2022-2023, in violation of tax legislation.

The Commissioner of the CRIPDP Office has granted the qualification allowance to himself and the 2 general directors, without meeting the criteria set out in the relevant by-law, with retroactive effect from the date of commencement of the benefit of this allowance, also creating an arrears obligation, which has not been recorded in the financial statements of the institution and in the structure responsible for the Treasury in the branch, in violation of the relevant by-laws.

For the period under audit, all contracts for public works, goods and services on behalf of the Office of the CRIPDP were signed by the Director of Internal Services and Finance, simultaneously the Executive Officer, in violation of the legislation on the management of the budgetary system and financial management and control.

Irregularities were found in the public procurement procedures carried out by the Office of the CRIPDP, in the phase of determining the specific criteria for qualification, reviewing and evaluating the offers and implementing the contracts.



Audits in ART:

For the year 2022 and the first 6 months of 2023, Albanian Radio Television (ART) has developed 27 shows, in which 91 ART employees have been engaged and has spent 28,149,936 ALL on salaries and 27,535,060 ALL on honoraria for these employees, a total of 55,684,996 ALL. The engagement of 91 ART employees has not only created a legal relationship in the sale and purchase of rights, realized in the work environment, official hours and in function of the obligations arising from the position according to individual employment contracts, but also a double standard in the salary and remuneration relations with ART employees. The value of 27,535,060 ALL constitutes economic damage to ART and the state budget and must be compensated.

"61st Song Festival"

ART, for the artistic project "61st Song Festival" has spent on its employees, in addition to their monthly salary, the amount of 3,153,001 ALL, creating a legal relationship of sale and purchase of rights, realized in the work environment, official hours and in function of the obligations arising from the position according to individual employment contracts, as well as a double standard, in the relations of salaries and rewards with ART employees. The amount of 3,153,001 ALL constitutes economic damage to ART and the state budget and must be compensated.

"62nd Song Festival"

Throughout the hierarchy of actions for the realization of the "62nd Song Festival", there is no complete transparency and documentary evidence, such as in the drafting of the project, the determination of human resources (including the jury, guests, artistic and administrative staff, production staff), the determination of relevant costs and fees, the appointment of participating operators for their realization with the relevant costs (including accommodation).

The negative financial effect in the total value of 4,106,663 ALL excluding VAT constitutes the use of public funds without economy, efficiency and effectiveness by ART.



WASHINGTON DC 2024

The ALSAI, part of the Fellowship in Government Accountability Office



Cooperation between the ALSAI and the European Court of Auditors, a 10-year success story

One of the longest-standing collaborators of the Albania Supreme Audit Institution is undoubtedly the European Court of Auditors – the Guardians of the EU's Finances.
As an active member of INTOSAI and EUROSAI, in full compliance with all international principles and standards of inter-institutional cooperation, the ALSAI continues, among other things, since 2014, to strengthen successful cooperation with one of the 5 most important institutions of the European Union.
For more than a decade, auditors from different departments of the ALSAI, through successful application procedures, have managed to be an active part of the ECA structures through 5-month internships. This consolidated practice continues to create a generation of new auditors, who further transmit to the ALSAI all their experience and professional training through European standards and best practices.
ECA is one of the main partners and the most powerful promoters of the professional development of European SAIs, especially of the SAIs of candidate and potential candidate countries for the EU, of which the ALSAI is also a part.
There are more than 17 auditors integrated through internships at ECA for the decade 2014-2024 and currently 5 auditors from the Albanian Supreme Audit Institution are also following this practice at this institution. This valuable experience is continuing for the year 2025 with the confirmation of participation with other auditors.

Cooperation between the Supreme Audit Institutions (SAIs) of the European Union and the European Court of Auditors (ECA) mainly takes place within the framework of the Contact Committee structure. This structure consists of the Contact Committee itself, composed of the heads of the EU SAIs and the ECA, as well as the LOs (Liaison Officers, Coordinators), who provide an active network of professional contacts across Europe, as well as working groups, networks, on specific audit topics.

Cooperation with SAIs of candidate and potential candidate countries for the EU

The Contact Committee promotes and facilitates cooperation between candidate and potential candidate countries and the SAIs of the EU Member States through several initiatives, most of them in the framework of the Network of SAIs of candidate and candidate countries and the ECA. In addition to the participation of the heads of these SAIs and LOs in the meetings of the Contact Committee as observers, the Joint Working Group on Audit Activities (JWGAA), the successor to the former Contact Committee Working Group on Candidate Countries, promotes cooperation activities on a practical scale.

The ALSAI participated in the International Auditor Fellowship Program, organized by the Government Accountability Office (GAO) in Washington DC, during the period 17 April 2024 to 12 July 2024 and was represented by Mr. Rigels Guzi, auditor at the State Budget Audit Department. The engagement in this activity, which aims to increase the capacities of supreme audit institutions around the world, was made possible after the competitive selection process to deepen knowledge on the proposed topic "Auditing fraud, waste and abuse, and the use of data analysis as an example of best practices".
Other supreme audit institutions from other countries of the world also participated in this Government Accountability Office venture and the group that engaged in this experience included representatives from 16 other countries (Brazil, India, Kosovo, etc.).
The audit capacity building was planned to be achieved through an intensive training program provided by the Government Accountability Office's top leaders in areas ranging from leadership and change management to concrete examples of the audit engagement process at GAO.
At the end of the program, representatives of the participating audit institutions were provided with the relevant certificates. A meeting with the GAO Comptroller General, Mr. Gene Dodaro, was also held at the graduation ceremony organized for this occasion.

The ALSAI holds workshop on Integrity: Not just a week..., but a way of life





On December 10-13, 2024, the "Integrity Week" workshop was held at the ALSAI under the slogan "Not just a week... but a way of life! We embrace honesty, transparency and accountability, every day!".

The activities organized within the framework of this week emphasized the importance of integrity and ethics in our professional activities, aiming for a qualitative and transparent management of audits.

During this week, various aspects of professional ethics, international standards and audit methodologies were addressed, discussing ways to further improve and guarantee a high attitude towards integrity requirements at every stage of the audit.

The opening speech of the activity was delivered by the Secretary General of the ALSAI, Ms. Valbona Gaxha, who spoke about the importance of integrity in public institutions, emphasizing that it is important to build the trust of the parties through integrity.

The following was the presentation of the topic "Building a Culture of Integrity: Challenges and Opportunities for Auditors" by Ms. Miranda Misini and then the participants were introduced to the Code of Ethics of the Albanian SAI, presented by Ms. Ermira Hoxha.

The following days were followed by activities and presentations, such as: the topic "The Importance of Integrity – Public Institutions in Focus" by Ms. Elira Cukalla; "Professional Ethics and the Role of Auditors in Maintaining Integrity" by Mr. Marlin Muça; "The Importance of Integrity – Public Institutions in Focus" by Mr. Blerin Shkurti, as well as "Review of Integrity Auditing Practices and International Standards" by Ms. Xhuljeta Celaj and Ms. Anjeza Gjoci.

This workshop, with the participation of all ALSAI staff, served as a good practice to engage more deeply in improving audit practices and ensuring high consistency with integrity requirements.



The ALSAI participates in the VII DEA SG2 EUROSAI workshop in Lisbon

The VII workshop on the DEA (Data Envelopment Analysis) project, organized by EUROSAI SG2, in cooperation with the National Audit Office of Sweden and the National Audit Office of Norway, took place in Lisbon, Portugal, on 5-6 December 2024. This activity promoted the exchange of knowledge on the use of the DEA method and other advanced forecasting methods, which aim to improve performance audits.

The workshop featured presentations by local and international experts on the application of DEA in the public sector and its combination with other efficiency assessment methods in performance audits, including the identification of key audit questions, data collection methods and their analysis.

The ALSAI was represented at this event by Ms. Aulona Jonuzi, Head of Methodology, Strategic Planning and Professional Development Department, and Ms. Miranda Misini, auditor in this department.

Thank you for reading!

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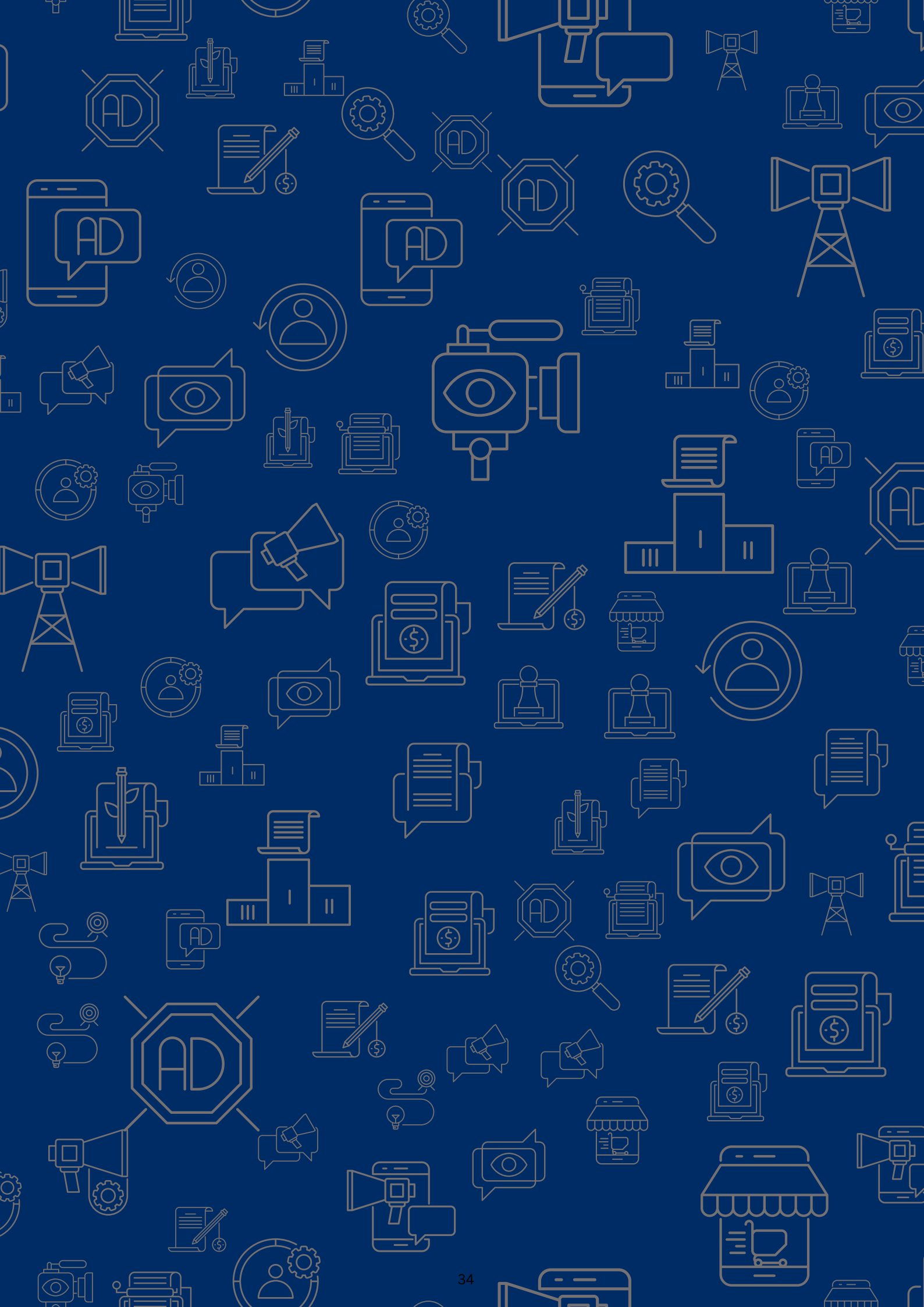
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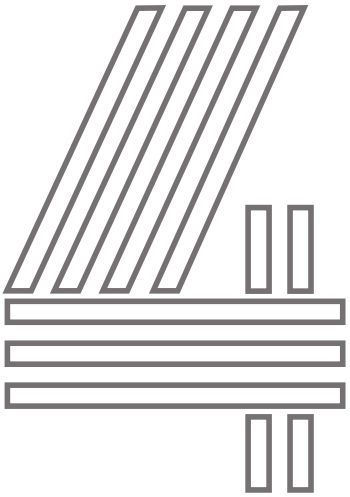
Public reception hours:
Monday Thursday: 08:00 – 16:30
Friday: 08:00 – 14:00



FEBRUARY
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NEWSLETTER

NO.



ALBANIAN SUPREME AUDIT INSTITUTION

NO.4

Monthly newsletter

February 2025



The ALSAI from 1925 to 2025, a 100-year journey of public finance control

The year 2025 marks one of the most important events in the history of public financial control in the country, the 100th anniversary of the establishment of the Albania Supreme Audit Institution as the highest external audit institution in the Republic of Albania.

The Albanian Supreme Audit Institution has a deeply rooted history dating back to May 20th, 1925, under the name of the Audit Council, going through a long and difficult journey of institutional formation and development.

Subsequently, the core of the public financial control institution has been developing and improving until a genuine financial control institution was built.

This jubilee anniversary finds the ALSAI as a consolidated institution, guided by international auditing principles and standards; cooperating with counterpart institutions to benefit from the best experiences; communicating continuously with every stakeholder and with the public, guided by the principle of increasing the well-being of citizens through good governance.

Today, the ALSAI is one of the most important institutions in the management of public finances, vital for the protection of citizens' interests. Furthermore, the ALSAI is also an active supreme audit institution in the international arena.

The ALSAI has begun preparations for the activities that will be held on the occasion of this jubilee year.

The Chairman of the ALSAI, Mr. Arben Shehu, has approved the logo of the 100th anniversary of the establishment of the ALSAI, which will be used in all official documents throughout 2025, to convey the important message on the role that a "guardian" institution of public finances plays in increasing transparency, accountability and responsibility for the best and most efficient management of public resources.

Within the framework of the 100th anniversary, the ALSAI will organize a series of activities, including the organization of a scientific conference with representatives from counterpart institutions.

As part of the activities for this jubilee anniversary are: the promotion of the historical book “100 years of the ALSAI”; the preparation of a documentary about the historical journey of the institution; the issuance of a special series of postage stamps; the presentation of the new website, etc.

Meanwhile, a number of foreign delegations from various Supreme Audit Institutions around the world, leaders and representatives of international audit organizations, as well as high-ranking personalities in the country have been invited to participate in the official ceremony of the 100th anniversary of the ALSAI, which will take place on May 20, 2025.

Statistics:



7 finalized **audits** in 2025

7 finished **audits** in January

71 audits are in process

13 audit **reports** are published in the web

May 20th, 1925
First document establishing the Albanian Supreme Audit Institution

The first specific document with historical value of the formation of the Financial Control institution in Albania is considered the Decree-Law of May 20th, 1925 “On the formation of the Control Council”. This decree-law was adopted with priority during the period of the Parliamentary Republic, led by Ahmet Zogu and entered into force on May 25th, 1925. The first Chairman of the Control Council was elected Kol Thaçi, who led the institution for 5 years.

The Financial Control Council was formed as a constitutional institution and was regulated by articles no. 93-97, part C “Executive Power” of the Fundamental Statute of the Albanian Republic.

The basic principles of the Statute for the Supervisory Council were:

Art.93 - State finances are controlled by the Financial Control Council.

Art.94 - The organisation of this council, the manner of exercising its offices and the qualifications of the members that comprise it are determined in a special law.

Art.95 - The rights of this council are the preventive and repressive control of the accounts of the entire state administration, as well as those specified in the special law.

Art.96 - The chairman and members of this council are appointed by the President of the Republic and other officials, according to the law.

Art.97 – The immovable property of the Financial Control Council is secured in the manner specified in this statute for the members of the Court of Dictation, with the exception that it is only for five years from the date of appointment of each of them.

With the establishment of the Financial Control Council, Ahmet Zogu created a political economic structure that was under his control and that, along with other measures taken, would allow him to focus on overcoming the difficult financial situation of the country and ensuring a strong external alliance to overcome economic difficulties.

This document was echoed in many official sources and newspapers of the time. The newspaper “Indipendenca Shqiptare” in the article “Control Council” or “Cour des Comptes” in French, wrote:

"The formation of the Control Council will curb any injustice and abuse of power to the detriment of the treasury, and this step is considered the first step that the new Republic is taking in the campaign of accountability for actions, keeping these under very close control."



Decree-Law of May 20th, 1925 on the establishment of the Supervisory Council





Newsletter “Albanian Independence”, December 12th, 1925



Ahmet Zogu, King of Albania, 1928-1939



Kol Thaçi, Head of Control Council, 1925-1930

Audit of accounts according to the French “Cour des Comptes” model

The Audit Office that was established under the government of Ahmet Zogu had similarities with the French state audit model. In accordance with the requirements of the Fundamental Statute of the Parliamentary Republic, legislation was elaborated and prepared on the State Audit Office, in French this office was called “Cour des Comptes”.

“The Audit Office is an administrative authority organized administratively to control those who use state money just as civil courts control those citizens who interfere in the use of other people’s property”.

The adopted French model was legitimized even in the formal aspects of the identity of this institution. The circular bilingual seal of the Audit Council read “Cour des Comptes”.



Bilingual seal of the Controlling Council





Raport mbi kontrollin financiar të buxhetit të viteve 1926-1927





10 FOUNDATIONAL STONES IN 100 YEARS OF HISTORY

Year 1925

In 1925, the National Assembly approved the first Fundamental Statute of the Albanian State (Constitution), which, among other things, also defined the institution responsible for state control of public finances. It was the Chamber of Deputies, which had the attributes of an institution that had the right and duty to control the government, for the protection of the general interests of the country.

Years 1928-1939

In the years 1928-1939, the country was ruled by an institutional monarchy. In the Fundamental Statute of the Albanian Kingdom, state control underwent refinement in form and content. In this Statute (Constitution), state finances were controlled by the Control Council, which assumed the attributes of an independent body.

Years 1939-1944

In the years 1939-1944, Albania was occupied by the forces of the Nazi-fascist coalition of Italy and Germany. As a result, all activities of this supreme institution, like all other state institutions, were suspended.

Year 1945

In 1945, the Antifascist National Liberation Council, which had the attributes of a Parliament, institutionalized state control through a Control Council. The main task of the Control Council was preventive and consumptive control of state expenditures, supervision of state revenues and the activities of officials who administered state money and materials.

Year 1946

In August 1946, a complete reorganization of the control bodies took place, both in form and content. By a special law of the People's Assembly, the State Control Commission was established.

Year 1950

In January 1950, with some changes in the organic law, this institution limited the scope of its control. Its objective was only to control the accounts and expenditures of the government and the implementation of its decisions.

The basic task was defined as preventive and final control over the accounts of the state in all economic, financial and productive units; preservation of the state's monetary and material values in enterprises, agricultural cooperatives, state and social institutions.

Year 1966

In 1966, the State Control Commission was abolished. This body was reorganised into a State Inspectorate, which it maintained until 1987.

Year 1987

In 1987, by special decree, the State Control Commission was re-established, with almost the same organisation, objectives and powers that this body had in previous years. The State Control Commission continued to operate until the end of 1991.

Year 1992

In 1992, by a special law, the supreme state control institution was established. This institution was named the State Control Service. The State Control Service assumed the attributes of an organisation independent of the government. The State Control Service was the highest body of economic and financial control with the objective of organising, directing and carrying out control over the implementation of the state budget and the administration of state property.

Year 1997

The full independence, depoliticisation and de-partisanship of the Albania Supreme Audit Institution was achieved with the adoption of Law No. 8270, dated 23.12.1997 and after the adoption of the Constitution in October 1998.

In 2014, in order to align the law with international auditing standards, Law No. 154, “On the Organisation and Functioning of the Albania Supreme Audit Institution”, was drafted with the support of DG Budget, SIGMA and the EU Delegation in Tirana, which is in full compliance with international standards of Supreme Audit Institutions.

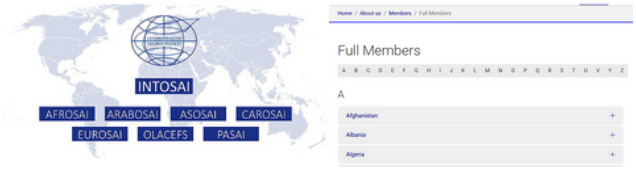
The ALSAI is the highest state external audit institution in the Republic of Albania, independent, which exercises its powers subject to the Constitution and laws in force.



Delegation of the State Control to the INCOSAI Congress, Washington DC, October 1992

The ALSAI, part of the International Organization of Supreme Audit Institutions since 1992

During the period 1993-1996, the State Audit Service established numerous links with counterpart institutions and international audit organizations. The State Audit Service also drafted a Code of Ethics for employees, a copy of which was sent to the International Organization of Supreme Audit Institutions (INTOSAI) in 1993.



The Albania Supreme Audit Institution has been a formal member of the International Organization of Supreme Audit Institutions (INTOSAI) since 1984, and an active member since 1992. Membership in this organization imposes obligations to respect international auditing standards (ISSAI).
These standards ensure the quality and professionalism of audit work, the full independence of the institution and its credibility in the public, as well as guide the main activity in improving public governance.



At the recent XXIV Congress of INCOSAI (International Congress of Supreme Audit Institutions), held on 7-11 November 2022 in Brazil, the ALSAI participated with a delegation headed by the Chairman, Mr. Arben Shehu. This congress, organized by INTOSAI, brings together the heads of supreme audit institutions from around the world and is held every 3 years.

INTOSAI is an autonomous, independent, professional and non-political organization, which aims to provide support to all Supreme Audit Institutions; to ensure high quality auditing standards for the public sector; to promote good governance, and to encourage the development of SAIs' capacities and continuous improvement of performance. This organization currently has 195 members.

Membership in the European Organization of Supreme Audit Institutions (EUROSAI)

The Albania Supreme Audit Institution has also been a member of the European Organization of Supreme Audit Institutions (EUROSAI) since 1993. Within the framework of this membership, the SAI cooperates with counterpart supreme audit institutions and actively participates in several working groups.
Through cooperation with international organizations and counterpart SAIs, including participation in coordinated or parallel audits, it is possible to exchange experiences with the aim of increasing the professional capacities of the staff.



EUROSAI is one of the regional organizations of INTOSAI and consists of 51 members (Supreme Audit Institutions of European countries and the European Court of Auditors). EUROSAI aims to promote professional cooperation, advance the study of public sector auditing and work towards the harmonization of terminology in the field of public auditing.

COOPERATION AGREEMENT

The Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, hosts the experts of the Norwegian SAI in a meeting

The Chairman of the ALSAI, Mr. Arben Shehu, hosted a meeting with experts from the Norwegian SAI in the field of Information Technology (IT) and audits in the Extractive Industry.
The Chairman of the ALSAI thanked the experts for their presence and all the cooperation so far, emphasizing the importance and added value that their expertise offers in the agreed areas of cooperation. Mr. Shehu also expressed the full willingness of all the ALSAI staff to continue with professionalism in this bilateral engagement.
The OAGN experts, thanking Mr. Shehu for the meeting, appreciated the cooperation with the ALSAI staff, involved in joint activities, and confirmed the continuity of the defined programs and their assistance in IT and performance audits, but also in the newer field, that of audits in the extractive industry.



Experts from the Norwegian SAI hold working sessions at the ALSAI on IT and audits in the extractive industry

Within the framework of the joint plan of activities in implementation of the Cooperation Agreement with the SAI of Norway, on January 27-31, 2025, working sessions with Norwegian experts in the field of Information Technology (IT) and audits in the Extractive Industry were held at the ALSAI.
The working sessions in the IT field addressed several topics that included strengthening cybersecurity; understanding the mindset of hackers; developing proactive defence strategies; compliance with security laws and regulations; opportunities for professional growth in the field of IT Audit Department, as well as the IT Directorate at the ALSAI participated in this activity.



This workshop provided benefits to the participants, increasing their knowledge and reactive skills in the field of "Ethical Hacking" and "Cyber Security". Through it, the use of internal testing and penetration testing techniques was enabled, enabling staff to identify, but also mitigate potential risks or vulnerabilities that could affect the ALSAI's internal systems and network.



Also, on January 28-30, 2025, a workshop was held on "Identification of risks and auditing related to the management of the extractive industry of the oil sector in Albania". The workshop focused on the assessment of the Patos-Marinza hydrocarbon agreement with the contractor "Bankers Petroleum" JSC.
This workshop addressed several issues related to the agreement, such as: assessment of the state of the Patos-Marinza basin in relation to the remaining oil capacity; assessment of the state of investments made over the years; assessment of oil losses or spills above or below ground during hydrocarbon operations if they are in accordance with generally accepted standards of the international oil industry, etc.
The workshop was attended by auditors from the Department of Audit of Public Companies and Foreign Investments, which is also responsible for this audit.

The ALSAI participates in the training "Information Systems Audit and e-Government Audit" in India

Within the framework of the Technical and Economic Cooperation Program of the Government of India, on January 6-29, 2025, at the International Center for Information Systems and Auditing, iCISA, in Noida, India, the international training "Information Systems Auditing and e-Government Auditing" was held. At this event, the ALSAI was represented by auditor Klara Frangaj.
The Indian Technical and Economic Cooperation (ITEC) programme provided a unique platform where participants from different countries shared knowledge and built skills needed for auditing information systems and e-government topics.
The 3-week training helped participants gain skills in assessing and improving digital governance structures, ensuring that they remain secure, efficient and reliable.



Hydrocarbon agreements are audited



From the audit carried out in the entities Ministry of Infrastructure and Energy (MoIE), National Agency of Natural Resources (NANR) and Albpetrol JSC on "Hydrocarbon Agreements executed within the Republic of Albania", for the period from the identification/proposal of concluding the agreements until 31.12.2023, deficiencies have been found in the implementation of the legal framework of hydrocarbon agreements.

Some of the problems found are as follows:

- From the evidence obtained for the activity in the hydrocarbon sector, it results that MoIE, NANR and Albpetrol JSC do not have periodic, annual programs or plans to exercise controls on entities as holders of hydrocarbon permits.
- From the audit of the bid form submitted by "EDG N. G." Ltd for the "Povelcë" and "Frakull" fields, in relation to the assessment of financial and technical capacities, it was found that the above company is not profitable (with a positive result) for the years 2018 and 2019, as well as the value of free liquidity, bank balances are insufficient for commitments in the hydrocarbon sector.
-The company "EDG N. G." Ltd does not have the financial resources and technical capacities to fulfil the contractor's obligations arising from the conclusion of the Hydrocarbon Agreement, in violation of law no. 7746, dated 28.07.1993 "On Hydrocarbons", as amended.
- "Sh. U. Albania" B.V. has not fulfilled the obligation regarding the social investment fund of 1,000,000 USD, as an obligation of the company during the suspension period.
- For Block 4, the parties, until the end of the audit period, have not found a solution regarding the status of pending costs, in the amount of 2,954,441 USD (payment of experts from Shell subsidiaries in other countries for work performed on behalf of Block 4), as an expense incurred without economy.
- NANR did not use the opportunity for training in international institutions for NANR staff, a right that derives from Article 27.4 of the IPC for the "Dumrea" block in the amount of 600,000 EUR per contractual year for the exploration period, and the annual training program prepared jointly (ENI and NANR) was not presented as income and missing investment.
- The liability of "B." for the total amount of 54,009.978 tons of crude oil, not withdrawn for the years 2019 - 2023 on account of the Pre-Existing Production (PEP) and the Albpetrol JSC Share (PPA) according to the Hydrocarbon Agreement is 18,659,033.93 USD, an amount which represents missing income for Albpetrol JSC.
- It is established that "B. P. Albania" Ltd does not pay the obligation for electricity to Albpetrol JSC, an amount which until 31.12.2023 is 1,654,040,397 ALL.

The "Environmental Services" project is audited at the Ministry of Tourism and Environment and AARD

The ALSAI has audited the "Environmental Services" project at the Ministry of Tourism and Environment and the Agency for Agricultural and Rural Development (AARD), financed with loans and grants totaling 22.8 million USD.

The "Environmental Services" project was launched on 29.01.2015 by the Ministry of Environment, with the main objective of supporting sustainable land management practices and through them increasing monetary and non-monetary benefits for communities mainly in high mountain areas affected by erosion. The project was to end on 30 September 2019, but was subject to two restructurings, which included an extension until 31 May 2021. The restructuring of the project has also increased operational costs and has led to postponements of the deadlines for the implementation of other consultancy contracts.

During 2020 and 2021, 11.86 million USD of funds were disbursed, which constitute 57% of all funds made available for 4 years (2015-2019).

When analysing the applicant files at the AARD, it was noted that applicants who had no previous experience in the field of forests and pastures were selected, and the creation of associations was observed at a time close to the application for the first or second call for projects.

In the audited files for the creation and protection of forests, the documentation sent by the winning applicants was analyzed and the plots where the project would be implemented were verified.

The verification was carried out from satellite images obtained by the State Authority for Geospatial Information (AGI), where, based on the search from the given coordinates, unforested plots resulted. In total, the value of the beneficiary associations that has been disbursed by AARD is 27,439,647 ALL. Also, at the end of the afforestation projects, no steps have been taken on the registration of these forest areas (according to the project), as one of the main goals of the development of the "Environmental Services" project.

The initial study analysis on the project idea for the implementation of the environmental service projects includes many statistics on the state of the forest system of Albania, as well as on the population living near these areas. The analysis shows the poor state of this system.

The audit team was unable to obtain answers regarding the state of the forest system and the population after the implementation of the project, whether this project has been effective in improving the problems listed in the initial analysis prepared by the World Bank.

The majority of the project financing of 22.8 million USD was spent on consultancy services and operating expenses.

Audit on the Security Academy

The ALSAI has completed the audit of the Security Academy (SA), for the period of activity from 01.01.2022 to 31.12.2023, where the main findings and conclusions are as follows:
- The audit conducted found a lack of coherence and harmonization between the legal and sub-legal framework in force. The provisions provided for in the Council of Ministers' Decision no. 320, dated 02.06.2021 "On some amendments and additions to the Decision of the Council of Ministers no. 881, dated 28.10.2020, on granting special status to the Security Academy, as the only public institution of higher education in the field of public order and security, as well as its organization and functioning", point 15, are in contradiction with article 43, point 4 of law no. 108/2014 "On the State Police", and are not implemented in the internal legal acts of the Academy.
The audit of the implementation of contracts resulted in the following:
- From the review of the receipt of goods and the examination of the goods in the warehouse, it was found that they are not in accordance with the technical specifications and evaluation criteria, causing ineffective use of funds in the amount of 3,789 thousand lek.
- For the contract with the object "Food cooking and distribution service (catering) for the Security Academy", irregularities and deficiencies were found in the procedures for the management and control of food delivered and received by the Security Academy, where for the cases treated, for which their calculation has been made possible, they result in ineffective use of funds in the amount of 9,450 thousand ALL. It was also found that another entity was included in this contract, which is not part of the framework agreement of the contracting authorities/entities, where until 31.12.2023 the value of the catering service was paid in the amount of 1,704,864 lek excluding VAT, a value which is not contracted and exceeds the provisions of the contract conditions and the values provided for in the framework agreement.

Audit on the Ministry of Defense

The ALSAI has completed the financial and compliance audit at the Ministry of Defence, for the period of activity 01.07.2021- 30.06.2023.
The audit of procurement procedures resulted in:

- Deficiencies in the drafting of procurement procedure criteria and qualification of economic operators.
- The audit of contract implementation resulted in inaccuracies for unfinished but liquidated works and overlapping of work items in the amount of 4,268,613 ALL.
- The audit of the service contract with the object: “Preventive project design, construction of the necessary infrastructure for UAVs at Kuçovë Air Base” and “Preliminary project design for the new campus of the Faculty of Defence and Security of the AAF” did not meet the legal provisions of the DCM no. 354, dated 11.05.2016, causing economic damage in the amount of 15,887,636 ALL.
- From the audit of 3 procurement procedures "Services" at the Institute of Geography and Military Infrastructure (IGMI), the legal and sub-legal acts of the LPP, in the selection of procurement procedures and qualification criteria were not applied.
- From the audit of the documentation and liquidation procedures for the project "TO BE READY" violations of contracts and deficiencies in reporting and justifying paid services were found, including unfair payments to project managers and financiers; deficiencies and violations in the management and implementation of procurement procedures. Some contracts for services and procurement were concluded in violation of the relevant regulations and the necessary documentation to prove the legality of the processes is missing. Inconsistencies were identified in the values declared for reimbursement in the FLC, causing economic damage in the amount of 18,396,391 ALL.

Audit on the Ministry of Justice

From the thematic audit at the Ministry of Justice "On the implementation of the contract for improving the electronic surveillance system in the criminal field", it resulted that:

- Article 6, point 2 of the “General Conditions of Contract”, which relates to intellectual property and the delivery at the end of the contract by the Union of Economic Operators to the Contracting Authority of the Source Code, reports and maps, diagrams, sketches and any other material collected or prepared by the contractor during the implementation of the contract, has not been implemented.
- The contract signed for the procurement of the service with no. 8383/10, dated 21.02.2017, results in it not being regularly signed on every page by the Authorising Officer, the former Secretary General; there is no page number quoted, and there is no contractual agreement on the level of service (SLA) signed and attached as an annex to the contract.
- It is noted that the three acceptance reports were all compiled within one day (dated 21.03.2017), not respecting the weekly execution schedule according to the contract, in violation of Article 11 of the contract, Law 10 494 dated 22.12.2011 “On electronic surveillance of persons whose movement is restricted by court decision”.
- There is no complete argumentative report on how the equipment was evaluated before being accepted, or the tests that were carried out by the working group. There are only three minutes of receipt (electronic bracelet, access control system, security camera system) out of the nine items on the invoice, along with the entry slips, as well as a training document for staff in the total value of 34,236,000 ALL including VAT, while partial liquidation has been carried out in the value of 150,000,000 ALL or approximately 63% of the tax invoice.

Audit of IT systems at the NAMMD and CEC

The ALSAI conducted an audit of the Information Technology systems at the National Agency for Medicines and Medical Devices (NAMMD).

The audit found that there is no act establishing the state database for the Information System for Registration and Control of Medicines and Medical Devices (ISRCMMD), which means that there has been no identification of the primary data of this system, as well as the secondary data needed for its smooth operation and functioning.

The "software" and "hardware" infrastructure where the Information System for Registration and Control of Medicines and Medical Devices (ISRCMMD) was established, until the end of 2022, was considered a "Critical Information Infrastructure", based on the Council of Ministers No. 553, dated 15.7.2020 "On the approval of the list of critical information infrastructures and the list of important information infrastructures", which belongs to the audited period. Now improved with the name "System for Registration and Control of Medicines and Medical Devices", it does not appear to be on the list of critical or important information infrastructures, although its importance is high given the fact that its violation or destruction would have a serious impact on the health of citizens.



Fig.3 Pamjet e mëposhtme tregojnë gjendjen e dhomës së serverëve në godinën qendrore të KQZ-së dhe asetevë të ndodhura në të

Kabllimet e rrjetit për të gjithë godinën e KQZ-së

Burimi: Grupi i Auditimit

The audit found that the NAMMD does not have a special structure (ICT sector) or IT employees in its organisation, who have the field of expertise in each system and infrastructure "hardware" and "software" of the institution.

NAMMD is not aware of the list of internal, external and database users of the Information System for Registration and Control of Medicines and Medical Devices (ISRCMMD), their rights, as well as specific accesses for each of them. This information was requested from the IT structure of the NAMMD, located at the Ministry of Health and Social Protection, who also had no knowledge. The lack of this information and control violates the integrity, availability and confidentiality of data stored in the information system of medicines and medical devices.

The ALSAI has conducted an audit on Information Technology at the Central Election Commission (CEC), which has identified several issues, as follows:

The CEC has processed and requested data on voters' photos from the National Civil Status Registry, although this information is not defined as an electoral component in the Electoral Code. This action poses a risk of violation of privacy rights and protection of personal data.

The update of Annex I of Instruction No. 465 of the Commissioner for Personal Data Protection has been modified by adding the voters' photo as an element, although this is not defined in the Electoral Code, causing inconsistency with the existing legal framework.

The CEC structure lacks a dedicated position for data security, despite the fact that the institution manages personal and sensitive data. This situation increases the risk of loss or unauthorised access to data managed by this institution. Information security policies and procedures have not been implemented, which increases the risk of incidents that could cause loss, manipulation or unauthorised dissemination of confidential information.

The "National Program for the Modernization of the Water Supply and Sewerage Sector" is being audited

The ALSAI has conducted a financial audit "On the reporting carried out on the national program for the modernisation of the water supply and sewage sector in Albania" at the National Water Supply and Sewerage Agency (NWSSA), in which several shortcomings were found in the implementation of the regulatory framework for financial reporting.

Some of the shortcomings found are:

NWSSA grants subsidies every year to Water Supply and Sewerage Companies that are in financial and economic difficulties. It turns out that for 2020, 3 types of subsidies were given (for electricity, Covid and tax obligations), while for 2021 and 2023, the subsidy was given to cover electricity costs. It turns out that the financial situation of water supply companies is not good, as the subsidies were used to pay employee salaries, social security and taxes, which are deferred obligations. It is also found that water utilities have outstanding electricity obligations, further aggravating the situation with late payment interest for failure to repay obligations on time.

Thank you for reading!

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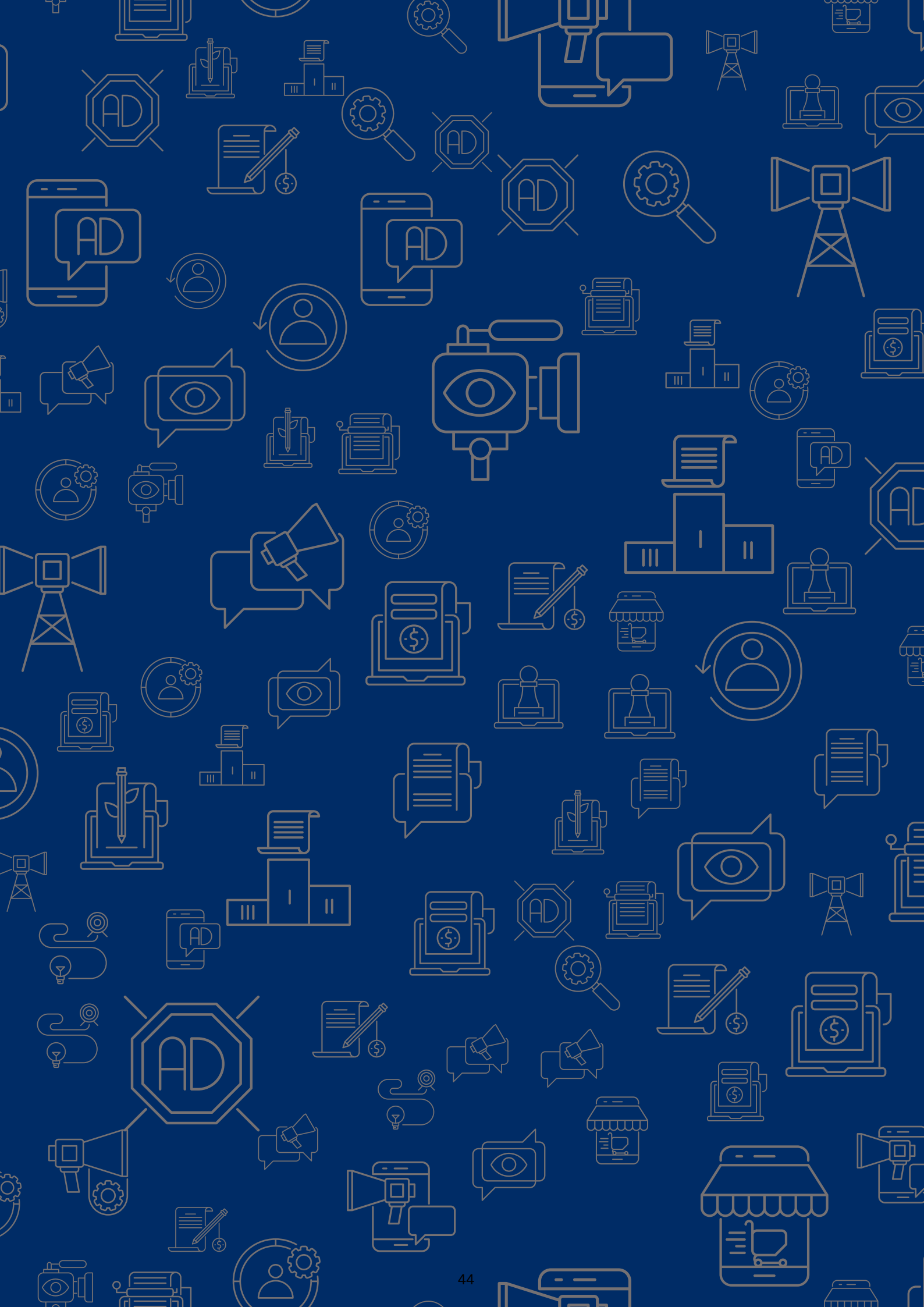
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NEWSLETTER

NO.



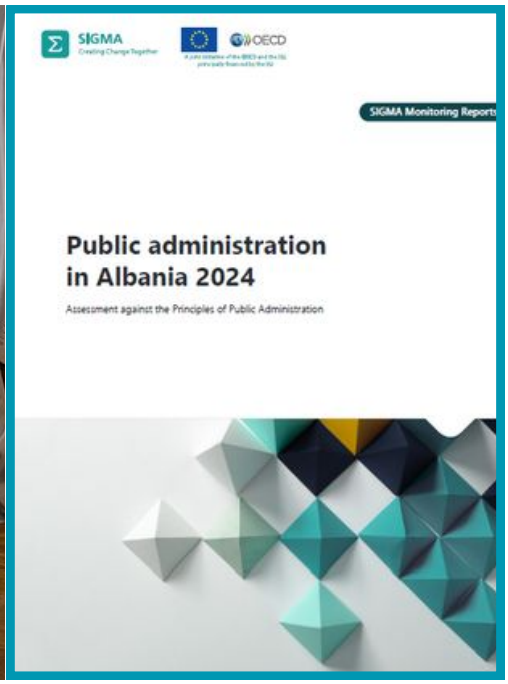
ALBANIAN SUPREME AUDIT INSTITUTION

NO.5

Monthly newsletter

March 2025





The Chairman of the ALSAI, Mr. Arben Shehu, at the meeting with the Director of SIGMA, Mr. Gregor Virant

2024 Report for Albania, SIGMA evaluates the work of the ALSAI, Mr. Shehu meets with Mr. Virant

As part of his visit to Albania to present the results of the 2024 Public Administration Assessment Report, the Director of the SIGMA/OECD Program, Mr. Gregor Virant, met on 05.02.2025 with the Chairman of the ALSAI, Mr. Arben Shehu.

The meeting held at the premises of the ALSAI discussed current challenges in the Albanian public administration, starting from the transparency of public institutions, increasing accountability and implementing recommendations. The ALSAI is part of the SIGMA Report on the role of audit activity in the use of public funds.

The Director of the SIGMA/OECD Program, Mr. Gregor Virant, while appreciating the role of the Albanian Supreme Audit Institution in the effective supervision of public administration, emphasized that it is very important that the recommendations of the ALSAI are implemented by the audited institutions.

Mr. Virant stated that support for the Supreme State Audit Institution will continue closely.

The Chairman of the ALSAI, Mr. Arben Shehu, thanked Mr. Virant for the cooperation and continuous support that SIGMA, as one of the strategic partners of the institution, has given to the Albanian Supreme Audit Institution not only in the field of auditing, but also in the development of professional capacities, etc. Mr. Shehu emphasized that, through increasing and ensuring transparency, the work of public institutions would improve.

Also present at the meeting with the Chairman of the ALSAI were Mr. Timo Ligi, SIGMA Program Manager for Albania, as well as Mr. Alastair Swarbrick, Senior Policy Advisor in this program.

SIGMA is a joint initiative of the Organization for Economic Cooperation and Development (OECD) and the European Union. SIGMA's mission is to support candidate and potential candidate countries for membership in the European Union in public administration reforms and professional capacities.

Statistics



20 finalized **audits** for 2025

13 finished **audits** in February

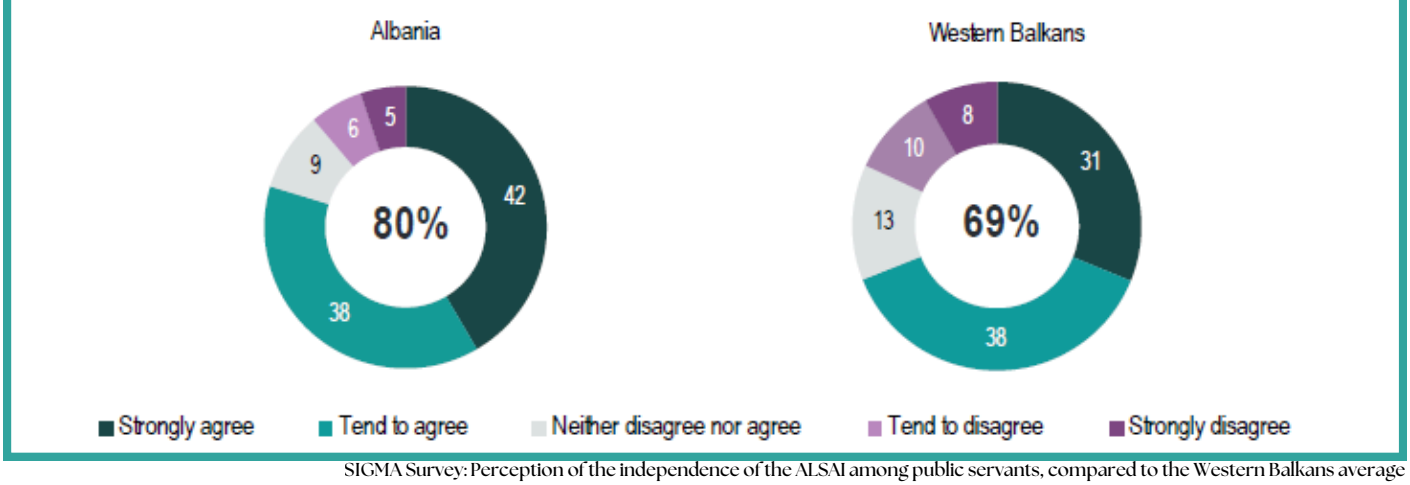
66 audits are in process

28 audit **reports** are published in the web

SIGMA
Creating Change Together

A joint initiative of the OECD and the EU, principally financed by the EU

Figure 54. Perception of SSAI independence among civil servants, compared to the WB average



SIGMA Survey: Perception of the independence of the ALSAI among public servants, compared to the Western Balkans average

SIGMA report: The ALSAI, an independent institution that audits with international standards

According to the "SIGMA Survey" of public servants on the functioning of public administration in the Western Balkans, the perception of the independence of the ALSAI is at the level of 80% in 2024."

In the SIGMA Report on "Albanian Public Administration 2024", the independent activity in auditing public funds by the Albanian Supreme Audit Institution (ALSAI) is assessed as an institution that provides security for the use of public resources and helps improve the functioning of the public sector. The following is the assessment of the SIGMA report on the ALSAI.

The ALSAI was established on the basis of the Constitution as an independent audit institution, which also defines its role in broad terms. The Law on the Organization and Functioning of the Albanian Supreme Audit Institution defines in more detail the functional, operational and financial independence of the ALSAI and, together with the Constitution, defines the legal framework for the ALSAI. The legal framework is in line with the International Standards for Supreme Audit Institutions (ISSAIs).

The ALSAI has the authority to audit budget implementation and revenue collection, as well as the management and protection of public funds and public or state property. The ALSAI also has the right to audit, among other things, the users of public funds provided by the European Union or other international organizations and state grants to political parties. The audit mandate is comprehensive and rarely contested.

SIGMA Survey: The adequacy of the legal framework for external audit and its effectiveness in practice

Indicator 31. Adequacy of the legal framework for external audit and its effectiveness in practice	2024 indicator value	79/100
Sub-indicators		**Points**
1. Constitutional, legal, organisational and managerial independence of the SAI		17.9/20
2. Adequacy and coverage of the SAI mandate and its alignment with IFPP		10/10
3. Governance and management of the SAI		9/10
4. Compliance of audit methodology with ISSAIs / Audits are conducted in accordance with the ISSAIs		9/10
5. Quality management of the SAI		9/10
6. Reporting and the follow-up of audits		9/10
7. Implementation of audit recommendations		7.8/15
8. SAI external engagement and communication		5/5
9. Use of SAI reports by the legislature		2/10

The ALSAI has a Strategic Development Plan 2023-2027 and an action plan, which are monitored and reported annually. The objectives include increasing support for the Parliament through effective audits of public funds and increasing the impact of their work by improving the implementation of recommendations and optimizing the professional capacities of their staff.

The ALSAI is authorized to conduct financial, compliance, performance and Information Technology audits. The ALSAI's annual audit plan defines mandatory audits and other audits selected based on risk. In the last three years, the ALSAI has conducted between 118 and 140 financial and compliance audits per year. The ALSAI has continued to develop its performance audit capabilities and completed 55 performance reports during the period 2021-2023.

Performance audits cover aspects of key sectors, such as: economic development, education, environment, justice and police, health, public administration, infrastructure and social security.

According to the results of the "SIGMA Survey" of public servants on public administration in the Western Balkans 2024, 70% of respondents considered that the ALSAI reports were easy to understand. Furthermore, 69% stated that the reports contain relevant and useful recommendations.

Recommendations made in audit reports are generally accepted by audited entities. Of the 4,631 recommendations submitted in 2022, 97% (4,494) were accepted by audited entities. This represents an improvement compared to the 2021 acceptance rate of 80%.

The ALSAI aims to engage with external stakeholders (the public, civil society and international partners) in the annual planning process and on specific audit reports or topics, and has published a Strategy for the period 2022-2025, to improve communication and consequently trust in the ALSAI.

Albanian Supreme Audit Institution and National Audit Office of Kosovo, parallel audit "Dam Protection and Safety" in Albania and Kosovo



Following the cooperation and joint audits between the two Supreme Audit Institutions, the Albania Supreme Audit Institution (ALSAI) and the National Audit Office of Kosovo will conduct a parallel audit on the protection and safety of dams in both countries.
For this purpose, on 19.02.2025, the Chairman of the ALSAI, Mr. Arben Shehu, held a working meeting with the Auditor General of Kosovo, Ms. Vlora Spanca, at the NAO premises in Pristina.
This meeting marks the continuation of the cooperation between the ALSAI and the NAO, to strengthen accountability and transparency in the management of public resources.





The Chairman of ALSAI, Mr. Arben Shehu, while visiting SAI of Poland

Official visit of the Chairman of the ALSAI to the SAI of Poland, on the occasion of the 106th anniversary of its establishment

The Chairman of the ALSAI, Mr. Arben Shehu, at the invitation of the President of the Supreme Audit Office of Poland, Mr. Marian Banaś, paid an official visit to this institution on the occasion of the 106th anniversary of its establishment on February 7, 2025. Mr. Shehu was welcomed by President Banaś and other senior leaders of the institution. Also participating in this meeting was the President of the Brazilian Federal Court of Accounts, at the same time President of the International Organization of Supreme Audit Institutions (INTOSAI), Minister Vital do Rêgo.
President Banaś thanked Mr. Shehu for his participation in this significant day for the Supreme Audit Office of Poland.



Mr. Shehu and President Banaś in their conversation emphasized the excellent history of the relationship and cooperation between the two institutions, which will always be in further development and consolidation.
The Chairman of the ALSAI thanked President Banaś for the special reception and emphasized the importance and added value that the cooperation with the institution of the Supreme Audit Office of Poland has for the ALSAI.

During the meeting, topics of common interest were also discussed, such as security and civil protection, auditing of Public-Private Partnership projects, “ad-hoc” audits, etc.
Mr. Shehu and President Banaś expressed beyond appreciation their full commitment and willingness to deepen this successful cooperation.
The Chairman of the ALSAI, in his speech during the official anniversary ceremony of the Supreme Audit Office of Poland, expressed congratulations on the 106th anniversary of its establishment and the best assessments for the high level of this institution. He emphasized that every employee of this institution has been and is proud to be part of this system and this honorable people, which is a symbol of great resistance and the preservation of human values.



During his visit to Warsaw, Mr. Shehu visited the "Warsaw Rising Museum", which is dedicated to the Warsaw Uprising of 1944.

Completed audits in February 2025



Audit "On the progress of state obligations for final decisions of the European Court of Human Rights (ECHR) and International Arbitration" at the State Attorney's Office, for the period 01.01.2023 to 31.12.2023.

Compliance audit in the General Directorate of Financing and Contracting for EU, WB and other Donor Funds (CFCU), for the period 01.01.2021 to 30.06.2024.



Compliance audit in the companies EDO, APC and TSO for mutual obligations between them, in the period from 01.01.2020 to 30.11.2024.



Performance audit on the topic "Protection of the values and assets of our country at UNESCO" carried out in the following entities: Ministry of Economy, Culture and Innovation, Ministry for Europe and Foreign Affairs, National Institute of Cultural Heritage, municipalities of Durrës, Rrogozhinë, Fier, Berat, Gjirokastër and Pogradec.



Performance audit on the topic "Management of public spaces on beaches" carried out in the following entities: Ministry of Tourism and Environment, National Coastal Agency and regional branches, Shkodër Municipality, Lezhë Municipality, Durrës Municipality, Vlorë Municipality, Himarë Municipality and Saranda Municipality.



Performance audit on the topic "Impact of mining activity on the forest fund" carried out in the following entities: Ministry of Tourism and Environment, National Environment Agency, National Forestry Agency, Ministry of Infrastructure and Energy, National Agency of Natural Resources, Municipality of Selenica, Skrapar, Kruja, Dimal and Berat



Performance audit on the topic "Career Orientation of Students in the Pre-University Education System". The entities included in this audit are: Ministry of Education and Sports, Quality Assurance Agency in Pre-University Education, National Agency of Pre-University Education (former General Directorate of Pre-University Education), Regional Directorates of Pre-University Education, Local Offices of Pre-University Education and Pre-University Education Institutions.



Performance audit on the topic "Research and scientific projects carried out by the Academy of Sciences, in promoting scientific, technological progress and innovation, for the benefit of the country".



Performance audit on the topic "National Inspectorates in Protection of Public Interests" conducted at the Central Inspectorate.



Audit of Information Technology systems at the Agency for Agricultural and Rural Development (AARD).

IMPLEMENTATION OF RECOMMENDATIONS
AUDIT FOR THE IMPLEMENTATION OF RECOMMENDATIONS ISSUED IN THE AUDITS DURING 2023, IN THE ENTITIES:

- Ministry of Infrastructure and Energy
- Ministry of Finance
- General Directorate of Taxes, Directorate of Large Taxpayers
- Agency for the Administration of Seized and Confiscated Assets
- National Agency for Natural Resources

Audit for the implementation of recommendations left in audits evaded in 2023, in the following entities:

- Ministry of Infrastructure and Energy
- Ministry for Europe and Foreign Affairs
- Ministry of Health and Social Protection
- Ministry of Tourism and Environment
- Ministry of Agriculture and Rural Development
- Ministry of Justice
- University Hospital Center “Mother Teresa”
- General Directorate of State Social Service
- Shkodra Home for the Elderly
- Tirana Home for the Elderly
- High Judicial Council and Institute of Geosciences

Audit for the implementation of recommendations left in the audits of 2024 (first semester), in the following entities:

- Compulsory Health Care Insurance Fund, Ministry of Health and Social Protection
- "Mother Teresa" University Hospital Center Tirana
- Albanian Electric Power Corporation

The ALSAI conducts work analysis for 2024



In accordance with Order No. 13, dated 16.01.2025, of the Chairman of the ALSAI, "On conducting the annual analysis of the activities of the ALSAI departments for the year 2024", during February 2025, the audit departments and other structures in the ALSAI have conducted annual work analyses. In these analyses, the assessment of the work carried out during 2024, the planning of audit activity and the objectives for 2025 were discussed.

In his speech during the participation in the analyses, the Chairman of the ALSAI, Mr. Arben Shehu, emphasized the optimization of professional skills and innovative knowledge on international auditing standards, continuous cooperation with counterpart SAIs, part of the INTOSAI and EUROSAI community, training, in order to achieve qualitative results.

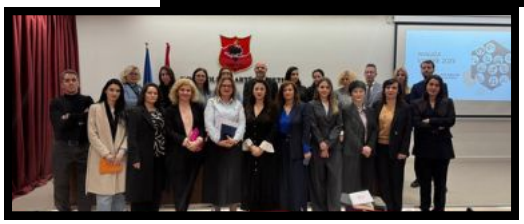
Mr. Shehu thanked the employees for their commitment so far and highlighted the importance of close cooperation between the various structures of the institution.

Special attention in the analysis was paid to the activities that will be organized on the occasion of the 100th anniversary of the establishment of the ALSAI, where the Chairman requested maximum commitment from all structures to mark this historical moment of the institution.

The Chairman of the ALSAI requested intensification of communication, interaction and cooperation with both homologous and international institutions in the field of auditing.

During 2024, the ALSAI has continued to intensify cooperation with homologous SAIs, through the signing of new agreements and continuous staff training, with the aim of exchanging experiences and increasing professional capacities.





Solidarity for patients in need, ALSAI staff donates blood

Continuing the tradition established over the years, the staff of the Albanian Supreme Audit Institution has joined the national campaign for voluntary blood donation, in aid of patients with thalassemia, chronically ill people, as well as accident victims.

On February 24, 2025, the employees of the Albanian Supreme Audit Institution took part in a voluntary blood donation session in aid of these patients, organized by the National Blood Transfusion Center.

Employees of the ALSAI have shown solidarity with this humane act that saves the lives of people in need.

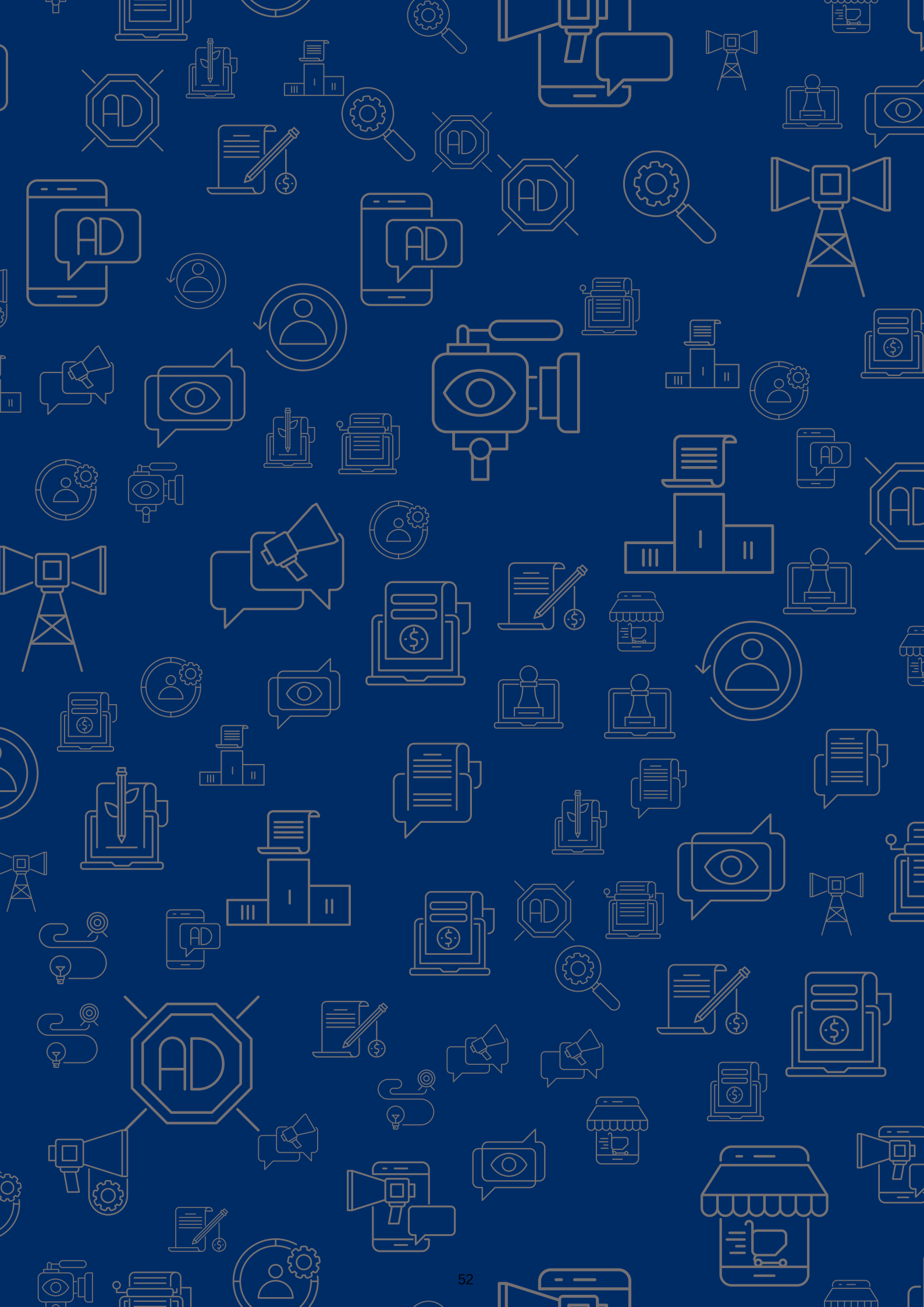
The National Blood Transfusion Center has thanked the staff of the Supreme State Audit Office, who have now made blood donation in aid of patients with thalassemia a tradition. The National Blood Transfusion Center appreciates that the solidarity and tradition of the ALSAI have always been a great and important help in the cause of voluntary blood donation.



Thank you for reading!

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APRIL
2025

NEWSLETTER

NO.



ALBANIAN SUPREME AUDIT INSTITUTION

NO.6

Monthly newsletter

April 2025



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.



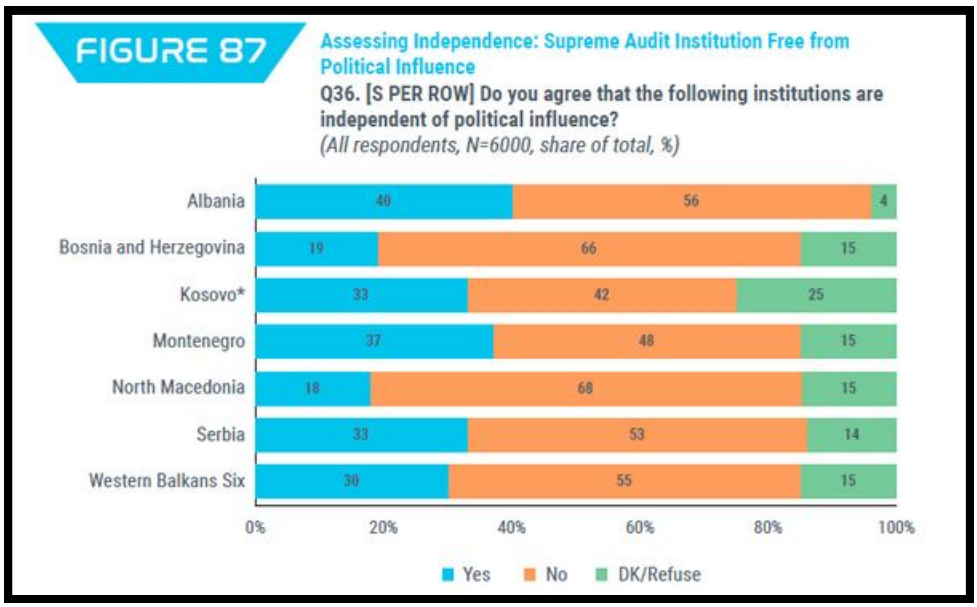
Part of the Balkan Barometer survey is also an assessment of the independence and effectiveness of the work of Supreme Audit Institutions (SAIs) to audit governments in the interest of citizens. Based on the results of the report, the Albanian Supreme Audit Institution (ALSAI) has maintained its position 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.

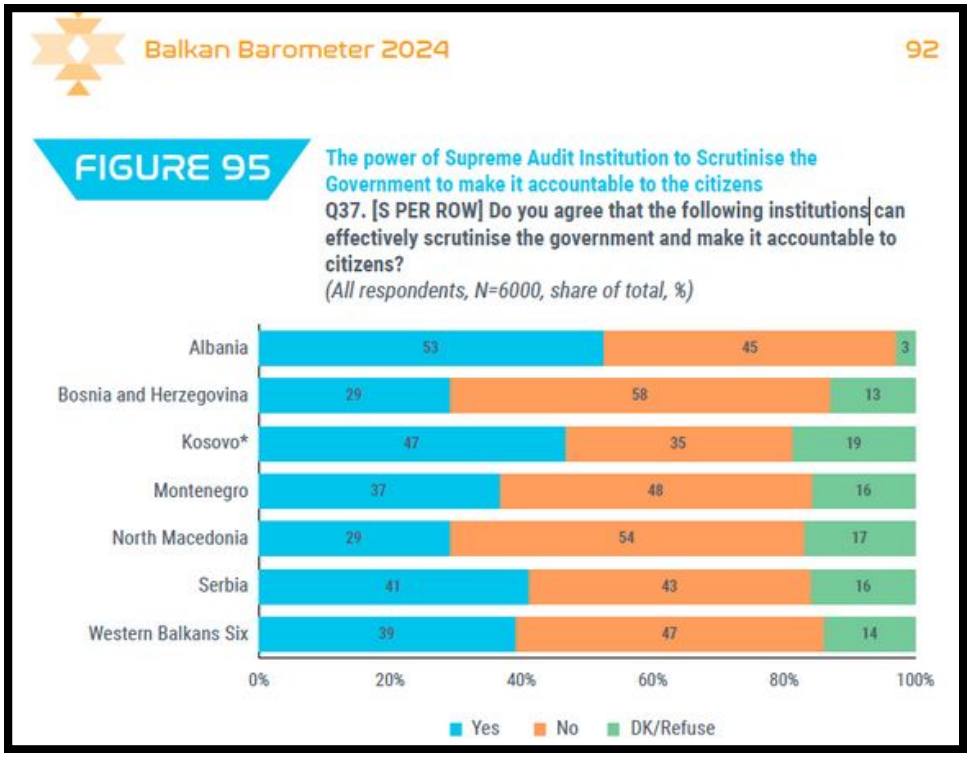
The report highlights that Albania and Kosovo emerge as leaders in trust, with 53% and 47% of respondents expressing the opinion that Supreme Audit Institutions can effectively review the work of the Government, to make it accountable to citizens.

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 Gluckeman, 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 strengther 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.

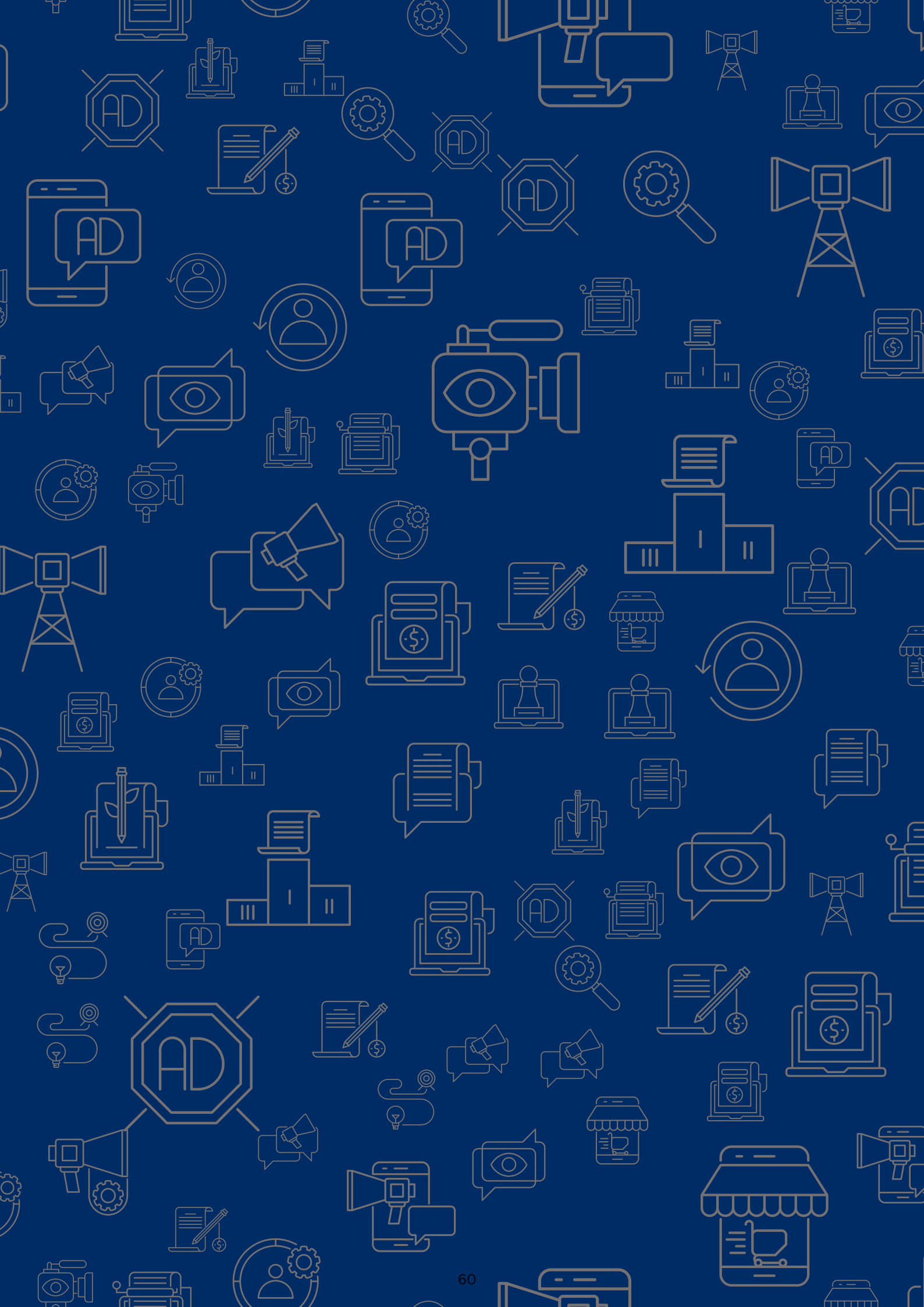
The main benefits of the training include knowledge of contemporary ECA methodologies, improvement of risk assessment techniques, increased awareness of the importance of transparency and accountability and the importance of an organized and structured methodology in the audit process.

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.

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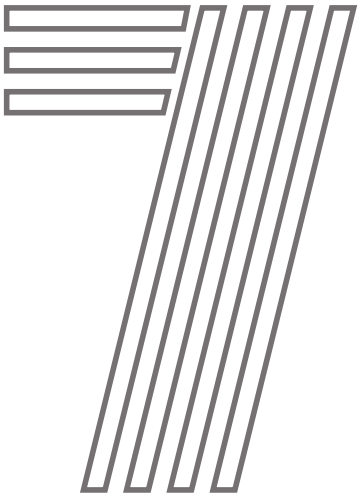
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MAY
2025

NEWSLETTER

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ALBANIAN SUPREME AUDIT INSTITUTION

NO. 7

Monthly newsletter

May 2025



The ALSAI launches activities for the 100th anniversary of the founding of the city of "Independence"

The Albanian Supreme Audit Institution (ALSAI) has launched from the city of "Independence" the activities for the 100th anniversary of the establishment of the institution, a landmark event for the journey of public finance control in Albania. On April 10, 2025, the Chairman of the ALSAI, Mr. Arben Shehu and the Auditor General of the National Audit Office of Kosovo, Ms. Vlora Spanca, together with representatives of both institutions, paid a visit to the city of Vlora. Although the ALSAI was established as a full structure 13 years after the birth of the Albanian state, the financial problem occupied an important place in the policy and economic activity of the "Government of Vlora", led by Ismail Qemali.

Historical memory is one of the main elements in creating a sustainable identity not only of a nation, but also of a state institution. Therefore, the ALSAI chose the Independence Museum in Vlora as one of the most important historical places in Albania, where the Declaration of Independence was held on November 28, 1912, to open the curtain of the 100th anniversary activities.

At the meeting with the delegation of the National Assembly of Albania at the Independence Museum, the history of the Declaration of Independence and the Albanian state formation was revealed, which simultaneously marks the moment of the creation of state institutions, their development over the years and the importance of sustainable management of public finances.



The Heads of Supreme Audit Institutions emphasized the importance of external control of public finances, as an essential pillar of good governance, transparency and accountability.

Appreciating the historical heritage of our country, Mr. Shehu and Ms. Spanca underlined that in order to preserve and further advance the values of professionalism and integrity in the public interest, responsible institutions are needed that work with dedication to strengthen the rule of law and for a government at the service of citizens.

Ms. Spanca congratulated the ALSAI on its jubilee anniversary, appreciating the 100-year contribution of this institution in the service of the state and citizens.

On May 20, 2025, the Supreme State Audit Office will celebrate 100 years of existence since its establishment in 1925 under the name "Control Council".

Statistics



54 conducted **audits** for the year 2025

93 audits are in process

19 finalized **audits** in April

44 audit **reports** published in the web

The Chairman of ALSAI, Mr. Arben Shehu, welcomed in a meeting the Italian Ambassador to Albania, Mr. Marco Alberti





The Ambassador of Italy to Albania, Mr. Marco Alberti, together with the Senior Director of the Guardia Di Finanza, Giampiero Carrieri, held a meeting on April 15, 2025 with the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu. His Excellency expressed his high appreciation for the work carried out by the ALSAI in the field of financial control of state institutions. The Italian Ambassador considered the role of the ALSAI in the European integration process of Albania to be fundamental.

“You, Mr. President, occupy a delicate place in the structure and architecture of the state, above all in the dimension of negotiations for Albania's entry into the European Union, where transparency, regularity, accuracy, accountability and the system of public accounts play an essential role” - said Mr. Alberti. He emphasized that cooperation between Albanian and Italian institutions will soon intensify.

Also, the Chairman of the ALSAI, Mr. Arben Shehu, thanked Ambassador Alberti for the visit and the assessment. Mr. Shehu expressed his gratitude for the support provided by the Italian institutions in the work of the ALSAI and underlined the need for further consolidation of bilateral relations. Mr. Shehu appreciated the great importance of cooperation between the two countries in the financial investigation sector of public institutions, considering it essential for strengthening good governance and the rule of law in Albania. The Ambassador confirmed the launch of cooperation within a few months between the ALSAI and important academic institutions of financial investigation.



It was also communicated about increasing the presence of ALSAI staff in Italian institutions such as the Guardia di Finanza and the Italian Police to gain the best experiences in financial investigation. This meeting marks an important step in strengthening bilateral relations and cooperation in the field of financial control, as a key aspect for Albania's journey towards the European Union.

The Fight against corruption, European Commission experts meet with Mr. Shehu at the Albanian Supreme Audit Institution



As part of the assessment mission for the “Fight Against Corruption and Organized Crime”, the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, hosted the European Commission experts in a meeting on the 7th April 2025.

During the meeting, Mr. Shehu underlined the commitment of the ALSAI to implement all legal and institutional obligations, ensuring continuous cooperation with all law enforcement institutions.

The Chairman of the ALSAI emphasized that the institution is committed to increasing transparency and accountability in the management of public finances, with the aim of preventing corruption and organized crime. The Secretary General, the Director of the Directorate of Communication, Publication and External Relations and representatives from the Legal Directorate also participated in this meeting.

ALSAI - NAO Kosovo, the first working meeting for the parallel audit "Dam Protection and Safety" is held



Following the decision of the heads of the two Supreme Audit Institutions in Albania and Kosovo to conduct a parallel audit on the protection and safety of dams, the first working meeting of the audit groups was held at the premises of the Albanian Supreme Audit Institution (ALSAI) on 1 and 2 April 2025. The audit groups of the ALSAI and the National Audit Office discussed the situation in Albania and Kosovo, regarding the identified issues related to the safety of dams, the clarification of the legal and regulatory framework, the focus on important issues, the exchange of national and international good practices, etc.

The meeting presented the assessment and classification of dams in terms of risk level, a practice that is not carried out and is not foreseen in the legal/regulatory framework, both in Albania and in Kosovo. The methodology and scope of performance audits in Albania and Kosovo have similarities in terms of deadlines and communication with the entities under audit. The audit groups of the ALSAI and the NAO will continue communication in order to review more detailed information and data, to conclude in the finalization of the audit program for the protection and safety of dams in Albania and Kosovo.

The ALSAI participates in the pilot program of the OECD International Academy for "Tax Investigation and Financial Crime"

On March 31-April 4, 2025, the OECD International Academy Pilot Program on "Misuse of Technology in Financial Crimes" was held in Ostia. The ALSAI participated for the first time in this program, represented by Ms. Joniada Goçaj.

This program focused on issues related to the use of technology to facilitate tax evasion, money laundering and other financial crimes; as well as how essential it is to understand these risks in order to strengthen investigative capacities and law enforcement, protect public finances and ensure the integrity of the global financial system.

Some of the main topics addressed during this program were:

- "Big Data" in Financial Crimes: Understanding its role in identifying and preventing financial crimes.
- Misuse of Financial Technology (FinTech) and New Crimes: How financial technologies are misused for illegal activities.
- Artificial Intelligence and ChatGPT: The role of artificial intelligence in facilitating and combating financial crimes.
- Crypto Assets and Blockchain: Analyzing the risks associated with cryptocurrencies, decentralized finance and NFTs. ("Non-Fungible Digital Assets").
- Money Laundering Risks from Cryptocurrency Misuse: Identifying vulnerabilities and implementing effective measures against them.



During the 5-day program, concrete examples from countries such as the Netherlands; the United Kingdom, Hong Kong and Singapore were discussed regarding the misuse of technology in financial crimes. At the end of the program, it was emphasized that although technology offers great benefits in the fight against financial crimes, it also creates opportunities for sophisticated crimes, including: tax evasion using decentralized finance platforms; money laundering through NFTs and cryptocurrency exchanges; misuse of innovations from Artificial Intelligence and Fintech for illicit profits.

The ALSAI, part of the Swedish National Audit Office (SNAO) training on performance auditing



The Swedish National Audit Office (SNAO) has organized the first block of the performance audit training program on 1-4 April 2025 in Sarajevo. The purpose of this program is to provide structured training to help build a professional performance audit network, in accordance with international auditing standards. Participants in this training are groups of young auditors from Supreme Audit Institutions of Albania, Kosovo, Serbia, Bosnia and Herzegovina, Macedonia, Moldova, Georgia and Ukraine. The ALSAI participates in this program with the performance audit "Community care for the elderly and service decentralization", with the participation of auditors Annavanessa Hoxhaj and Lorena Liçi.

The ALSAI attends the EUROSAI organized e-seminar on “Auditing of critical information infrastructure”

EUROSAI
IT Working Group

The EUROSAI IT Working Group, of which the ALSAI is a member, organized on 24 April 2025 the online seminar entitled: “Auditing Critical Information Infrastructure”. The aim of this seminar was to explore cybersecurity and auditing critical information infrastructure in an increasingly complex digital environment, by exchanging international experiences and good practices among EUROSAI members and international partners.

The online seminar was organized as a combination of sharing experiences from different SAIs, discussions with expert panels, as well as interactive questions and surveys with participants.

In his opening remarks, the Chairman of the EUROSAI - IT WG, who is also the Head of the Estonian SAI, stressed that systems built on critical infrastructures are very important for the functioning of a state and the provision of quality services to citizens. In this context, the development of IT auditing in these infrastructures is equally important.

The Estonian Information System Authority provided examples of practices as a model institution in terms of technological developments, in which cybersecurity standards are renewed every year, taking into account rapid technological changes and past experiences, with a focus on the risk of cyber attacks, as the representative of the Estonian Information System Authority also emphasized in his speech.

The panel discussion on the future of critical infrastructure cybersecurity shared views on ongoing challenges in standards and incident response, approaches to cyberattack risk, awareness of continuous monitoring, etc.

Participants expressed that the maturity for managing and responding to cyber incidents is not the same in different countries. For this reason, public and private entities should prioritize cyber incident simulations, with a focus on obtaining information about the current situation of their infrastructures and where they should intervene in order to increase security.



Following the seminar, a representative from the U.S. General Audit Office (U.S GAO) gave a presentation on “Using Audits to Improve Critical Infrastructure Protection from Cyber Threats,” providing an overview of the current situation and what can be improved to reduce the risk of ransomware attacks.

In this context, the GAO has also created the “Cybersecurity Program Audit Guide” to provide auditors with the methodology, techniques, and procedures to make appropriate assessments during critical infrastructure audits.

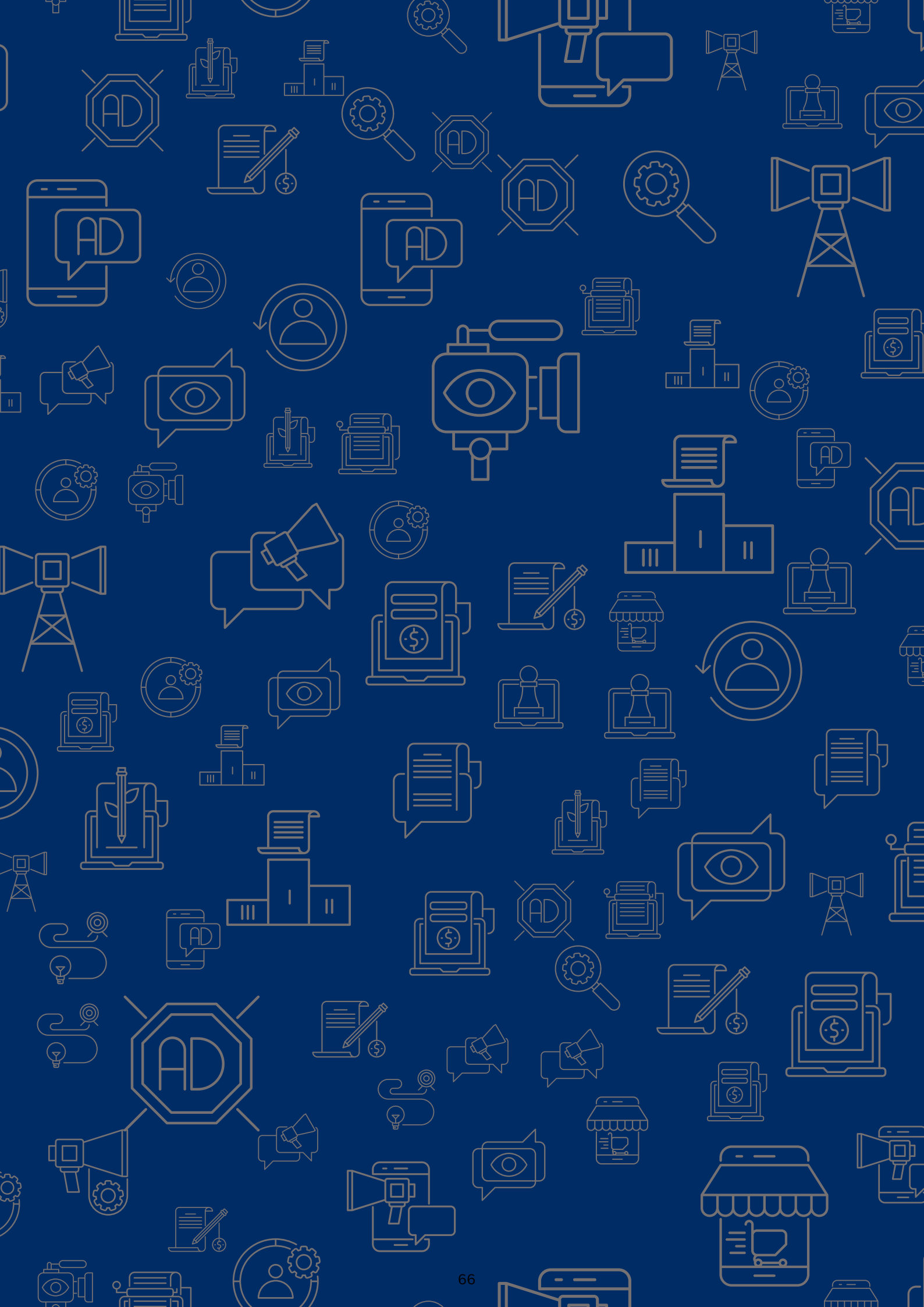
In the closing remarks, the ITWG Secretariat announced the planning of the annual hybrid meeting of the IT WG, with a focus on e-government and e-services.

This seminar was attended by auditors from the IT Audit Department, as well as from the Information Technology Directorate at the ALSAI.

Thank you for reading!

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JUNE
2025

NEWSLETTER

NO.



ALBANIAN SUPREME AUDIT INSTITUTION

NO.8

Monthly newsletter

June 2025



The ALSAI celebrates 100th anniversary of its establishment, Mr. Shehu: The institution will remain faithful to its public interest mission

On 20.05.2025, in a solemn ceremony held in the plenary session hall of the Parliament of the Republic of Albania, the Albanian Supreme Audit Institution (ALSAI) celebrated the 100th anniversary of its establishment, a historic moment for the highest audit institution in the country. Participants in this important event for the institutional history of the country were the Speaker of the Parliament of the Republic of Albania, Ms. Elisa Spiropali, ambassadors and representatives of the diplomatic corps, delegations from 19 supreme audit institutions in the region and beyond, international partners, ministers, members of parliament, heads of institutions, academics, representatives of the media, civil society, employees and former employees of the SSA, etc.

The ceremony opened with the welcoming speech of the Chairman of the ALSAI, Mr. Arben Shehu, who emphasized the importance of this jubilee not only as a historical commemoration, but as a starting point for the future. “I want to reiterate that the Albanian Supreme Audit Institution will remain faithful to its constitutional mission in sync with the interest of the state and, in essence, of every Albanian. We will continue to protect the public interest and of every Albanian citizen, with dedication to the principles of the rule of law and good governance”, - emphasized the Chairman of the ALSAI.

The Speaker of the Parliament, Ms. Elisa Spiropali, in her speech praised the Albanian Supreme Audit Institution as a key instrument for strengthening democracy and the fight against corruption, ensuring the support of the Parliament for maintaining institutional independence.

The Ambassador of the Delegation of the European Union, Mr. Silvio Gonzato, also spoke at the event. Appreciating the key role of the ALSAI in strengthening good governance and transparency in the country, Ambassador Gonzato emphasized that an independent, credible and effective institution is essential for Albania’s membership in the European Union.

Also, the ceremony was greeted by the President of EUROSAI and the Comptroller of the State of Israel, Mr. Matanyahu Englman; the Presidency of INTOSAI represented by Mr. Augusto Nardes, Minister at the Court of Accounts of Brazil; the Auditor General of the National Audit Office of Kosovo, Ms. Vlora Spanca; the President of the Supreme Audit Office of Poland, Mr. Marian Banaś; the Vice President of the Greek Court of Audit, Ms. Maria Vlachaki, etc.

Statistics



15 activities organized within the framework of the institution's 100th anniversary



19 delegations from counterpart SAIs participating in activities

Speech by the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, at the ceremony of the 100th anniversary of the establishment of the institution



Honorable Speaker of the Assembly of Albania,
Honorable representatives of the Assembly,
Honorable representatives of partner institutions,
Honorable heads of institutions of the Republic of Albania,
Honorable representatives of the media,
Dear colleagues and associates,
Ladies and gentlemen,

It is a special honor that today, in the premises of the Assembly of the Republic of Albania, we celebrate together the 100th anniversary of the establishment of the Albanian Supreme Audit Institution, an institution that for a century has contributed to strengthening the culture of accountability and improving governance in the management of public finances.

This anniversary represents a historic moment not only for the ALSAI, but for the entire institutional development of modern Albania. Established in May 1925, at a crucial stage in the consolidation of the Albanian state, the Albanian Supreme Audit Institution has been present at every stage of the transformation of public administration. Over the course of a century, it has operated in different historical and political conditions, from the period of monarchy, to the centralized post-war regime, to the phase of democratic transition after the 1990s. During this time, the institution has maintained its essential mission: overseeing the proper use of public funds.

Following the adoption of the 1998 Constitution and subsequent reforms, the ALSAI assumed a clear role as an independent constitutional body. It has been active in adapting auditing standards to the most advanced models, as well as in increasing institutional accountability. Membership in international organizations such as INTOSAI and EUROSAI, as well as regional cooperation, has helped in the professional development of auditors and in strengthening good practices, significantly increasing the quality of our activity.

This anniversary is also an opportunity to honor the dedication of the generations that built this institution. Their contribution has left a valuable legacy for the fair and efficient administration of state finances. This legacy has helped build citizens' trust in state institutions, guaranteeing financial management that is based not only on efficiency, but above all on honesty, transparency and accountability.

Honorable participants, I would also like to express my deep gratitude for having among us today representatives of supreme audit institutions from partner countries, representatives of the diplomatic corps, members of the Albanian Parliament, heads of independent institutions and public administration, academics, representatives of universities, civil society organizations, our domestic and international institutional partners, and in particular, representatives of the media, which in Albania has risen amidst difficulties to a truly institutional level and for which, on behalf of the institution, I would like to express special gratitude. Your participation in this activity is not only an appreciation for the Albanian Supreme Audit Institution, but also a proof of support for the institutions of the Albanian state.

Distinguished guests,

100 years of history are not just a journey to commemorate, but a solid foundation to build the future. The Albanian Supreme Audit Institution will continue to improve its professional capacities, adopt modern technologies and stand for the benefit of the common interest.
This anniversary is not only a stopping point to evaluate our journey, but also a starting point for a new commitment, to build a more responsible, more efficient and more honest future in the service of the citizen.

I would like to reiterate that the Albanian Supreme Audit Institution will remain faithful to its constitutional mission in sync with the interest of the state and, in essence, of every Albanian. We will continue to protect the public interest and of every Albanian citizen, with commitment to the principles of the rule of law and good governance. I am convinced that our common path will continue with sustainable cooperation, mutual exchange and mutual support to build stronger institutions and more accountable administration.
I thank you once again for your presence today, for the appreciation you have made of this anniversary, and for the support you continuously offer to the mission of the Albanian Supreme Audit Institution.

Thank you!

Speech by the Speaker of the Parliament of Albania, Ms. Elisa Spiropali



Today, the Albanian Supreme Audit Institution turns a century old.
I am neither a historian nor do I intend to make history. But I would like to say a few words about the hundred-year journey of this important institution of the Albanian state.
Immediately after its establishment, the independent Albanian state made an effort to create an institution that would deal with the control of its finances. Of course, with that vision, perception and function that the time allowed.
But the first governments did not succeed in building this institution with its format and content as a constitutional institution. This was understandable, if we take into account the historical context and the storms of the time that threatened the survival of Albania and its new state.
Only in the Republic of 1925, that is, 13 years after the establishment of the Albanian state, was the Financial Control Council created and operated as a constitutional institution.
It is not a great delay in time, if we consider the history of state formation in other countries and the historical and geopolitical conditions during the first decade of independent Albania.
So, while the state did as it did without the institution of control for more than a decade, the Republic as a form of government sought and realized it as a constitutional institution immediately after its creation.
The Constitution of the Albanian Kingdom also sanctioned the Control Council as an independent body.
During the communist regime, the State Control bodies functioned as strong auditing, controlling and political instruments of the popular power and in its service.
In the democratic system, with no small or few ups and downs, the ALSAI became the highest body of economic and financial control and the independence and depoliticization of this institution is sanctioned in the Constitution and the organic law.
The Parliament will continue to support the Albanian Supreme Audit Institution as a constitutional institution, a partner in our efforts for economic development and growth, to increase financial performance, to support the rule of law, good governance and to accelerate the pace of Albania's European integration.
Albania's membership in the European Union, for which we already have a plan agreed with the European institutions, is not only the culmination of a process started 35 years ago, but also the start of a new journey, when all institutions of the Republic will be institutions of a member state of the European Union.
I take this opportunity to underline that the Parliament will continue to support all constitutional institutions established by law and their independence, to fulfill their mission as guardians of the public and citizen interest.
The independence of institutions is a vital dimension of the proper functioning of the powers in a democratic system, as well as their responsibility, transparency and accountability. Therefore, the motto of our cooperation can be summed up in three words: independence, support, partnership.
We appreciate your efforts to strengthen institutional independence and professionalism, as a constitutional institution guided by the principles of the rule of law, assessments also of the latest monitoring reports of Albania by the OECD and the EU.
However, the Parliament, but I think also the ALSAI, share the same assessment that it is necessary to strengthen parliamentary oversight, to make your activity more effective, to increase transparency and the impact of audits in improving the management of public finances.
Our closer and more open cooperation, as well as more intensive communication, will strengthen the preventive dimension of control activity and better harmonization with punitive measures.
Our closer and more open cooperation, as well as more intensive communication, will strengthen the preventive dimension of control activity and better harmonization with punitive measures.
The synergy between prevention and punishment is not only a requirement of the Parliament, nor only of our time. It has been like this even in the first steps of the functioning of this institution, when the resources of the Albanian state to maintain it were limited, experience was lacking and institutional capacity and human resources were also modest. It is also like this in the homologous institutions of the European Union countries and other democratic states.
The Parliament is committed to the fight against corruption and for this it has requested and will continue to request your contribution.
But the fight against corruption does not aim at hitting public employees as an end in itself, but also at supporting them to better manage state resources, as well as closing legal and institutional paths for abuse.
Our joint, uncompromising, determined and growing fight against corruption, abuse of office and abuse of public finances should not prevent us from distinguishing the embezzlers, abusers and criminals in the management of public finances, programs and projects from the correct, honest and dignified state servants who have contributed and continue to contribute to the development of the country. Albania is today at the doors of the European Union also because of their contribution.
In addition to the implementation of the recommendations of the European Commission's Progress Reports, we are working to strengthen the mechanism for implementing the recommendations through more structured dialogue and cooperation between the Assembly and the Albanian Supreme Audit Institution.
This cooperation has taken on a new dimension after the establishment of the Subcommittee on Public Sector Audit, a structure that aims to ensure a closer and more effective connection between the control function of the Assembly and the audit activity of the ALSAI.
This Subcommittee represents an important mechanism for parliamentary oversight of public finance management and, since its establishment, has demonstrated the potential to bring a new spirit of accountability, transparency and institutional dialogue.
I note that the ALSAI has also shown commitment to deepening this cooperation, taking concrete steps, including the creation of a special directorate dedicated to communication with the Assembly and the Subcommittee, so that the exchange of information, the handling of reports and the follow-up of recommendations can be done in a more efficient and structured manner.
This is a development that should be welcomed and encouraged, as it is increasing the quality of inter-institutional cooperation, strengthening democratic control over public administration and improving the culture of accountability at all levels of government.
The Assembly remains committed to advancing this important partnership, in the public interest and in building stronger, more transparent and more accountable institutions towards citizens.
In this spirit of consolidated cooperation, the Assembly of Albania is fully committed to further strengthening innovative tools and mechanisms that serve to increase transparency and effectively follow up on audit recommendations.
One of the most important initiatives in this regard is the reconfiguration of the Inter-Institutional Online Platform, a modern and comprehensive instrument, which aims to enable a more efficient connection between the institutions that produce, process and implement audit recommendations and the Parliament, as an oversight body. By giving this platform a new functional and strategic dimension, we aim not only to improve the monitoring of the recommendations of the ALSAI and other public auditors, but also to actively encourage state administration institutions to contribute regularly and responsibly to its population.
The Assembly will continue to play a key role in this process, not simply as an overseer, but as a promoter of a new culture of cooperation and accountability across the entire institutional spectrum. Modernizing practices, expanding the scope, increasing the impact of audits in public administration, improving transparency and communication with the public, increasing institutional capacities and human resources, I assess that these are some of your priorities, which can increase the quality of control and auditing, as well as the effectiveness of the work of the ALSAI in the fight against corruption and abuse of public funds, for which the assistance of the Assembly has neither been lacking nor will be lacking.

Ambassador Gonzato: The ALSAI, cornerstone for Albania's integration into the EU

At the 100th anniversary ceremony of the ALSAI, the Ambassador of the Delegation of the European Union, Mr. Silvio Gonzato, also spoke. Appreciating the key role of the Albanian Supreme Audit Institution in strengthening good governance and transparency in the country, Ambassador Gonzato emphasized that an independent, credible and effective institution is essential for Albania's membership in the EU.

"Its work goes beyond auditing, helping to prevent fraud, irregularities in procurement and promoting transparency through open engagement with citizens and institutions. We remain committed to supporting the Albanian Supreme Audit Institution as Albania advances on its path towards the EU. EU legislation requires institutions such as the ALSAI to be independent and equipped with the appropriate resources and mandate to exercise control over all income and expenditure of public funds, including those of the European Union and other donors. Any changes to be made must be in full compliance with the requirements of EU legislation and standards", said Ambassador Gonzato.



Speech by Mr. Matanyahu Englman, President of EUROSAI and State Comptroller of the State of Israel

Your Excellency, Ms. Elisa Spiropali, Speaker of the Assembly of Albania;
Honorable Mr. Arben Shehu, President of the Supreme State Audit Office;
Honorable speakers, delegates and distinguished guests,

It is an extraordinary honor and a deep pleasure, in my capacity as President of EUROSAI, to address you today on this truly historic occasion, to celebrate the 100th anniversary of the Albanian Supreme Audit Institution.
This is not simply a historic moment, but a testament to a century of unwavering commitment to transparency, integrity and financial accountability.

I would also like to extend a warm welcome to our esteemed colleagues and members of EUROSAI and INTOSAI from around the world who have traveled to join us in this celebration. Your presence here testifies to the global commitment to the principles of good governance and public accountability that we all share.

Since its establishment in 1925, the ALSAI has played an indispensable and essential role in shaping the governance structure in Albania. Through the relentless pursuit of excellence in state auditing, the SAO has safeguarded public funds, strengthened institutions, and fostered trust between the government and its citizens. Each of the countless audits conducted over the decades has served as a cornerstone for public accountability, ensuring that resources are managed efficiently and responsibly. Furthermore, under the dedicated leadership of Mr. Arben Shehu, the current Chairman of the ALSAI, the SAO has continued to uphold these core values and achieve even greater successes.

This centenary celebration is not only a moment to honor the legacy of the ALSAI, but also to recognize the generations of auditors, financial experts and civil servants who have contributed to its success. Their unwavering dedication has enabled the ALSAI to remain and continue to be a steadfast guiding light for oversight, ensuring the ethical and effective use of Albania's resources. As we reflect on the SAI's extraordinary past, it is equally important to look to the future; to the evolving mission of Supreme Audit Institutions in a rapidly changing world. In this context, I would like to share some key areas of focus that I have emphasized in my role as President of EUROSAI and as Comptroller of the State of Israel.



The President of EUROSAI, Mr. Matanyahu Englman, State Auditor and People's Advocate of Israel

These areas represent the main pillars of public sector auditing today, each with the aim of strengthening accountability, innovation and sustainability:

A voice for "Those" without a voice

As President of EUROSAI, I have emphasized the essential role of Supreme Audit Institutions in strengthening public accountability and good governance.

I have advocated for performance auditing as a key tool to ensure transparency and efficiency in public administration, as well as to give a "Voice to the Voiceless". In this spirit, the Supreme Audit Institution of Israel has worked to strengthen cooperation among EUROSAI members, such as the ongoing parallel audit on the topic of "Population Ageing".

Innovation

The rapid advancement of technology presents a number of new challenges and opportunities. I consider it extremely important that we, not only in EUROSAI, but in the entire audit community, learn to adapt and face these challenges. A key point in recent years has been Artificial Intelligence, which I saw as particularly important when I launched the parallel audit on artificial intelligence (AI) in cooperation with EUROSAI members.

Furthermore, we have recently published several reports on cybersecurity and the taxation of cryptocurrencies, which showed that there is still room for improvement.

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Speech by Mr. Matanyahu Englman, President of EUROSAI and Auditor of the State of Israel

Sustainability

I have also emphasized the importance of conducting audits in areas related to sustainability, such as climate change, especially in the context of disaster preparedness. We have published several reports, including the 2021 special report on the "National Climate Action" by the government of Israel, which was followed by a follow-up audit published last year. Among other reports related to the "Sustainable Development Goals", we have also published a special report on earthquake preparedness, given that our country is expected to experience one in the near future.

Over the decades, the ALSAI's dedicated auditors have conducted countless audits; their rigorous assessments and strategic oversight have played a crucial role in improving public administration, protecting national resources and ensuring financial integrity, all while strengthening trust between public administration and citizens. In recent years, the ALSAI's careful audits have addressed a number of pressing issues, such as: the implementation of the national plan for adaptation to climate change and compliance with standards in urban waste management, which are essential for reducing environmental pollution and protecting the health of the population. The ALSAI also conducted an audit on gender equality and the empowerment of women from rural areas, drawing a significant parallel with a recent similar audit conducted by the State Comptroller of Israel on the promotion of gender equality within local government.

The ALSAI also addresses issues such as encouraging tourism and managing natural resources. Similar issues have been the subject of audits conducted by the State Comptroller's Office of Israel. For example, the audit conducted from February to November 2022, which examined various aspects of the special assistance provided to the tourism industry during the Covid-19 pandemic and its implementation, especially in 2021 and 2022, during which most of the world market resumed regular activity and the burden on decision-makers regarding urgent and systematic measures to cope with the crisis was significantly eased. Also, the audit conducted in 2022 regarding the natural gas distribution network, which examined the state of the distribution infrastructure, including distribution network development policies, government assistance to distribution companies and end consumers, bureaucratic barriers to the development of this network and its economic model.

The crucial role of state auditors in the fight against fraud cannot be emphasized enough, as they guarantee financial transparency, accountability and compliance with regulations in state institutions. In the past, Albania fell victim to a very serious and damaging fraud known as "Pyramid Schemes", which severely destabilized the country and endangered social cohesion.

The issue of fraud is a common concern for every Supreme Audit Institution in Europe. An example of our commitment to preventing fraud in the public sector is the comprehensive audit report published in May 2022, entitled: "Preventing Embezzlement in Government Ministries and Companies". The audit, which covered 74 public entities, highlighted the systemic risks associated with embezzlement and stressed the importance of proactive controls and a culture of ethical governance. This report was also innovative and creative in its approach; it did not focus only on retrospective inspections to identify bottlenecks and fraud, but also on examining existing control mechanisms to prevent them in the first place.

The report revealed major gaps in risk management practices, including the lack of comprehensive risk assessments at the organizational level, limited use of technological tools for fraud detection, and inadequate internal audit mechanisms. It highlighted that more than 80% of embezzlement cases involved senior officials and that most public entities did not have structured mechanisms for reporting irregularities or incidents related to them. The report called for stronger governance frameworks, better integration of risk management into decision-making, and the adoption of innovative technologies to detect and prevent financial abuses.

These important findings resonate deeply with the purpose of this meeting today, as we reflect on the role of Supreme Audit Institutions in promoting good governance and public trust. They highlight the essential responsibility of these institutions not only to detect irregularities, but also to assist governments in building sustainable and transparent systems. I would also like to take this opportunity to thank the Supreme Audit Office for its contribution to the 28th edition of the EUROSAI Review with the valuable article "Improving the Performance of Supreme Audit Institutions: Integrating the New Quality Management System with the Revised ISSAI 140". This contribution strengthens the efforts for knowledge exchange within our community and is greatly appreciated.

In my role as President of EUROSAI, I see a growing interest among Supreme Audit Institutions in exchanging knowledge and good practices to strengthen fraud prevention capacities in our region and beyond. I have emphasized and encouraged the exchange of knowledge among colleagues, as reflected in EUROSAI SG1, which I consider invaluable for improving the quality, efficiency and transparency of audits. In this spirit, we promoted parallel audits among EUROSAI members, such as the aforementioned audits on "Population Ageing" and "Artificial Intelligence (AI)". Also, the upcoming meeting of the EUROSAI Governing Board will include valuable professional sessions, for example on the topic of "Making audit reports more accessible to the public".

Such professional sessions will be shared among all EUROSAI members, as we did previously on the topic of "Cybersecurity" at the last Governing Board meeting. This represents a common challenge and an important opportunity for our global community of auditors to learn and grow together.

The cooperation between Albania and the wider international audit community deserves to be appreciated. The Supreme State Audit plays a very active role within EUROSAI; it is a member of almost all EUROSAI working groups, contributing to knowledge exchange, capacity building and innovation in auditing.

In conclusion, I would like to express my warmest congratulations to the Albania Supreme Audit Institution, led by Mr. Arben Shehu, for reaching this important milestone. May his invaluable and vital work continue to illuminate Albania's path towards an even brighter and increasingly prosperous future!

Let us continue to be relevant and innovative, ensuring a brighter future for our people and for generations to come.

Thank you!

INTOSAI Presidency Speech by Mr. Augusto Nardes, Minister at the Federal Court of Accounts of Brazil

Honorable representatives of the Albanian Supreme Audit Institution,
Dear members of the international auditing community,
Honored officials, ladies and gentlemen,

I wish to express a heartfelt welcome to all of you and to express my sincere gratitude for the warm hospitality of Mr. Arben Shehu.

It is a great honor and a special privilege for me to speak today on behalf of Minister Vital do Rêgo, President of the Federal Court of Accounts of Brazil (TCU), as we celebrate the one-hundred-year anniversary of the Albanian Supreme Audit Institution (ALSAI).

One hundred years represent more than just the passing of time. They embody the consolidation of essential values such as: transparency, accountability, and commitment to good public governance.The history of ALSAI is truly the history of a nation that has understood that the efficient management of public resources is a foundation of democracy and of sustainable development.

In this solemn moment, it is appropriate to honor all the employees and leaders who, during this century, have contributed to building a strong, trustworthy, and respected institution.

Every individual who has served in this institution has helped in building the foundations of a more just, more transparent, and more democratic Albania.

The path of ALSAI is undoubtedly worthy of international recognition.

In a global scene where the challenges of public administration are becoming increasingly complex, especially due to climate change, digital transformation, and the growing demand for accountability, the technical, independent, and strategic work of supreme audit institutions is more important than ever.

In this context, ALSAI has stood out not only for its national efforts, but also for its active engagement in multilateral initiatives, including the International Organization of Supreme Audit Institutions (INTOSAI). Recently, it has played an important role in the development of the “Climate Scanner,” an innovative tool created by the Federal Court of Accounts of Brazil.

Confronting climate change is a complex challenge that requires coordinated international action.From the allocation of resources to the implementation of mitigation and adaptation policies, every nation must act with responsibility and commitment.However, for these actions to be effective, rigorous monitoring is needed, and here, supreme audit institutions can provide invaluable support.

In Brazil, we followed a path similar to that of ALSAI during the years 2013–2014, specializing our departments and taking leadership of OLACEFS (the Organization of Supreme Audit Institutions of Latin America and the Caribbean), where we emphasized the importance of deepening cooperation with INTOSAI and other international institutions, such as the World Bank (WB) and United Nations (UN) agencies.

In the same period, as President of OLACEFS, we developed the first coordinated audit of protected areas in the Amazon.

This initiative involved the Courts of Accounts from the Amazonian states and Latin American countries that constitute the legal Amazon, including Peru, Colombia, Honduras, Ecuador, Bolivia, El Salvador, Costa Rica, and Venezuela.

We also expanded the audit to other countries on the continent, including Argentina, Paraguay, and Mexico.

The result was extraordinary.

We carried out a standardized analysis of 1,120 protected areas across all these countries and created “Indimapa,” an indicator designed to evaluate the implementation and management of protected areas.

In 2019, we developed the second edition of this coordinated audit, expanding it to 2,415 areas in 17 countries, including Portugal and Spain.



Representative of the Presidency of INTOSAI, Mr. Augusto Nardes, Minister at the Federal Court of Accounts of Brazil (TCU)

We presented the edition “Indimapa 2019”, which, when it was compared with the 2014 edition, allowed us to evaluate the progress achieved regarding the implementation and management.

Especially, improvements were observed in a group of 1,028 areas that were examined in both editions.

The carrying out of coordinated audits in the protected areas, combined with the creation of “Indimapa”, opened the way for the development of the “Climate Scanner”, a tool designed to evaluate and monitor the actions of governments related to climate change.

Since its launch, the “Climate Scanner” has been adopted by several SAIs, consolidating the data on a global scale and strengthening international cooperation in the auditing of climate action.This practical and adaptable tool, built around a methodology organized in three dimensions: climate governance, climate financing and public policies related to climate, enables SAIs to evaluate government actions in response to the environmental crisis in a structured and comparable way.With its application in the year 2024, we already have concrete preliminary data that reveal the common challenges with which governments and consequently also the SAIs are facing.

Among others, I would emphasize the lack of traceability in climate financing, both public and private, which hinders the evaluation of the effectiveness of investments and limits access to these resources.

Furthermore, although many countries have already created structures of climate governance, the monitoring and evaluation of public policies still requires considerable strengthening.The inclusion of vulnerable populations and the implementation of actions at the local level remain important for achieving fairness and effectiveness in adaptation and mitigation policies.

These data underline the urgent need for increasing transparency and accountability in the global management of climate actions.As President of INTOSAI, the TCU reaffirms the commitment to promoting transparency, efficiency, and accountability in this fight.

In fact, we actively sought formal recognition from the United Nations for the role that SAIs play in this context.

On 19 December 2024, the General Assembly of the UN adopted Resolution 79/231, which emphasizes the importance of SAIs for promoting transparency, efficiency, and accountability in public administration.

The Resolution recognizes the key role of SAIs in advancing the Sustainable Development Goals (SDGs), especially in addressing climate change, and emphasizes the need to ensure their independence by supporting their development through international cooperation, capacity building, and technical assistance.

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INTOSAI Presidency Speech by Mr. Augusto Nardes, Minister at the Federal Court of Accounts of Brazil

At the regional level, we have led the Special Technical Commission on the Environment within the framework of OLACEFS (COMTEMA). Between 2018 and 2024, we promote environmental audit initiatives, such as the Coordinated Audit of Protected Areas (ACAP), which have had significant positive impacts on the management of key areas for biodiversity and climate resilience by promoting initiatives such as the Coordinated Audit of Protected Areas (ACAP). This experience has also been shared with the SAIs of the Community of Portuguese-speaking Countries (OISC/CPLP), where we serve as the General Secretariat. We are currently supporting our colleagues at SAI Paraguay as they continue these efforts at the helm of COMTEMA.

Now we are preparing for a crucial moment: COP30 to be held in November 2025 in the city of Belém, Brazil. This meeting will provide a unique opportunity for the SAIs to present the results achieved through the "Climate Scanner", highlight the challenges identified and propose strategies to strengthen climate governance.

In conclusion, I would like to emphasize the importance of cooperation between our institutions

In conclusion, I would like to emphasize the importance of cooperation between our institutions. Addressing climate change cannot rest on the shoulders of governments or the private sector but is a shared responsibility that requires the active engagement of all parties, including Supreme Audit Institutions. We must continue to strengthen our networks, share knowledge and develop audit mechanisms to ensure that climate action is effective.

I would like to sincerely thank the ALSAI for the invitation to participate in this important event. This anniversary is not only a celebration of history, but also a reaffirmation of commitment to the future, a future where audit institutions go beyond the analysis of numbers and contribute to the transformation of realities, promoting ethical and efficient public governance that serves citizens.

Heartfelt congratulations to all those who have contributed to this journey. May this anniversary serve as a starting point for even greater technical collaboration, methodological innovation, and excellence in auditing.

Thank you!

Speech by the President of the Supreme Audit Office of Poland, Mr. Marian Banaś

Mr. Chairman, distinguished colleagues, ladies and gentlemen,

It is a great honor for me to participate in the celebration of the 100th anniversary of the ALSAI. On behalf of the Supreme Audit Office of Poland, I express my warmest congratulations on the achievement of this extraordinary anniversary.

A century of public service reflects not only the strength and institutional independence of your office, but also its deep and enduring commitment to transparency, accountability and the principles of good governance. Your achievements over the years are a testament to the professionalism and integrity of generations of auditors who have served the public interest in Albania.

Supreme Audit Institutions play a key role in strengthening trust between citizens and the state. As we all face complex global challenges from digital transformation to public health crises and climate change, our mission becomes even more important. We are united in our responsibility to ensure that public resources are used wisely and that decision-making processes remain transparent and accountable. I would also like to take this opportunity to highlight the strong professional relationship between our two institutions. As members of the INTOSAI and EUROSAI communities, we benefit greatly from the exchange of knowledge, experience and best practices.



President of the Supreme Audit Office of Poland, Mr. Marian Banaś

We value our cooperation with the Albanian Supreme Audit Institution and hope that it will continue to strengthen in the coming years in our shared mission.

May this anniversary be not only a time of celebration, but also a source of inspiration for the future. On this historic day, I wish the ALSAI continued success, professional growth, and many more years of meaningful service to the citizens of your country and the promotion of good governance.

I would like to express my sincere congratulations to all the staff of the ALSAI, past and present, for their dedication and professionalism.

Thank you!





Speech by the Auditor General of the National Audit Office of Kosovo, Ms. Vlora Spanca

IHonored Dr. Arben Shehu, Chairman of the Albanian Supreme Audit Institution,
Honored Mrs. Elisa Spiropali, Chairwoman of the Parliament of Albania,
Honored colleagues and friends,

On this special and very meaningful day for the State Supreme Audit in particular and for the Albanian State in general, allow me to open my speech with the deepest feeling of respect and gratitude.

It is an extraordinary privilege and a powerful emotion for me as Auditor General of the Republic of Kosovo that, on behalf of our National Audit Office, to be today here before you to wish you with all my heart the 100-year anniversary of the establishment of the State Supreme Audit of the Republic of Albania.

This century anniversary is not simply a date in the calendar, nor only 100 counted years, but it is a testimony of institutional endurance, of loyalty to public service, and of tireless commitment for strengthening accountability and integrity in public governance.

The State Supreme Audit was and continues to be an unstoppable leader, an unshaken pillar that has served the interests of the citizens for more than a century.

With every step taken, ALSAI (KLSH) built the foundations of a responsible public institution that serves the citizens with honesty, promoting and preserving the values of accountability and transparency and raising their sincere trust in the state that represents them.Such commitment passes through generations, while standing as a guiding light for all of us.

Despite the challenges and difficult periods, this institution managed to survive as a model that encourages the increase of responsibility, transparency, and the improvement of the management of taxpayers' money, influencing directly the improvement and advancement of public services.

In this historic moment, I have the honor to emphasize that the commitment and the process of modernization that accompanied this institution throughout the last decades transformed it into a leading example of professionalism, integrity, and independence, a clear testimony that every sincere effort for the fulfillment of the mission has culminated with success.

The most recent evaluation from the Balkan Barometer in 2024, where ALSAI was ranked among the most trusted institutions by the citizens, reconfirmed this reality.

As professionals of the field, and even more as citizens of Kosovo, we feel pride for the successes of ALSAI, as close as if they were also ours.

Our deep and rooted ties in shared history and culture are testimony of a lasting solidarity between our two institutions and our peoples.

Our cooperation, built upon mutual respect, professionalism, and commitment, contributed to facing the common challenges, such as: the digitalization of public services and the management of crises.





Auditor General of the National Audit Office of Kosovo, Ms. Vlora Spanca

The first inter-institutional and interstate agreement that we concluded was with ALSAI, and it marked the beginning of a visionary partnership.

Certainly, through a sincere partnership, a joint model of modern, independent auditing with added value for our citizens can be built.

Until today, together with your institution, we have developed a series of activities that serve the improvement and advancement of reciprocal knowledge and with this, also the strengthening of sustainable cooperation.

We have carried out several parallel audits in important fields such as: the audit of the management of information systems, the one in the field of gender equality, and most recently we are conducting the audit of dam safety.

In the continuation of cooperation, we are planning to develop other projects, with special emphasis on issues of equality and social inclusion, protection and security and, why not, in the near future other projects as well.

This cooperation is a bridge that unites us and empowers us to build stronger and more responsible institutions.

Furthermore, I use this occasion to express my sincere gratitude also for the extraordinary support, given unconditionally, from the State Supreme Audit during the membership of the National Audit Office of the Republic of Kosovo in INTOSAI and EUROSAI.This was an important step, not only at the institutional level, but also at the national and international level, because now we appear across the world.

This act, a symbol of close and fruitful inter-institutional cooperation, remains a reference point for all those who will come after us.Such a success is an achievement of both our institutions and will remain in my memory, and in that of every auditor general after me, as an inspiration for the future generations of our auditors.

As we celebrate the 100-year anniversary of the establishment of the State Supreme Audit, we recall with pride all the work that brought you here.Committed to a future even brighter, we respond to the call to continue with tireless commitment for a public administration stronger, more transparent, and more dedicated to our citizens.

With the close bond between our two institutions and our nation, we continue to build a society more just, more responsible, and more united.

In the name of the National Audit Office of the Republic of Kosovo, we wish you a 100-year anniversary filled with honor and pride.

A jubilee which is a testimony of your tireless commitment and an inspiration for all of us to fulfill our noble mission for an even brighter future.

Faithful to our shared values, with confidence and courage, we move forward.

Thank you and congratulations!

Speech by the Vice President of the Hellenic Court of Audit, Ms. Maria Vlachaki



Vice President of the Hellenic Court of Audit, Ms. Maria Vlachaki

Your Excellencies,
Dear colleagues and guests,

I am honored to be among you here today and to address this festive session on the 100th anniversary of the establishment of the Albanian Supreme Audit Institution, conveying the warmest congratulations of the Hellenic Court of Audit, on behalf of our President, Mrs. Sotiria Ntouni.

This year, the Albanian Supreme Audit Institution celebrates its founding. A century ago, in 1925, when the National Assembly of Albania approved the first Constitution of the newly formed state, at that time Albanian, after declaring independence from the Ottoman Empire.

Similarly, the Hellenic Court of Audit was established in 1833, following the formulation of the independent Greek state, which occurred as soon as the Greeks gained their independence from the Ottoman Empire, almost a century ago. Therefore, in 2033, eight years from now, the Hellenic Court of Audit will celebrate its 200th anniversary, and, at that time, we will be happy to welcome you all to Athens, to celebrate together and to return the warm hospitality we enjoy here in Tirana. This is not the first time I have visited your beautiful country. However, it has been a long time since I last traveled to Albania, about 3 decades ago. Our two countries have moved forward very closely together over the past 30 years.

Many Albanian families have immigrated to Greece, where they have flourished with their hard work and innovative spirit in every possible part of professional, social and public life. Nowadays, Albania produces not only athletes, artists, actors, poets and writers (we find some of the most successful writers in the field of literature[1] and theater[2], with works also performed at the Hellenic National Theater), but also entrepreneurs, civil servants and judges. They originate not only from the local Greek national minority, but also from ethnic Albanians.

Since my last visit to Albania, the country has changed a lot; it has progressed immensely and has become a member of NATO (since 2009); an official candidate for EU membership (in 2014); all with the enthusiastic encouragement and active support of our country. In addition to these achievements, Albania has recently become competitive in the field of tourism, compared to Greece, as it emerges as one of the most sought-after destinations worldwide.

However, to achieve its national objectives, among which accession to the European Union is the most prominent, Albania must respect all the prerequisites in force for any candidate country, such as strong democratic institutions, good governance and the fight against corruption.

Given all of the above, the ALSAI is called upon to play a decisive role. It is endowed with institutional independence, a strong mandate attributed to it by the Albanian Constitution and a wide range of competencies, extending to every area of the country's public finances, more or less similar to those with which the Court of Audit of Greece is endowed, as well as a wide range of competencies and responsibilities, attributed in particular to the head of the institution, who, as we note, is committed to honoring them.

In closing my speech, I would like to thank you for the invitation to the Hellenic Court of Audit to celebrate together with the SAI this historic moment, as well as for inviting you to Athens in 2033.

[1] Christo Armando Gezo
[2] Mario Banoushi

Welcome messages from the Director General of IDI at INTOSAI and the President of the Court of Audit of Spain

At the 100th anniversary ceremony, Ms. Enriqueta Chicano Jávega, President of the Court of Audit of Spain and Secretary General of EUROSAI, as well as Mr. Einar Gorrissen, Director General, INTOSAI Development Initiative, also conveyed their greetings for the ALSAI's jubilee through video messages.



Video-message by Mr. Gorrissen

"The ALSAI in Albania has shown over the years that it can protect public funds and manage effectively and efficiently all the contributions of Albanian citizens. Today, we celebrate not only the history of the SAI of Albania but also its aspirations for the future, the aspirations to strengthen its role as a pillar of accountability and as a protector of public finances.

Us at IDI are proud to have witnessed the journey of the ALSAI.

Over the years, the ALSAI has worked with IDI on various initiatives for knowledge exchange and innovation.

The ALSAI has managed to improve its impact, communicate results better and also provide sounder recommendations. The ALSAI has improved standards and systems by showing its commitment to reliability and excellence. Good governance is another foundation of any democratic state. By participating in our Academy, the ALSAI has managed to improve the structures of good governance and face the challenges of the future. IDI will continue to support the ALSAI and, in its membership in the global community, will continue to share knowledge and experiences with you, so that you can best serve your citizens."



Video-message by Ms.. Jávega

"I feel very sorry that I could not come to Tirana and lost the opportunity to witness with my own eyes your excellent work and your extraordinary history. The work of the independent professionals of the ALSAI shows your extraordinary importance in guaranteeing the rule of law. Our work always aims to protect citizens. We have a duty to report with rigor and transparency. As members of the community of supreme audit institutions, we are fully aware of the responsibility entrusted to us, which we carry out with pride and independence. I wish you the greatest success and sound judgment in your work. Your work will bring extraordinary benefits to Albania."

Speech by Prof. Dr. Nevila Nika: Supreme Audit Institution on the 100th anniversary of its establishment

The reconstruction of the historical memory of institutions is accepted by everyone as a necessity in order to make possible the proper evaluation, but also to learn from the experience of the past, to act and work better in the present and to enable an even better future.

Starting from the indisputable fact that for us in particular this reconstruction is truly important because we must admit that our personal, shared, and institutional memory has been until a few years ago, and perhaps still continues in some places, fragmented not to say badly damaged.

The consequences have not been negligible, but we must also admit that they have been serious.

The reconstruction of the historical memory of a family, village, city or region goes in favor of strengthening our identity as a nation; the reconstruction of the historical memory of an institution likewise gives value not only to the institution, so that its employees are more dedicated and conscious, and also, the reconstruction of the historical memory of a building where great personalities and families lived, or where important institutions carried out their activity, brings the building itself to life, from the designer and builder, to those who lived or worked inside it.

But can we manage to build the historical memory of an institution without being based on authentic documents, photos or engravings? Naturally not, we cannot.

But who are the keepers, protectors and servants of the documentary evidence and audio-visual images that make possible the reconstruction of institutional memory?

The answer is simple — they are the archives: there where our national memory is preserved, our national treasure.

But if it is accepted worldwide for thousands of years that the document itself is power and that archives are at the foundation of all forms of governance throughout the world, the connection between the archive and the institution that exercises economic-financial control over all the other state institutions is essential.

Without this cooperation, the exercise of control is completely worthless and I would say, even perhaps harmful.

In our days, from the archivists of the U.S.A. comes a saying: “good governance means a good archive, and a good archive is a fight against corruption.”

And precisely, based on archival sources, we are able to tell a little from the past about how this necessary control was exercised in our lands centuries ago.

If until the year 1992, even though the Day of the Declaration of Independence on 28 November 1912 was celebrated with pride, after almost four and a half centuries under the rule of the Ottoman Empire, the majority of institutions and state bodies were recognized as having the founding year after the Second World War.From this rule, the State Supreme Audit could not make an exception.

But, before I say a few words about the rediscovery of the birthday of this important institution, I would like to speak briefly about how this control was developed or exercised before the declaration of Independence.

The Albanian territories suffered under the rule of the three great empires, the Roman, Byzantine and Ottoman, excluding the 25-year period of Gjergj Kastrioti.

A question which each one of us naturally thinks: did it exist and how was exercised the control of revenues, expenditures, the collection of taxes and levies, how did they act in public works, construction of roads, bridges, water supply systems, public buildings, etc.?Were public calls (today tenders) organized or was everything in the hands of the Emperor or the prime minister or the grand vizier?

Were there rules or laws for exercising control over these activities?



Prof. Dr. Nevila Nika

By now it is proven and accepted by all scholars that all three of these empires which ruled our lands had extraordinary systems of control in terms of supervision and financial control.

Even today, terms from the field of finance that come to us from antiquity are in daily use throughout the world.

Nevertheless, I do not want to hold you in a long history lecture, but I would like to stop briefly at some of our interesting archival sources, which give us interesting data in this direction.

The discovery of the Statutes of Shkodra, which belong to the 14th century, has been a golden opportunity for illuminating the centuries of the Middle Ages.

This authentic local source is extraordinarily valuable because, through its 279 chapters or articles, researchers are able to reconstruct the life of an Arbër city in the Middle Ages.In these Statutes are included all aspects of the life of the city and its surroundings.I would like to quote chapter 105, which is titled “On the financiers of the Commune”:

“All the revenues of our Commune that come from the customs must be collected, preserved and spent honestly and with justice by the financier, for all the time that he is in office and according to the norms defined by the statutes.

For all the revenues and expenditures made, every three months must be reported before the judges and the councillors.

The judges in turn must register in writing, through the secretary, the entire amount of the annual revenues, so that this may be made known to the judges and councillors who will be elected afterwards.

The new judges must have recorded in their notebook, from the hand of the secretary, all the obligations, determining what remains to be paid by the previous financiers or also the debt that the Commune owes to private persons...”

During the rule of the Ottoman Empire, naturally there were controls exercised by officials sent regarding the general economic and political situation of the provinces of the Empire.

But, the institution of the State Supreme Audit was created in implementation of the Tanzimat Reforms, 1831–32, and depended on the Ministry of Internal Affairs.

It exercised not only financial control but also control over the work of officials at all levels.

Other evidence belonging to the pre-Independence period comes to us also from the Christian religious communities.

The control of revenues and expenditures in these communities was periodic and was exercised by the Diocese and the Metropolitanate.

Continues in the following page

Speech by Prof. Dr. Nevila Nika: Supreme Audit Institution on the 100th anniversary of its establishment

In the Catholic community, the Archbishop himself, the Abbot or the Bishop carried out pastoral visits through the parishes and monasteries almost every year and exercised detailed control of the religious documentation, but also of the immovable and movable property, that is, the revenues and the expenditures.

The same thing happened also in the Orthodox Metropolitanates. Likewise, extremely interesting sources are also those that come to us from the trading firms and the guilds of different crafts.

I thought to speak a little about a distant period not without purpose.

The Declaration of Independence has been an extraordinary day in many aspects, although all of us still remember it and honor it only as the day when we finally raised our national flag and proclaimed Independence, that is, the separation from the Ottoman Empire.

Those men who took upon themselves the heavy burden of throwing off the foreign yoke came from different life experiences.

Among them there were former employees of the empire, there were emigrants who had left the homeland for economic, political, and educational reasons, but all of them were united by one ideal: to return the homeland to the bosom of the European family, from which they had been violently separated for centuries.

From that afternoon of 28 November 1912 nothing would be the same as before.

The Provisional Government, headed by the father of Independence, Ismail bey Vlora, consisted of the most prominent personalities of our National Movement and represented all regions and religious beliefs, who bore the extremely heavy burden of beginning the rebuilding of the Albanian state after almost four and a half centuries, from the unforgettable years of Gjergj Kastrioti.

The four vilayets, or said differently the Albanian provinces—divisions conceived and carried out by the Ottoman authorities during the years 1912–1920—were turned into an immeasurable battlefield between the belligerent Balkan powers and, later, the countries participating in the First World War.

But, to build the Albanian state from the beginning, not only the ideal and the desire were enough—much more was needed.

The government of Ismail Qemali lacked everything except the ideal and the desire.

It had neither a developed economy, nor a road or railway network, nor any kind of industry, agriculture and craftsmanship were in miserable conditions, nor hospital networks, nor schools, and above all, an emphasized lack of people who knew how to write and read the mother tongue, because Albanians had been denied for centuries learning in the Albanian language.

Despite the uninterrupted efforts of Albanian personalities inside and outside the country, initially for the Great Powers to recognize the act of the Declaration of Independence and, later, to protect the territorial integrity of the homeland's lands, everything would be decided after the end of the War.

And precisely, it would be January 1920, because unfortunately the Great Powers at the Peace Conference in Versailles had decided the halving of the Albanian territories and population, that marks the great historical turning point.

The historic Assembly held in Lushnjë marks finally the beginning of a new stage in our national history.

Almost eight years from the raising of the flag in Vlora, the most prominent personalities of the Albanian world found the strength to unite even though in extraordinarily difficult conditions inside the country and in the international arena, they took the decision for the formation of an all-inclusive government without support or interference from outside.

It would be this government cabinet that immediately decided, as a legal obligation, the recognition of the Albanian language as a condition for all those who would work in the administration.

At the same time, not only was the use of the Ottoman language in official acts categorically prohibited, but instructions were issued for the transition into the Albanian language of all registry-form documents of the offices of mortgages, cadastres, and those of finance (taxes and duties) in all respective institutions.

The Albanian Parliament and Governments, starting from 1920 onward, would strive by all means and methods to return Albania once again to the rails of European civilization. The adoption of laws, the creation and organization of state institutions, the organization of the army and the gendarmerie, that of educational institutions, etc., were a clear reflection of the efforts to modernize the Albanian state and finally move away from the past of Ottoman rule.

And in this wave of fundamental changes, in March 1925 came for the first time the establishment of the Albanian National Bank and, in May of the same year, that of the Supervisory Council. Two institutions of primary importance for the new Albanian state.

Efforts to establish this extremely important institution had begun already with the Vlora Government, as there is no doubt that for the entire political elite of those years, its creation was accepted as a necessity. As with many institutions created in those years, the models used were those of the most advanced countries. For the Supervisory Council, the model taken was the French one, known as the Cour des Comptes (the Italians Corte dei Conti) — the Court of Accounts.

From that year until the end of the Second World War, the institution of the Supervisory Council would carry out its function uninterruptedly and without changes in tasks or responsibilities, as the supreme audit institution. Only during the years of the Monarchy would another institution be created, called the Royal Inspectorate, which was under the Ministry of the Royal Court. This Inspectorate had almost the same duties as the Supervisory Council, with the only difference that it reported directly to the Ministry of the Royal Court, meaning to the King himself, and not to the Parliament.

Meanwhile, during the post-war period (1944–1991), when Albania was declared a People's Republic, fully led and governed by Marxist-Leninist ideology, the institution would change its name several times, along with its duties and responsibilities. At the head of this extremely important institution would be appointed, one after another until the late '80s, leaders who did not have the appropriate education or professional formation, but were simply executors of the "party line." In short, it was transformed into a tool for the "strengthening and consolidation of the dictatorship of the proletariat."

Only after the fall of the communist regime was this institution removed from its position as a servant of the dictatorship. It was transformed into a protector of the interests of the citizens and of the state itself, regarding the proper administration of public money, by maximally combating the misuse of national assets and, naturally, also the corruption of officials at all levels.

Happy Birthday!

Speech by the Dean of the Faculty of Law at UT, Prof. Dr. Dorina Hoxha

Honorable Ms. Elisa Spiropali, Speaker of the Parliament of Albania,
Honorable Mr. Arben Shehu, Chairman of the State Supreme Audit Institution,
Distinguished colleagues and friends,
It is a privilege and a special pleasure to be here today, at this historic moment marking the 100th anniversary of the establishment of the State Supreme Audit Institution. On behalf of the Faculty of Law, allow me to express our gratitude for the invitation and to congratulate ALSAI for its extraordinary contribution to strengthening transparency, accountability, and financial oversight in Albania. This jubilee represents not only a major institutional achievement, but also a testament to the importance of its work in guaranteeing the standards of good governance.
For us, as the Faculty of Law, this anniversary has a special meaning, as the current Chair of the ALSAI is not only a respected leader of this important institution, but also a former lecturer and esteemed colleague of our faculty. His contribution to the education and professional formation of new generations of jurists has left a mark on our academic community, making us proud of his accomplishments in leading the ALSAI.
Today, as we celebrate this important jubilee, we look back in time, a century ago, when the State Supreme Audit Institution took its first steps as an independent institution guaranteeing financial control in Albania. Over these 100 years, SSAI has played a key role in consolidating the rule of law and overseeing public funds, building a valuable legacy of responsibility and transparency. The long and challenging journey of this institution demonstrates its dedication to ensuring honest and good governance—a mission that remains just as relevant and important today.
At a time when the challenges of governance and transparency are becoming increasingly complex, the role of the State Supreme Audit Institution remains essential for ensuring responsible financial and institutional management. ALSAI, through its commitment to accountability and independent oversight, continues to be an important pillar of the rule of law in our country. Its close cooperation with other institutions, including the academic community, guarantees the continuous improvement of standards and the strengthening of public integrity.
Today, this institution is a trusted partner in the European integration process, ensuring that public funds are used responsibly and transparently, in accordance with European Union standards. One of the most important achievements is the alignment of audit standards with international ones, benefiting from cooperation with similar organizations in the region and beyond.
ALSAI has succeeded in maintaining its independence and integrity, building a respected tradition of financial control and responsible administration of state resources.
The Faculty of Law and the State Supreme Audit Institution share a natural and continuous connection through their mission in promoting the rule of law and institutional integrity. As a center of legal education and the preparation of future professionals, our faculty is proud to have contributed to the formation of many experts and leaders, including jurists who today offer their contribution within ALSAI.
This cooperative relationship is essential for further strengthening standards of control and public transparency, creating a lasting bridge between academic theory and institutional practice.


Prof. Dr. Dorina Hoxha, Dean of the Faculty of Law, UT

This collaboration is a testament to our commitment to strengthening the professional and academic capacities of students, so that in the future they may become active contributors within the institutions of the Albanian state.
As the Faculty of Law, we feel a special responsibility to prepare new generations of jurists and experts who will contribute to the strengthening of the rule of law and support the mission of the State Supreme Audit Institution in monitoring the management of public resources. We believe that legal education cannot be complete without incorporating knowledge of public auditing and institutional ethics as an integral part of our students' professional training.
In this context, allow me to emphasize that the challenges of the modern era require more than ever the integration of academic knowledge with institutional practice. Our shared goal is to build a new institutional culture—a culture of transparency, accountability, and service to citizens.
In this endeavor, cooperation between academic institutions and public institutions will be key. Knowledge, research, and professional engagement will help prepare the new experts who will serve as guarantors of the rule of law and public accountability. For this reason, we are ready to further strengthen our collaboration with ALSAI and international partners through joint seminars, student internships within audit institutions, and research projects analyzing the effectiveness of public policies and internal and external control mechanisms.
The Faculty of Law will remain a committed and reliable partner in the effort to educate a new generation of professionals capable of protecting the public interest and promoting justice and accountability. As educational and public institutions, it is our duty to strengthen the foundations of the rule of law and foster a culture of accountability, where responsibility for public resources is inviolable.
In conclusion, I wish to express my deep gratitude for the tireless work and dedication of the ALSAI over the years. May this 100th anniversary serve as a reference point for the further strengthening of our institutions and as a shared commitment to a fairer, more transparent, and more accountable future.
Happy 100th Anniversary to the ALSAI!

Thank you!

The ALSAI welcomes 19 foreign delegations for the 100th anniversary celebrations with a traditional dinner



On May 19th, 2025, the Albanian Supreme Audit Institution started the celebrations for the 100th anniversary of the institution's establishment by welcoming senior representatives from delegations of supreme audit institutions and international partners with a traditional Albanian dinner.

The Chairman of the ALSAI, Mr. Arben Shehu, greeted the attendees and expressed his gratitude for their presence at this historic anniversary. In his speech, Mr. Shehu praised the cooperation between audit institutions, which share a common mission: strengthening transparency, accountability and good governance in the service of citizens.

The festive evening opened with the exchange of symbolic gifts and took place in a friendly atmosphere. The attendees had the opportunity to get to know Albanian values through hospitality, traditional music, elements of national culture and the characteristic cuisine of our country.

This symbolic activity became a bridge of communication between the homologous audit institutions, thus giving a broader dimension to the celebrations of the 100th anniversary of the Albanian Supreme Audit Institution.





The Chairman of the ALSAI, Mr. Arben Shehu, with Mr. Augusto Nardes, Minister at the Federal Court of Accounts of Brazil (TCU)



The Chairman of the ALSAI, Mr. Arben Shehu with the President of EUROSAI and the Comptroller of the State of Israel, Mr. Matanyahu Englman

The Chairman of the ALSAI signed a Memorandum of Cooperation with the Chairman of the Accounts Chamber of Azerbaijan

Within the framework of the official visits of foreign delegations to celebrate the 100th anniversary of the establishment of the Albanian Supreme Audit Institution, the Chairman of the ALSAI, Mr. Arben Shehu, on 19.05.2025, received in a meeting the Chairman of the Accounts Chamber of the Republic of Azerbaijan, Mr. Vugar Gulmammadov.

The meeting was an important step towards deepening cooperation between the two supreme audit institutions, with a focus on institutional development, public policy auditing and the exchange of advanced practices in financial and legal control.

In this context, Mr. Shehu and Mr. Gulmammadov signed a Memorandum of Understanding (MoU), which aims to strengthen cooperation through the exchange of professional experiences and knowledge in various areas of auditing; the organization of study visits and joint trainings for auditors and cooperation within the framework of INTOSAI, EUROSAI and other international platforms initiatives.

Following this cooperation, it was agreed to conduct audits in the field of hydrocarbons.

The Chairman of the ALSAI noted the importance of inter-institutional partnerships in strengthening transparency, accountability and improving public services for citizens.



For his part, Mr. Gulmammadov congratulated Mr. Shehu on the 100th anniversary of the institution and expressed the will to build a sustainable cooperation between the two institutions.

This meeting and the signing of the Memorandum of Understanding mark an important step in the internationalization strategy of the Albanian Supreme Audit Institution, as well as in the commitment of the institution to build sustainable bridges with counterpart institutions, promoting advanced standards in public auditing and financial governance.



The Chairman of ALSAI welcomed in a meeting the President of EUROSAI, Mr. Matanyahu Englman, Auditor General of the State of Israel

On 19.05.2025, the Chairman of the ALSAI, Mr. Arben Shehu, held an official meeting with the President of the European Organization of Supreme Audit Institutions (EUROSAI), Mr. Matanyahu Englman, who simultaneously exercises the duties of the Comptroller and Ombudsman of the State of Israel.

This meeting constitutes a special moment for the deepening of cooperation between the two institutions in the spirit of partnership and professional dialogue that characterizes the European Organization of Supreme Audit Institutions (EUROSAI).

At the center of the discussions were important issues, such as: increasing transparency and public accountability through modern audit methods, technological developments and digital governance.

The role of EUROSAI as a cooperation platform for promoting audit innovation and sharing successful experiences among member institutions was also appreciated.

The Chairman of the SAI appreciated the contribution of Mr. Englman in leading EUROSAI, as well as his continuous commitment to strengthening the capacities of Supreme Audit Institutions (SAIs) and promoting integrity in auditing.

Mr. Shehu reconfirmed the commitment of the Supreme State Audit Office to expand cooperation with counterpart audit institutions.

Mr. Shehu holds a meeting with the representative of the INTOSAI Presidency, Mr. Augusto Nardes, Minister at the SAI of Brazil



As part of the official activities marking the 100th anniversary of the establishment of the Supreme State Audit, the Chairman of the ALSAI, Mr. Arben Shehu, held a special meeting on May 19, 2025, with the representative of the Presidency of the International Organization of Supreme Audit Institutions (INTOSAI), Mr. Augusto Nardes. Mr. Nardes also serves as a Minister at the Federal Court of Accounts of Brazil (TCU).

During the meeting between Mr. Shehu and Mr. Nardes, visions and experiences were exchanged regarding the challenges and the ever-growing role of supreme audit institutions in addressing global issues such as climate change, digital governance, and the sustainable management of public finances.

An important topic of discussion was the global initiative 'Climate Scanner,' supported by INTOSAI, in which Albania participates actively. Preparations for the 2025 Climate Summit, to be held in Rio de Janeiro on August 14–15, were discussed, aiming to make it a key moment for global auditing of environmental issues.

The Chairman of the ALSAI, Mr. Shehu, praised Mr. Nardes' active role in leading INTOSAI's global initiatives and his commitment to guiding public auditing toward international strategic priorities. He emphasized that the participation of senior INTOSAI representatives in the anniversary activities of the ALSAI is a testament to the increasingly important role of the Albanian institution on the international stage.

For his part, Mr. Nardes commended the ALSAI's engagement in global public auditing agendas and described the institution's 100th anniversary as an excellent opportunity to deepen cooperation through joint projects in training, experience exchange, and the promotion of innovation in auditing.



The ALSAI Conference with homologue SAIs: "Building Adaptable Institutions: Adapting to Environmental Dynamics - An External Audit Perspective"

On May 6 and 7, 2025, the Albanian Supreme Audit Institution organized, as part of its 100th anniversary activities, the scientific conference on the topic "Building Adaptable Institutions: Adapting to Environmental Dynamics - An External Audit Perspective". Participants in the conference were supreme audit institutions from Kosovo, Bosnia and Herzegovina, Romania, Greece, Turkey, Azerbaijan and Sweden. Also present were senior representatives from the international audit organization, IDI - INTOSAI and SIGMA - OECD.



In the opening speech of the conference, the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, thanking the representatives of the counterpart audit institutions for their participation, emphasized that this important anniversary is a historical moment, marking a century of commitment to transparency, accountability and strengthening good governance in our country and, for which, we have chosen to reflect not only on our journey, but also on the challenges and transformations that are taking place today in the field of external audit.

"The theme of our conference on building adaptable institutions, more than a technical discussion, is a call for reflection and action, in a regulatory, technological and institutional environment that is changing at a very rapid pace. This requires that institutions be able to adapt and continuously improve their capacities. In this context, the role of external audit is essential, not only to identify shortcomings, but also to support institutions in strengthening management and increasing effectiveness in fulfilling their mandate", said Mr. Shehu.

The Chairman of the ALSAI assessed that the broad participation of supreme audit institutions, together with the contribution of international partners, is clear evidence of the value of cooperation in advancing good governance and strengthening public institutions.



During this conference, SAIs presented their work on dealing with emergency situations and discussed modern approaches to audit methodologies, the role of technology, quality management and capacity development, as well as the challenges they face in the work process. Representatives of the counterpart audit institutions expressed congratulations on the 100th anniversary of the institution, appreciating the achievements over the years and the continuation of cooperation.





100 years of institutional history, the ALSAI conducts open lectures with students in Tirana, Vlora, Durrës and Shkodra

As part of the program of activities for the 100th anniversary of its establishment, the ALSAI held several open lectures with students at four public universities in the country throughout May, with the aim of promoting the role of the institution at an important historical moment.

On May 9, 2025, the ALSAI organized a lecture with students of the Faculty of Law at the University of Tirana, bringing closer the role of the institution in strengthening transparency and good governance in Albania.

The lecture on the topic "100 years of trustworthiness, integrity and service to citizens – the ALSAI as a guarantor of transparency and good governance in Albania" was held by the senior auditor, Ms. Miranda Misini.

Ms. Misini presented the historical and current role of the SAO as one of the oldest institutions of the Albanian state and emphasized its mission in supporting the rule of law, through strengthening transparency, accountability and good governance.

As host of the event, the Dean of the Faculty of Law, Prof. Dr. Dorina Hoxha, thanked the ALSAI for its commitment to the professional education of students.



On May 13, 2025, the ALSAI conducted an open lecture with students of the 'Ismail Qemali' University in Vlora. Senior auditor Ms. Miranda Misini shared with the students the mission, history, and role of the institution as the supreme audit body in the country. During her speech, Ms. Misini emphasized the importance of public external auditing as a fundamental mechanism for building a state based on integrity, transparency, and accountability in service of citizens.

Representatives of the University of Vlora expressed high appreciation for the SAI's commitment to raising awareness and providing professional education for the new generation.

Students had the opportunity to learn more about how the SAI operates and the significance of auditing and control in public administration.

On May 22, 2025, the ALSAI held an open lecture with students and lecturers of the Faculty of Business at the "Aleksandër Moisiu" University of Durrës. The lecture was held by Ms. Xhesila Nano, senior auditor at the ALSAI. Ms. Nano introduced the students to the history of the construction of the Albania Supreme Audit Institution and the role that external auditing plays in the management of public finances. The Deputy Dean for Academic Affairs at the Faculty of Business, Dr. Silvana Gashi, praised the ALSAI's contribution to the professional education of students and its continuous commitment to building bridges of cooperation with higher education institutions.

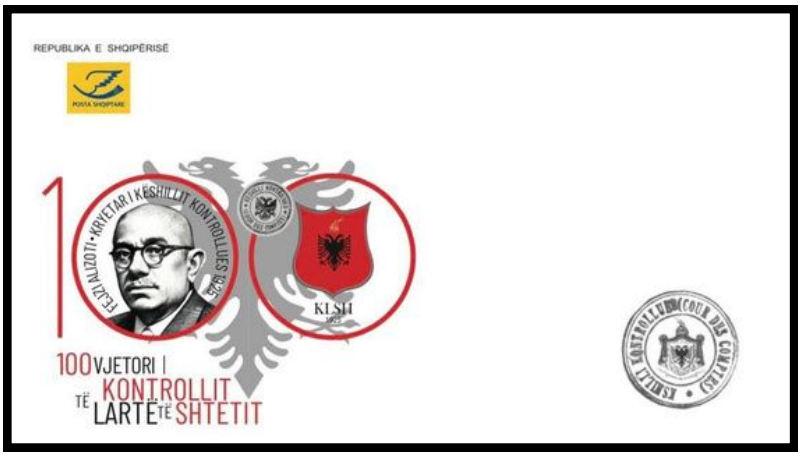


On May 23, 2025, the ALSAI held an open lecture in the framework of the 100th anniversary with students and lecturers of the Faculty of Economics at the "Luigj Gurakuqi" University in Shkodër. The lecture was held by Ms. Xhesila Nano, senior auditor at the ALSAI. The event was also attended by the Vice Rector for Science at the "Luigj Gurakuqi" University, Prof. Dr. Blerta Dragusha, who thanked the ALSAI for organizing this informative activity with the students.

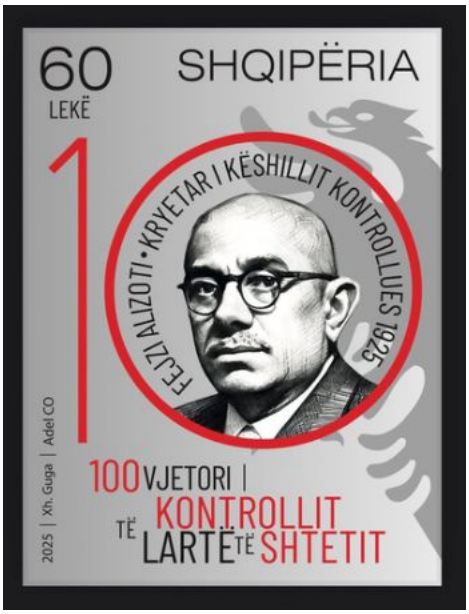
Through continuous cooperation with universities and organizing meetings with students, the Supreme Audit Office aims to make a substantial contribution to the formation of new generations of professionals.



Albanian Post commemorates the 100th anniversary of the ALSAI with the issuance of two historical stamps







On the occasion of the 100th anniversary of the establishment of the Albanian Supreme Audit Institution, on 20.05.2025, the Albanian Post Office issued a new series of two postage stamps, as well as a first day cover, personalized with the logo "100th Anniversary of the Supreme Audit Institution".

The first stamp features the portrait of Mr. Fejzi Alizoti, who was the first head of the institution that at that time bore the name of the Audit Council. Mr. Alizoti was a politician, economist and diplomat with a prominent contribution to the Albanian public administration, including the position of Minister of Finance. In May 1925, Fejzi Alizoti was elected Chairman of the Audit Council, starting a new era in the financial supervision of the Albanian state.

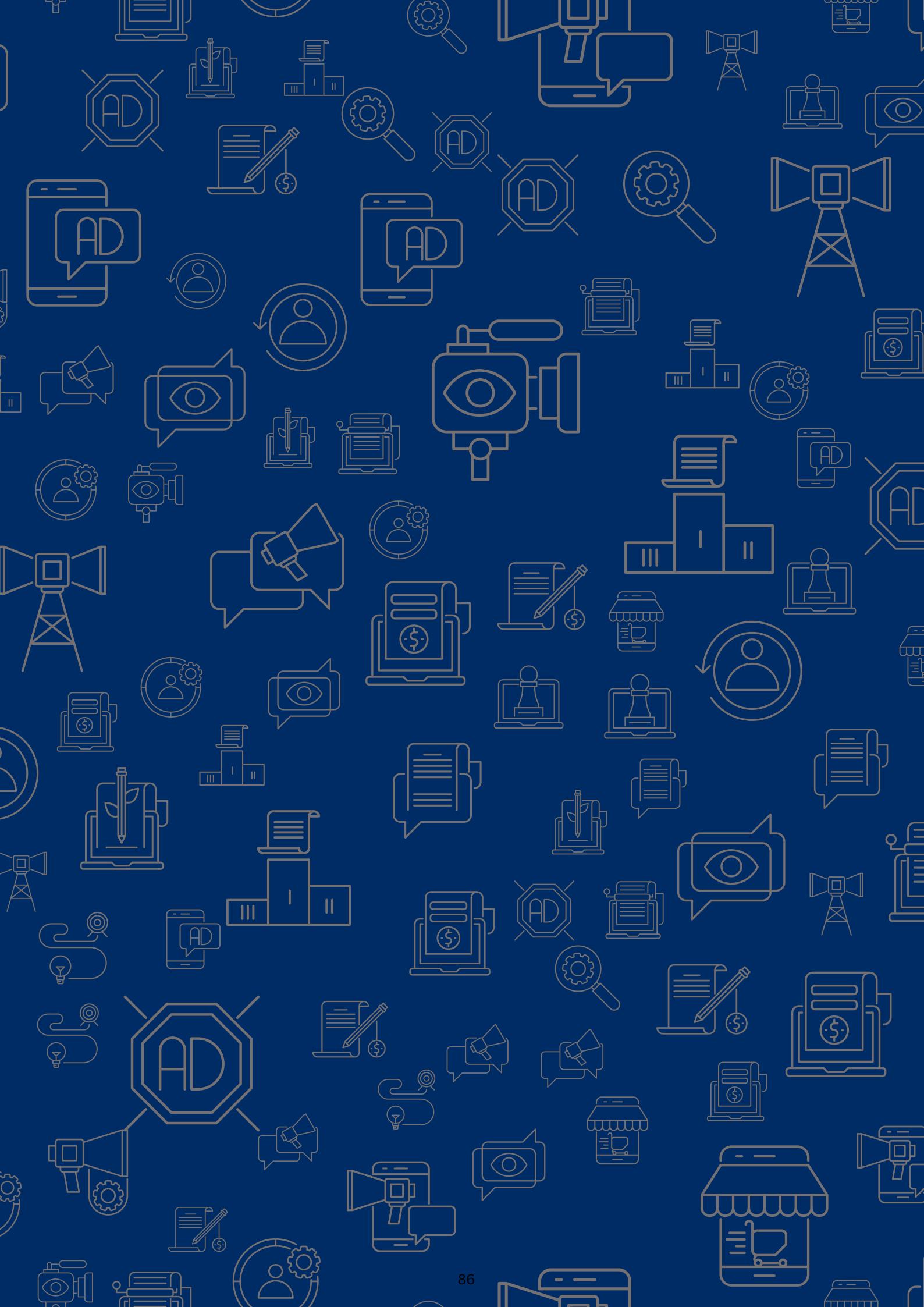
The second stamp features the current official coat of arms of the Albanian Supreme State Institution, representing the continuity of the institutional history and the unchanged mission of protecting the public interest.

The first day cover includes both stamps, as well as the original bilingual seal in Albanian and French of the Financial Control Council that was used in the first years of its operation until the period of the Albanian Kingdom, giving special philatelic and historical value to this series.
The new series of postage stamps and the personalized envelope with the 100th anniversary logo of the ALSAI are available at all points of the Albanian Post, becoming an object of importance for collectors, public institutions and citizens who value the history and institutional heritage of Albania.

Thank you for reading!

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NEWSLETTER

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ALBANIAN SUPREME AUDIT INSTITUTION

NO.9

Monthly newsletter

July 2025



The Chairman of the ALSAI hosted a meeting with the senior leaders of the Westminster Foundation for Democracy (WFD)

On June 3, 2025, the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, hosted a meeting with senior representatives of the Westminster Foundation for Democracy (WFD).

Mr. Shehu met with Mr. Chris Levick, WFD Regional Director for Europe and Central Asia. Also present at the meeting were the Deputy Regional Director of the WFD for the Western Balkans, Mr. Damir Neziri; the WFD Director for Albania, Ms. Valbona Kuka, as well as representatives from the British Embassy in Tirana. The meeting was held within the framework of bilateral cooperation with the National Audit Office of the United Kingdom (NAO UK).

During the meeting, it was agreed to continue cooperation on institutional capacity building, in coordination with international partners, including NAO UK and regional counterparts.

The ALSAI has successfully implemented several training programs supported by the WFD, to improve techniques and methods of drafting audit reports, develop an institutional communication strategy, etc.

These initiatives aim to develop a communication strategy and improved reporting mechanisms with Parliament, civil society and the media, with a focus on increasing transparency and accountability.

With the support of the WFD, in March 2025, senior experts from the United Kingdom's National Audit Office conducted training with auditors and specialists from the ALSAI on audit report writing techniques and the institution's Communication Strategy.

This was the first time that NAO UK experts were in Albania to provide technical assistance to the ALSAI. On March 20, 2025, the Chairman of the ALSAI, Mr. Arben Shehu, hosted a meeting with NAO UK experts, Mr. Benjamin Peters, Head of External Communications; Mr. Dan Gluckman, Senior Manager for Digital Communications; Ms. Natalie Low, Senior Manager of Audit. The meeting emphasized the importance of cooperation on the development of advanced methodologies that provide increased professional standards.

Statistics



86 audits in process

56 audits are published in the web

29 complaints/ requests for information

12 advertised **job vacancies**

Implementation of recommendations left in audits

The Albanian Supreme Audit Institution has concluded the report “Implementation of recommendations made in previous audits” (part I). The report has been submitted to the Assembly of the Republic of Albania.
The process for following up on the implementation of recommendations, initiating and implementing corrective measures by audited entities provides detailed information on the added value that the work of the ALSAI brings to the administration of public finances.
The consolidation of an effective mechanism for systematic verification and reporting of the implementation of recommendations allows not only the ALSAI, but also third parties, the Assembly, the Government, etc., to continuously provide complete information regarding the actions taken by the audited entities for the drafting of strategic documents or for initiatives for legal, administrative and organizational changes.
The scheme and approach used for monitoring the implementation of recommendations aim to produce consolidated institutional indicators regarding the acceptability and applicability of recommendations, thus enabling the increase of parliamentary oversight by the Assembly over the Executive, with the aim of increasing the accountability of the management of public funds.



MAIN INDICATORS

1641 RECOMMENDATIONS ISSUED IN TOTAL

From the verifications conducted for 42 audits regarding the level of implementation of recommendations issued in previous audits, it resulted that a total of 1641 recommendations were issued to the audited entities.

1639 RECOMMENDATIONS ACCEPTED OR 99%

Regarding the level of implementation of the recommendations made, it resulted that out of a total of 1641 recommendations issued, 1639 measures or 99.9% were fully and partially accepted and 2 measures or about 0.1% were not accepted.

1092 MEASURES IMPLEMENTED AND IN PROCESS OR 67%

The verification of the implementation of the recommendations resulted in 1092 measures or about 67% of them being fully implemented, partially implemented and in the process of implementation. In more detail, 674 measures (41%) have been fully implemented, 243 measures (15%) have been partially implemented; 175 (11%) are in the process of implementation.

547 UNIMPLEMENTED MEASURES OR 33%

In conclusion, for all measures that have resulted in the status "not implemented" (547 measures or 33%) and "partially implemented", the ALSAI has requested their full implementation. While for measures with the status "in the process of implementation", the acceleration of the process until their full implementation is encouraged.

870 Organizational measures

458 Disciplinary measure

263 Financial effects (in numbers)

38 Administrative measures

12 Measures for legal improvements

18 Combined audits

13 Compliance audits

9 Performance audits

1 Financial audit

1 Thematic audit

Thematic audit "On the monitoring of the Sasaj HPP"

The Albanian Supreme Audit Institution has completed the thematic audit "On the monitoring of the Sasaj Hydropower Plant", Saranda, for the period from the start of the concession until 31.01.2025. This real-time audit began immediately after the burst of the Bunec hydroelectric power plant dam.

The audit was conducted at the Ministry of Infrastructure and Energy (MoIE) and the National Agency for Natural Resources (NANR).

Several shortcomings were found from this audit, which are summarized as follows:

- The retaining structure surrounding the pressure basin had suffered damage, resulting in the spillage of stored water, causing damage to vegetation in the mountain stream as well as to homes, businesses, and infrastructure.
- The NANR has not carried out sufficient monitoring for the "Sasaj" hydropower plant, but also for other HPPs. The lack of monitoring is related to the concessionaires' failure to comply with the relevant agreements for periodic submission of documentation, as well as deficiencies in the inspections carried out at these HPPs by the NANR.
- The concessionaire has not taken continuous measures for the safety of the constituent works of the "Sasaj" HPP and the prevention of such events.
- The NANR has inspected the constituent works of the "Sasaj" HPP after the damage, but there is no correspondence regarding the measures that the concessionaire should take, neither with the local government bodies nor with the concessionaire itself for compensation for damages.
- The concessionaire has not completed the works and has not put the HPP into operation within the time stipulated in the agreement, however, the provisions of this agreement for the application of penalties have not been respected.
- The concessionaire has not implemented the contractual obligations regarding the maintenance and periodic investments that should have been carried out in the works of the HPP "Sasaj".
- From the verification of the documentation and at the facility, it results that the installed power for the "Sasaj" hydropower plant is 8600 kW. Referring to the provisions of the concession contract, the designed and approved power for this work is 5,500 kW. This deviation from the provisions of the contract constitutes a direct violation of the concession agreement and is accompanied by problems of a technical nature, which affect the optimal functioning of the work.







Audit at the National Agency for Protected Areas Tirana and AdZM Kukës, Berat, Vlorë

ALSAI has conducted an audit at the National Agency for Protected Areas (NAPA) and the Administration of Protected Areas (APA) in Kukës, Berat, and Vlorë. Several issues were identified from this audit, which are summarized as follows:

- Irregularities in the documentation submitted by the applicant and in the procedure for reviewing and evaluating requests by the structures of the PAs and the NAPA. The Management Sector in the PAs has not specifically defined and described the scope of the permitted activity to be carried out in the protected area.
- For the period January 2022 to 30.09.2024, the Monitoring Directorate/Sector at the AKZM and AdZMs carried out 636 inspections and, according to the minutes kept on site, damage was estimated at 590,457,704 lekë; respectively: from fires, 157 cases worth 260,795,000 lekë; from illegal activities (logging, decorative stones, etc.); 479 cases worth 329,662,704 lekë. From the audit of the financial statements, it was found that this value was not accounted for as a liability and was not collected for the period under audit, resulting in missing revenue in the AKZM budget.









- As of 30.09.2024, a total of 105 lease contracts for the use of areas in the protected area have been concluded by the AdZM and AKZM. The audit found that 53 of them, worth 397,013,980 lekë, resulted in unpaid and unaccounted liabilities. Namely: 27 entities with various economic activities with liabilities worth 29,505,449 lekë; 26 HPPs with unpaid liabilities worth 367,508,531 lekë, which constitute missing income for the AKZM budget.
- Within the protected areas, 784 informal constructions were found, which were mainly created before 2015, before the formation of the National Agency for Protected Areas. AKZM has notified law enforcement institutions, such as: IKMT, the Police Directorate and the Prosecutor's Office of the relevant district, for all cases during the period 2022-September 2024, of which it is not confirmed that they have returned an official response, not continuing with further procedures, with the aim of punishing the responsible entities/persons according to the law.

Audit on the General Directorate of Public Property

ALSAI has audited the General Directorate of Public Property in the former Ministry of Finance and Economy, currently the General Directorate of State Property in the Ministry of Economy, Culture and Innovation (MoECI). At the conclusion of the audit conducted for the period 01.01.2023 to 31.12.2023, it resulted that:

- For the period under audit, no policies and action plans were drafted for the privatization of state-owned commercial companies in the strategic and non-strategic sectors, as well as state assets.
- No reports, summaries or periodic reports have been prepared regarding the privatization and property sale processes throughout 2023..
- State property monitoring structures during 2023 have not carried out an efficient process of monitoring lease contracts, with the aim of fulfilling their contractual obligations up to the calculation and withholding of penalties.
- The financial indicators and financial statements of joint stock companies with 100% state capital under the administration of the Ministry responsible for the Economy have not been approved on time, most of which result in losses, which deepen year after year. Specifically, for 2022, 8 companies result in losses, in the amount of 2,446,746 thousand ALL. It is noted that there is a lack of an analysis to highlight the factors that affect the deterioration of the financial situation of these companies in order to improve the situation.
- 9 companies declared in liquidation have not been monitored, which result in significant losses and financial difficulties, leaving them out of the attention of institutional decision-making, with consequences in the administration of the property they manage and which administer real estate in the amount of 6,852,990 thousand ALL, and have created liabilities over the years in the amount of 2,225,667 thousand ALL, as liabilities to employees of supervisory boards, social security and third parties.
- There continues to be an arrears dividend, not liquidated, in the amount of 4,054,214 thousand ALL.



- A large number of objects are identified for which it is evident that, although years have passed since the initiation of privatization procedures (starting in 2007), the privatization process has not been completed and has not resulted in the sale of the property. The excessive length of the privatization process, coupled with the failure to publish the properties in the privatization process for which approval has been obtained, risks maximizing the value of their sale and the timely and successful completion of the privatization process.
- A lack of coherence of the legal framework is identified as well as problems in the process of monitoring and evaluating the areas built in excess of the construction permit.
- At the end of the audit, negative effects resulted from the failure to impose penalties on the implementation of "1 euro" lease contracts in the amount of 102,556 thousand lekë; missing income from the non-collection of lease obligations from tenant entities in the amount of 2,218 thousand lekë; negative effects from the administration and sale of property in the amount of 43,402 thousand lekë.

Audit on the Albanian Investment Corporation

The ALSAI has completed the audit of the Albanian Investment Corporation SHA, for the period 17.10.2019-30.06.2024, paying special attention, among other things, to issues related to the recognition of its economic and financial activity and the organization and functioning according to the approved regulations; the assessment and functioning of the financial management and control system, the audit of financial statements, arrears, etc.

At the end of the audit, it resulted that:

- The budget planning of the Albanian Investment Corporation (KISH) has been carried out insufficiently and without detailed argumentation, with significant discrepancies between forecasts and realizations, negatively affecting the economic and financial performance of the company.
- The Albanian Investment Corporation has not implemented standardized manuals, guidelines or methodologies for the design, selection and management of projects, undermining the strategic process and the achievement of its objectives.
- The project proposals drafted by the Albanian Investment Corporation during the years 2022-2024 were implemented without respecting the established procedures, with a lack of detailed analyses on risks, objectives and profitability, making it impossible to assess the economic impact and potential benefits.
- From the audit of the activities of the AIC, it is concluded that in 2024 there was an interruption in the implementation of previous project proposals, including those in the energy sector and the development of priority areas, even though expenses were incurred on contracting external experts to carry out the pre-feasibility.
- From the audit of project proposals within the framework of the development of state properties, it is found that there is no document/regulation/manual on their identification and selection, as well as no analysis on profitability, financial costs, potential risks, added value for money, profitability of investment, or on the concrete steps that will need to be followed for each project proposal before its announcement, such as pre-feasibility/feasibility, as was done for the projects of the period 2022-2023; as well as a comparative analysis of whether the project proposals would be developed by the institutions themselves, with internal financing from the state budget.
- KISH has submitted financial statements and income tax returns for the years 2020-2023 in two versions, exceeding the legal deadlines and exposing itself to penalties and interests for non-compliance with deadlines and amendments. Furthermore, the responsibilities for the preparation of financial statements are not well defined between the Executive Director and the Director of Finance, causing ambiguity and lack of institutional clarity.
- The audit found a lack of documentation to verify the fulfillment of the criteria by the members of the Supervisory Council and an incomplete structure of the Council, including the absence of a chairman during the period 2020-2023.
- The terms of remuneration for independent local members were not clearly defined, resulting in different remuneration from those of members from central institutions.

ALSAI - NAO Kosovo hold working meetings in Albania and Kosovo for parallel audit on dam safety



On May 29-30, 2025, the next meeting between the audit groups of the Albanian Supreme Audit Institution (ALSAI) and the National Audit Office of Kosovo (NAO) took place in Pristina within the framework of the parallel performance audit on the topic "Protection and safety of dams".

In this meeting, the director of the Performance Audit Department, Mr. Aulent Guri, auditors Mr. Artan Topjana, Mr. Skënder Muça and Xhuljeta Çelaj participated in the capacity of the ALSAI audit group. While from the NAO, in the capacity of the audit group were the director of the Performance Audit Department, Ms. Ariana Gjonbalaj Shala, the team leader, Ms. Alba Keqa and Ms. Kujtesa Alaj.

The audit teams discussed the audit topic and common objectives, to assess the management and safety measures at the dams of both countries, the methodology, and the compatibility of the audit plans, the pre-study situation and other issues of the audit process.

NA study visit to the Batllava Lake dam was also held, where the situation on the ground was discussed and closely observed in the presence of the responsible Kosovo institutions that use this dam.

On 23-24 June 2025, the National Audit Office of Kosovo conducted a 2-day working visit to Albania. The audit teams of the ALSAI and the National Audit Office closely visited the Tirana Artificial Lake dam, as well as the Banja and Moglica dams. The Moglica dam is also the highest dam in Albania with 166.5 m in height and is of particular importance for the hydropower sector. This dam was built in the last 10 years.

During the visits to the Banja and Moglica dams, the audit teams were accompanied by representatives of the institutions that oversee the safety of these dams. Through mutual field visits, the audit teams create a complete picture of the situation of the dams in Albania and Kosovo.

MEETING NO.3 OF THE EUROSAI WORKING GROUP



"Benefits and Methodologies of Real-Time Auditing"

The third meeting of the EUROSAI Project Working Group "On the benefits and methodologies of real-time auditing" was concluded on 6 June 2025 in Bucharest.

The meeting, chaired by the Italian Court of Auditors (Corte dei Conti), aimed to foster the exchange of experiences among the Supreme Audit Institutions of the EUROSAI community, regarding real-time auditing.

The meeting was organized by the SAI of Romania and was attended by 19 European Supreme Audit Institutions (SAIs).

The need for real-time audits arose from the pressure that Supreme Audit Institutions are under from Parliaments, the public and stakeholders to respond to current issues.

In his welcoming speech, the President of the Court of Accounts of Romania, Mr. Busuioc, pointed out that today the interest is not on the implementation of budgets or violations in procurement procedures that occurred years ago. "The public and Parliament want to be informed about how taxpayers' money is currently being used and what measures SAIs are taking to prevent their misuse, or whether governments are responding optimally to emergency situations."

Through real-time audits, SAIs can provide timely recommendations for improvements. At the end of the meeting, a document on the methodology and benefits of real-time audits was also approved.

WORKSHOP IN PRISTINA



"IT Audits - Developments and Challenges"

On 29-30 May 2025, a regional workshop on "Information Technology Audits – Developments and Challenges" was held in Pristina, organized by the National Audit Office of Kosovo (NAO).

The activity focused on knowledge exchange, strengthening cooperation between Supreme Audit Institutions (SAIs) and addressing current challenges in auditing Information Technology (IT) in the public sector.

The event was attended by representatives from SAIs from the region and beyond, including Poland, Portugal, Estonia, Turkey, North Macedonia and Albania, as well as representatives from the international organization INTOSAI, Development Initiative (IDI). The SAI was represented by auditors Elira Cukalla and Rovena Deda. During the workshop, participants shared best practices in IT audits, developments in the use of artificial intelligence in auditing, as well as strategies for dealing with cyber threats in public administration.

The ALSAI participates in the conference organized by the European Court of Auditors on "Protection"

The European Court of Auditors (ECA) organized a conference on “Defense” on 30 June 2025.
The event was attended by high-level representatives from the ECA, Supreme Audit Institutions, representatives of NATO and other European Union institutions, members of parliaments of various EU countries, as well as representatives of organizations that focus on defense issues. The ALSAI was represented at this conference by the Secretary General, Ms. Valbona Gaxha, Ms. Ermira Hoxha and Ms. Anila Alcani.
The conference discussed several issues, such as: the future of EU defence policy, strengthening preparedness, financing and auditing, and decision-making by Parliament.
Specifically, the current geopolitical context and how the EU is responding to the urgency of transforming defence and strengthening its security were discussed, where perspectives from NATO member states or experts were also presented. In terms of strengthening the preparedness of the EU defence industry, the experts discussed the real situation and challenges of the EU defence industrial bases both on land and in space.



In the context of the measures being taken by governments, and with reference to the picture of investments in the field of defense, which in recent years has changed considerably, including both EU grants and loans, representatives of SAIs discussed the various perspectives and challenges related to auditing. Representatives of the European Parliament and those of the parliaments of the member states, as well as NATO experts, presented the parliamentary perspective on defense policies.



Auditors of the ALSAI, study visit to the Turkish Court of Accounts (TCA) for the audit in the “Security Sector”

The Turkish Court of Accounts (TCA) has launched a program on “Security Sector Audit” for the Albanian Supreme Audit Institution.
The five-day training program on “Security Sector Audit”, organized by TCA for the delegation of the ALSAI, was held on 5-9 May 2025.
Five auditors of the ALSAI conducted a study visit to the Turkish Court of Accounts with a focus on exchanging experiences on “Security Sector Audit”.
The purpose of this study visit to Ankara was to exchange the experience of the Turkish Court of Accounts, in auditing the “Defense and Security Sector”, facilitating the sharing of knowledge and experiences between the two Supreme Audit Institutions (SAI). The SAI was represented in this visit by the auditors, Mr. Aldo Kume, Mr. Paolo Xhezo, Mr. Herman Imeraj, Mr. Henri Axhushi and Mr. Kreshnik Petku. The ALSAI auditor group was welcomed by the Vice President of TCA, Mr. Ahmet Tezcan, who also welcomed the meeting of the proceedings.



During the study visit, audits conducted on defense and security issues by the Turkish Court of Accounts were presented. The ALSAI auditors were introduced to the TCA's experience and methodology in auditing the security field.
As part of the program, which was held with the support of the Turkish Cooperation and Coordination Agency (TIKA), field visits were organized to various institutions and organizations, such as: the Turkish Gendarmerie and the Defense Industry Agency, the M. K. Ataturk Memorial in the Presidency of Turkey, the 1st and 2nd Assemblies of the Turkish Government.

IDI seminar on SAI PMF performance assessment

A seminar on the implementation and evaluation of the Performance of Supreme Audit Institutions (SAI PMF), organized by the INTOSAI Development Initiative (IDI), was held in Istanbul from 2 to 6 June 2025. The aim of this activity was to further strengthen capacities and knowledge on the methodology and current developments of the Performance Measurement Framework for Supreme Audit Institutions, as well as knowledge on the independent review of assessments within the framework of EUROSAI.
The seminar agenda focused on in-depth root cause analysis, based on all aspects that affect the institution's performance, as well as on integrated assessment.
Representatives of peer institutions held discussions and presentations, sharing experiences and best practices on important topics related to the performance assessment process of supreme audit institutions, quality management and independent assessments.



ALSAI cooperates with the National Audit Office of Norway on performance audits

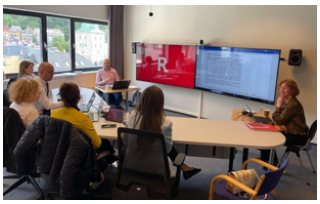


Within the framework of the inter-institutional cooperation that the Albanian Supreme Audit Institution (ALSAI) has with the National Audit Office of Norway (NAO), the Performance Audit Department conducted a working visit to Bergen on 3-5 June 2025, which focused on the audits that are being carried out with the assistance of Norwegian auditors.

This working visit from the ALSAI was attended by the following auditors: Mr. Aulent Guri, Ms. Arminda Bushi, Ms. Eva Kushta, Ms. Vjola Kojani, Ms. Annavanessa Hoxhaj, Mr. Klarenc Xhaferaj, Ms. Xhuljeta Çelaj, Ms. Brisilda Hyka, Ms. Arjeta Çoku and Ms. Jorida Zhegu.

The visit aimed to discuss and analyze the progress of two audits that were conducted with the assistance of Norwegian counterparts: “Water quality on beaches” and “Psycho-social services in the pre-university education system”. During the three days of the workshop, the findings, structure and ways to improve the report were discussed, new methods for increasing the quality of audits were analyzed, and ideas for strengthening cooperation were exchanged.

The audit group on the topic “Water quality at beaches” discussed the content of the issues addressed, their structure and description in the report, as well as the formulation of the findings and recommendations. The audit group also had the opportunity to follow a presentation by a representative of the Municipality of Bergen regarding the experience of this municipality in monitoring the quality of bathing water and in managing urban wastewater.





The audit team, focused on “Psycho-social service in the pre-university education system”, worked closely with three auditors from the Norwegian SAI to build and develop the audit program, which was finalized in January 2025 and was based on three main pillars: the quality of the service provided, existing capacities and institutional policies in this area. During the workshop, a presentation was also given by the University of Bergen on “Psycho-social service in schools”, to get acquainted with the way the service is organized in this country and the studies conducted in this area.

The Norwegian counterparts have helped to guide the ALSAI audit team towards a simpler and more understandable approach for a wider audience, including the public, the media and the Parliament.

In the context of expanding cooperation for the future, several concrete possibilities were proposed, including conducting parallel audits with the Norwegian SAI on common topics, as well as involving Albanian auditors in audits conducted by Norwegian counterparts.

The National Audit Office of Sweden conducts Block III of the Performance Audit Training Program

Block III of the Performance Audit Training Program, organized by the Swedish National Audit Office (SNAO), took place in Skopje from 24 to 27 June 2025. The training was conducted through a combination of theoretical presentations, practical exercises, and group work, promoting a structured and collaborative process.

In this training block, participants followed an intensive program, which aimed to strengthen analytical and methodological skills for the preparation of a performance audit program. This block deepened the knowledge gained from the two previous blocks, focusing on how to build a problem-based audit program, how to select the most appropriate audit techniques and how to argue the methodological approach for the concrete audits that the groups were developing. Special importance was given to case studies as an essential method in performance auditing.



From the ALSAI, auditors Annavanessa Hoxhaj, Lorena Liçi and Arjeta Çoku participated in this training, who are conducting a performance audit on the topic "Community care for the elderly and service decentralization".

UN Women Albania - ALSAI, Gender-Sensitive Audit Guide presented

On June 12, 2025, the presentation session of the Gender-Sensitive Auditing Guide, prepared by UN Women Albania, took place. This guide comes as a result of joint work with the ALSAI, following the signing of the Memorandum of Understanding and the drafting of a joint work plan on activities to be developed in the future.
Auditors and representatives from various departments and directorates from the Albanian Supreme Audit Institution participated in this meeting, with the aim of getting to know and discussing on a wider scale the practical guide, which, although mainly focused on performance audits, could also serve as a working document for other types of audits to enable the inclusion of a gender perspective in all public audit processes.
This guide will also serve to expand and increase the professional capacities of auditors by promoting the exchange of knowledge to properly assess gender inequality and to promote and recommend the provision of appropriate services through gender-specific audits not only at the national level but also beyond.







The meeting discussed the stages of the audit process, the identification of cases of gender inequality, and the role of the ALSAI in integrating this perspective into the audit process.

Regional workshop in Pristina on gender equality



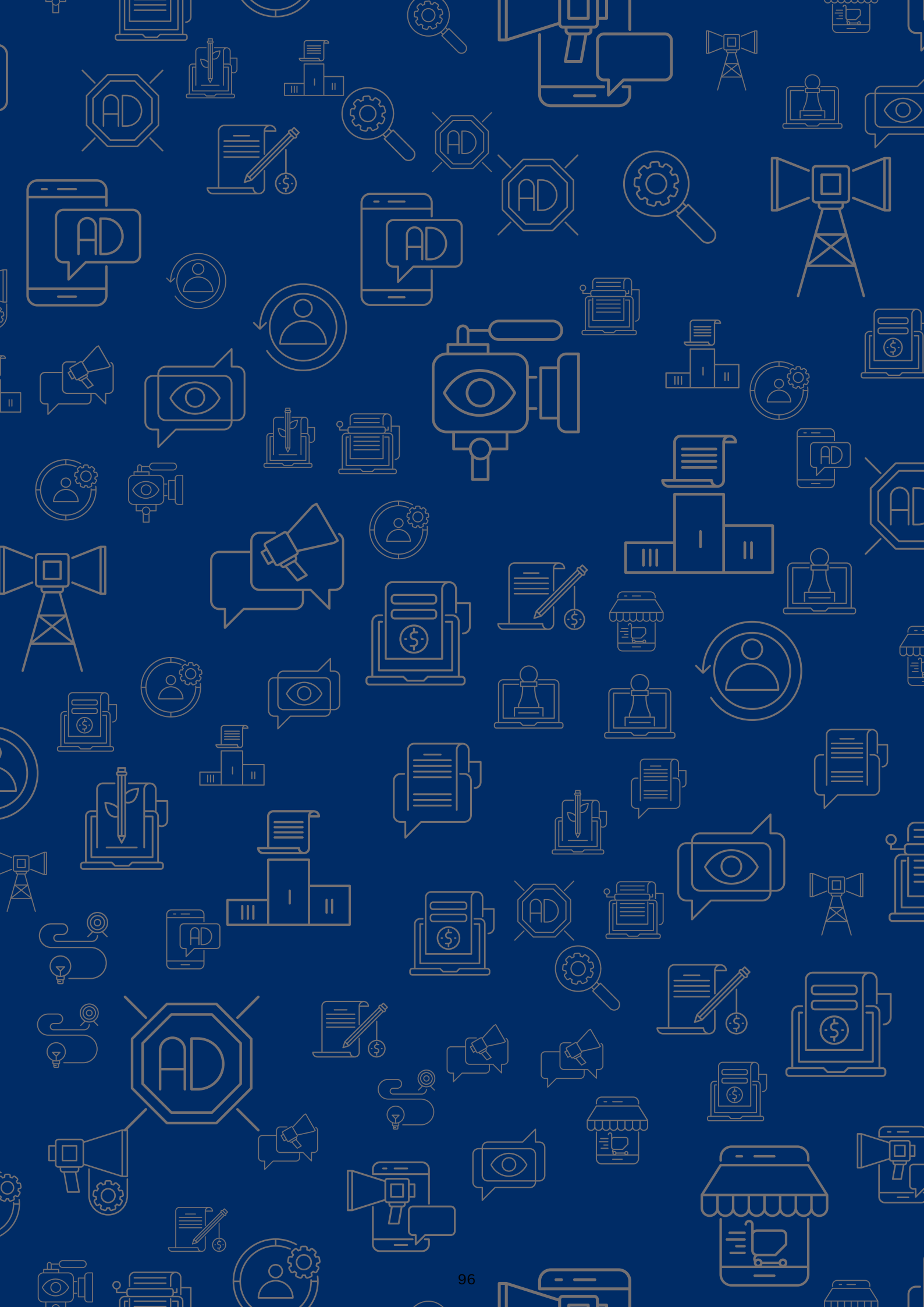
With the support of UN Women, a regional meeting on the topic “Initiatives for a new collaborative performance audit” was organized in Pristina on 9-10 June 2025. The event brought together representatives from the Supreme Audit Institutions (SAIs) of the three countries and other partners to discuss the possibilities of developing joint audits with a focus on women's empowerment in decision-making and gender equality.

From the ALSAI, Mr. Aulent Guri, Director of the Performance Audit Department, and the auditors Ms. Eva Kushta and Ms. Arjeta Çoku participated in this activity.
The activity was part of the regional program “Transformative Financing for Gender Equality in the Western Balkans”, supported by the Government of Sweden through SIDA and implemented by UN Women in Kosovo, Albania, North Macedonia, Bosnia and Herzegovina and Serbia.
The main objective of this working meeting was to discuss with the audit teams from the respective Supreme Audit Institutions (SAIs) the initiative for a new collaborative performance audit on the topic “Women Leaders - Women in Politics, Parliament and in Leadership Positions in Central Government”.
Representatives of the Supreme Audit Institutions discussed, shared their practices and experiences in conducting audits related to gender equality and the impact that these audits have on the topic in focus.
Cooperation with counterpart SAIs enables an in-depth analysis of existing policies, identification of gaps in the implementation of gender quotas and assessment of the impact of gender equality strategies.

Thank you for reading!

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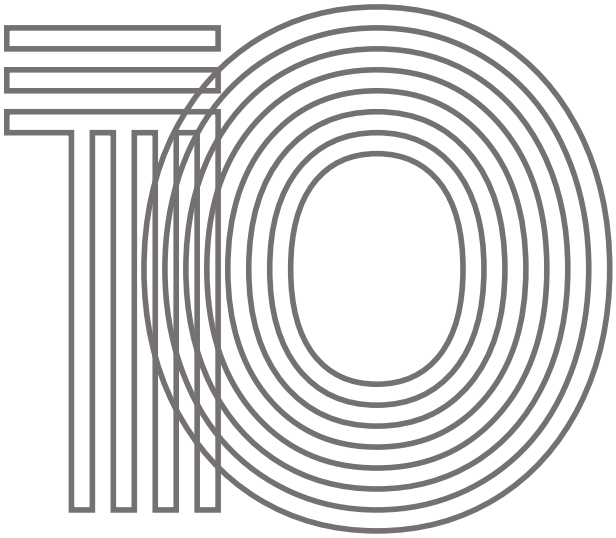
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AUGUST
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NEWSLETTER

NO.

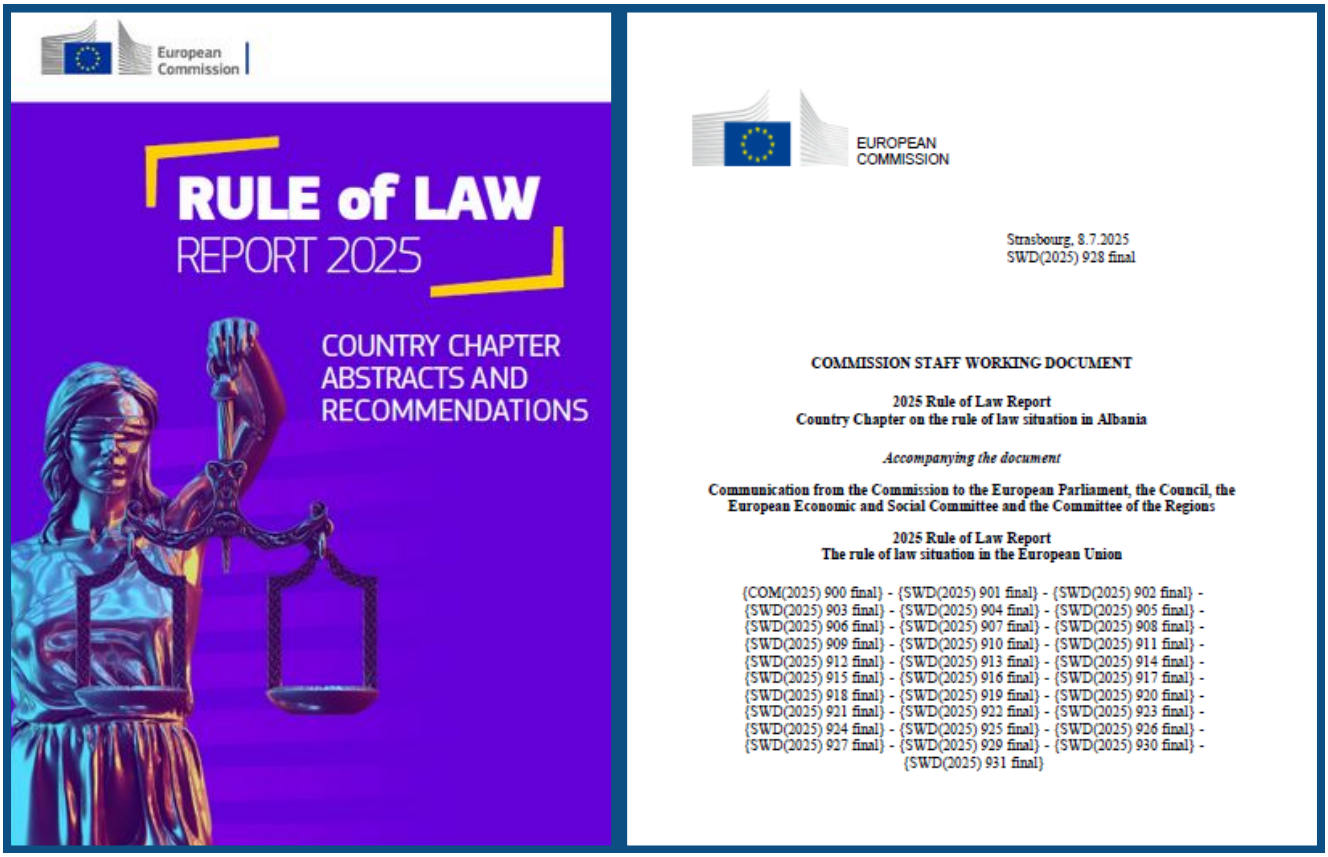


ALBANIAN SUPREME AUDIT INSTITUTION

NO.10

Monthly newsletter

August 2025



The European Commission evaluates the role of the ALSAI in the fight against corruption

The European Commission (EC) has praised the active and sustainable role of the Albanian Supreme Audit Institution in the fight against corruption in Albania.

In the latest EC report "Rule of Law" for 2025, for Albania, the ALSAI is mentioned as one of the institutions with concrete performance and effective cooperation with the justice bodies.

The EC underlines that the ALSAI has established a solid practice in addressing violations, by passing on high priority cases to investigative bodies.

"Albanian Supreme Audit Institution (ALSAI) has a stronger track record in terms of judicial referrals and cooperation with criminal prosecution bodies. In 2024, the ALSAI referred 13 cases with criminal elements for criminal prosecution. In addition, 35 referrals for cases requiring further investigation were shared with the prosecution bodies at their request," the European Commission's 2025 report states.

The EC calls for mandatory institutional cooperation between the institutions responsible for preventing corruption and the relevant law enforcement structures. The EC calls for the work of the ALSAI to be supported as a key pillar in the fight against corruption.

The European Commission has consistently assessed the work of the ALSAI, including the role of the institution in the integration process. Even in the 2024 Progress Report of the European Union for Albania, the EC states that the quality of the audit work is in line with international audit standards.

"The impact of the audit work has shown progress. Albania needs to improve the implementation of external audit recommendations. The ALSAI continues to cooperate and provide information to the prosecution body regarding findings of its audits, which may have elements of a criminal offense," the EU Progress Report states.

> yet to be demonstrated[75]. Coordination between institutions in charge of corruption prevention and relevant law enforcement structures remains weak and the number of referrals further decreased. The State Audit Institution (ALSAI) has a stronger track record on judicial referrals and cooperation with criminal prosecution bodies. In 2024, ALSAI referred 13 cases with criminal elements to prosecution. Additionally, 35 referrals on issues that require further investigation were shared with prosecutorial bodies upon request[76].

The section on the ALSAI in the European Commissio n's "Rule of Law" Report 2025

ALSAI receives assessment from the UN for identifying irregularities in procurement

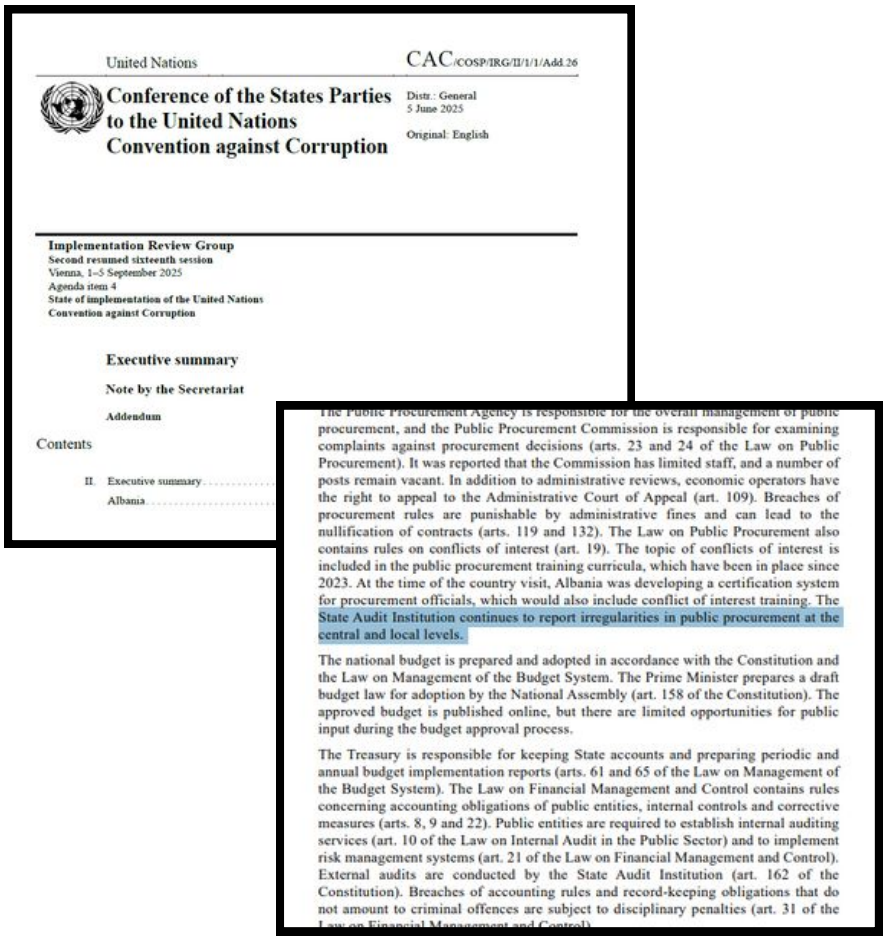
Another important international institution has assessed the work of the Albanian Supreme Audit Institution in the fight against corruption. The United Nations (UN) has recently published the document "Executive Summary of the second cycle of the evaluation of Albania for the implementation of chapters II and V of the UN Convention against Corruption (UNCAC)".

The Executive Summary highlights several key milestones related to the prevention of corruption (structure with preventive functions, legal framework, public procurement, conflict of interest, whistleblowing, administrative capacities, international relations, money laundering). Light mentions are also made of the training capacities and qualifications of the administration, the judiciary, transparency and the right to information.

The document evaluates the work of the Albanian Supreme Audit Institution in identifying irregularities in public procurement procedures.

"The Albanian Supreme Audit Institution continues to report irregularities in public procurement at the central and local levels," the UN Executive Summary on Corruption states.

At the end of the document, recommendations are also left for further measures that Albanian institutions should take to prevent corruption and recover illegally obtained income and assets.



United Nations CAC/COSP/IRG/II/1/1/Add.26

Conference of the States Parties to the United Nations Convention against Corruption

Distr.: General 5 June 2025

Original: English

Implementation Review Group
Second resumed sixteenth session
Vienna, 1–5 September 2025
Agenda item 4
State of implementation of the United Nations Convention against Corruption

Executive summary

Note by the Secretariat

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procurement, and the Public Procurement Commission is responsible for examining complaints against procurement decisions (arts. 23 and 24 of the Law on Public Procurement). It was reported that the Commission has limited staff, and a number of posts remain vacant. In addition to administrative reviews, economic operators have the right to appeal to the Administrative Court of Appeal (art. 109). Breaches of procurement rules are punishable by administrative fines and can lead to the nullification of contracts (arts. 119 and 132). The Law on Public Procurement also contains rules on conflicts of interest (art. 19). The topic of conflicts of interest is included in the public procurement training curricula, which have been in place since 2023. At the time of the country visit, Albania was developing a certification system for procurement officials, which would also include conflict of interest training. The State Audit Institution continues to report irregularities in public procurement at the central and local levels.

The national budget is prepared and adopted in accordance with the Constitution and the Law on Management of the Budget System. The Prime Minister prepares a draft budget law for adoption by the National Assembly (art. 158 of the Constitution). The approved budget is published online, but there are limited opportunities for public input during the budget approval process.

The Treasury is responsible for keeping State accounts and preparing periodic and annual budget implementation reports (arts. 61 and 65 of the Law on Management of the Budget System). The Law on Financial Management and Control contains rules concerning accounting obligations of public entities, internal controls and corrective measures (arts. 8, 9 and 22). Public entities are required to establish internal auditing services (art. 10 of the Law on Internal Audit in the Public Sector) and to implement risk management systems (art. 21 of the Law on Financial Management and Control). External audits are conducted by the State Audit Institution (art. 162 of the Constitution). Breaches of accounting rules and record-keeping obligations that do not amount to criminal offences are subject to disciplinary penalties (art. 31 of the

The section concerning ALSAI in the United Nations Report on Corruption

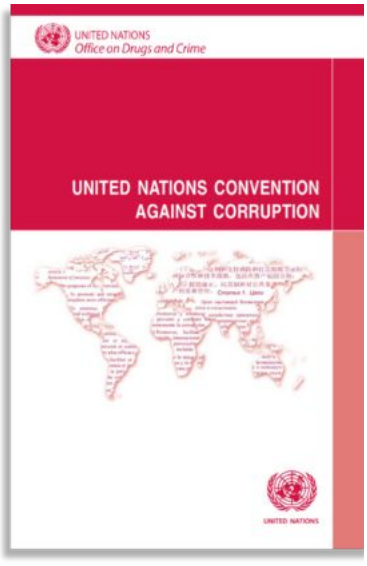
What is the UN Convention against Corruption – UNCAC?

The United Nations Convention against Corruption (UNCAC) is the only universal, legally binding anti-corruption instrument. It was drafted and negotiated in Vienna, Austria in 2002-2003 and subsequently adopted by the United Nations General Assembly on 31 October 2003. The Convention has been ratified by 191 countries, including Albania.

The comprehensive approach of the Convention and the binding nature of many of its provisions make it a unique instrument for developing comprehensive responses to corruption at the national, regional and global levels.

The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery and technical assistance, and information exchange.

The Convention also serves as an essential tool that advances the 2030 Agenda and the Sustainable Development Goals, addressing the pervasive effects of corruption on all of the core values and principles of the United Nations.



Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are a global call to action to end poverty, protect the Earth's environment and climate, and ensure that people, regardless of location, can enjoy peace and prosperity. 19 UN agencies work together to support Albania in achieving the SDGs.

In recent years, the Albanian Supreme Audit Institution has also focused on auditing areas that include the SDGs, such as: health, well-being, education, gender equality, water, energy, infrastructure, climate, etc.



Strengthening Audit Capabilities for the Sustainable Development Goals

In the framework of the United Nations High-Level Political Forum 2025, INTOSAI held a meeting on “Enhancing the Competencies and Capacities of Supreme Audit Institutions to Provide Audit Value for the Implementation of the Sustainable Development Goals” on 21 July 2025 in New York. The meeting, held as part of the High-Level Political Forum on Sustainable Development (HLPF), focused on strengthening the capacities of Supreme Audit Institutions (SAIs) to audit the Sustainable Development Goals (SDGs), in particular Goal 3 (Health and Well-being) and Goal 5 (Gender Equality).

The meeting was jointly organized by the INTOSAI Development Initiative (IDI), the INTOSAI General Secretariat, the INTOSAI Knowledge Sharing Committee (KSC), the SAI of Brazil as Chair of INTOSAI, the Permanent Mission of the Kingdom of Bhutan to the United Nations in New York, and the United Nations Department of Economic and Social Affairs (UN DESA).

A highlight of the meeting was the official launch of the “SDG Auditors Initiative for SAIs”, which will support SAIs in developing the necessary audit competencies to contribute to the implementation of the “2030 Agenda” through digital training, practical guidance, and a strong focus on audit impact by 2027.

The Heads of INTOSAI (SAI Brazil) and the INTOSAI General Secretariat (SAI Austria) highlighted the critical role that SAIs play in promoting transparency and accountability within the framework of the “2030 Agenda”.

During the discussions, the “SAIs and the Audit of Sustainable Strategic Goals” initiative was presented in detail, to empower public auditors in auditing the SDGs.



The panel discussion, with the participation of representatives from various SAIs, but also representatives from the World Health Organization (WHO) and UN Women, shared concrete experiences from SDG audits, and highlighted the challenges of small developing countries (SIDS) and the importance of partnerships for comprehensive audits that implement the principle: “Leave No One Behind”.

Training on “Public Debt Management Performance Assessment”, organized by the World Bank and the Joint Institute in Vienna



On July 14-18, 2025, the international training “Public Debt Management Performance Assessment Methodology (DeMPA)” was held in Vienna, organized by the World Bank and the Joint Vienna Institute.

The purpose of the training was to increase the institutional capacities of public authorities in terms of improving debt management, with a focus on transparency, effectiveness and fiscal sustainability. The Albanian Supreme Audit Institution was represented in this training by the auditors: Ms. Joniada Goçaj and Ms. Anjeza Gjoci.

The training program was developed through a combination of theoretical sessions, presentations from international experience and practical group exercises, focusing on:

- Legal and institutional framework for public debt management.
- Design and implementation of debt management strategies (DMS).
- Coordination with fiscal and monetary policies.
- Borrowing processes and operational risk management.
- Debt recording, reporting and auditing.
- Management of contingent liabilities and drafting action plans.

During the training, representatives from countries such as: Armenia, Georgia, Albania, Indonesia, Moldova, Uzbekistan and North Macedonia shared their experiences on challenges and best practices in designing and implementing public debt management strategies.



Debt Management Performance Assessment (DeMPA) Workshop
Vienna, Austria from July 14-18, 2025

Participants conducted a comprehensive DeMPA assessment of a hypothetical country, analyzing performance against the methodology’s 15 key indicators and formulating concrete recommendations for improving debt management.

Participation in this training served as a valuable opportunity to deepen technical knowledge in the field of public debt management, strengthening institutional capacities for a quality audit.

The objective of the World Bank's Debt Management Assistance Program (DeMPA), launched in 2007, is to help strengthen the capacity of institutions in developing countries so that they can manage public debt effectively and sustainably over the medium to long term.

DeMPA has been used by more than 150 national and subnational governments around the world.

The role of the ALSAI as a SAI, a source for IDI





On 21-25 July 2025, a training session was organized within the framework of the INTOSAI Development Initiative (IDI) support mission for the Court of Accounts of Timor Leste, where the ALSAI was represented by mentor Ms. Aulona Jani, Director of the Department of Methodology, Strategic Planning and Professional Development.
The selection of the ALSAI representative as part of this mission expresses the appreciation that the institution has gained in the international arena, as a credible and contributing SAI, in advancing audit quality management standards in the region.
The mission aims to support the Court of Accounts of East Timor (Camara de Contas) in launching the implementation of the Audit Quality Management System (SoAQM), based on the revised ISSAI 140 standard.
To lead and mentor this process, IDI invited the ALSAI and the SAI of Cyprus, appreciating the successful experience in launching the implementation of the Quality Management System and the ability to translate this experience into practical guidance for partner SAIs.

During the training, important technical knowledge was provided, where methodologies and lessons learned by the ALSAI were directly used as examples for the Court of Accounts of East Timor.

By entrusting the ALSAI with this role, IDI has positioned Albania as an active regional partner in raising the quality of auditing in the public sector.

This assessment also opens up opportunities for future collaborations and reinforces the image of the ALSAI as a SAI that conveys knowledge, expertise and leadership.

Training session for mentors on the Audit Quality Management System is held



From 1 to 4 July 2025, a training session focused on “Rapid Preparation for Mentors in ARABOSAI” was held in the city of Hammamet, Tunisia. This activity was organized by the INTOSAI Development Initiative (IDI) in cooperation with the World Bank, as part of the project to support the supreme audit institutions of Tunisia and Algeria in establishing and implementing an Audit Quality Management System (SoAQM), in accordance with the revised ISSAI 140 standard.

The training constitutes an important step in building the capacities of the mentors who will provide technical and methodological assistance to the respective SAIs throughout the entire cycle of establishing the new quality management system. The participation of experts from different countries of the ARABOSAI region brought an international dimension and a valuable exchange of experiences.
The ALSAI was represented in the capacity of IDI “resource person” by Ms. Xhuljeta Çelaj, who conveyed her practical experience in implementing the quality system, contributing to building their capacities through structured and clear interventions.
TThe training was structured in seven thematic sessions, covering all essential components of the SoAQM.
Participants engaged in discussions, practical exercises and exchange of experiences, enabling a dynamic and collaborative environment. The training not only strengthened the individual capacities of the mentors, but also created a regional cooperation network for the implementation of the SoAQM. The cooperation between IDI, the World Bank and the respective SAIs creates a favorable terrain for the further development of quality management mechanisms in auditing.

ALSAI participates in the roundtable "High-level corruption in the health sector in Albania"



On July 18, 2025, a roundtable discussion on “High-level corruption in the health sector in Albania” was organized at the premises of “Tirana Times Bookstore” in Tirana, attended by representatives of the media and various associations in the health sector. At this meeting, Ms. Eriselda Ndreca presented the main findings of the report on “Comprehensive analysis of high-level corruption in the health sector in Albania”.

The report prepared by the association “Together for Life” analyzes corrupt practices identified by the media with an investigative character, as well as in the reports of independent institutions with a control and oversight function, among which were the audit reports of the ALSAI. Ms. Ndreca, among other things, emphasized the role of the SAI in the fight against corruption in the health sector and beyond.

The ALSAI was represented at this meeting by Mr. Aulent Guri, Director of the Performance Audit Department. In his speech, Mr. Guri made a brief summary of the main audit reports of the ALSAI with a focus on corruption in the health sector, as well as on the quality of services that health structures must guarantee for citizens.“It is widely accepted that corruption in the health sector is one of the main causes of poor quality of health services, therefore the ALSAI in its compliance and performance audits has conducted a series of audits that have identified not only financial abuses, but above all have undermined the effectiveness of health services that Albanian citizens should receive”.

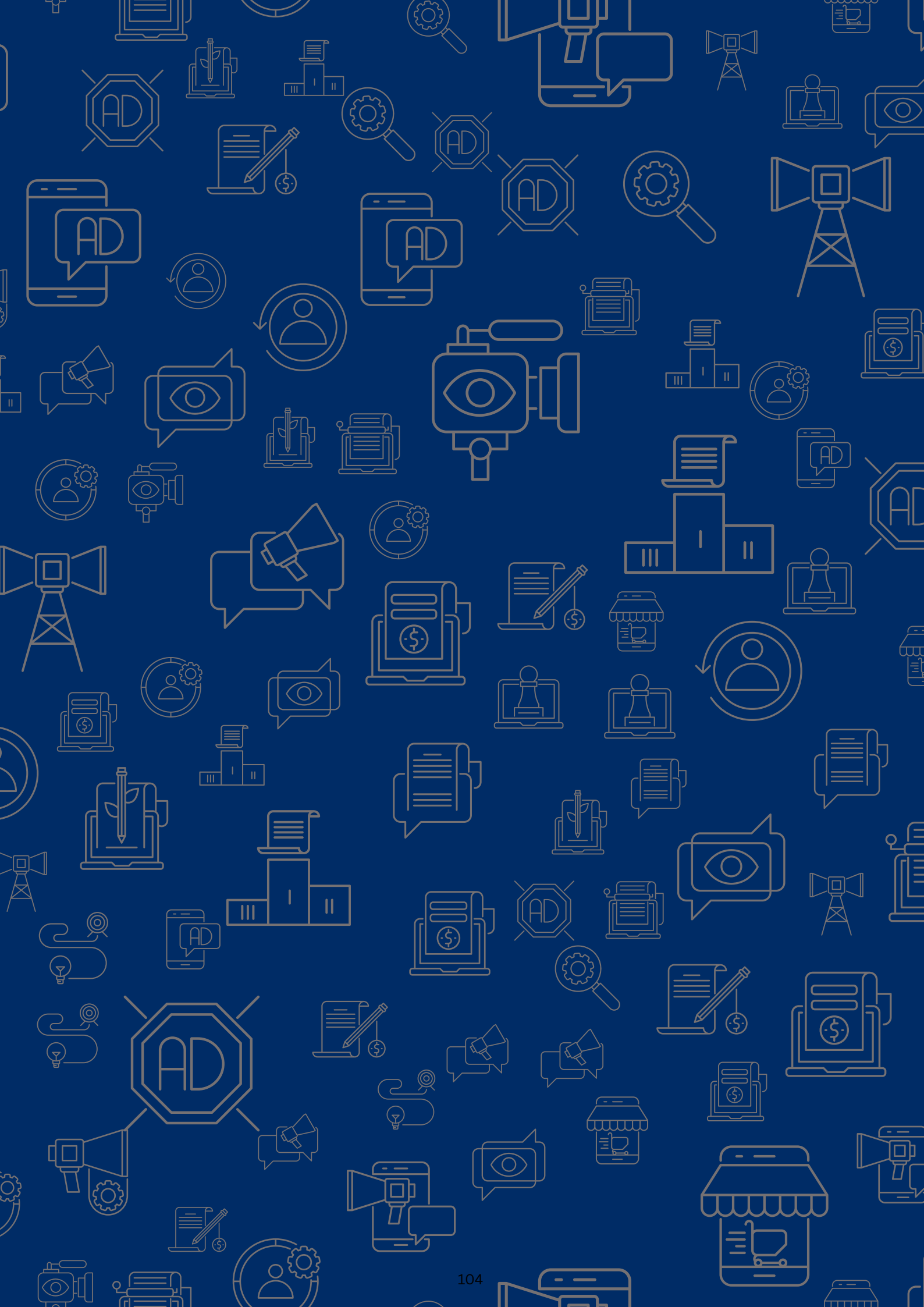
The meeting continued with discussions, questions and suggestions from all participants on the current situation and the needs for improvement. At the end of this meeting, the participants brought to attention the importance of increasing cooperation between public institutions, especially the ALSAI and interest groups, experts or even associations in the health sector.



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Highlights from the meeting with the European Parliament's Committee on Budgetary Control

Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, meets Members of the European Parliament's Committee on Budgetary Control

On September 17, 2025, the Chairman of the State Supreme Audit Institution (ALSAI), Mr. Arben Shehu, received a delegation from the Committee on Budgetary Control of the European Parliament.

The meeting took place within the framework of the mission conducted by the Committee on Budgetary Control, led by its Chair, Mr. Niclas Herbst, in Montenegro and Albania from September 16 to 18, 2025.

During the meeting held at ALSAI with the Members of the European Parliament responsible for budgetary control, discussions focused on the importance of independent external audit institutions, such as ALSAI, in auditing European Union funds allocated to various sectors of the economy. Particular emphasis was placed on the importance and appreciation of the cooperation that ALSAI maintains with other institutions in pursuit of shared objectives.

The representatives of the Committee on Budgetary Control praised ALSAI's auditing work in overseeing the proper use of both budgetary and EU funds, highlighting its role as a key factor in Albania's progress towards EU membership. The Members of the European Parliament also underlined the importance of implementing ALSAI's recommendations.

During their mission in Albania and Montenegro, the Members of the European Parliament evaluated the establishment and initial functioning of the new control and audit mechanisms created within the framework of the "Reform and Growth Facility for the Western Balkans (RFG)," which aims to ensure sound financial management of EU funds.

The Head of the Delegation, Mr. Niclas Herbst, stated: "During our missions in Montenegro and Albania, we assessed whether the foundations exist for sound financial management, independent auditing, and a zero-tolerance approach towards fraud and corruption. Montenegro remains ahead, yet both countries have made progress in aligning their legal and institutional frameworks with EU standards—particularly in the rule of law, combating organized crime, asset recovery and confiscation, and anti-money laundering. Discussions with the Ministries of Finance and the coordinators of the 'Reform and Growth Facility for the Western Balkans (RFG)' confirmed that internal control and audit mechanisms have been established and are functioning. However, serious concerns remain regarding how the RFG funds will be used."



Audit: "Pollution in the Artificial Lake of Tirana"



Key field findings from the Environmental Audit on the Artificial Lake of Tirana



Photos from the on-site verification conducted by the audit team.



Fish on the surface. Photo from the audit team's field verification.





The Albanian Supreme Audit Institution (ALSAI) conducted a thematic compliance audit in the Municipality of Tirana, its subordinate institutions, and the National Environmental Agency (NEA), regarding pollution in the Artificial Lake of Tirana.

This audit was initiated in response to public concern over the pollution of the Artificial Lake, where green and yellow algae had developed, covering large surfaces and emitting an unpleasant odor that disturbed visitors to the Grand Park of Tirana (GPAT).

The objective of the audit was to evaluate and analyze the measures taken by the responsible institutions to address the identified problems of water pollution and damage to aquatic life within the lake basin, covering the period 2021–2024.

The review of evidence revealed shortcomings in several areas of activity, both in the prevention phase and in monitoring and response actions aimed at mitigating environmental pollution.

Some of the key findings of the audit group were as follows:

- The National Environmental Monitoring Program has determined that the Tirana Artificial Lake will be monitored annually. This program also defines the indicators that must be analyzed during these monitoring (including physical-chemical, microbiological indicators, pesticides, heavy metals, etc.) as well as the respective frequency. The audit found that, not only for the audited period (2021-2024), but also beyond this period (at least since 2015), the NEA has never conducted annual monitoring for the Tirana Artificial Lake.
- The Parks and Recreation Agency (APR), despite having identified and substantiated, also from the results of the National Environmental Agency's analyses, that untreated urban wastewater is being discharged into the lake (since October 2024), apart from written correspondence, has not taken any concrete measures to identify the causes of pollution and resolve the issue.
- From the verification carried out on site by the audit group, it was evident that in addition to the 7 points identified by the APR and samples taken for analysis by the KTA, there are 3 other points of rainwater channels that flow into the lake, which were damaged, blocked or had used water spillage. It does not appear that samples have been taken and inspections have been carried out for these points. Regarding the above, despite the fact that we were dealing with a critical environmental situation, the inspection carried out by ARM Tirana has not been complete, and no concrete steps have been taken by the institutions to identify the polluters, to assess whether there are also entities that have environmental permits, to continue taking measures to eliminate the discharge of untreated/polluted water (urban/industrial, etc.) directly into the lake.
- According to the data made available, the area within the Great Artificial Lake Park is not covered by a sewage network for urban wastewater. The Municipality of Tirana and its subordinate institutions do not have any information, nor have they conducted any on-site verification, on the methods of individual treatment of wastewater by entities operating within the territory of the Lake Park.
- The institutions subordinate to the Municipality of Tirana (APR, Tirana Water and Sewage JSC etc.) do not have information on the location or management/cleaning of septic tanks of entities located within the territory of the Lake Park, in contradiction with the functions of the municipality, as defined in Law No. 139/2015 "On Local Self-Government", as amended.
- The Parks and Recreation Agency does not have a structure in the Directorate of the Administration of the Great Artificial Lake Park, to guarantee the fulfillment of the functions of control, inspection, and detection of illegal activities, as defined in the internal regulation. As a result, no environmental problems have been identified over the years regarding possible causes of lake water pollution and no specific analyses have ever been requested to identify problems before the pollution appears on the surface and receives media attention.

Audit: “Cybersecurity in Critical Infrastructure – E-Taxation”

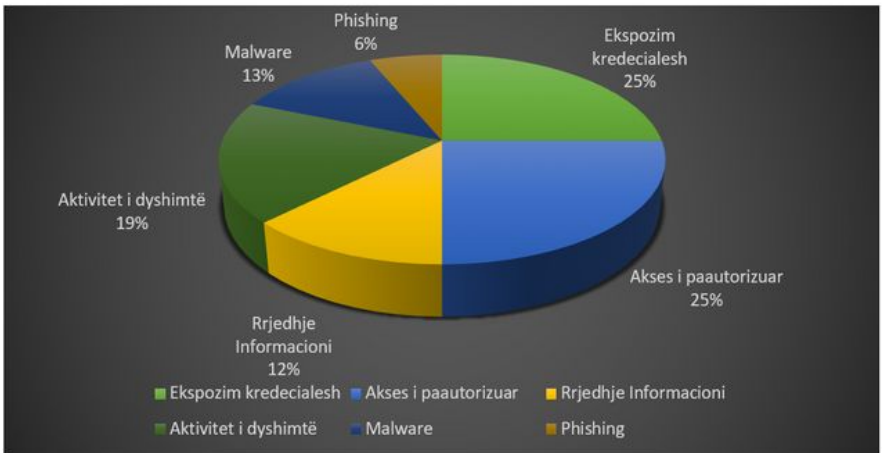
In recent years, Albania has experienced several cyberattacks that have highlighted the weaknesses of cybersecurity systems and have increased the need for stronger protective measures. Revenue and public finance management systems, such as the E-Taxation system, are potential targets for cyberattacks, aiming to destabilize fiscal administration, steal financial data or manipulate transactions. Being part of a global digital market, Albania has faced the same challenges as many other countries in ensuring that its critical infrastructures are protected from cyber risks. The National Cyber Security Authority (AKSK) and the National Information Society Agency (AKSHI) have an important role in developing security policies and standards that protect these systems from potential attacks.

In this context, the tax administration in Albania and the E-Taxation system require strong protective measures to ensure that citizens and businesses have confidence in the security of their financial data. Cyberattacks in the tax sector can cause major financial losses, damage market stability and reduce trust in state institutions, directly affecting the well-being of society and the country's economy.

Given this situation, the Supreme State Audit Office conducted a performance audit on the topic "Cybersecurity in the critical infrastructure E-Taxation".

The audit had as its main objective the assessment and analysis of the measures taken by the responsible institutions, such as: the General Directorate of Taxes (GDT), the National Agency for the Information Society (AKSHI), the National Authority for Cybersecurity (AKSK) on the functioning and cyber security of the electronic tax system E-Taxation.

Distribution of incidents during the period 2023-2024



The cybersecurity audit for the E-Taxation critical infrastructure identified several key issues related to improving the legal and regulatory framework, dividing institutional responsibilities and implementing security measures, increasing the coordination of organizational and technical cooperation between the GDT, AKSHI and AKSK institutions, as well as increasing the technical and human capacities for responding to incidents.

The audit resulted in the identification of 21 incidents for the General Directorate of Taxes in the period 2023-2024, where cases of exposure of credentials and unauthorized resets are repeated, which indicates deficiencies in the implementation of password policies. Although the incidents were addressed in a timely manner and did not cause high-impact consequences, there is a continuing risk of compromising the integrity of the system and data security, especially if sustainable preventive and remedial measures are not taken.

Credential Exposure and Misuse

Incidents indicate that privileged and standard user credentials have been exposed or misused, leading to potential security breaches. Cases involving the use of administrator credentials in unauthorized contexts and individual credential leaks suggest that access controls may not be properly enforced, leaving critical systems vulnerable. When credentials are exposed, attackers can exploit them to gain unauthorized access, escalate privileges, or launch further cyberattacks. These indicate a lack of secure authentication mechanisms and insufficient monitoring of credential activity, increasing the risk of insider threats and external breaches.

Data Leaks

Incidents of data leaks have been identified, posing serious risks to confidentiality and regulatory compliance. Exposure of data, whether through intentional exfiltration or unintentional leaks, can have serious consequences. These incidents highlight potential gaps in data access controls and insufficient monitoring of information flows, allowing unauthorized users to obtain and distribute data. The presence of incidents within this category indicates a systemic weakness in the implementation of security policies around data protection.

Audit message:

Although important steps have been taken towards improving cybersecurity in Albania, the audit highlighted the urgent need to strengthen and harmonize the legal and regulatory framework, in particular regarding the implementation of security measures in critical and important information infrastructures. Legal inconsistencies, lack of training and documentation for end users, as well as gaps in specialized human resources, both in the Directorate of Cyber Monitoring and Protection and in the Data Security Sector, significantly increase exposure to cyber risks and limit the capacity to respond to incidents.

On the technical side, the audit identified a lack of documentation and insufficient environmental controls in the event of floods or fires in the government Data Center. Also, in the General Directorate of Taxes' E-Taxation system, the lack of data encryption policies, irregular review of logs, and lack of controls for external access by third parties pose a threat to information security, leaving the system exposed to unauthorized access and events not identified in time.

ALSAI participates in parallel audit on "Population Ageing" in 11 countries

On September 9-11, 2025, an international conference on parallel auditing on the topic of "Population Ageing" was held in Skopje, under the organization of the coordinator of this initiative, the SAI of Israel, which also holds the Presidency of the European Organization of Supreme Audit Institutions (EUROSAI).

This parallel audit is attended by 11 supreme audit institutions from: Albania, North Macedonia, Austria, Lithuania, Malta, Paraguay, Poland, Portugal, Slovakia, Czech Republic and Israel. The activity began with a welcoming speech by the Auditor General of North Macedonia, Mr. Maksim Acevski, who appreciated the importance of the conference for the development of discussions and the exchange of experiences from all countries participating in the parallel audit "Population Ageing".





The President of EUROSAI, the Head of the SAI of Israel, Mr. Matanyahu Engelman, welcomed the participants through a video message, highlighting the successful international cooperation in implementing parallel auditing. In his speech, the President of EUROSAI, Mr. Matanyahu Englman, said: "Let us not forget, behind the audits there are people. Our parents. Our grandparents. Our neighbors. Ourselves, just a few years from now."

The conference proceedings continued with a presentation on demographic aspects and trends in North Macedonia, as well as data from the participating countries. Further, there was a discussion on preliminary audit findings in several areas, such as: government plans and budgetary aspects, well-being and quality of life after retirement; preparation of the pension system; community services for the elderly.

The ALSAI held a presentation on the progress of performance auditing on the topic "Comprehensive plans and budgetary aspects for an aging population".

The activity presented an excellent opportunity for the exchange of knowledge, good practices and cooperation between Supreme Audit Institutions, members of EUROSAI, in terms of supporting decision-makers in facing the challenges of population aging.

ALSAI organizes the second working meeting on "Cyber Security", in cooperation with the Office of the Auditor General of Norway (OAGN)

Within the framework of the cooperation between the ALSAI and the Office of the Auditor General of Norway (OAGN), the II workshop on "Cyber Security" with the topic "Ethical Hacking" was held in Vlora from 15 to 19 September 2025. At the invitation of the ALSAI, the team of Norwegian experts and the ALSAI group were also joined by representatives from other counterpart SAIs, such as the Turkish TCA, the Kosovo NAO, the Slovenian SAI, the Swedish SAI and the SAO of North Macedonia. With the rapid increase in digitalization, public institutions are increasingly exposed to cyber attacks, so the focus of this workshop was the security test that takes place in "Active Directory" environments and protection methods. IT auditors should be increasingly careful with these tests, in order to verify the functioning of security measures in order to strengthen the digital services of institutions and increase citizen trust.



During the workshop, the theoretical and practical steps of the phases of a security test were addressed, such as: information collection, scanning and enumeration, exploitation of vulnerabilities, maintaining access and reporting and recommendations. Also, theoretical sessions on basic concepts were offered and the use of practical tools for security testing in simulated environments was benefited. On behalf of the Chairman of the ALSAI, Mr. Arben Shehu, a special greeting was conveyed to the participants in the workshop, emphasizing once again the importance of cooperation between institutions in further technological development and building the necessary capacities, with the aim of obtaining and sharing best practices in this field.

THE BOOK “SCIENTIFIC CONFERENCE” IS PUBLISHED





“Building Adaptable Institutions: Adapting to Environmental Dynamics - An External Audit Perspective”



ALSAI has published the book “Scientific Conference” - “The building of the adaptable institutions : Adaption to the dynamics of the enviornment – A perspective on the external auditing”.

The publishing of the book comes after the Conference organised by ALSAI on the 6th and 7th May 2025 in Tirana,with the participation of the other SAIs from the region and beyond ,also international experts, academics and other professionals of the field.This served as a platform to exchange better practices ,for common reflection and for a deeper professional cooperation. In the conference a lot of high level works were presented,that address key topics, such as: quality managment according to the international standarts, digitalazion in auditing, institutuional capacities and impact auditin, etc. “This publishing concludes the benefits of this conference and presents an important contribute in professional literature of the public auditing, becoming an concrete statement of our dedication to move the institution forward not only by auditing, but also with a vision, critic thinking and leading of the reforms” , says in the opening word of the book, the Chairman of the ALSAI, Mr.Arben Shehu.

The book is prepared by the Departament of Methotodology,Strategic Planing and Professional Development , with the support and care of the Chairman of the ALSAI, Dr. Arben Shehu.

The topic of the conference “The building of the adaptable institutions: Adaption to the dynamics of the enviornment - A perspective on the external auditing” comes as an answer to the new challenges that connect with the technologic transformation, climatic crises, social dynamics and the need for transparence in the confrontation with the public governance. “In this jubilee of a century of work and contribution in the service of the state and citizens, we do not only celebrate the past. We are committed to the future, to a more innovative, more flexible, closer to the citizen and more integrated into the global network of supreme audit institutions”, emphasizes Mr. Shehu in his speech in the introduction to the book.

The Book of the Scientific Conference is published on the official website of the ALSAI and can be accessed online by anyone interested.

The ALSAI participates in the reception organized by the Ambassador of Saudi Arabia to celebrate the Kingdom's National Day



On September 18 , 2025 , the ALSAI participates in the organised reception by the Ambassador of Saudi Arabia in Albania, his Honor, Mr. Faisal Ghazi Hifzi,on the occasion of the celebration of the National Day of the Kingdom of Saudi Arabia.This event brought together prominent personalities from the field of diplomacy and state institutions.Represantives of the Albanian Supreme Audit Institution, in the name of the Chairman of the ALSAI, Mr. Arben Shehu, expressed the Ambassador congratulations on this important event and appreciation for the friendly and cooperative relations between Albania and Saudi Arabia. They emphasized the importance of strengthening international ties, including through continued cooperation in the areas of transparency and public accountability.

This event served as an opportunity to further strengthen diplomatic and friendly relations between the two countries, while the SAI continues to be committed to promoting high auditing standards internationally.



The auditing world gathers in Egypt, the XXV INTOSAI Congress will be held in October

From 27 to 31 October 2025, one of the most important events in the world of external public auditing, the XXV Congress of INTOSAI, will be held in Sharm El-Sheikh, Egypt.

The Congress brings together supreme audit institutions from around the world to discuss and decide on the future of auditing. The focus of the 2025 Congress will be on two main issues: "Central Bank Auditing" and "Artificial Intelligence in Auditing".

The Accountability State Authority (ASA), as the Supreme Audit Institution of the Arab Republic of Egypt, is the host SAI of XXV INCOSAI, in accordance with the approval made during the XXIV INCOSAI held in Rio de Janeiro-Brazil in November 2022.

Objectives of the Congress:

Within the framework of the general tasks of the Congress, INCOSAI XXV will comprehensively exchange ideas, knowledge and experiences among Supreme Audit Institutions in the field of auditing government activities and central banks during financial and economic crises and seeks to explore the use of artificial intelligence techniques in auditing; two issues that constitute the core of the two technical themes of INCOSAI XXV.

At the end of the activities, the Congress adopts the Sharm El-Sheikh Declaration. The Declaration clearly expresses the consensus of the Congress participants on all the issues proposed for discussion and the recommendations made in relation to them. The Declaration also emphasizes the commitment of member SAIs to the principles and foundations that consolidate the mission and objectives of INTOSAI, as well as to the values of accountability and transparency in auditing.

The INTOSAI Congress (INCOSAI) is the highest organizational level of the members of the International Organization of Supreme Audit Institutions.

The National Audit Office of the Kingdom of Thailand celebrates its 150th anniversary



The Supreme Audit Office of Thailand participated on 16 and 17 September 2025 in the international webinar "Guardians of Public Accountability: Audit Culture and Institutional Evolution", organized by the National Audit Office of the Kingdom of Thailand, in the framework of the celebration of the 150th anniversary of public audit in Thailand. The webinar served as a way to commemorate the long and rich history of the Thai public audit institution, which dates back to 1875, when King Chulalongkorn established the first Audit Office at the Grand Palace, marking a key moment in the country's efforts to modernize and align with international standards. Since then, the Thai audit institution has gained global recognition, including leading roles in bodies such as ASOSAI and INTOSAI.

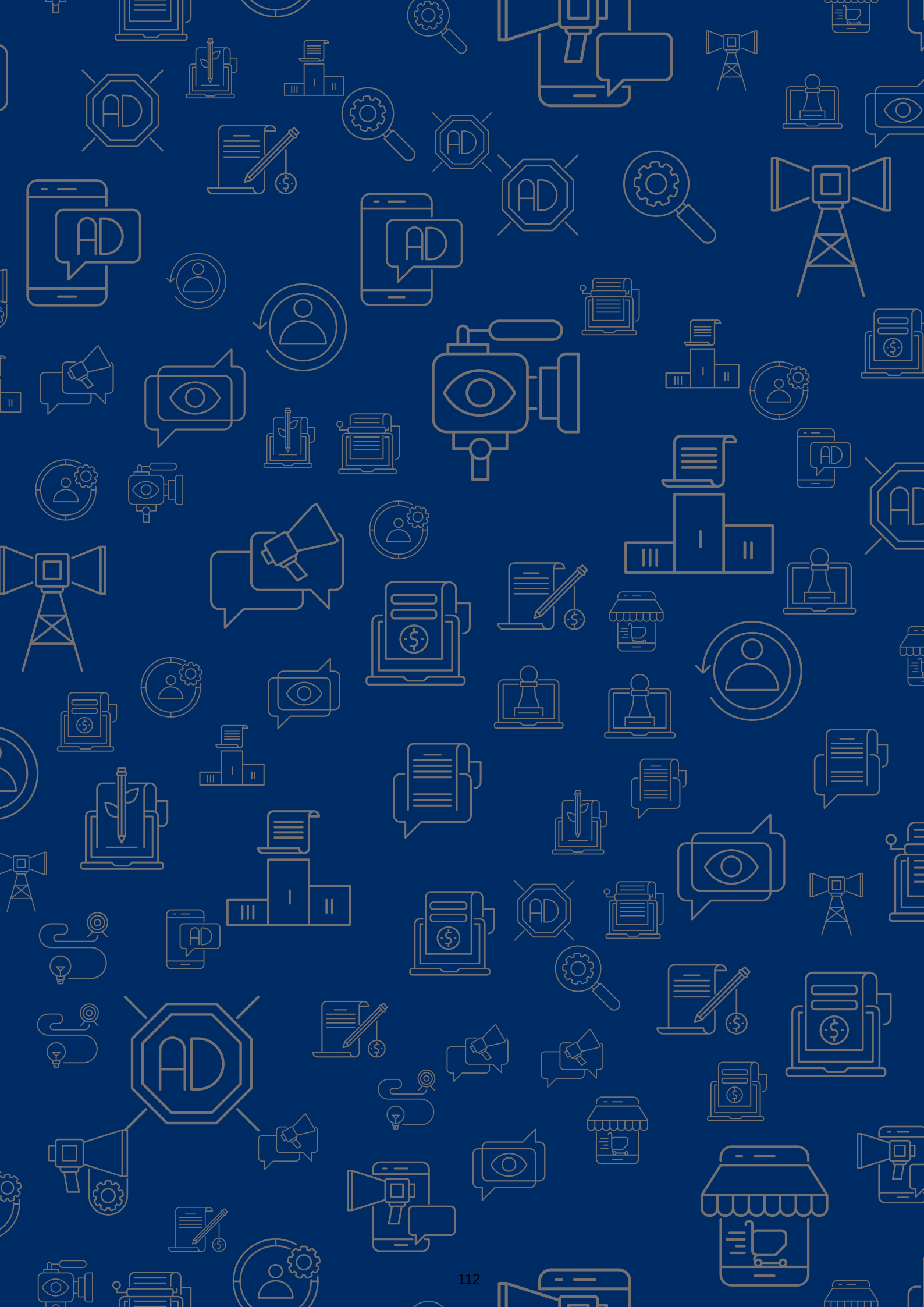
This event brought together experts and auditors from around the world to explore the evolution of Supreme Audit Institutions (SAIs) and their cultural significance, providing an opportunity to reflect on the history, challenges and growth of these institutions. The webinar aimed to foster dialogue on the historical, cultural and ethical dimensions of auditing and how SAIs have adapted to political, social and global changes over time.

The two-day event served as a platform for collaboration, reinforcing the importance of public accountability in governance.

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The Chairman of the ALSAI, Mr. Arben Shehu, during his reporting to the parliamentary committees of the Assembly

Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, Presents the 2024 Annual Activity Report

On October 29, 2025, the Chairman of the Albanian Supreme Audit Institution, Mr. Arben Shehu, presented before the Joint Meeting of the Parliamentary Committee on Economy, Employment and Finance and the Committee on Citizens Initiatives, Cooperation and Institutional Oversight, the Annual Activity Report for 2024.

In his address, Mr. Shehu provided an overview of the ALSAI institution activities during 2024 and highlighted some of the key findings from the audits conducted.

"In fulfillment of our constitutional and legal duties, the Albanian Supreme Audit Institution, as the body responsible for external public audit, has continued with dedication to exercise its mandate in auditing public funds, public and state property, with the purpose of ensuring accountability, transparency, and improved management in the public sector. During 2024, ALSAI carried out 159 audits across all levels of governance. In line with its mandate, ALSAI conducted these missions across 205 entities. The audit opinions or conclusions were accompanied by 4,378 recommendations, including 2,594 organizational measures, 28 proposals for legal framework improvement, 1,059 disciplinary/administrative measures, 184 measures related to economic damage, and 513 measures addressing financial irregularities. These measures aim not only to correct deficiencies and assign responsibility but, above all, to prevent their recurrence," said the Chairman of ALSAI.

Mr. Shehu reaffirmed that the Albanian Supreme Audit Institution will remain an independent and trustworthy voice, always in service of the public and the general interest, contributing to the strengthening of good governance mechanisms.

Focusing on audits in areas of high public sensitivity, the Chairman of ALSAI stated that during 2024, 15 performance audits were carried out assessing the effectiveness, economy, and efficiency of public institutions in the exercise of their duties and functions, covering sectors such as health, education, culture, gender equality, the environment, and public services.

"Overall, the performance audits conducted during 2024 revealed that public institutions are not yet adequately oriented toward results-based management or the measurement of program and policy impact. Weaknesses in inter-institutional coordination, planning, monitoring, and resource use demonstrate a lack of efficiency and effectiveness in policy and program implementation, affecting both the quality of public services and citizens' trust in public administration," the Chairman of ALSAI emphasized.

Following the presentation, Mr. Shehu and ALSAI staff responded to Members of Parliament's questions regarding audit findings on healthcare concession contracts, hydrocarbons, road infrastructure, local governance, and the implementation of recommendations. Acknowledging MPs' requests for specific audits, the Chairman of ALSAI expressed full willingness to cooperate with parliamentary committees in addressing audit-related issues and ensuring the implementation of recommendations, with the goal of enhancing institutional accountability and promoting a more transparent, efficient, and citizen-oriented public administration.

Speech of Mr. Arben Shehu, Chairman of ALSAI, during the Presentation of the 2024 Annual Activity Report on the Committee on Economy and Institutional Oversight

Honorable Chairs of the Committees,
Honorable Ms. Ekonomi,
Honorable Mr. Xhafaj,
Distinguished Members of Parliament



In accordance with the constitutional and legal obligation of the Albanian Supreme Audit Institution to report periodically to Parliament, allow me to thank you for the opportunity to present the 2024 Annual Report. This communication is not merely a summary of our activities, but also a reflection of key findings, challenges encountered, and lessons learned, all aimed at strengthening accountability, transparency, and the quality of public governance.

In the exercise of its constitutional mandate, the Albanian Supreme Audit Institution (ALSAI), as the independent external public audit institution, continued with dedication to audit the management of public funds and assets, with the objective of ensuring accountability, transparency, and improved performance in the public sector.

During 2024, ALSAI conducted 159 audits across all levels of government — central, local, independent institutions, and state-owned enterprises.By type, these included: 45 financial audits, 43 compliance audits, 35 combined audits, 15 performance audits, 8 information technology (IT) audits, and 13 follow-up audits.

In line with its mandate, ALSAI audited 205 entities:97 central government institutions, 75 local government units, 13 independent institutions, and 20 state-owned enterprises (where the state holds over 50% of shares).

In accordance with the mission of the ALSAI and the International Auditing Standards, the objective of each audit is to provide, at the end, an overall opinion/conclusion, accompanied by relevant recommendations for addressing the identified issues. From the audits conducted during 2024, 194 audit opinions/messages/conclusions were provided: 80 financial, 78 compliance, 15 performance messages, 8 IT conclusions and 13 conclusions on the implementation of recommendations.

With regard to the quality of opinions, in 29 cases an unmodified opinion was issued, meaning that the financial statements presented fairly and accurately, in all material respects, the financial position and the results of operations, in accordance with the applicable financial reporting framework. In 7 cases, due to material, fundamental, and pervasive deficiencies, an adverse opinion was issued. The remaining cases consist of qualified opinions, where the financial statements contain material but not pervasive misstatements.The audit opinions or conclusions were accompanied by 4,378 recommendations, of which 2,594 were organizational measures, 28 legal framework improvements, 1,059 disciplinary/administrative measures, 184 measures involving economic damage, and 513 measures addressing irregularities with negative financial impact. These measures aim not only to correct deficiencies and establish accountability, but above all, to prevent their recurrence.

In fulfillment of its legal obligation, ALSAI conducted verification audits on the implementation of recommendations issued. During 2024, 97 audits from 2023 were verified, and it was found that approximately 70% of the recommendations were fully, partially, or were in the process of being implemented. Although the level of acceptance is high (99%), in order to increase the level of implementation, ALSAI has continued to encourage institutions to ensure full execution.

As regards the key findings, for which the corresponding recommendations have been formulated and presented in the final audit reports—grouped by audit area—they are presented as follows:

Issues related to the audit of financial statements

The audits identified problems affecting the quality of financial reporting and compliance with accounting principles and standards, such as: misclassification of expenses and revenues (e.g., investment expenditures recorded as operational, or recognition of revenues outside the reporting period); lack of supporting documentation and weaknesses in internal controls.Incomplete registration of assets and lack of ownership documentation were also noted, particularly concerning immovable properties; absence of accounting entries, lack of property titles, and failure to depreciate assets. There have been recurring issues in asset handover and classification, increasing the risk of misappropriation of public property.

In several cases, the lack of harmonization between accounting systems and Treasury data has created uncertainty about the accuracy of financial statements.

Furthermore, breaches of accounting principles were observed in the recording of receivables and payables—recognition in periods differing from their occurrence—and incomplete or outdated registers (e.g., liabilities to suppliers and court decisions). In some municipalities, there are no records of arrears; interest on late payments is not calculated, and court-recognized obligations are not registered. For institutions with subordinate structures, a lack of consolidation among units was noted; delays in submitting financial statements; absence of interannual reconciliations; and exclusion of certain transactions.

In summary, the recurring phenomena in financial audits—such as misclassification, non-registration of assets, late reporting, and lack of reconciliations—demonstrate the need for further improvements in public financial management systems.

Issues related to the compliance of public institutions activities

Compliance and combined audits highlighted non-compliance with the legal and regulatory framework in procurement, fiscal reporting, and contract implementation. A lack of budgetary discipline was found at all stages: planning, approval, execution, and reporting. There were reallocations of funds toward projects without full evaluation, inefficient use of funds, and deficiencies in budget planning (incomplete requests, additional requests above ceilings).

Legal deadlines for registering procurement orders, contracts, and invoice liquidation in SIFQ were violated, a phenomenon widespread especially at the local level but also present at the central level and in public companies. In PPP/concessions, violations of financing criteria, deficiencies in monitoring and evaluating long-term effects were found; payments were made for incomplete services or services performed in lower volumes, including cases in healthcare with budget overruns and liquidations contrary to contract content, including VAT.

From audits on the regularity of public revenue administration institutions' activities, customs audits revealed violations in tariff classification, customs valuation, and calculation of obligations: from the improper treatment of imported goods prices and selective use of the transaction value method, to product misclassification and tax avoidance. Regarding the regularity of tax inspections, as a tool for monitoring and enforcing fiscal legality, incomplete implementation of the annual inspection plan was found, as well as problems in conducted inspections, especially in risk-based selection, documentation of procedures, and corresponding conclusions.

At the local level, mismatches were found between reported and actually collected revenues; lack of reconciliation with the Treasury and payment registers; use of revenues outside legal destinations; insufficient management of public assets.

Continues

In institutions administering collateral and non-performing loans, such as the Agency for the Treatment of Credits, lack of documentation, non-registration of confiscated assets, and inability to identify/evaluate them were found; incomplete data systems and lack of legal follow-up against debtors.
In some combined audits, problems were found with recording overdue liabilities, which were reported fragmentarily or inaccurately in financial statements, reflected in subsequent periods and affecting real budget planning.
Audits conducted during 2024 found issues in procurement, widespread in central and local administration institutions, universities, hospitals, and public enterprises. They are mainly related to ineffective procurement planning, limited competition, irregularities in contract drafting and execution, and lack of internal control. Meanwhile, delays in contract execution, lack of penalty application, payments for incomplete or partially executed works were noted. Structures responsible for technical supervision and contract administration are often missing in audited entities or do not function properly.

In human resource administration, unfair dismissals, lack of supporting documentation, and violations of the Labor Code and specific civil service laws were identified, causing additional budgetary costs. Overlapping functions and lack of clear division of responsibilities were observed.
Another systemic problem is the lack of capacity and effectiveness of internal audit units. In some institutions, especially at the local level, internal audit units are not functional, reports are formal or not risk-based. Audit units have not exercised their full functions during the year. Overall, combined audits showed that compliance issues and financial statement issues are often intertwined and mutually affect inaccuracies in reporting, lack of transparency, and mismanagement of assets, liabilities, and budgetary funds available to institutions. The findings again demonstrate the need to increase institutional capacities, strengthen the internal control system, enhance accountability, and evaluate existing oversight and monitoring mechanisms.

Regarding performance audits, during 2024, ALSAI conducted 15 performance audits on the effectiveness, economy, and efficiency of public institutions in fulfilling their tasks and functions, in areas with public sensitivity, such as: healthcare, education, culture, gender equality, environment, and public services.
In healthcare, issues were found in the management of medical equipment, especially due to the lack of biomedical engineers in hospitals such as QSUNT and the Trauma Hospital, causing dependency on external services, high costs, and unsafe resource management. Also, the distribution of equipment does not match the population's real needs. Care for patients with mental health issues remains insufficient, with a lack of a comprehensive approach for their treatment, while psychiatric hospitals face serious shortages in accommodation and services.

In the environment sector, urban and hospital waste management presents serious problems, especially in municipalities like Durrës and Vlorë, where lack of infrastructure and safe practices endangers public health and pollutes the environment. Climate change remains a major challenge, against which institutional commitment is still limited, with lack of funds, concrete plans, and implementation capacities.
In the social and gender equality field, adoption procedures are complicated and often do not guarantee the best interest of the child. Meanwhile, women in rural areas face lack of access to basic services, hindering their economic and social empowerment.
In education and culture, in the management of the Excellence Fund, overlapping competences between responsible institutions were found, causing lack of coordination and transparency in its administration. Also, career guidance for youth in pre-university education is another aspect where the lack of sustainable and functional mechanisms has made the process ineffective.
In culture, Albanian cultural heritage listed by UNESCO, such as Berat and Gjirokastër, faces lack of management plans and funds, threatening their physical condition and international status.

In public space management, public beaches do not meet basic safety and accessibility standards. The increase in contracted areas has not been reflected in revenues and sustainable investments, significantly limiting citizens' benefits from these public spaces.

Overall, performance audits conducted during 2024 have shown that the orientation of public institutions towards results and the measurement of the impact of programs or policies are not yet consolidated as management practices. Weaknesses in inter-institutional coordination, planning, monitoring and use of resources indicate a lack of efficiency and effectiveness in the implementation of public programs / policies / strategies, affecting the quality of services provided and the level of citizens' trust in public administration.

In 8 information technology audits with a focus on security, functionality, integrity, and efficiency of public systems, the following were identified: lack of policies and procedures for IT management and access controls; insufficient documentation for the management of critical privileges and roles; lack of human capacities and training in cybersecurity and systems management; lack of end-user training and certifications for IT staff; weaknesses in data administration and security, as well as in backup retention; lack of transparency and uncertainty in the administration system of e-Traffic Fines and in the license system of the National Coast Agency; lack of technical controls, testing, and documentation in source code changes; systems accepting inaccurate data due to lack of input control mechanisms (e.g., the economic assistance system, the mining licenses system); obsolete equipment and lack of investment in infrastructure, especially in local institutions.
In conclusion, the findings reflect deficiencies in IT infrastructure that compromise the sustainability and reliability of digital public services.

Within the framework of legal obligations and cooperation agreements with justice institutions, during the year 2024, the ALSAI has sent 13 criminal reports, which include cases where the audit revealed actions or omissions in violation of the Penal Code. In addition to the reports, the ALSAI has forwarded, at the request of law enforcement bodies, 35 other informative materials on matters requiring further investigations.

An important component of the ALSAI's work is handling complaints, denunciations, and requests from citizens, organizations, and various institutions, which are reviewed promptly, professionally, and with the appropriate seriousness.ALSAI considers these notifications as a valuable source of information for strengthening transparency and public accountability.

Furthermore, close cooperation with public institutions and the media plays an important role in identifying public-interest issues, which are then evaluated as potential priorities for inclusion in the audit program.

In addition to its main audit mission, during 2024, ALSAI continued with dedication to implementing supporting functions for capacity building, public communication, and cooperation with the Parliament of Albania, internal institutions, and international audit organizations, in accordance with the Institutional Development Strategy 2023–2027.

The year 2024 marked another stable step in the path of the Albanian Supreme Audit Institution as a guarantor of accountability, transparency, and integrity in the management of public funds. ALSAI carried out extensive audit activities at all levels of administration, ensuring comprehensive coverage and confirming its role as an independent institution serving the public interest.
With unwavering dedication to its mission, we continue to increase communication with citizens through impartial evaluation and professional judgment. In times of challenges and transformations, we are aware of the responsibility and role that the ALSAI plays in strengthening control and prevention mechanisms.
The future requires greater commitment to fulfilling institutional obligations. On this path, we are determined to improve governance and increase the quality of service to citizens.
With a clear vision for the future, we will accelerate the digitization process, strengthen the preventive role of audits, and increase impact through recommendations that go beyond findings: providing solutions, encouraging reflection, and supporting reforms.
ALSAI remains an independent and reliable voice, always in the service of the public and general interest. We are determined to enforce the law and contribute to improving internal financial and managerial control systems, strengthening good governance mechanisms, and increasing institutional accountability, in order to have a more transparent, efficient administration serving citizens.

Thank you!

Thematic Audit "On the Availability of Medicines for the Treatment of Tumor Diseases"

ALSAI has conducted a thematic audit "On the availability of medicines for the treatment of tumor diseases", which included the Ministry of Health and Social Protection (MoHS), the "Mother Teresa" University Hospital Center (MTHC), the Compulsory Health Care Insurance Fund (CHCIF) and the National Agency for Medicines and Medical Devices (NAMMD).

The audit revealed that the institutions included in the audit have not fully exhausted the actions taken in the framework of ensuring the availability of medicines used in the treatment of tumor diseases, especially within the framework of control and supervision mechanisms and inter-institutional cooperation.

The main findings of the audit are presented as follows:

- From the review of 25 cases of approval of marketing authorization for antitumor drugs, it was found that the current procedure provided for in Article 12 of Law No. 105/2014 "On medicines and pharmaceutical services", as amended, is long and inefficient. Delays hinder rapid institutional response in situations where urgent decision-making is required, especially for antitumor drugs.
- The audit results that a significant part of the clinical practice protocols at the "Mother Teresa" University Hospital Center date from 2014, with a lack of systematic updates during this period, potentially negatively affecting the quality of patient treatment.
- From the verifications carried out on 28.02.2025 at the Central Pharmacy and on 13.03.2025 at the Pharmaceutical Blocks, within the framework of the physical inventory control and comparison with the data in the system for drugs used in the treatment of tumor diseases, it was found that for the drug Doxorubicin 50 mg (2mg/ml) - vial, although the physical quantity resulted in accordance with the records in the system, the expiration date noted in the system did not match the one physically verified due to non-compliance with the FIFO principle.
- From the audit carried out in the Caps Sector at the "Mother Teresa" University Hospital Center, it was found that this sector has only manual equipment and not specialized and automated equipment for the preparation, dosing and precise mixing of cytostatic drugs. Furthermore, the technical equipment of the sector has not been maintained or calibrated since the moment of their entry into the inventory.
- From the tests carried out on the sampled drugs: Erlotinib, Carboplatin, Ifosfamide, Mesna, Trastuzumab Biosimilar or Originator, Trasutuzumab Emtasine, Methotrexate, Daratumumab, Cisplatin, Etoposide, Vincristine Sulphate, Irinotecan Hydrochloride Trihydrate, Gemcitabine, Doxorubicin and Cetuximab, cases with a quantity discharged lower than the quantity required by the Services at QSU "Mother Teresa" have been identified. The tests resulted in duplicate prescriptions during the day, lack of complete and accurate records, incorrect discharges of drugs to other patients, lack of drugs based on the ratio of the requested quantity-discharged quantity, repeated and unfulfilled requests more than once for the same patient, periods with a progressive state in the drug system, while the inventory of the date results in zero (difference in the quantity of the progressive state - system inventory), etc.
- From the tests carried out on the sampled drugs: Erlotinib, Carboplatin, Ifosfamide, Mesna, Trastuzumab Biosimilar or Originator, Trasutuzumab Emtasine, Methotrexate, Daratumumab, Cisplatin, Etoposide, Vincristine Sulphate, Irinotecan Hydrochloride Trihydrate, Gemcitabine and Doxorubicin, cases of periods with progressive status have been identified in the electronic system "Pentaho", while the inventory of the date results in zero (difference in the amount of progressive status - system inventory). These differences, despite being argued as artificial by QSUNT, have the risk of incorrect presentation of data for system users. Regarding the drug Actinomycin D, from the verifications in the system for the period 2022-2025, the status is shown as 0 (zero) and no requests are submitted for this drug. However, despite this, in 5 of the analytically analyzed prescriptions where the drug Mesna was requested, it turns out that the drug Actinomycin D was also requested, leading to a discrepancy between analytical and synthetic requirements in the system.
- It is evident that 19 vials of Ifosfamide 1 g and 602 vials of Methotrexate in two dosage forms: solution for injection and infusion x 500 mg (in 10 ml or 20 ml) with 372 vials and injection and infusion x 50 mg / 2 ml with 230 vials, despite having expired, are still in the "Pentaho" system, posing a risk of maintaining expired stocks by artificially increasing the state of drugs in the system.
- From the audit of the measures taken to secure the drug Daratumumab 400 mg (which is considered without substitutes), even though the 2025 contract for the drug in the total quantity of 4000 vials was renewed, deficiencies in planning, cooperation and determination of the terms of the contract have again been identified, along with weak control mechanisms, affecting periods not covered by medications.



- From the audit of budget expenditures for the purchase of goods and services, for the program "Secondary Hospital Care Service" based on the reviewed documentation and official correspondence of the institutions themselves, the budget allocated to the health sector (respectively for drugs) results to be underfunded, which brings the risk of a shortage of drugs, and consequently, and the continuation of therapy in accordance with disease treatment protocols.
- From the cross-checking of data between tripartite contracts and the LRM for the year 2024, it was found that for 39 antitumor drugs, contracts between CHCIF and pharmaceutical importers are missing. As a result, these drugs have not been provided for use in the public health system.
- From the cross-checking of data between tripartite contracts and the LRM for the year 2024, it was found that for 39 antitumor drugs, contracts between CHCIF and pharmaceutical importers are missing. As a result, these drugs have not been provided for use in the public health system.
- No inspections were carried out by the Inspection Sector of the NAMMD during the period 2022-2024 in the closed network (hospital) pharmacies.
- The audit found that the Control Laboratory at the NAMMD did not conduct laboratory analyses for antitumor drugs submitted for marketing authorization during the years 2021, 2023 and 2024, except for 8 analyses recorded in 2023.
- From the data made available by the Distribution Sector on the import of drugs, it resulted that out of 253 antitumor drugs authorized for marketing in the Republic of Albania, 116 of them or 46%, were never imported during the audit period, January 2021 - March 2025.
- The audit conducted on the management and availability of the drug Actinomycin D 0.5 mg at the University Hospital Center "Mother Teresa", which does not result in having a contract or marketing authorization, evidenced the lack of measures taken to secure the drug Actinomycin D and similar drugs, which makes it impossible to treat patients, violating the principle of protecting the public interest and the right to health care based on the Constitution of the Republic of Albania, Article 55.
- For the period under audit, the drug Actinomycin D 0.5 mg was secured through donation. In the conditions where no record was recorded for the receipt of the drug, it was impossible to physically verify the remaining quantity of the drug since no entry was made in the inventory.
- From the audit regarding the drug Pertuzumab + Trastuzumab in the dosage forms 1200 mg + 600 mg – 15 ml and 600 mg + 600 mg – 10 ml, cases are identified when the situation has been 0 for periods longer than 1 week, or a low amount is presented unchanged for at least one week before the supply, indicating drug shortages or minimally low amounts that risk the treatment of patients. Referring to the tests carried out, also in the case of the drug Phesgo in both dosage forms, cases of duplicate prescriptions and confusion between patients have been identified. Also, cases of use/discharge of the drug Trastuzumab (Herceptin) have been identified in cases where Pertuzumab + Trastuzumab (Phesgo) was requested in the prescription. It turns out that there is no clear definition/division in the official breast cancer treatment protocol regarding the degree of effectiveness of one drug compared to the other, however in letter no. 900/7 prot., dated 15.06.2023. Sent by the Oncology PAI to the Pharmaceutical Service, the effectiveness of this drug compared to other medications is cited.
- From the audit on the measures taken by the responsible structures of CHCIF, it was found that in 49 cases of delays in the supply of antitumor drugs by pharmaceutical importers, unjustified by accompanying documentation, the Control Directorate has taken measures in only two cases. The Pharmaceutical Warehouse Control Sector has not implemented a regular and functional monitoring mechanism, acting selectively and outside an approved control plan. For the audited cases, the penalties that should have been applied are of a total value of 49,000,000 ALL for 49 entities.

Performance Audit: "Quality and Certification of Drinking Water Marketed to Citizens"

The Albanian Supreme Audit Institution (ALSAI) has conducted a performance audit on the topic of "Quality and certification of drinking water marketed to citizens", which was conducted for the period from 01.01.2020 to 31.12.2024.

The main objective of the audit "Quality and certification of drinking water marketed to citizens" was to assess the activities of the responsible institutions and their effectiveness in ensuring the quality of water marketed to citizens. In this way, it was intended to ensure an impartial and objective assessment by identifying shortcomings, the degree of implementation of standards and proposing corrective measures to improve processes with the aim of protecting consumers.

The regulatory framework for granting permits for packaging is based on the criterion of the number of bottles processed per hour, and does not include the use of autobots/bots or other containers that are not considered standard packaging. In the Shkumbin and Seman water basins, four cases of approved permits for groundwater for packaging (with bots) are identified. Forms for drinking groundwater for packaging were used for applications in these cases. The trade of drinking water by autobots/bots is not provided for in the regulation on water quality, which clearly defines its use only in cases of emergency, or in some situations when this method of supply is the only valid option. The process of trading but also transportation by autobots/bots takes place outside the supervision of the bodies that guarantee health and food safety.This is because Local Health Care Units (LHUs) do not conduct field inspections/monitoring of packaged drinking water, while the National Food Authority (NFA) conducts inspections through a predefined process on the premises of commercial entities. Under these conditions, the continuation of this type of activity poses a risk to product quality and consumer safety.

During the period 2021-2024, the NFA has handled cases of packaged drinking water that have resulted non-compliant for microbiological or organo-sensory indicators, but their follow-up has been fragmented, inconsistent and with procedural deficiencies. In 2021 and 2022, in two identified cases, respectively in Regional NFA Elbasan and Durrës, although measures were taken to block the product and impose fines, the AKU did not conduct a traceability analysis to identify the cause of the contamination and did not cooperate with the laboratory for reanalysis, acting partially and without exhausting all stages. In 2024, in the case identified in Regional NFA Tirana, for the uncharacteristic odour in the water, although several measures were carried out on the ground and quantities of the product were returned, no risk analysis was undertaken, no punitive measures were imposed, and the subject was not directed for corrective actions. Compared to other cases treated more strictly, this situation indicates unequal treatment of subjects, lack of transparency and weaknesses in official control mechanisms, significantly reducing trust in institutional consumer protection.

The NFA, LHU and IHP laboratories are not certified/accredited

According to the regulation on drinking water, laboratories that perform analyses must use methods according to the international ISO standard and, consequently, must have accredited laboratories. From the questionnaires/ interviews conducted during the audit, it results that none of the relevant public institutions that perform analyses of drinking water quality, including the NFA, an institution under the Ministry of Agriculture and Rural Development, the LHU and the IHP, under the Ministry of Health and Social Protection, currently have accredited laboratories for all parameters specified in the legislation in force. According to the data and interviews conducted at the General Directorate of the NFA, it results that the NFA, during the period 2020-2024, has not carried out microbiological analyses of bottled drinking water in its regional laboratories. This is because the NFA laboratories do not have laboratory capacities to carry out microbiological analyses of bottled drinking water.

The drinking water regulation and the orders for mineral water provide for the analysis of pesticide residues, some heavy metals and pharmacological substances.

From the data obtained from the General Directorate of the National Food Authority on the implementation of laboratory analyses for packaged drinking water, for the period 2020–2024, it results that the content of the analyses performed is mainly limited to some basic chemical-physical indicators, such as: hardness, bicarbonates, calcium, magnesium and dry matter, while the Food Law, the Council of Ministers in force for drinking water and the special orders for mineral water, determine the obligation to analyze indicators, such as: heavy metals, pesticides, arsenic, fluorine, manganese and others. This shows that the current analyses do not meet the full legal standard.

European Directive (EU) 2020/2184 determines the analysis of about 51 analytical indicators for the quality of bottled drinking water, VKM no. 379/2016 provides for 48 indicators, the mineral water orders determine about 23 analytical indicators of bottled drinking water. The capacities of the IHP cover with analysis 43 out of 51 indicators required by Directive (EU) 2020/2184. The IHPs perform analysis for about 13 indicators, mainly microbiological and physico-chemical, while the NFA performs analysis for only 9 basic physico-chemical indicators. Currently, the NFA and the IHPs do not have the necessary laboratory capacities to perform analyses for heavy metals and pesticides. It is evident that the IHP capacities have not been used by institutions that have lacked capacities for full laboratory supervision of the quality of bottled water. This institution has conducted a considerable number of water sample analyses at the request of the subjects themselves and, in a few cases, addressed by state institutions, the National Agency for Water Resources or the Water Quality Control Units.

Audit message:

Main question: Does the established system ensure the quality of drinking water that is marketed to citizens?

The established system has not managed to guarantee the citizen the quality of bottled drinking water that is put on the market. Although the consumption of this product has increased continuously every year, the responsible institutions have not managed to fully fulfill their obligations regarding its control, monitoring and analysis. Changes in competencies in state structures have created uncertainty in their roles and responsibilities and have affected the fragmented functioning of the system. The legal and regulatory framework appears unharmonized and in some cases contradictory, does not allow competition between projects for the use of water resources and has weak criteria for granting permits and licenses. On the other hand, the shortcomings of the institutions in terms of laboratory analysis, inter-institutional interactions and public information have not guaranteed the quality of bottled water and the necessary safety for the citizen.

The Chairman of ALSAI holds a meeting with representatives of the Special Anti-Corruption Unit of the Guardia di Finanza

On 29.10.2025, the Chairman of the Albanian Supreme Audit Office, Mr. Arben Shehu, held a meeting with General B. Giovanni Salerno, Commander of the Special Anti-Corruption Unit of the Guardia di Finanza and responsible for ensuring legality in public administration, as well as Colonel Giampiero Carrieri, Guardia di Finanza expert for Albania, Kosovo and Montenegro, at the Italian Embassy in Tirana. During the meeting, Mr. Shehu expressed his gratitude for the visit and also emphasized his utmost appreciation for the Italian institutions and the support they have provided to the Albanian institutions. In particular, he emphasized the added value of the cooperation between the Guardia di Finanza and ALSAI.

For their part, the representatives of the Guardia di Finanza, appreciated the work that the SAI is developing in terms of identifying irregularities in the administration and management of the state budget, in particular in the field of public procurement and economic damage, and expressed the desire that the already very good relations of cooperation can progress even further. Institutionally, the willingness to organize and develop mutual activities was expressed, with the aim of exchanging methodologies and best experiences between the Guardia di Finanza and the Supreme State Audit Office.



Emphasizing once again his assessments of this special anti-corruption unit in the field of preventing this phenomenon, particularly in the context of public procurement, Mr. Shehu expressed his full willingness and commitment to continue this joint initiative by benefiting from the best Italian expertise in areas of special interest.

Conference "Integrity, Transparency and Innovation in Public Procurement", ALSAI shares experience in the field of public procurement

On October 24, 2025, an international conference on "Integrity, Transparency and Innovation in Public Procurement" was held in Lecce, Italy, where the Italian model and a comparison with the Albanian system were presented.

This conference was held within the framework of the project "A.C.T. - Against Corruption in Tenders", funded by the Interreg IPA South Adriatic Program.

The project aims to strengthen cooperation between Italy and Albania, to prevent corruption and guarantee transparency in public procurement, through the creation of joint tools, training of officials and the dissemination of good administrative and legal practices.

At this event, the ALSAI was represented by auditors Delor Prosi and Klaidi Tefik, who presented the material on the topic “The role of the ALSAI in strengthening integrity and oversight in public procurement”. In the presentation, the ALSAI auditors provided an overview of the ALSAI’s institutional activity in the field of public procurement. The auditors referred to how the digitalization of public procurement through the “Electronic Procurement System” has enabled the generation, storage and analysis of data, to identify risk and materiality elements, as well as “red flags”, to be considered in the annual planning of the ALSAI’s audit activity or in other specific audits.

Further, the auditors provided an overview of the main issues identified during the audit of public procurement procedures, including irregularities found in the drafting and justification of technical specifications and qualification criteria, the review and evaluation of bids, as well as the monitoring and implementation of contracts.



Among other things, the continuous cooperation of the ALSAI with other institutions was emphasized, such as: the Special Anti-Corruption Prosecutor's Office, prosecutors' offices of general jurisdiction, etc. Participation in this activity once again demonstrates the commitment of the Albanian Supreme Audit Institution to cooperate with local and international public bodies, to promote integrity and accountability in the management of public funds.

Activities for planning the 2026 Audit Program begin, ALSAI holds a meeting with students and lecturers at the "Fan Noli" University in Korça

As part of the activities for planning the “Audit Program for 2026”, the ALSAI held an open meeting with students and lecturers at the “Fan Noli” University, Korçë, on 31.10.2025.

The meeting was attended by the Chairman of the ALSAI, Mr. Arben Shehu, the Secretary General Ms. Valbona Gaxha, auditors from the Department of Audit of Security Institutions, Public Companies and Foreign Investments, the rector of the University, Prof. Dr. Lorenc Ekonomi and former MP Enslemvera Zake.

The meeting focused on the role of the highest public audit institution in the country, the importance of cooperation with universities, citizens and transparency in communication with the public.

Mr. Shehu appreciated the importance of cooperation with universities and citizens in general. The Chairman of the ALSAI focused on the close relationship that the institution has with the needs and problems of society, emphasizing that only through open dialogue and direct listening to the voice of citizens can the effectiveness of public audits be increased.

"We have a special institutional obligation to be in constant communication with the citizens, with all the administrative units of Albania, but with Korça we have a very special obligation. The history of Korça is connected to the foundations of the Albanian state formation, the history of Korça is connected to the Albanian letters, to the language, to the culture, to the sacrifices of all those people who gave everything they had in their lives to give a worthy path to Albanians and the Albanian state. It is understood that institutional obligations are related to the needs and problems of society, and the best acquisition of knowledge about all these needs can be done through the findings of citizens.", - stated the Chairman of the ALSAI.



Mr. Shehu assessed that the university is an important partner in strengthening transparency and civic education.

At the meeting, a conversation was held with students and lecturers regarding the audit process and the continuation of cooperation with higher education institutions.

In his speech, the rector, Prof. Dr. Lorenc Ekonomi, welcomed the meeting, appreciating the cooperation with the ALSAI, and in particular, he described such initiatives as very important for young people, who receive even more extensive knowledge in the field of financial control, accounting, auditing, etc.

This activity is part of the meeting plan that the ALSAI continuously holds in various public universities in the country with the aim of promoting the role of the institution and strengthening communication with interest groups.





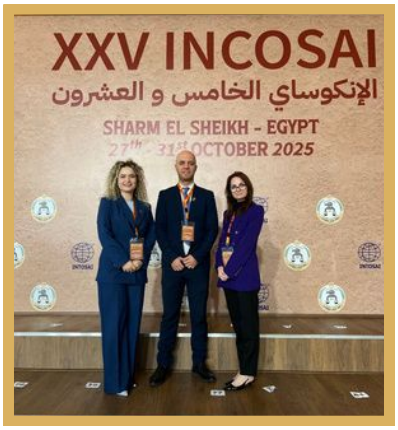






Towards innovation and high standards in public auditing, the ALSAI is represented at the INCOSAI XXV Congress





The Albanian Supreme Audit Institution participated in the proceedings of the 25th Congress of the International Organization of Supreme Audit Institutions (INTOSAI), which took place on 27-31 October in Sharm El-Sheikh, Egypt. The INCOSAI XXV Congress was organized in a global context characterized by profound transformations, accelerated technological developments, and economic and financial challenges with a direct impact on the fulfillment of the United Nations "2030 Agenda" for Sustainable Development.

INCOSAI XXV served as an important platform for dialogue, reflection, innovation and cooperation among INTOSAI members. Participants, including the ALSAI, shared their vision and commitment to strengthen the role of supreme audit institutions in facing new global challenges, promoting professionalism, independence, transparency and accountability. At the end of the proceedings, INTOSAI members adopted a common strategic vision aimed at increasing the impact of public audit on the development of governance and strengthening citizens' trust in institutions. Emphasis was placed on the need to preserve and strengthen the independence of supreme audit institutions, through the creation of a legal environment that recognizes and protects this independence. In this context, the launch of the Global Project on the Independence of Supreme Audit Institutions (SAI), which aims to strengthen trust in public institutions, was appreciated.

The Congress focused on two technical topics of particular importance. The first topic addressed the role of SAIs in auditing central banks during financial and economic crises. Discussions focused on how auditing can ensure sustainability, transparency and accountability in the management of public funds, highlighting the importance of clearly defining legal mandates for auditing central banks, strengthening coordination with financial supervision institutions and developing crisis-proof frameworks. The second topic focused on the use of artificial intelligence (AI) in auditing, considering it as a tool to increase the efficiency and accuracy of audit work, improve the quality of findings and identify deviations more quickly.



Participants emphasized that the use of artificial intelligence should be based on ethical principles, a responsible approach and under a clear governance framework that guarantees data security and prevents algorithmic bias. The importance of combining the efficiency of technology with the professional experience of the auditor and the need for capacity development and international cooperation in this area were highlighted.

During the plenary sessions of the Congress, reports of the governing bodies and standing committees of INTOSAI were presented, including the report of the INTOSAI President (Egypt), the Oversight Committee for Emergency Matters (Brazil), the Secretary General (Austria), the Policy, Finance and Administration Committee (PFAC) (Saudi Arabia), the INTOSAI Donor Cooperation Committee (Saudi Arabia), the Professional Standards Committee (European Court of Auditors), the Capacity Building Committee (South Africa) and the Knowledge Sharing Committee (Spain).

Regional organizations also presented their reports: AFROSAI, ASOSAI, CAROSAI, OLACEFS, ARABOSAI, EUROSAI and PASAI, sharing their experiences and achievements in the implementation of the organization's common objectives.

As part of the election process of the Congress, the new governing bodies of INTOSAI, members of the Governing Board and the organization's external auditors were elected. INTOSAI members adopted the Sharm El-Sheikh Declaration, which sets out the joint commitment of the global audit community to build stronger, more independent and more sustainable supreme audit institutions, capable of responding to the challenges of the future. The Declaration underlines the importance of international cooperation, innovation in auditing and the use of advanced technologies to strengthen transparency, accountability and the impact of public audit on sustainable development.

The closing ceremony of the Congress was characterized by the awarding of international awards for outstanding contributions in the field of public auditing, including the INTOSAI Future Award, the Elmar B. Staats Award, the Kimi Makwetu Award and the Young Leaders of Supreme Audit Institutions Award.

At the end of the proceedings, it was confirmed that the XXVI INCOSAI Congress will be held in Indonesia, while the XXVII Congress will be organized by the Kingdom of Saudi Arabia.

During the Congress activities, representatives of the SAI, the Director of the Department of Quality Assurance and Standards Implementation, Ms. Joniada Goçaj, the Director of the Department of Performance Auditing, Mr. Aulent Guri and the Director of Communication and International Relations, Ms. Xhesila Nano, held a series of meetings with representatives of other SAIs.

ALSAI participates in the meeting with the President of the General Court of Audit of the Kingdom of Saudi Arabia

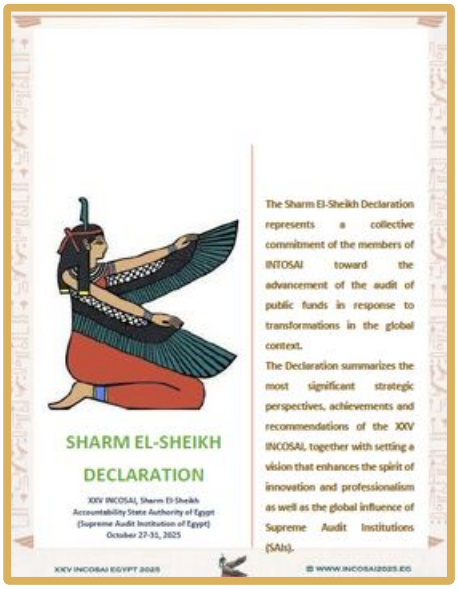
During the accompanying activities of the INCOSAI XXV Congress, representatives of the Albanian SAI, namely, the Director of the Department of Quality Assurance and Standards Implementation, Ms. Joniada Goçaj, the Director of the Department of Performance Auditing, Mr. Aulent Guri, and the Director of Communication and International Relations, Ms. Xhesila Nano, participated in the meeting of beneficiary institutions of the Saudi Fund for Improving the Performance of SAIs (FISP), organized by the General Court of Audit of the Kingdom of Saudi Arabia and the INTOSAI Development Initiative (IDI).

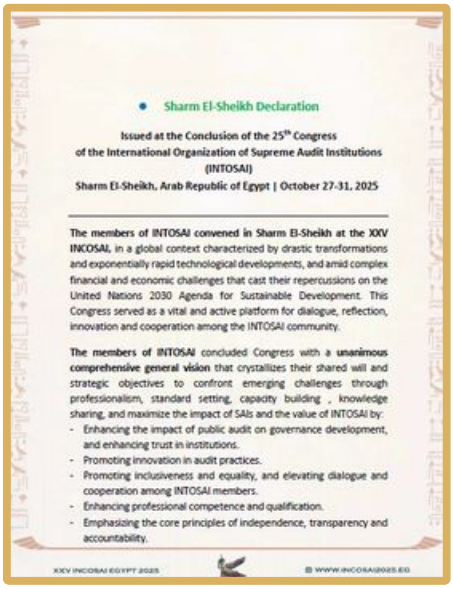
At this meeting, the results achieved and the impact of the fund on increasing institutional performance were presented. The ALSAI representatives expressed their appreciation for the support provided through this fund, which has contributed to the improvement of daily audit work and beyond.

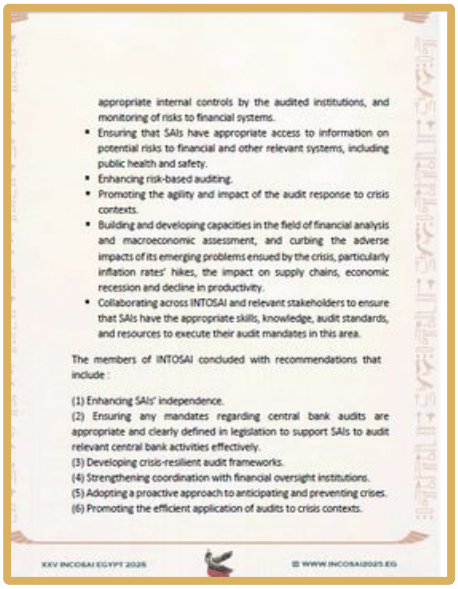
At the end of the general session, the ALSAI representatives had a special meeting with the President of the General Court of Audit of the Kingdom of Saudi Arabia, Dr. Hussam Alangari, where on behalf of the Chairman of the ALSAI, Mr. Arben Shehu, they expressed their appreciation for the strengthening of bilateral relations and the concretization of institutional cooperation. Mr. Alangari expressed his readiness to continue and strengthen these relations through mutual contribution.



SHARM EL-SHEIKH DECLARATION







The Sharm El-Sheikh Declaration represents the joint commitment of Supreme Audit Institutions (SAIs) to strengthen the independence, professionalism and impact of public audit globally. The Declaration emphasizes the importance of innovation in auditing, enhancing professional competence and using advanced technologies, including artificial intelligence, in an ethical and responsible manner. It also highlights the role of SAIs in addressing financial and economic crises, promoting transparency and accountability, and contributing to the achievement of the 2030 Sustainable Development Goals.

The Declaration summarizes the perspectives, achievements and most important strategic recommendations of INCOSAI XXV, along with setting a vision that enhances the spirit of innovation and professionalism, as well as the global impact of Supreme Audit Institutions.

In the Sharm El-Sheikh Declaration, INTOSAI members concluded with recommendations that include:

(1) Enhancing the independence of SAIs.

(2) Ensuring that any mandates relating to central bank audits are appropriate and clearly defined in legislation, to support SAIs to effectively audit the relevant activities of central banks.

(3) Developing a resilient audit framework in crisis situations.

(4) Strengthening coordination with financial supervisory institutions.

(5) Adopting a proactive approach to crisis anticipation and prevention.

(6) Promoting efficient audits in crisis situations.

REGIONAL CONFERENCE

"Audit Quality Management System"



In the framework of the celebration of the 25th anniversary of the establishment of the institution, the Audit Office of the Institutions of Bosnia and Herzegovina organized on 8-9 October 2025, the regional conference on "Audit Quality Management System". The focus of the activity was the exchange of experiences, strengthening cooperation between supreme audit institutions and addressing current challenges in the Audit Quality Management System in the public sector.

This activity was attended by representatives from supreme audit institutions of Sweden, Poland, Croatia, Turkey, Kosovo, North Macedonia, Georgia, Montenegro, Moldova, Serbia, Bulgaria and Albania, as well as representatives from international organizations, such as SIGMA/OECD.

The conference aimed to exchange experiences on the implementation of quality management systems in auditing; discuss challenges and best practices in ensuring the quality of audit work, as well as strengthen the institutional capacities of SAIs in accordance with ISSAI 140, revised.

During the conference, participants shared their experiences, opinions and best strategies in implementing quality management standards according to the International Standards of Supreme Audit Institutions ISSAI 140.

The participation of the ALSAI in this conference marks an important step in strengthening regional cooperation and knowledge exchange.

WORKSHOP



Self-assessment of institutional integrity according to IntoSAINT

The ALSAI participated in the workshop on the training of moderators for the IntoSAINT integrity self-assessment tool, held in Bucharest, Romania, from 7 to 10 October 2025.

This training brought together 22 representatives from 12 EUROSAI member states, where the SAI was represented by Ms. Ermira Hoxha, Director of Human Resources and Ms. Xhesila Nano, Director of Communication and External Relations, in an intensive program with a special focus on strengthening capacities for moderating the institutional integrity self-assessment according to the IntoSAINT methodology.

The activity was welcomed by Mr. Matanyahu Englman, President of EUROSAI and Ms. Mirela Călugăreanu, President of the Court of Accounts of Romania.

The training was the first in the updated and digitalized format of IntoSAINT and was led by three experienced trainers from the Supreme Audit Institutions of Norway and the Netherlands.

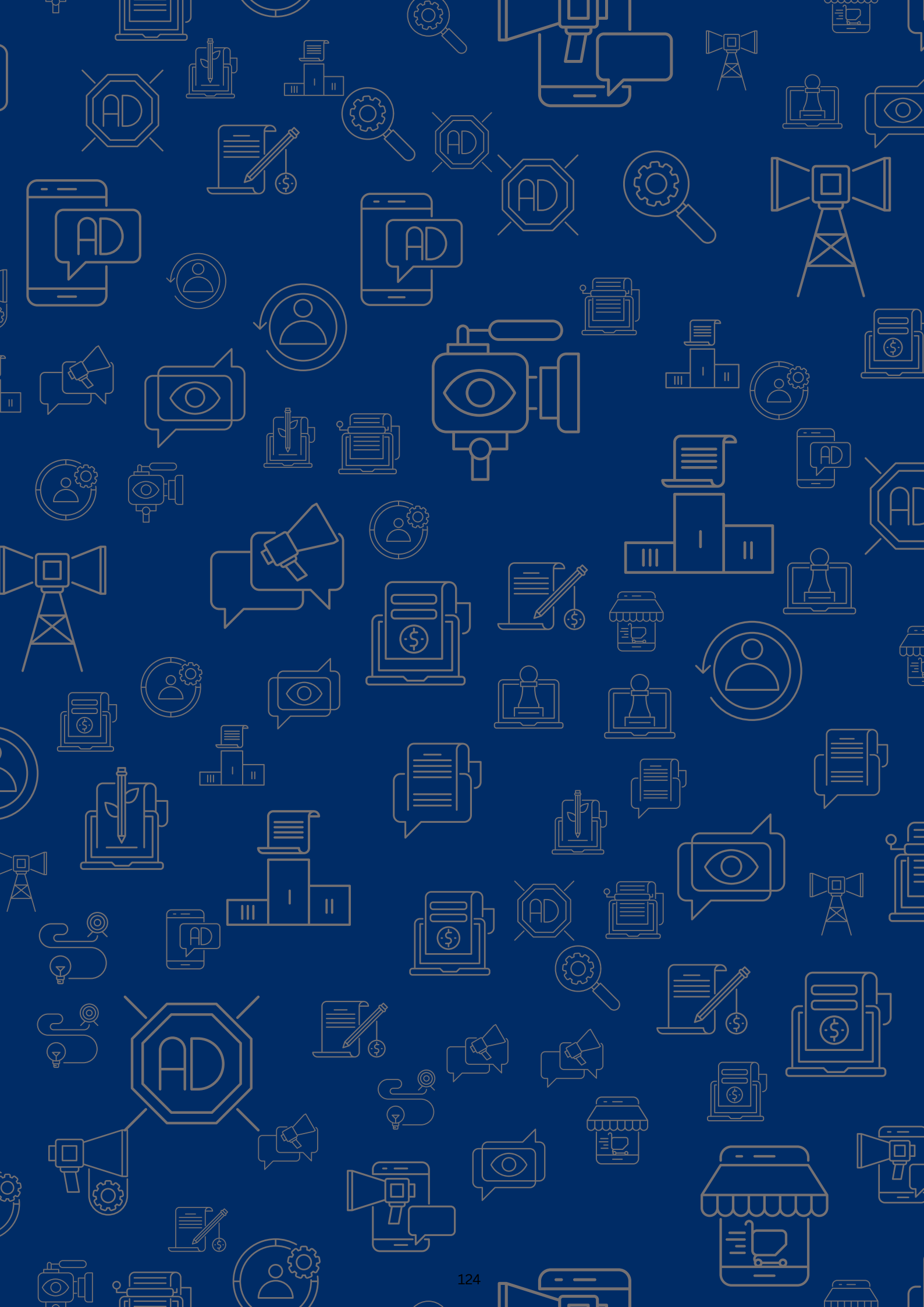
Following the training, participants will follow a further phase of qualification, through the acquisition of the "Questback" platform, which is essential to be certified and able to independently lead the IntoSAINT self-assessment processes.

As an active participant in such international initiatives, the ALSAI continues to strengthen its commitment to supporting ethics and integrity in the institution by following best practices and developing internal capacities to ensure the implementation of good governance standards.

Thank you for reading!

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NEWSLETTER

NO. 13

ALBANIAN SUPREME AUDIT INSTITUTION

NO.13

Monthly newsletter

November 2025



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.

Continues

‣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.

Continues

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

Negative Financial Effects	EXPENSES	1,886,258	In thousand ALL
Expenses for investments	301,089		
Operating expenses	508,358		
Salary, bonuses and social security	109,985		
Other expenses	966,826		
	INCOME	8,493,409	In thousand ALL
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		10,379,667	



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.

EUROPEAN COMMISSION

Brussels, 4.11.2025
SWD(2025) 750 final

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 Grahm-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/ss5kffp1/261025-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 (RDHCSO) 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 organising 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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