



FAQ

for Annual Report and
Community Brief



What is the difference between the Community Brief and Annual Report?

Annual Report: a report that incorporates the results of the Institution's work during a financial year and the Chairman of the Institution submits it directly to HM the Sultan as well as sending a copy thereof to the Council of Ministers and Shura and State Councils.

It is worth noting that in addition to the annual report, the Chairman of the Institution also submits reports to HM the Sultan on the subjects and matters of special importance at any time during the financial year. The Institution also prepares audit reports after the completion of each audit task, the results of which are communicated to the entity being audited. The Institution includes the most important observations contained therein in the annual report.

Community Brief: A summary of the contents of the Institution's annual report, characterised by diversity in presenting the results of the Institution's audit work. It also contains statistics of audit tasks, issued reports, and key topics of the annual audit plan, as well as the direct added value of the Institution's work. It also covers the Institution's efforts related to promoting integrity, which include financial and administrative irregularities dealt with by the Institution, examples of judgments of conviction issued, statistics of complaints and reports, revisions of financial legislation and awareness and promotion of integrity, as well as the Institution's efforts in implementing the United Nations Convention against Corruption.



It is noted that the Annual Report of the Authority is submitted before the end of the following financial year. Are there any reasons why the Authority submits its Annual Report to His Majesty the Sultan in the following financial year, rather than in the same year to which the results of its work pertain?

The Authority carries out its audit tasks on the entities subject to its audit in accordance with an annual plan approved by the Chairman of the Authority. The plan includes a set of audit tasks to be conducted during the financial year. Therefore, submitting the annual report in the same year will not fully and comprehensively reflect the results of the Authority's work for that year.

Furthermore, the Authority's work related to audit tasks does not conclude upon completion of the fieldwork, as it is followed by subsequent procedures that require a period of time to complete in coordination with the entities subject to the Authority's audit. These procedures include informing the audited entity of the results of the observations and recommendations, so that it can study those observations and provide its comments on them. Thereafter, the Authority coordinates with those entities to develop appropriate mechanisms for implementing the recommendations.

Given the time and effort required for these stages, the law grants the Authority sufficient time to submit its annual report before the end of the following financial year, to ensure that the report reflects the final results of the Authority's work, including its final position thereon.

On the other hand, the Authority's report includes the results of the review and examination of the State's final account, which the Ministry of Finance usually completes during the first quarter of the following year. Accordingly, since 2022, the submission date of the Authority's annual report has been set for June of each year, to align with the submission of the draft State's final account, as the results of the Authority's audit of the final account constitute an integral part of the annual report, and to contribute to achieving its intended objectives.

Does the role of State Financial and Administrative Audit Authority end with observations and informing the concerned entities?

After completing the audit task and sending the report to the entity subject to the audit, SAI follows up on the status of the entity's implementation of its recommendations contained in the audit report. SAI has established a department to follow up on the implementation of the recommendations in coordination with the concerned audit units. The department maintains a database of all observations and actions taken thereto, and updates the status on a timely basis.

With regard to financial and administrative irregularities that constitute criminal offences or suspicions, SAI collects evidence thereon in coordination with the competent authorities, then follows up with the Public Prosecution and the competent courts. As per the Law, SAI has the right to appeal against the decisions of the Public Prosecution, if the latter decides not to pursue with the investigation on the financial and administrative irregularities that constitute criminal offences or suspicions.

How are amounts recovered?

SAI follows up on the implementation of its recommendations by the entities subject to its audit, in particular the observations related to the recovery and collection of outstanding amounts, as the entity provides SAI with the supporting documents of amounts collected.

After recovering the amounts, to whom these amounts are transferred and what will happen to them?

These amounts are booked as revenues in the budget of the entity and are transferred to the Ministry of Finance in accordance with the applicable regulations regarding the public revenues of the State as per the Financial Law and its executive regulation.

What happens following the publication of the Community Brief?

SAI continues to follow up on the implementation of its recommendations containing proposals related to improving work procedures, developing performance, and collecting amounts due to the State's general budget, through periodic follow-up on the actions taken by the entities subject to its audit in this regard. SAI also continues to implement the audit plan for the current year, and takes the necessary actions regarding complaints and reports, as the total of these activities constitutes the audit work system, from which the next Annual Report and the Community Brief emanating therefrom are issued. In addition, the completion of the implementation of SAI recommendations and the collection of the due amounts contained in previous reports will be highlighted in the coming Annual Report.

What is the difference between going to court and submitting and reports to the Authority?

Litigation is a constitutional right guaranteed by constitutions and the Basic Statute of the State. Any right holder party may approach the judiciary to claim one of his rights. Accordingly, courts are approached to file administrative lawsuits to review administrative decisions or to claim rights or compensations in accordance with the law and according to the deadlines set for that. State Audit Institution is approached to submit complaints and reports related to the violation of laws and regulations in force by the entities subject to its audit, negligence or failure to perform the duties of public office, or misuse of public fund, in a manner that does not contradict the jurisdiction of the judicial authorities and other relevant entities, noting that the SAI dismisses complaints and reports that have been adjudicated by the judiciary or if they are pending before court.

How does the Authority deal with received complaints and reports?

The Authority examines the received complaints and reports according to their objective importance and as per the approved audit plan. SAI responds to the complainant or whistleblower in appropriate ways whenever they relate to one of his rights. SAI may also report the results of examining the complaints and submitted to it to the concerned officials in the entities subject of the complaint or report, and follow up on the implementation of its recommendations in accordance with the established mechanism. It is worth noting that it is not permissible for non-concerned officials to view these results and recommendations. It is also not permissible to disclose the name of the complainant or whistleblower unless the complaint or report relates to one of his rights.

Specialized terms used in Community Brief

// **Collected Amounts:**

Amounts owed to the government by third parties as per laws and regulations, which SAI, in coordination with the entities subject to its audit, contributes to claim for and collect, e.g. taxes and fees owed by certain companies that have not committed to paying them to the concerned entity.

// **Recovered Amounts:**

Amounts paid to others without right and legal basis, which SAI requests the entities subject to its audit to recover, and such amounts are recovered and booked to the revenues of the government entity, e.g., overpayment to a contractor or supplier or disbursement of a payment without work being implemented.

// **Withholding Tax:**

A tax levied on certain types of income earned in the Sultanate of Oman for any foreign person who does not have a stable establishment therein, such as royalties, against conducting research and development, use or right to use computer software, fees for management or service delivery, dividends and interests for five years.

// **Collection Supporting Documents:**

The official documents that prove the deposit of recovered and collected amounts into the entity's account, and they are represented in deposit bonds that are verified to match the entity's account lists.





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