



Jubbaland State of Somalia (JSS)
Audited Consolidated Financial Statements
For the period ended 31 December 2017

TABLE OF CONTENTS

I) STATEMENT OF MANAGEMENT'S RESPONSIBILITY	III
II) REPORT OF THE INDEPENDENT AUDITOR	IV
III) CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF JUBBALAND STATE OF SOMALIA	VII

i) STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Public Financial Management (PFM) Act 2017 of Jubbaland State of Somalia requires Ministry of Finance to prepare Consolidated Fund Statement of Receipt and Payments for each financial year that gives a true and fair view of the financial position of the State at the end of the financial year and of its surplus or deficit for that year. It also requires the State to ensure that the State maintains proper accounting records that are sufficient to show and explain the transactions of the State and disclose, with reasonable accuracy, the financial position of the State. The State is also responsible for safeguarding the assets of the State, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management accepts responsibility for the preparation and presentation of these Financial Statements in accordance with International Public Sector Accounting Standards and in the manner required by the Public Financial Management (PFM) Act 2017 of Jubbaland State of Somalia. The Management also accepts responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Consolidated Financial Statements;
- ii) Selecting and applying appropriate accounting policies; and
- iii) Making accounting estimates and judgments that are reasonable in the circumstances.

Having assessed the State's ability to continue as a going concern, the Management is not aware of any material uncertainties related to events or conditions that may cast doubt upon the State's ability to continue as going concern.

The Management acknowledges that the independent audit of the Consolidated Financial Statements does not relieve them of their responsibilities.

Approved by the State of Jubbaland (JSS) on.....22 / 01 /.....2019.

DG: Mohamed Kamil

Minister for Finance





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ii) REPORT OF THE INDEPENDENT AUDITOR

Qualified Opinion

In our opinion, because of the significance of the matter discussed in the Basis of Qualified section of our report, the accompanying financial statements do not present fairly the financial position of Jubbaland State of Somalia as at December 31, 2017, and of its financial performance for the year then ended in accordance with the Public Financial Management (PFM) Act 2017 and the International Public-Sector Accounting Standards (IPSAS) - Financial Reporting Under the Cash Basis of Accounting.

We have audited the financial statements of the Jubbaland State of Somalia which comprise the Consolidated Funds Statement on Receipts and Payments, the Consolidated Fund Statement of Comparison of Budget and Actual amounts for the period ended 31 December 2017 and Notes to the Financial Statements including a summary of significant accounting policies.

Basis for Qualified Opinion

Our audit identified payments totalling US\$ 9,371,702 representing 55% of total payments reported in the Consolidated Fund Statement of Receipts and Payments which lacked adequate evidence of occurrence and classification of transactions and are therefore material in the context of this audit.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Fund Statement of Receipt and Payments* section of our report.

We are independent of the Jubbaland State of Somalia in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Consolidated Fund Statement of Receipt and Payments in Somalia, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

Management is responsible for the other information. Other information comprises the information included in the Annual Report but does not include the Consolidated Fund Statement of Receipt and Payments and our auditor's report thereon.

Our opinion on the Consolidated Fund Statement of Receipt and Payments does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Fund Statement of Receipt and Payments, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Fund Statement of Receipt and Payments or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information: we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our opinion our professional judgement, were of most significance in our audit of the Financial Statements of the period. These matters were addressed in the context of our Audit of Financial Statements as a whole and in forming our opinion thereon,

Baker Tilly Merali's CPA

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and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we've determined the matters described below to be the key audit matters to be communicated in our report.

Collection and recording of revenue

The procedures applied by the Jubbaland State Administration of Somalia increase the risk of revenue leakages and misstatement of the financial statements caused by:

- Lack of automated revenue collection system.
- Utilization of tax revenue collected before submission to revenue collection officers.
- Lack of separation of functions because same officer who receives the revenues from the tax collection agents, banks the revenue collected and records these amounts in the Financial Management Information System.
- Lack of reconciliation of revenue collected to amounts banked and the accounting system.

In addition, we unsuccessfully sought an independent confirmation from the Federal Government of Somalia (FGS) disclosed under Note 4 of the Consolidated and Ministerial Financial Statements. The Federal Government of Somalia (FGS) confirmation was determined to be a key audit matter and a significant risk of material misstatement due to the risk related to the recognition of revenue completeness and disclosure. The revenue from the Federal Government of Somalia comprises a proportion of 10% of total receipts for the year.

In order to address these risks, we performed the following audit procedures:

- Conducted interviews with the relevant management responsible for recording revenue to understand the procedures applied for revenue collection.
- We performed substantive test to verify that the procedures are operational.
- We sought external confirmations for revenue from the Federal Government of Somalia (FGS) and donors and compared the confirmations received with the financial statements.
- We traced receipts recorded on the ledgers to the bank statements and receipt books to verify accuracy of receipt recorded on the financial statements.
- We reviewed the bank statements for indicators of undisclosed receipts in order to verify completeness of receipts.
- We tested on a sample basis receipts declared on the financial statements against supporting documentation and performed substantive tests, analytical review procedures and cut off tests.
- We made inquiries from management on the variances identified for receipts and reported in the management letter where explanations were inadequate.

Responsibilities of the Management and those charged with governance for the Consolidated Fund Statement of Receipt and Payments

The Management is responsible for the preparation and fair presentation of these Consolidated Fund Statement of Receipt and Payments in accordance with the Public Financial Management Act 2017 and the International Public-Sector Accounting Standard (IPSAS) - Financial Reporting under the Cash Basis of Accounting and for such internal control as the Management Committee is necessary to enable the preparation of Consolidated Fund Statement of Receipt and Payments that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Fund Statement of Receipt and Payments, the Management is responsible for assessing the JSS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management intends to liquidate the organization, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.



Auditor's responsibilities for the Audit of the Consolidated Fund Statement of Receipt and Payments.

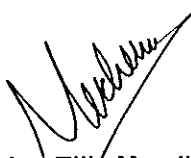
Our objectives are to obtain reasonable assurance about whether the Consolidated Fund Statement of Receipt and Payments as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Fund Statement of Receipt and Payments.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Fund Statement of Receipt and Payments, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the Managements' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Fund Statement of Receipt and Payments or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Fund Statement of Receipt and Payments, including the disclosures, and whether the Consolidated Fund Statement of Receipt and Payments represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA John Mucheru P/No 1854.


Baker Tilly Merali's
Certified Public Accountants
P.O. Box 67486 – 00200, Nairobi

Date: 24 Jan.....2019

iii) CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF JUBBALAND STATE OF SOMALIA



CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF THE JUBBALAND STATE OF SOMALIA

For the Year Ended 31 December 2017

*Prepared in accordance with the International
Public Sector Accounting Standard (IPSAS) -
Financial Reporting Under the Cash Basis of
Accounting*

Prepared by the Ministry of Finance
Jubbaland State of Somalia

Statement of Certification - 2017 Financial Statements

The 2017 financial statements, together with the accompanying notes, have been prepared in accordance with the International Public Sector Accounting Standard, Financial Reporting under the Cash Basis of Accounting.

In the opinion of the Ministry of Finance, the financial statements of the Jubbaland State of Somalia (JSS) as submitted for Audit in accordance with Section 32 of the Public Finance Management Act 2017 are materially accurate and provide a true and fair view of the JSS's financial position for the year ended 31 December 2017.

For and on behalf of the Jubbaland State of Somalis



11/08/2018

Date:

Jubbaland State of Somalia
Consolidated Fund Statement of Cash Receipts and Payments
Treasury Single Accounts
For the year Ended December 31,2017

	Notes	2017		2016	
		Controlled by TSA	Payments by Third Party	Controlled by TSA	Payments by Third Party
		USD	USD	USD	USD
Receipts / Inflows					
Taxes					
Taxes on income, profits, and capital gains		110,404			
Taxes on payroll and workforce		180,590			
Taxes on goods and services	2	2,979,959		1,591,947	
Taxes on international trade and transactions	3	8,927,373		2,930,094	
Other taxes	4	312,987		217,425	
Taxes		12,511,313		4,739,466	
Grants					
From foreign governments		161,210			
From international organizations	5	2,038,762		878,319	578,912
From other general government units	6	1,553,940		871,700	
Grants		3,753,912		1,750,019	578,912
Other Revenue					
Property income	7	35,000		158,964	
Sale of goods and services	8	744,226		75,607	
Fines, penalties and forfeits		32,954		13,592	
Other Revenue		812,180		248,163	
Receipts / Inflows		17,077,405		6,737,648	578,912
Payments / Outflows					
Compensation of Employees	9	12,137,723		4,963,512	178,200
Use of Goods and Services					
Travel & Conferences	10	504,695		291,917	
Operating Expenses	11	1,717,881		347,087	
Rent	12	5,600		4,500	
Other Operating Expenses	13	373,612		99,435	357,212
Conflict Resolution Expenses	14	540,155		349,565	
Contingency		183,134			
Use of Goods and Services		3,325,076		1,092,504	357,212
Grants					
Grants To Other General Government Units	15	58,940		4,400	
Grants		58,940		4,400	
Social Benefits					
Employment-related social benefits		332,571		160,976	
Social Benefits	16	332,571		160,976	
Other Expenses					
Transfers not elsewhere classified	17	225,607		388,029	
Other Expenses		225,607		388,029	
Nonfinancial assets	18				
Fixed Assets		969,397		96,273	43,500
Nonproduced assets					
Nonfinancial assets		969,397		96,273	43,500
Payments / Outflows		17,049,315		6,705,693	578,912
Increase/Decrease in Cash		28,090		31,955	
Cash at Beginning of Year		36,878		4,923	
Cash at End of Year	1.4	64,968		36,878	

Jubaland State of Somalia
Consolidated Fund Statement of Comparison of Budget and Actual Amounts
For the Year Ended 31 December 2017

Appropriation Budget Approved on Cash Basis
Classification of Payments By Economic Class

		2017				2016	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Payments by Third Party
		Appropriation	Appropriation				
Notes		A	B	C	C-B		
		USD	USD	USD	USD	USD	USD
19	Receipts / Inflows						
	Taxes						
	Taxes on income, profits, and capital gains		43,559	110,404	66,845		
	Taxes on payroll and workforce	227,225	80,673	180,590	99,917		
	Taxes on goods and services	4,019,260	4,425,996	2,979,959	(1,446,036)	1,591,947	
	Taxes on international trade and transactions	3,001,482	9,053,782	8,927,373	(126,409)	2,930,094	
	(Other taxes	300,000	320,815	312,987	(7,827)	217,425	
	Taxes	7,547,967	13,924,824	12,511,313	(1,413,511)	4,739,466	
20	Grants						
	From foreign governments	300,000	423,630	161,210	(262,420)		
	From international organizations	2,430,486	4,274,027	2,038,762	(2,372,613)	878,319	578,912
	From other general government units	500,000	1,015,106	1,553,940	538,834	871,700	
20	Grants	3,230,486	5,712,763	3,753,912	(2,096,199)	1,750,019	578,912
21	Other Revenue						
	Property income	240,000	105,000	35,000	(70,000)	158,964	
	Sale of goods and services	228,000	708,390	744,226	35,836	75,607	
	Fines, penalties and forfeits	120,000	49,512	32,954	(16,558)	13,592	
	Other Revenue	588,000	862,902	812,180	(50,722)	248,163	
	Receipts / Inflows	11,366,453	20,500,489	17,077,405	(3,560,432)	6,737,648	578,912

Jubbaland State of Somalia
Consolidated Fund Statement of Comparison of Budget and Actual Amounts
For the Year Ended 31 December 2017

Appropriation Budget Approved on Cash Basis
Classification of Payments By Economic Class

	Notes	2017					2016	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD	USD	USD	USD
Compensation of Employees	22	8,023,301	14,380,609	12,137,723	(2,242,886)	4,963,512	4,963,512	178,200
Wages and Salaries		8,023,301	14,380,609	12,137,723	(2,242,886)			178,200
Compensation of Employees	23	435,441	575,602	504,695	(70,907)	291,917		
Use of Goods and Services		1,037,771	2,088,456	1,717,881	(370,575)	347,087		
Travel & Conferences		11,800	13,700	5,600	(8,100)	4,500		
Operating Expenses		51,106	504,786	373,612	(131,174)	99,435		357,212
Rent		511,232	540,617	540,155	(462)	349,565		
Other Operating Expenses		650,000	400,000		(400,000)			
Conflict Resolution Expenses		34,350	188,751	183,134	(5,617)			
RCRF Non-Salary Recurrent Cost		2,731,700	4,311,912	3,325,076	(986,835)	1,092,504		357,212
Contingency								
Use of Goods and Services	24	26,800	58,940	58,940		4,400		
Grants		26,800	58,940	58,940		4,400		
Grants To Other General Government Units								
Grants	25	241,590	369,190	332,571	(36,619)	160,976		
Social Benefits		241,590	369,190	332,571	(36,619)	160,976		
Social Assistance Benefits			18,000		(18,000)			
Employment-related social benefits								
Social Benefits		258,038	248,518	225,607	(22,911)	388,029		
Other Expenses	26	258,038	248,518	225,607	(22,911)	388,029		
Transfers not elsewhere classified								
Other Expenses	27	241,624	1,113,320	969,397	(143,923)	96,273		43,500
Nonfinancial assets		241,624	1,113,320	969,397	(143,923)	96,273		43,500
Fixed Assets								
Non-financial assets		11,523,053	20,500,489	17,049,315	(3,451,174)	6,705,693		578,912
Payments / Outflows								

Jubbaland State of Somalia
Statement of Government Operations
For the Year Ended 31 December 2017

	2017	2016
Transactions Affecting Net Worth		
Revenue	17,077,405	7,316,560
Taxes	12,511,313	4,739,466
Taxes on income, profits, and capital gains	110,404	-
Taxes on payroll and workforce	180,590	-
Taxes on goods and services	2,979,959	1,591,947
Taxes on international trade and transactions	8,927,373	2,930,094
Other taxes	312,987	217,425
Grants	3,753,912	2,328,931
From foreign governments	161,210	-
From international organizations	2,038,762	1,457,231
From other general government units	1,553,940	871,700
Other Revenue	812,180	248,163
Property income	35,000	158,964
Sale of goods and services	744,226	75,607
Fines, penalties and forfeits	32,954	13,592
Expense	16,079,918	7,144,832
Compensation of Employees	12,137,723	5,141,712
Wages and Salaries	12,137,723	5,141,712
Use of Goods and Services	3,325,076	1,449,716
Travel & Conferences	504,695	291,917
Operating Expenses	1,717,881	347,087
Rent	5,600	4,500
Other Operating Expenses	373,612	456,647
Conflict Resolution Expenses	540,155	349,565
Contingency	183,134	-
Grants	58,940	4,400
Grants To Other General Government Units	58,940	4,400
Social Benefits	332,571	160,976
Employment-related social benefits	332,571	160,976
Other Expenses	225,607	388,029
Transfers not elsewhere classified	225,607	388,029
Gross Operating Balance	997,487	171,727
 Transactions In Non Financial Assets		
Net worth and its changes	969,397	139,773
Nonfinancial assets	969,397	139,773
Fixed Assets	969,397	139,773
Nonproduced assets	-	-
Transactions in Financial Assets & Liabilities		
Change In Net Worth. Transactions (Assets)	28,090	31,955
Financial assets	28,090	31,955
Domestic	28,090	31,955
Liabilities	-	-
Liabilities	-	-
Overall Statistical Discrepancy	-	-

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation

The Jubbaland State of Somalia's (JSS) consolidated financial statements have been prepared in accordance with the *Public Financial Management Act 2017* and the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting*. The notes to the financial statements form an integral part to understanding the statements and must be read in conjunction with the statements.

The accounting policies have been applied consistently throughout the period.

The Financial statements are for the Jubbaland State of Somalia. The financial statements encompass the reporting entities as specified in the *JSS Appropriation Act No. 3 2017* and are comprised of:

1. Ministry of Agriculture
2. Ministry of Education and Tertiary
3. Ministry of Water, Mines and Energy
4. Ministry of Finance
5. Ministry of Health
6. Ministry of Information and Telecommunication
7. Ministry of Security
8. Ministry of Justice and Religion Affairs
9. Ministry of Planning and International Cooperation
10. Ministry of Trade and Industry
11. Ministry of Women Affairs
12. State Ministry for Presidency
13. Kismayo Airport Authority
14. Kismayo Ports Authority
15. Auditor General's Office
16. The Civil Service Commission
17. The Jubbaland Parliament
18. Ministry of Interior
19. Ministry of Livestock
20. Ministry of Fisheries and Marine
21. Ministry of Youth & Sports
22. Ministry of Transport
23. Ministry of Environment and Tourism
24. Ministry of Public Works & Housing

Ministries were created by a preceding ***Presidential Decree XM/J/772014*** entitled *A Decree Establishing Ministries of Jubbaland State of Somalia and Defining Roles and Functions of Ministries* dated 25 December 2014. As a result of Ministerial restructuring, seven (7) new Ministries were created by a ***Presidential Decree XM/DGS/032/2016*** on May 18 2016. The Ministry of Finance and Revenue

Collection Authority Establishment Act 2017¹ of the Jubbaland State of Somalia was created for the purposes of establishing the Ministry of Finance and Revenue Collection Authority to ensure that the Jubbaland State of Somalia has a Ministry of Finance that is responsible for the overall financial management of the Jubbaland State of Somalia and to also ensure that within the Ministry of Finance there is a Revenue Collection Authority that is fully staffed, organized, administered and empowered to collect & Deposits into the TSA all legally established taxes and other revenues of the Jubbaland State of Somalia *and Other Related Matters* dated April 30, 2014 and now is changed into an Act of Parliament. The Auditor General's Office was created via the Audit Act 2016; however, the Office was not established during the 2017 financial year. The Kismayo Airport and Port Authorities are legalized separately.

A subsequent decree on establishing the Civil Service Commission (CSC) and its purpose entitled *A Decree for establishing the Civil Service Commission of the Jubbaland State of Somalia dated 15 January, 2015* established the office of the Civil Service Commission. Companion Decrees also established the Civil Service and the Civil Service Salary structure. The inauguration of the JSS constitution automatically established the Jubbaland Parliament. The respective statements of all the listed entities form part of the consolidated Financial statements as these entities were included as part of the *JSS Appropriation Act No. 3, 2017*

The consolidated financial statements include all entities controlled during the year. None of the entities own another entity however the Kismayo Municipality which is the local government of the Kismayo city, is controlled by the Ministry of Interior

1.2 External Assistance

1.2.1 Payments by Third Parties

The JSS also benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the period. The payments made by the third parties do not constitute cash receipts or payments by the JSS but these payments do benefit the government. They are not disclosed in the *Payments by third parties* column in the Consolidated Statement of Cash Receipts and Payments nor the individual ministry Combined Statement of Cash Receipts and Payments & Comparison to Budget for the 2017 FY, Please refer to Note 5, 9 and 13 for further discussion on External Assistance and its relationship to payments by Third Parties.

1.2.2 External Assistance

External assistance was received in the form of grants from multilateral and bilateral donor agencies under agreements specifying the purpose for which the assistance will be utilized. The following amounts were received in FY2017

¹The PFM Act was passed on the 17th December 2017, repealing the Decree

	2017 USD	2016 USD
Multilateral Agencies	950	590,494
Bilateral Agencies	3,752,962	1,159,525
Total External Assistance	3,753,912	1,750,019

1.3 Treasury Single Account & Project Accounts

In 2017, eleven accounts were opened under a written authorization of the Minister of Finance, in accordance with Section 27, paragraph 2 of the PFM Act 2017. The accounts relate to separate UNDP projects granted to the Jubbaland Parliament, the Ministry of Justice and Religious affairs, GIZ, FAO and UNHCR projects granted to the JSS Ministries. The introduction of these eleven project accounts combined with the existing UNDP and RCRF project accounts aggregates the total sub-accounts under the treasury single account to fourteen. Notably, all the sub-accounts relate to donor projects and were opened to comply with the donor requirements. As of the end of FY2017, balances at both the TSA and project accounts were as follows:

	2017 USD	2016 USD
JSS Treasury Single Account	30,313	8,192
Project Account-RCFR11	1,116	25,046
Parliamentary Support Project-Jubbaland Account	4,770	40
Ministry of Justice & Religion Affairs - Supp Acc	-	3,600
Ministry of Information, Telecommunication and Tech	-	-
Ministry of Fisheries & Marine Re- Support Account	1,608	-
Ministry of Women Affairs - Support Account	1,860	-
Ministry of Planning and Int Cooperation -Supp Acc	15,772	-
Ministry of Environment & Tourism-Proscal Account	399	-
Jria & Idps Affairs - GIZ Account	1	-
Jria & Idps Affairs Emergency Fund- GIZ Account	1	-
Jria Support - UNHCR Account	1	-
Ministry Of Agriculture - Supp Account	4	-
Governor's Office Lower Jubba Account	9,114	-
Ministry Of LiveStock - Support Account	10	-
	64,968	36,878

1.4 Cash & Cash Equivalents

Cash and Cash Equivalents means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognized at its nominal amount. No Interest is credited to revenue as it is received.

Cash included in the statement of cash receipts and payment comprises the following amounts:

	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>
Cash on Hand and balances with banks	64,968	36,878

Included in the \$64,968 is \$30,313 held in the TSA, with the balance of cash on hand of \$34,655 held in the TSA sub-accounts

1.5 Reporting Currency

The reporting currency is the United States Dollar (USD)

1.6 Borrowings

In 2013 JSS received interest free loans totalling \$1,262,769 from local businesses. The funds were utilized in establishing the JSS administration. Due to the budget constraints it has been agreed that JSS repay the obligations in instalments depending on the availability of funds. The table below provides a movement schedule of the obligation. (See Note 18)

Total Received	1,262,769
Repayments	
FY2014	(70,000)
FY2015	(483,108)
FY2016	(353,141)
FY2017	<u>(152,521)</u>
Total Repayments	<u>(1,058,770)</u>
Remaining Balance	<u>203,999</u>

JSS did not receive any loan during FY2017 and has zero owing in respect of banks, and other commercial institutions.

1.7 Undrawn External Assistance

During the 2015 financial year, a new project called the Recurrent Cost and Reform Financing (RCRF II) was introduced. This project will run for a period of five years (up to 20 June 2020) and is reviewable on an annual basis. The RCRF II project is a multi-partner fund administered by the International Development Association (IDA). The objective of the project is to support the recipient to provide a credible and sustainable payroll, and to establish the foundation for efficient budget

execution and payment systems for the non-security sectors in the Federal Government, eligible Federal Member states and Interim and Emerging Administration.

As specified in a binding agreement *Number TFO.40534 Dated 29 June 2015* between the Federal Government of Somalia (FGS), acting on behalf of all other existing & emerging states, and the International Development Association (IDA), the Jubbaland State of Somalia by virtue of a sub-agreement with FGS has a running project with IDA which will last to 20 June 2020.

Undrawn External assistance in respect to the RCRF II project is contingent upon JSS meeting the threshold conditional requirements of the project. However, the grant identifies the budgeted breakdown for JSS over the five-year term as follows. The grant amount is subject to annual review and approval by the IDA

	<u>Year</u>						
	2015	2016	2017	2018	2019	2020	Total
Budgeted Amount (USD)	1,780,000	2,980,000	2,580,000	2,880,000	3,430,000	580,000	14,230,000

As at the 31 December 2017, JSS had accessed a total of \$1,896,377 (\$1,166,552 in 2016) of the RCRF II project funds since becoming eligible. The project is anticipated to continue to completion.

As at the 31 December 2017, there were undrawn balances of project funding for projects currently under development. It is expected that conditions will continue to be satisfied and the projects are anticipated to continue under the terms of agreement between the donor and JSS

There have been no instances of non-compliance with terms and conditions which have resulted in cancelation of external assistance grants.

1.8 Reporting Amounts

The reporting amounts are in USD, rounded to the nearest dollar

1.9 Original and Final Approved Budget and Comparison of Actual and Budget Amount

The approved budget is developed on the same accounting basis (Cash basis), same classification basis and for the same period (From 1st January 2017 to 31st December 2017) as for the financial statements. It encompasses the same entities as the consolidated financial statement (These are identified in Note 1.1)

The original budget was approved by the Jubbaland Parliament on December 2016. Subsequently, supplemental budgets were approved by the Jubbaland Parliament on May 2017 and November 2017

1.10 Authorization Date

The financial statements were authorized to issue on 15 February 2018 by Mr Abdirashid JireKhalinlee, Minister of Finance.

Note 2 Taxes on Goods and Services

These are combined taxes charged for the use of services offered by JSS. The following outlines the breakdown, and the sources of the taxes on goods and services collected within the jurisdiction of JSS.

Description	2017	Ministry of Agriculture	Ministry of Finance	Ministry of Planning and International Cooperation	Ministry of Trade and Industry	Kismayo Airport Authority	Kismayo Ports Authority	Ministry of Fisheries & Marine	Ministry of Transport	Ministry of Public Work and Housing	2016
Business & Professional Licenses	49,840		2,410		46,290				770	370	
Fishing Fees	3,000							3,000			
Foreign Companies Registration	3,500									3,500	
International departure fees	238,433					233,043	5,390				73,675
international NGOs registration	23,000		2,000	20,000			1,000				2,000
Landing Fees	265,314		2,000			256,714	6,600				117,928
Local Companies Registration	24,900		4,000	1,000						19,900	1,000
Agricultural Fees	18,240	18,040	200								2,910
Parking Fees	6,264					6,024	240				
Port docking Fees	233,000					30,000	203,000				160,520
Property Tax	7,024		7,024								
Radio & Television Licenses	17,250		2,500	14,750							500
Road User Tax	1,184,678		1,180,732				3,946				732,183
Turnover Tax	905,156		903,311			885	960				500,581
Vehicle & Drivers Licences	360								360		
Other taxes on use of goods and on permission to use											650
Grand Total	2,979,959	18,040	2,104,177	33,750	46,290	526,666	221,136	3,000	1,130	23,770	1,591,297

The applicable rates on services vary and mostly depend on the business sector and service type.

Note 3 Taxes on International Trade and Transactions

Taxes on International Trade incorporate all taxes that are imposed on goods and services exported from, and imported into Jubbaland State of Somalia. During this financial year, Custom duties levied on imports are the only tax collected under this class. The Kismayo Ports Authority and Kismayo Airports Authority are the main source of taxes on international trade. Following is a detailed breakdown of customs duties raised and their respective source of entry.

	2017			2016
		Kismayo Ports Authority	Kismayo Airport Authority	
	Total USD	USD	USD	Total USD
Customs Duty - Imported Goods	8,927,373	8,887,113	40,260	2,930,094
	8,927,373	8,887,113	40,260	2,930,094

Note 4 Other taxes

Other taxes encompass revenue collections from the local governments. During the year the Ministry of Finance collected revenue on behalf of the Kismayo Municipality totalling \$312,987 (\$217,425 in 2016). Kismayo Municipality is the only local government entity established in the region that raises revenue from sources such as taxing mobile shops and local public transports. Through an agreement drafted between the MoF and Kismayo Local Government, all collections by the Kismayo Municipality must be deposited with the TSA and subsequent payments made following the set standard procedures laid down by the MoF.

Note 5 Grants from International Organizations

Treasury Single Account

In the 2017 financial year, grants were received from international organizations of \$2,038,762 was received (\$878,319 in 2016). The amount received from international organisations is detailed in the breakdown below.

Donor	2017 USA	2016 USD
Giz	234,235	
FAO	68,346	29,570
UN High Commission for Refugees (UNHCR)	204,936	
UN Development Program (UNDP)	45,830	8,600
UNICEF	53,405	
RCRFH	1,166,552	
Somlai Womens Studies Centre (SWSC)	2,550	
UN Assistance Missions in Somalia (UNSOM)	10,000	
International Organisation for Migration (IOM)	243,450	236,952
Adam Smith International	7,128	
World Vision	1,380	
Somali Stability Fund	950	12,703
Somali Multi Partner Fund (SMPF)	-	590,494
	2,038,762	878,319

3rd Party Grants from International Organization

3rd Party Grants refers to grants paid directly by donors to vendors on behalf of JSS for the benefit of specific Ministries. JSS benefitted from 3rd party projects implemented by Somali Sustainability Fund (SSF), PREMISand JSS Police stipend-UNOPS AND DFID; worth \$3,995,602. The 3rd party payments contained both recurrent costs and capital expenses (Refer to Note 9 & 13). Below is a summary breakdown of grants received and the entities that benefitted.

Entity	2017 USD	2016 USD
Ministry of Agriculture	37,524	
Ministry of Finance	1,905,760	305,097
Jubbaland Parliament	6,760	
Ministry of Health	288,755	
Ministry of Information, Telecommunication and Technology	34,174	
Ministry of Interior	374,037	178,200
Ministry of Justice and Religion Affairs	34,750	
Ministry of Fisheries & Marine	23,770	
Ministry of Livestock	9,980	
Ministry of Planning and International Cooperation	35,852	
Ministry of Security	1,000,000	
Ministry of Women Affairs	2,550	
State Ministry for Presidency		90,172
Civil Service Commission		5,443
	3,753,912	578,912

Note 6 Grants from Other Government Units

In 2017 the Federal Government of Somalia granted a total of \$1,710,790, (\$871,700 in FY2016) to the Jubbaland State. The funding, which was received throughout year included \$1million received in November 2017 which was solely earmarked for the salaries and logistics of Jubbaland Security Forces. (Refer also to Note 20)

Expense	2017	
	Budget	Actual Expenditure
Security Forces (Police, Intel Forces and Prison)	550,000	550,000
Regular Food Provision	250,000	250,000
Maintenance of equipment	150,000	150,000
Medical Treatment	50,000	50,000
	1,000,000	1,000,000

Note 7 Property Income

Property income relates to rental income collected from a hotel located at the Kismayo International Airport and other rental shops at the Airport terminal wing. A total of S35,000 was collected in 2017 compared to S158,964 for 2016. The decrease in income is as a result of some shops being closed due to renovation.

Note 8 Sale of Goods and Services

Sale of goods and services consist of income generated from JSS providing necessary legal documents to its citizens. In 2017 financial year, the Ministries and Agencies collected a total of \$744,226 (75,607 in 2016) as sale of goods and service. The following demonstrates a detailed breakdown of the revenue items.

	2017 USD	2016 USD
Number Plate Registration	433,598	55,307
Logbook Registration	192,428	20,300
Visa Fees	118,200	
	<u>744,226</u>	<u>75,607</u>

Note 9 Wages and Salaries

Treasury Single Account

Wages and salaries are a combination of all salaries, allowances and in-kind payments to staff. The staff include both the civil servants and political positions. A comprehensive summary breakdown of wages and salaries is provided below:

	2017 USD	2016 USD
Permanent employees/Regular staff	1,608,657	748,909
Contract employees	405,200	222,175
Wage workers	79,066	50,269
Security Forces (Police, Intel Forces and Prison)	5,357,917	1,901,500
Remuneration to Ministers and Statutory Appointments	481,449	221,850
Remuneration to Politicians	718,250	425,250
Casual employed to undertake registration of people	3,000	
Microphones bought for public address system(Proj)	500	
Allowance mobile court team	6,900	
Accommodation Allowance	1,173,532	540,911
Professional allowance	2,260	670
Transportation allowance	6,600	
Regular Food Provision	1,395,152	450,798
Daily meals	849,240	401,180
Food Ration	50,000	
	12,137,723	4,963,512

Remuneration to Politicians relates to salaries paid to parliamentarians. Remuneration to Ministers and statutory appointments encompasses salaries made to Ministers and commissioners heading statutory bodies such as the Civil service commission

Accommodation allowance relates to allowances such as house allowances and hotel accommodations paid to Ministers, parliamentarians, commissioners and the civil servants of JSS. Regular food provision are in-kind payments to the Military forces of Jubbaland that is made in form of food and other related food supplies, whereas the daily meals relate to meals prepared for the staff at the State Ministry and the different sectors of Security forces whose duties are securing the government Institutions

3RD Party Payments

During the year, Department for International Development/United Nations Office for Projects Services supported a project that was co-funded with JSS and disbursed a total of \$396,290 on behalf of JSS as a stipend to the police. The project is anticipated to continue with a projected increase in the number of police personnel by up to 50 percent by 31 December 2019.

Note 10 Travel and Conferences

Travel and conferences amounting to \$504,695 comprise of travel costs, Conferences costs within and outside the country. The following provides a breakdown of the total costs

	2017 USD	2016 USD
Internal Travel	173,023	97,019
External Travel	315,322	194,898
Local Conferences	16,350	
	<u>504,695</u>	<u>291,917</u>

Note 11 Operating Expenses

Operating Costs are combination of costs that are geared towards facilitating the running of the Ministry offices. Following is a detailed breakdown of the operating costs incurred by JSS during the year

	2017 USD	2016 USD
Water	76,825	14,000
Electricity	156,557	36,301
Generator Fuel	10,000	3,280
Telephone fees	3,095	
Mobile Phone Expenses	1,000	12,839
Internet	173,714	19,930
Gasoline	243,757	960
Diesel	74,382	21,977
Oil (machines)	450	
Stationary	118,349	39,601
Meeting Supplies	38,054	3,100
Office Refreshments	74,914	11,022
Publications	60,461	16,757
Cleaning Supplies	14,959	1,460
Computer Consumables	59,595	550
Maintenance of equipment	156,498	6,544
Maintenance of furniture & fittings	1,560	
Maintenance of Vehicles	31,575	5,241
Maintenance of buildings and repairs	228,244	128,062
Spare parts and supplies	17,209	7,429
Vehicle Hire/ car rental	173,044	14,395
Vessel Hire/ rental	3,640	3,640
	<u>1,717,881</u>	<u>347,087</u>

Note 12 Rent

Office rental expenses amounting to S5,600 was incurred in 2017 (S4,500, 2016). The expense relates to the Ministry of Interior for the *Jubbaland Refugee and Internally Displaced Person's Agency* (IRIA) which was later re-allocated to government premises from the second quarter of the year.

	2017 USD	2016 USD
Office Rent	4,800	4,500
Other Rent	800	
	<u>5,600</u>	<u>4,500</u>

Note 13 Other Operating Expenses

Treasury Single Account

Consultation fees, Staff training and development, fees for services provided and television and newspaper costs are the key component of other operating expenses. Consultancy fees are comprised of consultancy services enlisted for managing the RCRF project. Similarly, staff training costs relates to specialized technical trainings provided by an FAO implemented project.

Fees for services provided are payments made to SEMLEX, a company contracted by JSS for providing logbook and number plate registration services, while television costs are for television and radio advertisements costs procured by JSS. Following is the breakdown of other operating costs.

	2017 USD	2016 USD
Consultation Fees	100,180	67,040
Staff Training and Development	8,726	4,780
Fee for service provided (Non-consultancy service)	219,979	18,896
Garbage collection fee	8,100	
Television and Newspaper Advertisements	31,072	8,719
Newspapers and Magazines Subscriptions	3,000	
Marketing and Promotion	1,800	
promotional materials bought for GIZ project	755	
	<u>373,612</u>	<u>99,435</u>

3RD Party Payments

Third party payments totalling S3,599,312 was paid by PREMIS and SSF on behalf of JSS. These costs consist of S885,879 for technical assistance, training and ICT support paid by PREMIS plus construction related costs and drought assistance of S2,713,433 provided by SSF.

PREMIS project, funded by the UK Department for International Development (DFID) and European Union (EU) transition support from the Somalia Stability Fund (SSF), to allow continuing support to the FMS in PFM and PA systems. The nature of the support in 2017 is summarized below:

	Ministry of Finance		Civil Service Commission		Parliament		Total
	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital	
Technical Assistance	180,627		45,157				225,784
Training	422,028		105,507		15,500		543,035
ICT Support	101,500	15,560					117,060
	704,155	15,560	150,664	-	15,500	-	885,879

During 2017, SSF provided specific 3rd party support with respect to the construction of buildings for various ministries and directly helped alleviate the impact of drought. For the Ministry of Interior, SSF completed the construction of the District Commissioner's Office, the Community Social Hall and the Bardheere stadium. With respect to drought assistance support, SSF worked with ADESO to provide 500 unconditional cash transfers in Luuq, Bardheere and Dollow and constructed three shallow wells in Luuq and one borehole in Bardheere. For the Ministry of Sports and Youth and the Ministries of Livestock, Agriculture and Fisheries, SSF constructed a Ministry office complex & youth centre in Kismayo.

	Ministry of Interior		Ministry of Youth & Sports		Ministries of Livestock, Agriculture & Fisheries		Total
	Recurrent	Capital	Recurrent	Capital	Recurrent	Capital	
Buildings - construction Costs		1,083,704		310,326		724,095	2,118,125
Drought Assistance	595,308						595,308
	595,308	1,083,704	-	310,326	-	724,095	2,713,433

Note 14 Conflict Resolution Expenses

In FY2017, a sum of \$540,155 (\$349,565 in FY2016) was spent on conflict resolution. Conflict resolution expenses refer to costs that were incurred in solving conflicts and underpinning peaceful resolutions in Jubbaland. The Conflict resolution expenses were predominantly incurred by the Ministry of State Presidency, Jubbaland Parliament and Ministry of Security in solving impromptu conflicts within the Jubbaland region.

Note 15 Grants to other General Government units

These are transfers made to lower level government of JSS. In the FY 2017 reporting period a sum of \$58,940 (\$4,400 in 2016) was transferred to the Kismayo Municipality in order to facilitate their operations as well as provide key service to Kismayo town. The offices of the local government operate their own standard procedures in managing this fund as stipulated in an agreement with the MoF.

Note 16 Social Benefits

Social benefits costs comprise of Medical treatment totalling S332,571 (\$160,976 in 2016) paid to treat staff of JSS both locally and outside the county. Medical treatment is usually provided to the security personnel who are injured during national Duties and Government politicians.

Note 17 Transfers not elsewhere classified

Transfers not elsewhere classified totalling to S225,607 is broken down as follows

	2017					2016
	Total USD	Ministry of Finance	Ministry of Justice and Religion	State Ministry for Presidency	Ministry of Interior	Total USD
JSS Obligation	152,521	29,854	23,916	58,967	39,784	353,141
Bank charges	73,086	73,086				34,888
	<u>225,607</u>	<u>102,940</u>	<u>23,916</u>	<u>58,967</u>	<u>39,784</u>	<u>388,029</u>

JSS obligations refer to previous debts and arrears owned to JSS since inception while the bank charges are charged by the Dahabshiil bank where the TSA is located. JSS Obligations were incurred by the following entities:

Budget Entity	2017 USD
Ministry of Interior	39,784
Ministry of Finance	98,507
Ministry of Justice and Religious Affairs	23,916
Total	<u>225,607</u>

Note 18 Non Financial Assets

Treasury Single Account

Total Non-Financial Asset of \$969,397 consist of costs that were incurred in purchasing Motor vehicles, Office equipment, Computers, Furniture and Fixtures and tools and specialized professional service, Tools and specialized professional service entails specialized tools provided by the UNDP to the Jubbaland parliament. These tools were technologically advanced equipment designed to facilitate the parliamentary sessions of the Jubbaland parliament.

A comprehensive breakdown of JSS Non-Financial asset costs is detailed as follows.

	2017 USD	2016 USD
Non-residential Buildings	67,812	4,500
Cars	654,007	4,500
Information, computer and telecomm (ICT) equipment	23,605	12,595
Machinery and Equipment not elsewhere classified	107,408	28,434
Furniture & fixtures	114,535	41,284
Tools & specialized professional services	2,030	4,960
	<u>969,397</u>	<u>96,273</u>

Note 19 Taxes

A total of \$13,924,824 tax collections were estimated to be raised in the 2017 financial year, however an actual collection of \$12,511,313 was achieved. The amount collected represents 74% of the total revenue for the 2017 financial year

Revenue collections from Turnover tax, road user tax and customs duties on imported goods accounted for 88% of the total revenue collected during the FY2017 (88% in 2016) The increase in collections has resulted from tighter revenue collection controls implemented during the year.

	2017 USD		2016 USD	
Tax Type	Final Budget Estimate	Actual Collections	Difference between final Estimate and Actual	Actual Collections
Personal Income Tax	43,559	110,404	66,845	
Payroll Tax - Government		8,106	8,106	
Payroll Tax - Non-Government	80,673	172,484	91,811	
Turnover Tax	685,379	905,156	219,778	500,581
Property Tax	1,157,632	7,024	(1,150,608)	
Vehicle & Drivers Licences	1,080	360	(720)	
Business & Professional Licenses	50,000	49,840	(160)	
Radio & Television Licenses	20,250	17,250	(3,000)	500
Licenses and permits for households	28,000		(28,000)	2,910
Other taxes on use of goods and on permission to	23,220	18,240	(4,980)	
Fishing Fees	9,000	3,000	(6,000)	
Port docking Fees	450,000	233,000	(217,000)	160,520
Landing Fees	188,739	263,314	76,575	117,928
International departure fees	185,526	238,433	52,907	73,675
Road User Tax	1,597,170	1,184,678	(412,492)	732,183
International NGOs registration	24,000	23,000	(1,000)	2,000
Foreign Companies Registration		3,500	3,500	
Local Companies Registration	6,000	24,900	18,900	1,000
Parking Fees		6,264	6,264	
Customs duties - Imported goods	9,053,782	8,927,373	(126,409)	2,930,094
Revenue Collections from local Government	320,815	312,987	(7,827)	217,425
	13,924,824	12,511,313	(1,413,511)	4,738,816

Note 20 Grants

Total grants of \$3,616,564 were received against a budgeted sum of \$5,712,763. Grants from Foreign government and International organizations were not received as per estimated in the budget. The following table presents a detailed breakdown of the grant variances.

	2017 USD		2016 USD	
Tax Type	Final Estimated Budget	Actual Collections	Difference between Final Estimate and	
Grants From foreign governments	423,630	=	(423,630)	
Grants From international organizations	4,274,027	1,905,774	(2,372,613)	878,319
Grants From Federal government units	1,015,106	1,710,790	538,834	871,700
Total	5,712,763	3,616,564	(2,096,199)	1,750,019

The difference is mainly due to an over optimistic revised estimate of RCRF II funding. RCRF II majorly funds civil servant salaries that have been recruited following a very rigorous and time consuming process, along with a much lesser amount related to non-salary recurrent costs (NSRC). JSS did not recruit at the pace that was originally planned, nor could JSS access NSRC due to a combination of unapproved eligibility criteria by the donor and the fact that in order to access

NSRC funding, JSS must pre-fund the expenditures from their own source revenues. Own source revenues in 2017 were tight and therefore any additional cash resources were prioritized for other expenditures

A total grant of \$1,710,790 was received from the Federal Government of Somalia was received during the year

Note 21 Other Revenue

Other revenue collections consist of property rental income, sale of goods and services and other and taxes on fines, penalties and forfeits. \$812,180 of other revenue collections was generated against a target of \$862,902. The undercollection against the target was caused due to an over optimistic reforecast during the year from the original estimate of \$588,000. Collections for the year are:

Tax Type	2017 USD		2016 USD	
	Final Budget Estimate	Actual Collections	Difference between final Estimate and Actual	Actual Collections
Rental income from the Airport	105,000	35,000	(70,000)	158,964
Visa	122,550	118,200	(4,350)	
Number plate registration	431,940	433,598	1,658	55,307
Logbook registration	153,900	192,428	38,528	20,300
Court filing fees	49,512	29,954	(19,558)	13,592
Fines/Penalties		3,000	3,000	
Total	862,902	812,180	(50,722)	248,163

Note 22 Employee Compensation

A total of \$ 12,137,723 was spent on employee compensation against a final budget of \$14,380,609. The under spend of (RCRF; \$1,459,514 and IOM; \$72,851) was as a result of the delay in recruiting civil servants. The number of staff budgeted for recruitment during the period was not achieved mainly because of controlling the sustainability of the State as agreed with World Bank during a meeting at Mogadishu with the Micro fiscal team from World Bank and as well delay of teacher's payroll. The Non Salary Recurrent Costs (NSRC) funding has also not been spent due to the. The unspent funds from IOM is due to delay of salary for October, November and December that was transferred to the next fiscal year

Note 23 Use of Good and Services

The ability to expense in the Jubbaland State of Somalia is limited to the revenue collections over a specified period of time. In the case of goods and services, JSS spent a total of \$3,325,076 which represents 77 percent of the final estimated budget. The variance distributed across the entities is mainly attributed to constraints in the actual available income.

Note 24 Grants to Other Governments

Through an agreement between the MoF and the Kismayo Municipality dated 2014, the municipality shall deposit their revenue collections into the TSA and subsequently request their operational costs through the standard laid down procedures of the Ministry.

Release of funds to the Kismayo municipality is on an as-needed basis.

Note 25 Employment Related Social Benefits

Medical treatment both within and outside the country is the primary social benefit that is currently provided to the JSS staffs. The Jubbaland Security Force personnel are the major beneficiary of this benefit mainly due to the security risks they are exposed to. The actual expenditure was 86% of the total budget estimate. Nonetheless benefits of such medical treatment naturally depend on demand, availability of resources and the number of incidents during a year.

Note 26 Transfers not elsewhere Classified

Transfers not elsewhere classified consist of JSS obligation and bank charges. A total of S248,518 was budgeted with S225,607 spent during the reporting period. Following is a breakdown of the variances.

Expense Type	2017 USD		2016 USD	
	Final Estimated Budget	Actual Expenses	Difference between Final Budget and Actual	Actual Expenses
JSS Obligation	166,958	152,521	(14,437)	353,141
Bank charges	81,560	73,086	(8,474)	34,888
Total	248,518	225,607	(22,911)	34,888

Note 27 Non Financial Assets

During the year 87% of the non-financial assets budget was spent on assets budgeted for during the year since more entities were fully established enabling them to utilize their budget. The details are outlined in note 18 and relate to the purchase of motor vehicles, office equipment and refurbishment of non-residential buildings for the established Ministries.

3rd Party Non-Financial Assets

Third party non-financial assets are assets paid on behalf of JSS without transacting through the TSA. The donor pays the funds directly to the vendors. During the year a total of S2,133,685 of third party non-financial assets were acquired on behalf of JSS by the Somalia Stability Fund, DFID and PREMIS

	Ministry of Finance	Ministry of Interior	Ministry of Youth & Sports	Civil Service Commission	Ministries of Livestock, Agriculture & Fisheries	Total
Buildings - construction Costs		1,083,704	310,326		724,095	2,118,125
Technical Assistance				45,157		
Training						
ICT Support	15,560					15,560
	<u>15,560</u>	<u>1,083,704</u>	<u>310,326</u>	<u>45,157</u>	<u>724,095</u>	<u>2,133,685</u>

Note 28 Statement of Operations

The Statement of Operations report is in accordance with the Government Finance Statistics Manual 2014 (GFSM 2014). Government Finance Statistics (GFS) is an accounting framework developed by the International Monetary Fund (IMF) to provide guidelines for the compilation of fiscal accounts. The GFS framework is designed to provide statistics that enable policymakers and analysts to study developments in the financial operations and financial position of government. It is also used to analyse the operations of a specific level of government, transactions between levels of government, and the public sector

The Statement of Operations produces summary information on the overall performance and financial position of the general government. This Statement is divided into three sections that present: revenue and expense transactions; transactions in non-financial assets; and transactions in financial assets and liabilities. This Statement is a voluntary disclosure and not a reporting requirement under the International Public Sector Accounting Standards, Financial Reporting under the Cash Basis of Accounting standard, which is the standard adopted in preparing these financial statements.

JUBBALAND STATE OF SOMALIA
INDIVIDUAL BUDGET ENTITY

**STATEMENT OF CASH RECEIPTS & PAYMENTS &
COMPARISON TO BUDGET**

For the Period Ended 31 December 2017

*Prepared in accordance with the
International Public Sector Accounting Standard (IPSAS) - Financial Reporting Under the Cash Basis of Accounting*

Ministry of Agriculture
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017				2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and B-C	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	B-C USD	USD	USD
Receipts / Inflows	2						
Consolidated Fund Appropriations	3	199,029	343,708	162,685	(181,024)	60,949	
Taxes							
Taxes on payroll and workforce			23,220	18,040	(5,180)	2,910	
Taxes on goods and services			23,220	18,040	(5,180)	2,910	
Taxes	4						
Grants							
From international organizations		116,388	281,808	37,524	(244,284)	17,520	
Grants	5	116,388	281,808	37,524	(244,284)	17,520	
Receipts / Inflows		315,417	648,736	218,249	(430,488)	20,430	
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		170,588	262,438	123,164	(139,275)	27,380	
Compensation of Employees	7	170,588	262,438	123,164	(139,275)	27,380	
Use of Goods and Services							
Travel & Conferences		5,000	10,400	10,250	(150)	6,350	
Operating Expenses		13,441	53,870	21,283	(32,587)	11,804	
Other Operating Expenses			12,000	4,800	(7,200)	6,380	
Use of Goods and Services	8	18,441	76,270	36,333	(39,937)	24,534	
Nonfinancial assets							
Fixed Assets		10,000	5,000	3,188	(1,812)	9,036	
Nonfinancial assets	12	10,000	5,000	3,188	(1,812)	9,036	
Payments / Outflows		199,029	343,708	162,685	(181,024)	60,949	

Ministry of Education & Tertiary
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation on A	Final Estimate B	Controlled by TSA C	Difference Between Final Budget B-C	Payments by Third Party	Controlled by TSA	Payments by Third Party
		USD	USD	USD	USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriation:	3	529,573	664,724	231,057	(433,668)		119,598	
Grants								
From international organizations		381,324	581,324		(581,324)			
Grants	5	381,324	581,324		(581,324)			
Receipts / Inflows		910,897	1,246,048	231,057	(1,014,992)		119,598	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		162,744	519,924	201,169	(318,756)		90,338	
Compensation of Employees	7	162,744	519,924	201,169	(318,756)		90,338	
Use of Goods and Services								
Travel & Conferences		20,000	12,000	11,200	(800)		5,437	
Operating Expenses		28,227	21,510	12,688	(8,822)		7,487	
RCRF Non-Salary Recurrent Cost		300,000	100,000		(100,000)			
Use of Goods and Services	8	348,227	133,510	23,888	(109,622)		12,924	
Social Benefits								
Employment-related social benefits		10,000	6,690	4,000	(2,690)		5,000	
Social Benefits		10,000	6,690	4,000	(2,690)		5,000	
Other Expenses								
Transfers not elsewhere classified	11						2,235	
Other Expenses							2,235	
Nonfinancial assets								
Fixed Assets		8,602	4,600	2,000	(2,600)		9,101	
Nonfinancial assets	12	8,602	4,600	2,000	(2,600)		9,101	
Payments / Outflows		529,573	664,724	231,057	(433,668)		119,598	

Ministry of Water, Mines & Energy
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	B-C USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	157,495	93,485	38,474	(55,011)		6,000	
Taxes								
Taxes on goods and services							650	
Taxes	4						650	
Grants								
From international organizations		40,140	40,140		(40,140)			
Grants	5	40,140	40,140		(40,140)			
Receipts / Inflows		197,635	133,625	38,474	(95,151)		650	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		139,492	64,940	32,375	(32,566)		4,000	
Compensation of Employees	7	139,492	64,940	32,375	(32,566)		4,000	
Use of Goods and Services								
Travel & Conferences		8,000	6,400	2,500	(5,900)		2,000	
Operating Expenses		10,003	15,345	3,600	(11,746)			
Use of Goods and Services	8	18,003	21,745	6,100	(15,646)		2,000	
Nonfinancial assets								
Fixed Assets			6,800		(6,800)			
Nonfinancial assets	12		6,800		(6,800)			
Payments / Outflows		157,495	93,485	38,474	(55,011)		6,000	

Ministry of Finance

Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017				2016	
		Original Estimate Appropriation	Final Estimate Appropriation		Difference Between Final Budget and C-B	Payments Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	USD	USD	USD
Receipts / Inflows	2						
Consolidated Fund Appropriations	3	1,285,928	2,362,015	1,950,958	(411,057)	1,101,620	
Taxes							
Taxes on income, profits, and capital gains			43,559	110,124	66,565		
Taxes on payroll and workforce		227,225	80,673	179,590	98,917		
Taxes on goods and services		1,866,260	2,282,549	2,104,177	(178,372)	1,232,764	
Taxes on international trade and transactions				516,981	516,981		
Other taxes		300,000		312,405	312,405		
Taxes	4	2,393,485	2,406,780	3,223,277	816,497	1,232,764	
Grants							
From foreign governments		300,000	423,630	161,210	(262,420)		
From international organizations		589,208	720,206	1,190,610	470,404	603,197	305,097
From other general government units		500,000	1,015,106	545,902	(469,204)	871,700	
Grants	5	1,389,208	2,158,942	1,897,722	(261,220)	1,474,897	305,097
Other Revenue							
Sale of goods and services				67,060	67,060		
Fines, penalties and forfeits							
Other Revenue	6			67,060	67,060		
Receipts / Inflows		5,068,621	6,927,738	7,139,017	211,279	3,809,281	305,097

Ministry of Finance
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017				2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA	Payments by Third Party
Compensation of Employees							
Wages and Salaries		436,032	655,063	640,995	(14,068)	501,873	
Compensation of Employees	7	436,032	655,063	640,995	(14,068)	501,873	
Use of Goods and Services							
Travel & Conferences		41,210	114,680	88,606	(26,074)	76,296	
Operating Expenses		227,856	540,072	505,992	(34,080)	97,668	
Rent			800		(800)		
Other Operating Expenses		5,280	408,240	300,439	(107,801)	89,755	261,597
RCRF Non-Salary Recurrent Cost		350,000	200,000		(200,000)		
Contingency		29,350	105,615	100,000	(5,615)		
Use of Goods and Services	8	653,696	1,369,407	995,037	(374,370)	263,719	261,597
Grants							
Grants To Other General Government	9	26,800				4,400	
Grants		26,800				4,400	
Social Benefits							
Employment-related social benefits	10	18,400	38,100	37,271	(829)	13,317	
Social Benefits		18,400	38,100	37,271	(829)	13,317	
Other Expenses							
Transfers not elsewhere classified	11	76,000	105,323	102,940	(2,383)	290,355	
Other Expenses		76,000	105,323	102,940	(2,383)	290,355	
Nonfinancial assets							
Fixed Assets		75,000	194,122	174,715	(19,407)	27,956	43,500
Nonfinancial assets	12	75,000	194,122	174,715	(19,407)	27,956	43,500
Payments / Outflows		1,285,928	2,362,015	1,950,958	(411,057)	1,101,620	305,097

Ministry of Health
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	B-C USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	603,728	683,646	339,345	(344,301)		253,763	
Taxes								
Taxes on goods and services								
Other taxes								
Taxes	4							
Grants								
From foreign governments		138,293	601,043	288,755	(312,288)		236,952	
From international organizations				6,678	6,678			
From other general government units								
Grants	5	138,293	601,043	295,433	(305,610)		236,952	
Receipts / Inflows		742,021	1,284,689	634,778	(649,911)		490,715	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		457,979	447,817	267,931	(179,886)		226,375	
Compensation of Employees	7	457,979	447,817	267,931	(179,886)		226,375	
Use of Goods and Services								
Travel & Conferences		18,220	6,000	500	(5,500)		7,950	
Operating Expenses		78,503	86,803	57,058	(29,745)		9,900	
Rent							4,500	
Other Operating Expenses		8,726	8,726	8,726			300	
RCRF Non-Salary Recurrent Cost			100,000		(100,000)			
Use of Goods and Services	8	105,449	201,529	66,284	(135,245)		22,650	
Social Benefits								
Employment-related social benefits	10	32,300	32,300	5,130	(27,170)		1,150	
Social Benefits		32,300	32,300	5,130	(27,170)		1,150	
Nonfinancial assets								
Fixed Assets		8,000	2,000		(2,000)		3,588	
Nonfinancial assets	12	8,000	2,000		(2,000)		3,588	
Payments / Outflows		603,728	683,646	339,345	(344,301)		253,763	

Ministry of Information & Telecommunications
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
	Notes	Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	B-C USD	USD	USD
Receipts / Inflows	2						
Consolidated Fund Appropriations	3	198,603	178,732	136,510	(42,222)	40,313	
Grants							
From international organizations		68,460	103,122	34,174	(68,948)		
Grants	5	68,460	103,122	34,174	(68,948)		
Receipts / Inflows		267,063	281,854	170,683	(111,171)	40,313	
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		136,660	123,800	104,648	(19,152)	18,703	
Compensation of Employees	7	136,660	123,800	104,648	(19,152)	18,703	
Use of Goods and Services							
Travel & Conferences		12,360	5,860	420	(5,440)	360	
Operating Expenses		21,433	21,542	10,585	(10,957)	8,500	
Rent			500	500			
Other Operating Expenses		2,200	17,970	16,192	(1,778)	600	
Use of Goods and Services	8	35,993	45,872	27,697	(18,175)	9,460	
Social Benefits							
Employment-related social benefits		18,500	2,700	2,000	(700)	10,000	
Social Benefits	10	18,500	2,700	2,000	(700)	10,000	
Nonfinancial assets							
Fixed Assets		7,450	6,360	2,165	(4,195)	2,150	
Nonfinancial assets	12	7,450	6,360	2,165	(4,195)	2,150	
Payments / Outflows		198,603	178,732	136,510	(42,222)	40,313	

Ministry of Security
Combined Statement of Cash Receipts and Payments and Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final C-B	Payments by Third	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	2,738,556	9,110,262	8,506,419	(603,844)		2,676,140	178,200
Grants								
From international organizations		23,568	23,568		(23,568)			178,200
From other general government units				997,000	997,000			
Grants	5	23,568	23,568	997,000	973,432			178,200
Receipts / Inflows		2,762,124	9,133,830	9,503,419	369,589			178,200
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		2,495,346	8,000,427	7,479,230	(521,197)		2,545,576	178,200
Compensation of Employees	7	2,495,346	8,000,427	7,479,230	(521,197)		2,545,576	178,200
Use of Goods and Services								
Travel & Conferences		19,200	40,000	38,324	(1,676)		12,090	
Operating Expenses		139,020	500,879	428,190	(72,690)		48,065	
Rent		9,400	2,000		(2,000)			
Conflict Resolution Expenses		18,000	30,076	29,994	(82)		5,250	
Use of Goods and Services	8	185,620	572,955	496,508	(76,448)		65,405	
Social Benefits								
Employment-related social benefits	10	40,390	123,600	123,090	(510)		55,759	
Social Benefits		40,390	123,600	123,090	(510)		55,759	
Other Expenses								
Transfers not elsewhere classified	11						9,400	
Other Expenses							9,400	
Nonfinancial assets								
Fixed Assets		17,200	413,280	407,591	(5,689)			
Nonfinancial assets	12	17,200	413,280	407,591	(5,689)			
Payments / Outflows		2,738,556	9,110,262	8,506,419	(603,844)		2,676,140	178,200

Ministry of Justice and Religious Affairs
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017				2016		
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual C-B	Payments by Third Party	Controlled by TSA	Payments by Third Party
Receipts / Inflows	2							
Consolidated Fund Appropriation	3	542,568	358,049	237,364	(120,685)		122,735	
Grants								
From international organizations		86,246	106,624	30,430	(76,194)		3,600	
Grants	5	86,246	106,624	30,430	(76,194)		3,600	
Other Revenue								
Fines, penalties and forfeits		120,000	49,512	29,954	(19,558)		13,592	
Other Revenue	6	120,000	49,512	29,954	(19,558)		13,592	
Receipts / Inflows		748,814	514,185	297,748	(216,437)		139,927	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		427,790	244,709	162,263	(82,446)		86,692	
Compensation of Employees	7	427,790	244,709	162,263	(82,446)		86,692	
Use of Goods and Services								
Travel & Conferences		17,000	15,000	9,760	(5,240)		13,180	
Operating Expenses		51,620	52,777	38,749	(14,028)		6,421	
Use of Goods and Services	8	68,620	67,777	48,509	(19,268)		19,601	
Other Expenses								
Transfers not elsewhere classified	11	36,958	36,958	23,916	(13,042)		11,000	
Other Expenses		36,958	36,958	23,916	(13,042)		11,000	
Nonfinancial assets								
Fixed Assets		9,200	8,605	2,676	(5,929)		5,442	
Nonfinancial assets	12	9,200	8,605	2,676	(5,929)		5,442	
Payments / Outflows		542,568	358,049	237,364	(120,685)		122,735	

Ministry of Planning and International Cooperation
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation		Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA
		A USD	B USD	C USD				USD
Receipts / Inflows								
Consolidated Fund Appropriations	3	218,532	161,590	66,222		(95,368)		5,500
Taxes								
Taxes on goods and services		60,000	44,250	35,750		(8,500)		2,500
Taxes on international trade and transactions				335		335		
Taxes	4	60,000	44,250	36,085		(8,165)		2,500
Grants								
From international organizations		74,232	114,070	35,852		(78,218)		
Grants	5	74,232	114,070	35,852		(78,218)		
Other Revenue								
Sale of goods and services				1,520		1,520		
Other Revenue	6			1,520		1,520		
Receipts / Inflows		352,764	319,909	139,679		(180,230)		8,000
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		133,432	105,532	42,580		(62,952)		2,000
Compensation of Employees	7	133,432	105,532	42,580		(62,952)		2,000
Use of Goods and Services								
Travel & Conferences		14,500	8,000	3,000		(5,000)		3,000
Operating Expenses		39,600	38,320	14,077		(24,243)		500
Other Operating Expenses		2,500	1,200			(1,200)		
Use of Goods and Services	8	56,600	47,520	17,077		(30,443)		3,500
Social Benefits								
Employment-related social benefits		10,000	2,000	2,000				
Social Benefits	10	10,000	2,000	2,000				
Other Expenses								
Transfers not elsewhere classified			858			(858)		
Other Expenses	11		858			(858)		
Nonfinancial assets								
Fixed Assets		18,500	5,680	4,565		(1,115)		
Nonfinancial assets	12	18,500	5,680	4,565		(1,115)		
Payments / Outflows		218,532	161,590	66,222		(95,368)		5,500

Ministry of Trade and Industry
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation		Controlled by TSA	Difference Between Final Budget and C-B	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD				
Receipts / Inflows	2							
Consolidated Fund Appropriation	3	202,164	145,764	72,938		(72,826)	14,611	
Taxes								
Taxes on goods and services		155,000	56,000	46,290		(9,710)	1,000	
Other taxes				582		582		
Taxes	4	155,000	56,000	46,872		(9,128)	1,000	
Grants								
From international organizations		80,664	80,664			(80,664)		
Grants	5	80,664	80,664			(80,664)		
Other Revenue								
Sale of goods and services				380		380		
Other Revenue	6			380		380		
Receipts / Inflows		437,828	282,428	120,190		(162,238)	15,611	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		139,864	122,764	57,010		(65,754)	4,400	
Compensation of Employees	7	139,864	122,764	57,010		(65,754)	4,400	
Use of Goods and Services								
Travel & Conferences		12,500	4,000	3,420		(580)		
Operating Expenses		29,800	19,000	12,508		(6,492)	7,521	
Use of Goods and Services	8	42,300	23,000	15,928		(7,072)	7,521	
Other Expenses								
Transfers not elsewhere classified	11	20,000						
Other Expenses		20,000						
Nonfinancial assets								
Fixed Assets							2,690	
Nonfinancial assets	12						2,690	
Payments / Outflows		202,164	145,764	72,938		(72,826)	14,611	

Ministry of Women Affairs
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	166,800	93,277	88,272	(5,006)		34,606	
Taxes								
Taxes on income, profits, and capital gains				280		280		
Taxes on payroll and workforce								
Taxes	4			280		280		
Grants								
From international organizations		54,856	57,356	2,550	(54,806)			
From other general government units				4,360	4,360			
Grants	5	54,856	57,356	6,910	(50,446)			
Receipts / Inflows	5	221,656	150,633	95,462	(55,172)		34,606	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		134,650	82,556	80,367	(2,190)		26,356	
Compensation of Employees	7	134,650	82,556	80,367	(2,190)		26,356	
Use of Goods and Services								
Travel & Conferences		7,000	1,800	1,330	(470)			
Operating Expenses		25,150	8,421	6,075	(2,346)		8,250	
Other Operating Expenses			500	500				
Use of Goods and Services	8	32,150	10,721	7,905	(2,816)		8,250	
Payments / Outflows		166,800	93,277	88,272	(5,006)		34,606	

State Ministry for Presidency
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017						2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party		Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD	USD		USD	USD
Receipts / Inflows	2								
Consolidated Fund Appropriations	3	1,271,882	2,660,589	2,651,253	(9,337)			1,248,136	90,172
Grants									
From international organizations		211,440	211,440		(211,440)				90,172
Grants	5	211,440	211,440		(211,440)				90,172
Receipts / Inflows		1,483,322	2,872,029	2,651,253	(220,777)			1,248,136	180,344
Payments / Outflows									
Compensation of Employees									
Wages and Salaries		563,080	1,078,666	1,073,012	(5,655)			601,092	
Compensation of Employees	7	563,080	1,078,666	1,073,012	(5,655)			601,092	
Use of Goods and Services									
Travel & Conferences		113,090	244,958	244,328	(630)			126,234	
Operating Expenses		93,100	316,501	315,511	(990)			68,065	
Other Operating Expenses		3,500	4,400	4,400					90,172
Conflict Resolution Expenses		377,032	493,541	493,451	(90)			325,016	
Contingency			23,000	23,000					
Use of Goods and Services	8	586,722	1,082,400	1,080,690	(1,710)			519,315	90,172
Social Benefits									
Employment-related social benefits		42,000	100,000	99,780	(220)			25,800	
Social Benefits	10	42,000	100,000	99,780	(220)			25,800	
Other Expenses									
Transfers not elsewhere classified		40,080	60,000	58,967	(1,033)			75,039	
Other Expenses	11	40,080	60,000	58,967	(1,033)			75,039	
Nonfinancial assets									
Fixed Assets		40,000	339,523	338,804	(719)			26,890	
Nonproduced assets									
Nonfinancial assets	12	40,000	339,523	338,804	(719)			26,890	
Payments / Outflows		1,271,882	2,660,589	2,651,253	(9,337)			1,248,136	90,172

Kisumu Airport Authority
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	333,224	296,151	217,332	(78,819)		59,360	
Taxes								
Taxes on goods and services		490,000	374,265	526,666	152,401		191,803	
Taxes on international trade and transactions				40,260	40,260		35,204	
Other taxes								
Taxes	4	490,000	374,265	566,926	192,661		226,807	
Grants								
From international organisations		71,886	71,886		(71,886)			
Grants	5	71,886	71,886		(71,886)			
Other Revenue								
Property income		240,000	105,000	35,000	(70,000)		158,964	
Sale of goods and services		48,000	122,550	106,650	(15,900)			
Fines, penalties and forfeits				3,000	3,000			
Other Revenue	6	288,000	227,550	144,650	(82,900)		158,964	
Receipts / Inflows		1,203,110	969,852	928,908	(40,944)		445,131	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		306,784	232,666	158,478	(74,188)		48,060	
Compensation of Employees	7	306,784	232,666	158,478	(74,188)		48,060	
Use of Goods and Services								
Travel & Conferences		8,500	6,650	5,222	(1,428)			
Operating Expenses		36,190	53,235	50,077	(3,158)		11,500	
Use of Goods and Services	8	44,690	59,885	55,299	(4,586)		11,500	
Social Benefits								
Employment-related social benefits	10							
Social Benefits								
Nonfinancial assets								
Fixed Assets		1,750	3,600	3,555	(45)			
Nonfinancial assets	12	1,750	3,600	3,555	(45)			
Payments / Outflows		333,224	296,151	217,332	(78,819)		59,360	

Kismayo Ports Authority
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
	Notes	Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	157,873	430,565	237,277	(193,288)		177,101	
Taxes								
Taxes on goods and services			450,000	221,136	(228,864)		160,520	
Taxes on international trade and transactions		3,001,482	9,053,782	8,369,797	(683,985)		2,894,890	
Other taxes								
Taxes	4	3,001,482	9,503,782	8,590,933	(912,849)		3,055,410	
Grants								
From international organizations		118,752	133,124		(133,124)			
Grants	5	118,752	133,124		(133,124)			
Other Revenue								
Sale of goods and services				11,550	11,550			
Other Revenue	6			11,550	11,550			
Receipts / Inflows		3,278,107	10,067,471	8,839,760	(1,227,711)		3,232,511	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		130,752	399,173	218,801	(180,372)		147,471	
Compensation of Employees	7	130,752	399,173	218,801	(180,372)		147,471	
Use of Goods and Services								
Travel & Conferences		8,621	4,500	2,885	(1,615)			
Operating Expenses		12,500	11,392	9,618	(1,774)		29,630	
Use of Goods and Services	8	21,121	15,892	12,503	(3,389)		29,630	
Nonfinancial assets								
Fixed Assets		6,000	15,500	5,973	(9,527)			
Nonfinancial assets	12	6,000	15,500	5,973	(9,527)			
Payments / Outflows		157,873	430,565	237,277	(193,288)		177,101	

Auditor General's Office
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Payments Controlled by TSA
	Notes	A USD	B USD	C USD	C-B USD		USD
Receipts / Inflows	2						
Consolidated Fund Appropriation	3	22,476	22,476		(22,476)		
Receipts / Inflows							
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		22,476	22,476		(22,476)		
Compensation of Employees	7	22,476	22,476		(22,476)		
Use of Goods and Services							
Travel & Conferences							
Operating Expenses							
Use of Goods and Services	8						
Nonfinancial assets							
Fixed Assets							
Nonfinancial assets	12						
Payments / Outflows		22,476	22,476		(22,476)		

The Civil Service Commission
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017					2016	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		Appropriation	Appropriation	by TSA	C-B	USD	USD	USD
		A	B	C	USD	USD	USD	USD
		USD	USD	USD	USD	USD	USD	USD
Notes								
Receipts / Inflows								
Consolidated Fund Appropriations								
	2	231,696	205,374	163,189	(42,185)		141,034	
Taxes								
Taxes on payroll and workforce								
Taxes								
Grants								
From international organizations		75,120	75,120		(75,120)			5,443
	5	75,120	75,120		(75,120)			5,443
		306,816	280,494	163,189	(117,305)			5,443
Receipts / Inflows								
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		186,728	163,920	128,157	(55,763)		117,926	
	7	186,728	163,920	128,157	(55,763)		117,926	
Compensation of Employees								
Use of Goods and Services								
Travel & Conferences		10,440	6,464	5,520	(944)		7,540	
Operating Expenses		15,408	19,990	15,712	(4,278)		9,508	
Other Operating Expenses		16,800	14,000	13,800	(200)		2,400	5,443
	8	42,648	40,454	35,032	(5,422)		19,448	5,443
Use of Goods and Services								
Nonfinancial assets								
Fixed Assets		2,320	1,000		(1,000)		3,660	
	12	2,320	1,000		(1,000)		3,660	
Nonfinancial assets								
Payments / Outflows								
		231,696	205,374	163,189	(42,185)		141,034	5,443

Jubbaland Parliament
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017					2016	
	Notes	Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual C-B	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	USD	USD	USD	USD
Receipts / Inflows								
Consolidated Fund Appropriations	2							
Grants	3	1,321,100	991,990	869,093	(122,898)		604,959	
From international organizations			2,030	6,760	4,730		5,000	
Grants	5		2,030	6,760	4,730		5,000	
Receipts / Inflows		1,321,100	994,020	875,853	(118,168)		609,959	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		1,073,800	880,000	778,180	(101,820)		497,700	
Compensation of Employees	7	1,073,800	880,000	778,180	(101,820)		497,700	
Use of Goods and Services								
Travel & Conferences		20,600	21,460	20,770	(690)		28,380	
Operating Expenses		63,500	26,500	10,813	(15,688)		4,870	
Other Operating Expenses		2,000	2,000		(2,000)			
Conflict Resolution Expenses		106,200					19,299	
Use of Goods and Services	8	192,300	49,960	31,583	(18,378)		52,549	
Social Benefits								
Employment-related social benefits		55,000	60,000	57,300	(2,700)		48,950	
Social Benefits	10	55,000	60,000	57,300	(2,700)		48,950	
Nonfinancial assets								
Fixed Assets			2,030	2,030			5,760	
Nonfinancial assets	12		2,030	2,030			5,760	
Payments / Outflows		1,321,100	991,990	869,093	(122,898)		604,959	

Ministry of Livestock

Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017						2016	
		Original Estimate Appropriation	Final Estimate Appropriation		Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD				USD	USD
Receipts / Inflows	2								
Consolidated Fund Appropriations	3	147,828	99,826	57,116	(42,710)			1,500	
Taxes									
Taxes on goods and services		68,000	28,000		(28,000)				
Taxes	4	68,000	28,000		(28,000)				
Grants									
From international organizations		22,476	43,026	9,980	(33,046)				
Grants	5	22,476	43,026	9,980	(33,046)				
Receipts / Inflows		238,304	170,852	67,096	(103,756)			1,500	
Payments / Outflows									
Compensation of Employees									
Wages and Salaries		121,028	66,046	44,566	(21,480)			500	
Compensation of Employees	7	121,028	66,046	44,566	(21,480)			500	
Use of Goods and Services									
Travel & Conferences		11,000	7,000	2,680	(4,320)			500	
Operating Expenses		15,200	25,580	9,270	(16,310)			500	
Use of Goods and Services	8	26,200	32,580	11,950	(20,630)			1,000	
Nonfinancial assets									
Fixed Assets		600	1,200	600	(600)				
Nonfinancial assets	12	600	1,200	600	(600)				
Payments / Outflows		147,828	99,826	57,116	(42,710)			1,500	

Ministry of Fisheries & Marine
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual C-B	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	USD	USD	USD
Receipts / Inflows	2						
Consolidated Fund Appropriations	3	176,152	179,673	109,859	(69,814)	17,771	
Taxes							
Taxes on goods and services		50,000	9,000	3,000	(6,000)		
Taxes	4	50,000	9,000	3,000	(6,000)		
Grants							
From international organizations		76,392	102,803	23,770	(79,033)	12,050	
Grants	5	76,392	102,803	23,770	(79,033)	12,050	
Receipts / Inflows		126,392	111,803	26,770	(85,033)	12,050	
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		139,902	143,842	77,350	(66,492)	8,070	
Compensation of Employees	7	139,902	143,842	77,350	(66,492)	8,070	
Use of Goods and Services							
Travel & Conferences		16,000	4,500	4,260	(240)		
Operating Expenses		18,250	26,532	24,339	(2,193)	9,701	
Rent			300	300			
Use of Goods and Services	8	34,250	31,332	28,899	(2,433)	9,701	
Other Expenses							
Transfers not elsewhere classified			569		(569)		
Other Expenses	11		569		(569)		
Nonfinancial assets							
Fixed Assets		2,000	3,930	3,610	(320)		
Nonfinancial assets	12	2,000	3,930	3,610	(320)		
Payments / Outflows		176,152	179,673	109,859	(69,814)	17,771	

Ministry of Youth and Sport

Combined Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017					2016	
	Notes	Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A	B	C	C-B			
		USD	USD	USD	USD	USD	USD	USD
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	183,812	70,625	60,927	(9,698)		1,600	
Grants								
From international organizations		24,405	24,405		(24,405)			
Grants	5	24,405	24,405		(24,405)			
Receipts / Inflows		208,217	95,030	60,927	(34,103)		1,600	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		148,592	49,405	41,310	(8,095)			
Compensation of Employees	7	148,592	49,405	41,310	(8,095)			
Use of Goods and Services								
Travel & Conferences		7,700	8,660	7,770	(890)		1,600	
Operating Expenses		13,320	9,060	8,347	(713)			
Rent		2,400						
Other Operating Expenses		3,600						
Use of Goods and Services	8	27,020	17,720	16,117	(1,603)		1,600	
Nonfinancial assets								
Fixed Assets		8,200	3,500	3,500				
Nonfinancial assets	12	8,200	3,500	3,500				
Payments / Outflows		183,812	70,625	60,927	(9,698)		1,600	

Ministry of Transport
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
	Notes	Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual C-B	Payments by Third Party	Controlled Payments by TSA
		A USD	B USD	C USD	USD	USD	USD
Receipts / Inflows	2						
Consolidated Fund Appropriations	3	141,148	105,716	93,387	(12,330)		
Taxes							
Taxes on goods and services		95,000	1,080	1,130	50		
Taxes on international trade and transactions							
Other taxes							
Taxes	4	95,000	1,080	1,130	50		
Grants							
From international organizations		17,516	17,516		(17,516)		
Grants	5	17,516	17,516		(17,516)		
Other Revenue							
Sale of goods and services		180,000	585,840	557,066	(28,774)		75,607
Other Revenue	6	180,000	585,840	557,066	(28,774)		75,607
Receipts / Inflows	6	433,664	710,152	651,583	(58,570)		75,607
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		116,248	91,516	84,230	(7,286)		
Compensation of Employees	7	116,248	91,516	84,230	(7,286)		
Use of Goods and Services							
Travel & Conferences		11,000	5,470	4,700	(770)		
Operating Expenses		13,900	7,650	4,457	(3,194)		
Use of Goods and Services	8	24,900	13,120	9,157	(3,964)		
Nonfinancial assets							
Fixed Assets			1,080		(1,080)		
Nonfinancial assets	12		1,080		(1,080)		
Payments / Outflows		141,148	105,716	93,387	(12,330)		

Ministry of Interior
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD	USD	USD
2	Receipts / Inflows						
3	Consolidated Fund Appropriations	310,516	1,014,017	648,215	(365,802)	1,500	
	Taxes	70,000					
	Taxes on goods and services		320,815		(320,815)	217,425	
4	Other taxes	70,000	320,815		(320,815)	217,425	
	Grants	34,614	723,041	363,475	(359,566)		
	From international organizations	34,614	723,041	363,475	(359,566)		
5	Grants	415,130	2,057,872	1,011,690	(1,046,182)	218,925	
	Receipts / Inflows						
	Payments / Outflows						
	Compensation of Employees						
	Wages and Salaries	92,814	435,814	256,184	(179,630)	1,500	
7	Compensation of Employees	92,814	435,814	256,184	(179,630)	1,500	
	Use of Goods and Services						
	Travel & Conferences	30,500	34,700	31,730	(2,970)		
	Operating Expenses	58,600	207,406	143,053	(64,353)		
	Rent		10,100	4,800	(5,300)		
	Other Operating Expenses	4,500	33,250	23,855	(9,395)		
	Conflict Resolution Expenses	10,000	17,000	16,710	(290)		
	Contingency	5,000	60,136	60,134	(2)		
8	Use of Goods and Services	108,600	362,592	280,282	(82,310)		
	Grants						
9	Grants To Other General Government		58,940	58,940			
	Grants		58,940	58,940			
	Social Benefits						
	Social Assistance Benefits		18,000		(18,000)		
10	Employment-related social benefits	10,000	2,000	2,000			
	Social Benefits	10,000	20,000	2,000	(18,000)		
	Other Expenses	85,000	44,811	39,784	(5,027)		
11	Transfers not elsewhere classified	85,000	44,811	39,784	(5,027)		
	Other Expenses						
	Nonfinancial assets						
	Fixed Assets	14,102	91,860	11,025	(80,835)		
12	Nonfinancial assets	14,102	91,860	11,025	(80,835)		
	Payments / Outflows	310,516	1,014,017	648,215	(365,802)	1,500	

Ministry of Environment and Tourism
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017					2016	
		Original Estimate Appropriation	Final Estimate Appropriation		Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Payments by Third Party
		A USD	B USD	C USD				
Receipts / Inflows	2							
Consolidated Fund Appropriations	3	179,142	164,398	43,364	(121,034)		5,306	
Grants								
From international organizations		89,892	125,098	10,562	(114,536)			
Grants	5	89,892	125,098	10,562	(114,536)			
Receipts / Inflows		269,034	289,496	53,926	(235,570)		5,306	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		149,092	143,377	37,746	(105,631)		1,400	
Compensation of Employees	7	149,092	143,377	37,746	(105,631)		1,400	
Use of Goods and Services								
Travel & Conferences		10,000	1,800	220	(1,580)			
Operating Expenses		15,050	14,171	3,998	(10,173)		2,906	
Other Operating Expenses			1,600		(1,600)			
Use of Goods and Services	8	25,050	17,571	4,218	(13,353)		2,906	
Social Benefits								
Employment-related social benefits	10	5,000	1,800		(1,800)		1,000	
Social Benefits		5,000	1,800		(1,800)		1,000	
Nonfinancial assets								
Fixed Assets			1,650	1,400	(250)			
Nonfinancial assets	12		1,650	1,400	(250)			
Payments / Outflows		179,142	164,398	43,364	(121,034)		5,306	

Ministry of Public Works & Housing
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
	Notes	Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Payments by Third Party	Controlled by TSA	Payments by Third Party
		A USD	B USD	C USD	C-B USD		USD	USD
Receipts / Inflows								
Consolidated Fund Appropriations	2							
Taxes	3	183,228	86,314	68,063	(18,251)		11,592	
Taxes on payroll and workforce				1,000	1,000			
Taxes on goods and services		1,165,000	1,157,632	23,770	(1,133,862)			
Taxes	4	1,165,000	1,157,632	24,770	(1,132,862)			
Grants								
From international organizations		34,614	34,614		(34,614)			
Grants	5	34,614	34,614		(34,614)			
Receipts / Inflows		1,382,842	1,278,560	92,833	(1,185,727)		11,592	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		137,428	66,214	47,980	(18,234)		6,100	
Compensation of Employees	7	137,428	66,214	47,980	(18,234)		6,100	
Use of Goods and Services								
Travel & Conferences		13,000	5,300	5,300			1,000	
Operating Expenses		18,100	11,900	11,883	(17)		4,492	
Other Operating Expenses		2,000	900	900				
Use of Goods and Services	8	33,100	18,100	18,083	(17)		5,492	
Nonfinancial assets								
Fixed Assets		12,700	2,000	2,000				
Nonfinancial assets	12	12,700	2,000	2,000				
Payments / Outflows		183,228	86,314	68,063	(18,251)		11,592	

Note 1 Summary of Significant Accounting Policies for All Budget Entities

1.1 Financial Statement

Unlike the two single purpose consolidated financial statements for the JSS Consolidated Fund, the JSS has chosen to issue a single financial statement for each budget entity that combines the *Statement of Receipts and Payments* with the *Statement of Comparison of Budget and Actual Amounts*, as allowed by the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting*.

1.2 Basis of Preparation

The individual budget entity financial statement for each ministry/authority of the Jubbaland State of Somalia's (JSS) have been prepared in accordance with the *Public Financial Management Act 2017* and the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting*. These notes to the financial statements form an integral part to understanding the budget entity statements and must be read in conjunction with the statements.

The accounting policies have been applied consistently throughout the period.

1.3 Consolidated Notes

The following notes serve as notes for all budget entities. There will not be separate distinct notes given for each budget entity immediately following the respective budget entity financial statement. Where clarification is required for a particular budget entity, it will be clearly given in these combined notes.

1.4 Reporting Entities

The financial statement for each entity encompasses the reporting entity as specified in the *JSS Appropriation Act No. 3 of 2017*. All budget entities listed below are controlled by the JSS. All activities of budget entities are funded by the JSS Consolidated Budget or through 3rd Party external assistance.

The preceding individual financial statements are for the following public sector entities, whose main purpose is described in Presidential Decree XM/J/772014 entitled A Decree Establishing Ministries of Jubbaland State of Somalia and Defining Roles and Functions of Ministries dated 25 December 2014 plus Ministry of Finance and Revenue Collection Authority Establishment Act 2017 of the Jubbaland State of Somalia created for the purposes of establishing the Ministry of Finance and Revenue Collection Authority ensure that the Jubbaland State of Somalia has a Ministry of Finance that is responsible for the overall financial management of the Jubbaland State of Somalia and to also ensure that within the Ministry of Finance there is a Revenue Collection Authority that is fully staffed, organized, administered and empowered to collect & deposit Government revenue into the TSA all legally established taxes and other revenues of the Jubbaland State of Somaliland a subsequent presidential decree XM/DGS/032/2016 creating seven extra Ministries dated May 18 2016.

No.	Budget Entity
1.	Ministry of Agriculture
2.	Ministry of Education and Tertiary
3.	Ministry of Water, Mines and Energy
4.	Ministry of Ministry of Finance
5.	Ministry of Health
6.	Ministry of Information, Telecommunication
7.	Ministry of Security
8.	Ministry of Justice and Religion Affairs
9.	Ministry of Planning and International Cooperation
10.	Ministry of Trade and Industry
11.	Ministry of Women Affairs
12.	State Ministry for Presidency
13.	Kismayo Airport Authority
14.	Kismayo Ports Authority
15.	Auditor General's office
16.	The Civil service Commission
17.	The Jubbaland Parliament
18.	Ministry of Livestock
19.	Ministry of Fisheries & Marine
20.	Ministry of Youth and Sports
21.	Ministry of Transport
22.	Ministry of Interior
23.	Ministry of Environment and Tourism
24.	Ministry of Public Works and Housing

The Auditor General's Office has yet to be established and the Kismayo Airport and Ports Authorities was legalized separately during 2017, however their individual statements are included here as part of the Consolidated Fund statement as these entities were included in the *JSS Appropriation Act No 3 of 2017*.

The above budget entities do not control other entities that are consolidated into its activities in these financial statements.

1.5 Payments by Third Parties

A budget entity may also benefit from goods and services purchased on its behalf as a result of cash payments made by third parties external to the JSS during the period. The payments made by the third parties do not constitute cash receipts or payments of the budget entity but do benefit the entity. *Payments by 3rd Parties are detailed under notes 5, 9 and 13 of the notes to the consolidated financial statements*

1.6 Treasury Single Account

Budget entities do not operate their own bank account. The Government operates a centralized treasury function which administers cash expenditures incurred and cash receipts collected by all budget entities during the financial year. Payments made on this account in respect of the budget entities are disclosed in the Treasury Single Account (TSA) column in the *Individual Entity Combined Statement of Cash Receipts and Payments and Comparison to Budget*.

1.7 Transfers

Amounts are transferred to eligible recipients in accordance with the agreements between the Ministry and the recipient. For more clarification please see Note 11

1.7 Reporting Currency

The reporting currency is the United States Dollar (USD).

1.8 Authorization Date

On behalf of the individual budget entity, their financial statements were authorized for issue on 15 February 2018 by Mr Abdirashid Jire Khalinlee, Minister of Finance.

Note 2 Receipts/Cash In-flows

Receipts / Inflows other than Consolidated Fund Appropriations relate to revenue the Budget entity collects on behalf of the Government through its collections activities and are deposited into the Treasury Single Account administered by the Treasury Department. The revenue collected cannot be used to support the operations of the Ministry / Department without specific appropriation by Parliament. Therefore, cash collected is not controlled by the Ministry / Department. Funds allocated for use by the Ministry / Department to fund expenditure are through funds appropriations as outlined in Note 3.

Note 3 Consolidated Fund Appropriations

This represents the cumulative amount of expenditures that were funded from the consolidated fund (Treasury Single Account).

Amounts appropriated by the Jubbaland Parliament to the budget entities are managed through a single account administered by the Treasury department. These amounts are not controlled by the individual budget entities but are deployed on their behalf by the single account administrator (Treasury department) on completion of appropriate documentation and authorization through the Financial Management Information System (FMIS). The amount reported as Consolidated Fund Appropriations in the *Individual Entity Combined Statement of Cash Receipts and Payments & Comparison to Budgets* is the amount Treasury has released through the Treasury Single Account for the benefit of the budget entities (the amount of “draw down” on the appropriation).

The amount does not reflect actual cash receipts from Treasury because the budget entities do not control their own bank account. The amount reflects the “source” of funds used to make payments.

The following is a summary Explanations of the nature of source of income and the expenses financed through general fund appropriations.

Note 4 Taxes

Taxes refer to revenue arising from taxes on payroll and work force, goods and services, local government tax collections (Other taxes) and taxes on international trade transactions. Some entities though regarded as costs centres also generate a proportion of the total revenue collections. However, this does not mean that such entities have control over the revenue they collect but instead remit their collections to the Treasury Single Account where it is utilized to fund appropriations to the budget entities.

While some taxes are collected directly by the concerned Ministry in most instances, the MoF places their own employees from the revenue department who are tasked in the actual revenue collection. The following is a summary breakdown of tax receipts collected by relevant entities in comparison to the final budget estimate

Budget Entity	2017	
	Total Revenue	Tax Receipt
	Estimate USD	Recorded USD
Ministry of Agriculture	23,220	18,240
Ministry of Finance	2,406,780	3,223,277
Ministry of Planning and International Cooperation	44,250	36,085
Ministry of Trade and Industry	56,000	46,872
Ministry of Women Affairs	-	280
Kismayo Airport Authority	374,265	566,926
Kismayo Ports Authority	9,503,782	8,590,933
Ministry of Livestock	28,000	
Ministry of Fisheries & Marine	9,000	3,000
Ministry of Transport	1,080	1,130
Ministry of Interior	320,815	
Ministry of Public Work and Housing	1,157,632	24,770
	13,924,824	12,511,513

Note 5 Grants

Treasury Single Account

Grants from international organizations and the Federal Government of Somalia are remitted through the TSA and therefore recorded under the MoF. In certain cases, donors may fund ministerial projects unequivocally designed for and implemented by a selected entity. Such project will fall under that particular entity even though the funds are deposited into the TSA.

Grant income of \$5,712,763 was budgeted during the reporting period of FY2017 however \$3,616,564 received. The \$2,096,199 shortfall against the estimate was as a result of an over-optimistic revision during the year of grants expected from International Organizations.

Entity	Donor	2017 USD
Ministry of Interior	Giz	150,439
Ministry of Information, Telecommunication and Technology	Giz	24,174
Ministry of Planning and International Cooperation	Giz	35,852
Ministry of Fisheries & Marine	Giz	23,770
Ministry of Finance	FAO	10,280
Ministry of Agriculture	FAO	37,524
Ministry of Interior	FAO	10,562
Ministry of Livestock	FAO	9,980
Ministry of Interior	UNHCR	204,936
Ministry of Finance	UNDP	4,320
Ministry of Justice and Religion Affairs	UNDP	34,750
Jubbaland Parliament	UNDP	6,760
Ministry of Health	UNICEF	53,405
Ministry of Finance	RCRFII	1,166,552
Ministry of Women Affairs	SWSC	2,550
Ministry of Finance	FGS	715,150
Ministry of Security	FGS	1,000,000
Ministry of Information, Telecommunication and Technology	UNSOM	10,000
Ministry of Health	IOM	235,350
Ministry of Interior	IOM	8,100
Ministry of Finance	ASI	7,128
Ministry of Finance	World Visio	1,380
Ministry of Finance	SSF	950
		3,753,912

Even though the funds are received into the TSA and administered by the MoF, the project activities were in most cases assigned for activities implemented in other entities.

3rd Party Contributions

Third Party Contributions are assistance that is offered to the JSS by the international community without providing cash into the Treasury Single Account. Donors may implement a project and pay the vendors directly.

During the 2017 financial year, JSS has benefited from projects worth \$3,599,312 that were funded by Somalia Stability Fund (SSF), Department for International Development (DFID), PREMIS and the Federal Government of Somalia (FGS).

For more information, refer to Note 7, 8 and 12

Note 6 Other Revenue

Property income, sale of government goods and services and fines, penalties and forfeits constitute other sources of revenue. A total of \$158,964 was realised from property Income. Property income refers to the rental fee collected from a hotel (Camp Kismayo) located at the Kismayo International airport and other shops that are situated at the airport.

JSS provides certain services to the residents at a fee. In 2017, a collection of \$433,598 and \$192,428 were recorded from Number plate and logbook registrations respectively. Similarly, court filing fees of \$29,954 were collected by the Ministry of Justice and religious affairs. Court filing fees relate to charges that are obtained in opening cases at the Kismayo Magistrate court, \$118,200 was collected for Visa Fees while, 736,747 constitutes Port Docking Fees, Landing Fees and International departure fees. \$39,964 was received from Local & Foreign Companies Registration, International NGOs registration, Parking Fees and Fines/Penalties.

Note 7 Employee Compensation

Employee Compensation entails all salaries and wages including in-kind payment. Salaries to the civil servants and the security forces make up the prime part of employee compensation. The Recurrent Cost and Reform Financing (RCRF II) provides funding for the reimbursement of the payments of salaries of permanent employees of JSS who have been recruited competitively by the Civil Service Commission. During the reporting period, the project has paid salaries to following Entities.

Budget Entity	2017	2016
	Number of Staff Paid	Number of Staff Paid
Ministry of Agriculture	13	13
Ministry of Education and Tertiary	15	13
Ministry of Water, Mines and Energy	5	
Ministry of Ministry of Finance	48	41
Ministry of Health	6	
Ministry of Information, Telecommunication	9	11
Ministry of Security	6	
Ministry of Justice and Religion Affairs	6	
Ministry of Planning and International Cooperation	5	
Ministry of Trade and Industry	5	
Ministry of Women Affairs	10	8
State Ministry for Presidency	47	47
The Civil service Commission	22	12
The Jubbaland Parliament	0	
Ministry of Livestock	5	
Ministry of Fisheries & Marine	6	
Ministry of Youth and Sports	5	
Ministry of Transport	4	
Ministry of Interior	6	
Ministry of Environment and Tourism	5	
Ministry of Public Works and Housing	5	
Total	233	145

A competitive recruitment process is a fundamental condition to the project. Adhering to Prudent recruitment, inability of the Civil service commission in scaling-up the recruitment process and political dynamics restricted the uptake of the RCRFII Project.

3rd Party Payment

Other salaries totalling to \$396,290 were paid by the Department for International Development (DFID) on behalf of JSS. The salaries were paid as stipends to police officers under the auspices of the Ministry of Security.

Note 8 Use of Good and Services

JSS's ability to pay for its operating costs, goods and services and other miscellaneous expenses are determined by the ability to raise or receive sufficient revenue for its budget execution. JSS does not have access to a credit facility and therefore due to this integral constraint JSS has prioritized and spent 99 percent of the available revenue in executing budgets across the entities. The following is a summary of the JSS operational budget execution level. Note the table only summarizes for operational budget. Please see Note 11 for Non- financial assets.

Budget Entity	Final Budget	Execution	% Executed
Ministry of Agriculture	338,708	159,497	47%
Ministry of Education and Tertiary	660,124	229,057	35%
Ministry of Water, Mines and Energy	86,685	38,474	44%
Ministry of Finance	2,167,893	1,776,243	82%
Ministry of Health	681,646	339,345	50%
Ministry of Information, Telecommunication and Technology	172,372	134,345	78%
Ministry of Security	8,696,982	8,098,828	93%
Ministry of Justice and Religion Affairs	349,444	234,688	67%
Ministry of Planning and International Cooperation	155,910	61,657	40%
Ministry of Trade and Industry	145,764	72,938	50%
Ministry of Women Affairs	93,277	88,272	95%
State Ministry for Presidency	2,321,066	2,312,449	100%
Kismayo Airport Authority	292,551	213,777	73%
Kismayo Ports Authority	415,065	231,304	56%
Civil Service Commission	204,374	163,189	80%
Jubbaland Parliament	989,960	867,063	88%
Ministry of Livestock	98,626	56,516	57%
Ministry of Fisheries & Marine	175,743	106,249	60%
Ministry of Youth and Sports	67,125	57,427	86%
Ministry of Transport	104,636	93,387	89%
Ministry of Interior	922,157	637,190	69%
Ministry of Environment and Tourism	162,748	41,964	26%
Ministry of Public Work and Housing	84,314	66,063	78%
Total	19,387,169	16,079,918	83%

3RD Party Payments

Third party payments under Other Operating Expenses and engineering supervisory firm totalling \$3,599,312 was paid by PREMIS and SSF on behalf of JSS. These costs consist of \$885,879 technical training and support to Ministries, consultancy fees and administrative supports and \$2,713,433 this is a third-party engineering supervisory firm. They are employed by SSF to provide project management and technical advice on the construction of Ministry office complex & youth centre in Kismayo. This benefits both the Ministry of Sports and Youth plus Ministries of Livestock, Agriculture and Fisheries..

PREMIS project, funded by the UK Department for International Development (DFID) and European Union (EU), provides continuing support to the FMS in PFM and PA systems.

A engineering supervisory firm was contracted by SSF to provide project management and technical advice on the construction of Ministry office complex & youth centre in Kismayo. This benefits the Ministry of Sports and Youth plus Ministries of Livestock, Agriculture and Fisheries.

		Ministry of Interior		Ministry of Sport and Youth		Ministry of Livestock, Agriculture and Fishery	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
Buildings							
Supervising Engineer	1			\$18,113			\$42,263
Construction Costs	2		\$1,083,704	\$292,214			\$681,832
Drought Assistance	3	\$595,308					
		\$595,308	\$1,083,704	\$310,327			\$724,095
Total							\$2,713,434

Note 9 Grants to Other Government Units

Other government units refer to lower level governments such as the city municipalities. The Kismayo Municipality is the only active local government in JSS that operates both a revenue collection and expenditure process. The Municipality collects its own revenue from the public transport system and other mobile businesses within Kismayo. In the agreement between the Ministry of Finance and the Kismayo Municipality, all revenue collections of the lower level government shall be deposited in to the TSA and request for incurring expenditures is made by the local government entity using the standard authorizing procedures of the Ministry.

The municipality maintains its own set of documentation and standard business procedures in its operation which is separate from the Ministry.

Note 10 Employer Social Benefits

Employer Social benefits mainly consist of medical treatments that are provided to JSS staff. The scheme is not formal but is provided to staff that are considered in need of medical treatment. Medical treatment is catered across the entities. During the year the following entities were provided with medical treatment.