JUBALAND STATE OF SOMALIA

AUDITOR GENERAL'S REPORT ON THE

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER

2021

Transmittal letter

OFFICE OF THE AUDITOR GENERAL JUBBALAND STATE OF SOMALIA

12th January 2022

Speaker of State Parliament

Jubbaland State of Somalia Kismayu, Somalia

Honourable Speaker of Parliament,

In accordance with Section 32(3) of the PFM Act 2017 and Sections 30, 32 and 33 of the Audit Act 2016 of Jubbaland State of Somalia (JSS), I have the pleasure to submit my report on the accounts of Jubbaland State of Somalia for the financial year ended 31th December 2021 for tabling in the State Parliament.

Yours Sincerely,

Mr. Bashir M Bahale
Auditor General
Jubbaland State of Somalia

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1. Acronyms

Acronym	Full Description
CPO	Commitment Payment Order
CSC	Civil Service Commission
DG	Director General
EU	European Union
FMIS	Financial Management Information System
FY	Financial Year
ICT	Information and Communications Technology
ID	Identity
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
JSS	Jubbaland State of Somalia
MOF	Ministry of Finance
NGO	Non-governmental Organisation
OAG	Office of the Auditor General
PFM	Public Financial Management
SFAS	Strengthening Financial Accountability In Somalia
RMS	Revenue Management System
SAI	Supreme Audit Institution
TD	Treasury Director
TSA	Treasury Single Account
UNDP	United Nations Development Program
USD	United States Dollar

2. Foreword

Over the years, under the stewardship of the Auditor General, with support from donor partners particularly Technical Assistance support from the EUs SFAS project in the current year, the Office of the Auditor General (OAG) of Jubbaland State of Somalia (JSS) has conducted financial and compliance audits on the JSS public accounts. Areas requiring improvement continue to be identified and practical recommendations have been made based on our audit findings. Recommendations are a critical part of our audit reports. Their implementation is important to drive positive improvements in the cost-effective delivery of programmes and services for the people living in JSS.

As part of our work, we ensure that we follow up on recommendations made in past audit so that those responsible take action to put our recommendations into practice.

The OAG remains firmly committed to making positive contributions in overcoming the obstacles to prudent financial management and control. We will continue to make ourselves available and provide proactive insights into the root causes of weak internal control systems.

We would also want to acknowledge development partners, especially the EU-SFAS team, who have continued to show interest in the solidification of the operational competence within the Somali FMS' OAGs.

Our sincere thanks and appreciation go to all JSS -OAG staff for the continued devotion to their duties and responsibilities against all odds.

3. Executive Summary

This executive summary provides an overview of the main findings contained in this report.

3.1 The Role of OAG

Being the Supreme Audit Institution (SAI) of JSS, our constitutional mandate is to ensure that public funds are utilised lawfully and effectively towards service delivery. That is to say, we are the independent guardian institution of Jubbaland State's public purse and economic security as mentioned in Article 88 and 89 of Jubbaland Constitution and Section 7 of the JSS Audit Act 2016.

We audit and report on the stewardship provided by the Government over monies received, whether from taxpayers, donors or others, and related expenditure from these funds in a professional, ethical and transparent manner. Also, we substantiate to a reasonable level of assurance that public monies are used by the Government, in the manner approved by Parliament, through independent professional audits. We assess how and whether these funds are being clearly and accurately reported by the Government and how they are used in terms of economy, efficiency and effectiveness. We publish the audit report in the Official Gazette and make it available to Parliament in the first instance, and to the citizenry of Jubbaland State and other stakeholders within one month of the completion of audit report as required by section 32(3 and 4) of the PFM Act 2017. All of our reports are made publicly available on the OAG website.

Specifically, Section 30(6) of the Audit Act 2016 requires the AG to include in his report:

- his opinion on the truth and fairness of the consolidated and separate public accounts;
- significant findings and recommendations;
- deficiencies identified in the internal control system;
- details of essential records that have not been maintained; and
- any money that has been expended without due regard to economy or efficiency.

3.2 Opinion of The Auditor General

I have audited the consolidated financial statements of Jubbaland State of Somalia for the year ended 31 December 2021. These Financial Statements comprise the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, and notes to the financial statements including a summary of significant accounting policies and other explanatory information. This year, I have issued a qualified audit opinion. The Financial Statements were deemed to be mostly in conformity with the provisions of the PFM Act 2017 and International Public-Sector Accounting Standards (IPSAS) - Financial Reporting Under the Cash Basis of Accounting. The full Audit Opinion (with the Financial Statements) is presented in Annex 1.

It is possible that the 2021 Financial Statements, as presented, do not fairly represent the financial activities of government in three, important, areas;

a) Unreconciled variances between signed Financial Statements and ledger balances USD$ 1,377,808.
b) We noted payments totaling to USD 405,400 with no basic supporting documentations.
c) We also noted Payments totaling to USD 664,118 that lacked adequate supporting documentation.

3.3 Summary of Audit Findings

Unreconciled variances between signed Financial Statements and ledger balances
The variance between the ledger balance and the signed financial statement to the tune of 1,377,808 with regards to grants from other government units and fixed assets should be investigated and reconciled.

Cash and bank
Failure by management to implement and comply with the requirements of the banking regulation which makes it mandatory for the ministry of finance to circularise and confirm all bank accounts that exists in the name of state with all banks at the end of the year. This involves maintaining a bank register and compilations of the result of the conformation procedures.

Receipts
Basic gaps in the collection and recording of revenues were identified. These fundamental gaps are generally as a result of weak internal control systems that affect the completeness, classification and accuracy of revenues collected and reported in the Financial Statements.

To enhance the reliability of the information presented in the financial statement with regards to amounts received from various revenue sources, a robust and a strong internal control system should be instituted and implemented. These controls would also help to ensure that the state collects all money due and that all monies collected are used for the public good.

Payments
When making payments, no matter how small or large, it is important to follow the appropriate process as set down in the relevant laws and regulations. When making payments, it is very important to retain evidence i.e., supporting documents such as: invoices, bank transfer advices, delivery notes, and contracts. Unfortunately, some of the state payments continue to be made without such (or any) supporting documentation. As highlighted in the basis of the audit opinion paragraph,

a) We noted payments totalling to USD 405,400 with no basic supporting documentations.
b) We also noted Payments totalling to USD 664,118 that lacked adequate supporting documentation.

Procurement

Over recent audits there has been no significant improvement in the state procurement process. Specifically, there is a general failure to follow procurement guidelines. Instances of breaches include but are not limited to;

- lack of competitive selection for suppliers of goods and services; and
- over-reliance on single sourcing without adequate justification.

JSS should follow the procurement guidelines in order to avoid non-compliance with the PFM Act 2017 and reduce the significant risks of fraud and theft while ensuring maximum value for money is achieved with limited state resources.

Assets

It's extremely important to maintain the assets of the state and follow the asset policy and procedures. We noted that the state did not maintain a fixed assets register, assets were not tagged neither was there an assets management system. This makes it impossible to trace, monitor and conduct a regular physical verification exercise. Without such basic controls around management of state assets, there is a critical risk that state assets are misused or misappropriated.

Follow up of Prior year Audit Recommendations

During the audit we followed up all audit recommendations made in previous years. A summary of the current status of these recommendations is shown in the table below:

Status	Number of Recommendations
Implemented	7
Partly Implemented	2
Not Implemented	31
TOTAL	40

As in previous years, progress in implementing audit recommendations has been minimal. It is important that this improves going forward. To this end, MoF should implement a formal mechanism for taking appropriate corrective actions.

3.4 Conclusion

Controls in place at JSS have not improved considerably over recent years. The major areas of concern are completeness of revenue, misuse of funds, large cash payments and an absence of a fixed assets register. In many of these areas the state has a clear and detailed legal framework; however, often these legal requirements are simply not followed. There is a need to regularly monitor compliance with these basic control procedures with consequences for repeated breaches. Internal controls over collection and recording of revenue are not implemented while payments and receipts are not fully supported. These issues create significant doubt over the disclosures made in the draft financial statements. As a result, the OAG has issued a qualified audit opinion.

4. Introduction

Citizens' confidence in public institutions can be restored through the use of scarce resources in ways that maximise value-for-money and delivering of quality results. To effectively fulfil this role, citizens also need reliable evidence on which policy instruments and programmes work, and which do not. The OAG as a public sector external auditor, performs an important function in supporting the roles of those charged with governance in public sector organisations and other stakeholders in respect of oversight, insight and foresight.

4.1 Our Mandate and Independence

Section 28(1) of the Audit Act 2016 outlines the responsibility of the OAG to audit the accounts of all public bodies of JSS. In line with the provisions of Section 32(3) of the PFM Act 2017 and Section 30(4) of the Audit Act 2016, the AG should submit the Annual Audit report to Parliament within four months after the receipt of the Financial Statements from the Minister for Finance. The Speaker shall then table all audit reports in the State Assembly within five working days after receipt as per Section 33(1) of the Audit Act 2016.

The independence of the AG is a fundamental characteristic of a well-functioning SAI that operates in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Sections 88 and 89 of the Jubbaland Constitution state that the OAG is an independent institution, the main function of which is to be the external auditor for the State. In addition, Section 7(1) of the 2016 Audit Act of Jubbaland State of Somalia deals exclusively with the independence of the Auditor-General in the discharge of his responsibilities.

4.2 Progress So Far

Progress has been made in building the capacity of JSS OAG staff in 2020 and 2021. The speed with which capacity injection was happening has been slowed down as a result of the gap in donor support in 2022 and 2023. Despite these set backs the office was able to produce the 2021 OAG annual report with support from the EU SPFAS advisor.

4.3 Challenges

JSS OAG seeks to have a highly skilled professional audit staff who can deliver the legal mandate of the office with minimal support. To meet this requirement, appropriate resources should be provided to meet the operational and training needs of the office. The gap in donor support has had a negative impact on all activities of the office. Skills uptake among OAG staff scaled down and many planned activities for the office stalled. The reporting of the 2021 audits also delayed as a result.

We believe that identifying audit issues and providing government with recommendations is only the first step. The real work begins when those responsible, take action to put our recommendations into practice. It is for this reason that a key part of our work is to follow up on recommendations made in past audits, in order to assess the progress made on our previously recommended actions. It is then for the Parliament, and other stakeholders, to help ensure that government is taking sufficient action to address audit issues identified.

4.4 Appreciation

The OAG takes this opportunity to acknowledge the dedication of our employees, partners and staff including our TA advisor who through their contributions, have enabled the OAG to continue maintaining its professionalism.

Finally, a note of gratitude goes to the Parliament, Ministry of Finance and Civil Service Commission, who in one way or the other have contributed to the work of the OAG. It is with considerable pride that we present the Auditor-General's Annual Report 2021.

5. Detailed Findings – FY 2021 Audit

Further detail on all findings can be found at Annex 2 of this report

5.1 Revenue

Among other things the following weaknesses were noted with regards to collection, recording and reporting of revenues; Various transactions selected for testing amounting to $1,022,957 were not supported with original receipts copies of which should have been issued to tax payers as receipts hence putting into doubt of their correct classifications and presentation in the financial statement. The RMS is underutilized since it does not record all revenues levied by the state, RMS is also not integrated with FMIS hence leading to variances which puts the reliability of recorded incomes into question, the collection and recording of revenues at the port is manual which opens it to manipulations and theft, the collections at the port are not also supported by sequential and logical documentations. Gaps at the revenue collection centre include lack of reconciliation between original receipt books and collections in bank as well as disorganization and poor filing of records.

All revenue transactions should be supported by underlying original documentations, RMS should be integrated with FMIS to upheld integrity of data used to prepare the financial statement. RMS should also be improved to capture all state revenue in real-time. All collections of revenue should be automated and reconciliations enhanced so ast ensure that all revenues are collected, recorded and accounted for in a transparent manner.

5.2 Payments

Payments totalling to $1,069,518 were either not supported at all or were insufficiently supported. Some of these payments lacked basic supporting documents such as invoices, approved vouchers and were majorly supported only with an internal letter from the Director General in MoF. While others lacked evidence of goods delivery or rendering of services documentation such as delivery notes, motor vehicle log sheets, timesheets or certificates of work completion.

To enhance compliance with PFM and treasury regulations, appropriate support documents be maintained for all payments. No payment should be made without adequate supporting documentation.

5.3 Procurement

Under the review of procurement, we noted the following weaknesses.

- Instances where suppliers for goods and services were engaged without being subjected to a competitive procurement process in contravention of the existing laws and regulations and with no regard to value for money.
- Instances where there were no justifications for single source procurement as required under Section 4.25.4 of the Procurement Manual.

Ensure that competitive procurement process is fully adopted so that value for money is maximised for government expenditure. Single sourcing justification be minimal and only triggered under one-off emergency purchases.

5.6 Non-current assets

We found the following deficiencies in the management of state assets:

- There is no centralized fixed assets register maintained by the Director General ministry of finance in contravention of the requirements of the assets management regulation.
- Fixed assets are not tagged hence making their tracking more difficult
- There were no procedures for periodic assets verifications hence putting the entities at risk of theft and misuse.

The asset register should be prepared and updated to include all government property both movable and immovable.

5.7 Bank and Cash

We have noted that end of year procedures requiring confirmations and analysis of all bank accounts in the name of the state for purposes of close monitoring has not been complied with.

End of year bank accounts confirmation and updating of the bank register should be adhered to.

5.10 Follow Up of FY 2021 Audit Recommendations

During the audit, we followed up all audit recommendations made in previous years and noted that, out of 40 recommendations provided by OAG. only 7 recommendations was implemented.

A formal system should be put in place to ensure that there is a proper plan to ensure that these recommendations are implemented as planned and that progress is monitored by Senior Management at MoF.

Annex 1 – Jubbaland State of Somalia (JSS) Audited Consolidated Financial Statements for the Period Ended 31 December 2021 and the accompanying auditor's report

Annex 2 – Final Management Letter. Independent Auditor’s Report on The Audit of Jubbaland State of Somalia (JSS) For the Year Ended 31 December 2021.

DOWLAD GOBOLEEDKA JUBALAND EE SOOMAALIYA

XAFIISKA HANTIDHOWRKA GUUD

دولة إقليم جوبالاند الصومالية

مكتب المراجع العام

JUBALAND STATE OF SOMALIA

OFFICE OF THE AUDITOR GENERAL

JUBBALAND STATE OF SOMALIA (JSS)

THE OFFICE OF THE AUDITOR GENERAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

Jubbaiand State of Somalia (JSS) Audited Consolidated Financial Statements for the period ended 31 December 2021

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1.0 STATEMENT OF RESPONSIBILITY OF THE MINISTRY OF FINANCE

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 Jubbaland State of Somalia (JSS) on...31-DECEMBER 2021

Mr. Mohamed Abdi Salad

Deputy Minister for Financ and Economic Development | Date | Signature

2.0 INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Modified Opinion

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, and Government Financial Statistic (GFS) Statement of Operation for the year ended 31 December 2021 and Notes to the Financial Statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly the financial position of Jubbaland State of Somalia as at December 31, 2021, 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.

Basis for Modified Opinion

We identified the following material misstatements in the course of the audit conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI):

- Unreconciled variances between signed Financial Statements and ledger balances USD$ 1,377,808.
- We noted payments totaling to USD 405,400 with no basic supporting documentations.
- We also noted Payments totaling to USD 664,118 that lacked adequate supporting documentation.
- JSS does not have a complete fixed asset register that shows all assets owned by the government.
- Lack of adequate interface between the BPM, RMS and IFMS. There is a risk that the Expenses and revenue budget values posted could be misstated because of variances between BPM and IFMIS;

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of my report.

I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in the Federal Republic of Somalia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

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

A. Collection and recording of revenue.

The procedures applied by the Jubbaland State Administration of Somalia leave room for revenue leakages and misstatement of the financial statements caused by:

- Underutilization of automated revenue management system (RMS).
- Lack of reconciliation of revenue collected to amounts banked and the accounting system.
- Lack of revenue supporting receipts

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

- Understanding the process of revenue collection, testing the controls established within the process to ascertain whether the procedures are being followed.
- We tested the audit trail from receipts for tax collected by the tax agents to the amounts banked and the accounting system.
- We evaluated the qualification of the revenue team and assessed their level of involvement on the process of tax collection, recording and banking.
- We reviewed the bank statements and cross-check to the records of the Financial Management Information System to verify whether the two records reconcile.

B. Unsupported borrowings

Note 1.9 of the financial statements discloses outstanding loans amounting to USD 7,806,526 comprising of supply of goods and service to the Jubbaland State of Somalia. We noted the following concerns on the same;

- we were not provided loans repayment schedules for these loans.
- The were no loan agreements between the JSS and the individual lenders available for our review of the loan terms and conditions.
- There is no ledger listing of the year-end balance for the FY2021 and the brought forward amounts at the beginning of the year.

Consequently, the validity of the outstanding loans disclosed in note 1.9 of the financial statements could not be confirmed.

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

- We enquired of the management whether they had existing borrowings policies and procedures in place and if so, whether this were being adhered to.
- We requested for the loan statements for each individual lending money to the state to verify the outstanding amounts at the end the FY2021 and review the lending terms and conditions. These were not available for our review.
- We further requested for the listing of the borrowings amount included in the financial statements at year, but this was not available for our review.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Management is responsible for the preparation and fair presentation of these Financial Statements 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, 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 JSS orto cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISSAIs 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 this financial report.

- As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 expressing an opinion on the effectiveness of the government's internal control.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of management's 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 JSS's ability to continue as a going.
- Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial report 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 JSS to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

Bashir Mohamed Bahale
Auditor General
Jubbaland State of Somalia
Kismayo Somalia,

Signature—

Date --- 31 December 2022

Annex 1: Consolidated and Ministerial Financial Statements of Jubbaland State of Somalia for the year ended 31 December 2021.

CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF THE JUBBALAND STATE OF SOMALIA

For the Year Ended 31 December 2021

Prepared in accordance with the International Public Sector Accounting Standard (IPSAS) - Financial Reporting Under the Cash Basis of Accounting 2017

Prepared by the Ministry of Finance and Economic Development

Jubbaland State of Somalia

Statement of Certification – 2021 Finanical Statements

The 2021 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 (2017) and in the manner required by the Public Financial Management Act (PFM) 2017.

In the opinion of the Minister for 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 activities for the year ended 31 December 2021. The Minister further confirms the completeness of the accounting records maintained for the Jubbaland State of Somalia, which have been relied upon in the preparation of the Jubbaland's financial statements as well as the adequacy of the system of the internal financial control.

For and on behalf of the Jubbaland State of Somalia

Mr. Mohamed Abdi Salad	April 30, 2022	
Deputy Minister for Financ and Economic Development	**Date**	**Signature**

Jubbaland State of Somalia
Consolidated Fund Statement of Cash Receipts and Payments
Treasury Single Accounts
For the Year Ended 31 December 2021

	Note	2021 Controlled by TSA USD	2020 Controlled by TSA USD
Receipts / Inflows			
Taxes			
Taxes on income, profits, and capital gains	2	266,658	250,485
Taxes on payroll and workforce	3	505,035	460,788
Taxes on goods and services	4	4,092,704	4,273,710
Taxes on international trade and transactions	5	10,051,485	11,318,990
Other taxes	6	12,534	-
Taxes		**14,928,416**	**16,303,972**
Grants			
From international organizations	7	4,004,990	5,372,109
From other general government units	8	4,854,160	8,022,644
Grants		**8,859,149**	**13,394,753**
Other Revenue			
Sale of goods and services	9	2,405,819	1,250,878
Fines, penalties and forfeits	10	24,455	27,842
Other Revenue		**2,430,274**	**1,250,878**
Receipts / Inflows		**26,217,839**	**30,949,602**
Payments / Outflows			
Compensation of Employees			
Wages and Salaries	11	15,050,731	19,233,695
Compensation of Employees		**15,050,731**	**19,233,695**
Use of Goods and Services			
Travel & Conferences	12	1,798,852	2,787,377
Operating Expenses	13	2,755,664	3,372,039
Rent	14	68,004	67,200
Other Operating Expenses	15	2,249,225	1,167,175
Contingency	16	226,307	693,483
Use of Goods and Services		**7,098,052**	**8,087,273**
Grants			
Grants To Other General Government Units	17	108,638	104,789
Grants		**108,638**	**104,789**
Social Benefits			
Employment-related social benefits	18	101,763	369,926
Social Benefits		**101,763**	**369,926**
Other Expenses			
Transfers not elsewhere classified	19	3,513,419	1,436,670
Other Expenses		**3,513,419**	**1,436,670**
Nonfinancial assets			
Fixed Assets	20	671,719	805,980
Nonfinancial assets		**671,719**	**805,980**
Payments / Outflows		**26,544,322**	**30,038,333**
Increase Decrease in Cash		**(326,483)**	**939,111**
Cash at Beginning of Year		1,196,995	257,884
Cash at End of Year	1.5	**870,512**	**1,196,995**

Jubbaland State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2021
Appropriation Budget Approved on Cash Basis
Classfication of Payments by Economic Class

		2021				2020
	Note	Original Estimate Appropriation A USD	Final Estimate Appropriation B USD	Controlled by TSA C USD	Difference Between Final Budget and Actual C-B USD	Controlled by TSA USD
Receipts / Inflows						
Taxes						
Taxes on income, profits, and capital gains		300,000	271,679	266,658	(5,021)	250,485
Taxes on payroll and workforce		503,771	470,821	505,035	34,214	460,788
Taxes on goods and services		6,854,584	7,304,034	4,092,704	(3,211,331)	4,273,710
Taxes on international trade and transactions		10,941,250	9,401,796	10,051,485	649,689	11,318,990
Other taxes		400,000	395,170	12,534	(382,636)	
Taxes	**21**	**18,999,606**	**17,843,501**	**14,928,416**	**(2,915,085)**	**16,303,972**
Grants						
From international organizations		3,757,136	5,041,382	4,004,990	(1,036,392)	5,372,109
From other general government units		14,917,169	10,116,056	4,854,160	(5,261,897)	8,022,644
Grants	**22**	**18,674,305**	**15,157,438**	**8,859,149**	**(6,298,289)**	**13,394,753**
Other Revenue						
Property income		50,000	-	-	-	-
Sale of goods and services		935,740	2,117,377	2,405,819	288,442	1,250,878
Fines, penalties and forfeits		20,000	40,338	24,455	(15,883)	27,842
Other Revenue	**23**	**1,005,740**	**2,157,715**	**2,430,274**	**272,559**	**1,278,719**
Receipts / Inflows		**38,679,650**	**35,158,654**	**26,217,839**	**(8,940,815)**	**30,977,444**

Jubbaland State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2021
Appropriation Budget Approved on Cash Basis
Classfication of Payments by Economic Class

		2021				2020
	Note	Original Estimate Appropriation A USD	Final Estimate Appropriation B USD	Controlled by TSA C USD	Difference Between Final Budget and Actual C-B USD	Controlled by TSA USD
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		16,038,121	17,220,256	15,050,731	(2,169,525)	19,233,695
Compensation of Employees	**24**	**16,038,121**	**17,220,256**	**15,050,731**	**(2,169,525)**	**19,233,695**
Use of Goods and Services						
Travel & Conferences		2,126,346	2,474,651	1,798,852	(675,799)	2,787,377
Operating Expenses		3,542,974	3,951,866	2,755,664	(1,196,202)	3,372,039
Rent		83,674	126,449	68,004	(58,445)	67,200
Other Operating Expenses		2,089,834	2,641,253	2,249,225	(392,028)	1,167,175
RCRF Non-Salary Recurrent Cost		743,140	544,217	-	(544,217)	-
Contingency		259,955	259,577	226,307	(33,270)	693,483
Use of Goods and Services	**25**	**8,845,923**	**9,998,013**	**7,098,052**	**(2,899,961)**	**8,087,273**
Grants						
Grants To Other General Government Units		229,000	199,000	108,638	(90,362)	104,789
Grants	**26**	**229,000**	**199,000**	**108,638**	**(90,362)**	**104,789**
Social Benefits						
Employment-related social benefits		223,262	166,662	101,763	(64,899)	369,926
Social Benefits	**27**	**223,262**	**166,662**	**101,763**	**(64,899)**	**369,926**
Other Expenses						
Transfers not elsewhere classified		4,430,777	3,579,277	3,513,419	(65,858)	1,436,670
Other Expenses	**28**	**4,430,777**	**3,579,277**	**3,513,419**	**(65,858)**	**1,436,670**
Nonfinancial assets						
Fixed Assets		8,912,567	3,995,445	671,719	(3,323,727)	805,980
Nonfinancial assets	**29**	**8,912,567**	**3,995,445**	**671,719**	**(3,323,727)**	**805,980**
Payments / Outflows		**38,679,650**	**35,158,654**	**26,544,322**	**(8,614,332)**	**30,038,333**
Increase Decrease in Cash				**(326,483)**	**(326,483)**	**939,111**

Jubbaland State of Somalia
Statement of Government Operations
For the Year Ended 31 December, 2021

	2021 USD	2020 USD
Transactions Affecting Net Worth		
Revenue	**26,217,839**	**30,977,444**
Taxes	**14,928,416**	**16,303,972**
Taxes on income, profits, and capital gains	266,658	250,485
Taxes on payroll and workforce	505,035	460,788
Taxes on goods and services	4,092,704	4,273,710
Taxes on international trade and transactions	10,051,485	11,318,990
Other taxes	12,534	-
Grants **Grants**	**8,859,149**	**13,394,753**
From international organizations	4,004,990	5,372,109
From other general government units	4,854,160	8,022,644
Other Revenue	**2,430,274**	**1,278,719**
Sale of goods and services	2,405,819	1,250,878
Fines, penalties and forfeits	24,455	27,842
Expense	**25,872,604**	**29,232,353**
Compensation of Employees	**15,050,731**	**19,233,695**
Wages and Salaries	15,050,731	19,233,695
Use of Goods and Services	**7,098,052**	**8,087,273**
Travel & Conferences	1,798,852	2,787,377
Operating Expenses	2,755,664	3,372,039
Rent	68,004	67,200
Other Operating Expenses	2,249,225	1,167,175
Contingency	226,307	693,483
Grants	**108,638**	**104,789**
Grants To Other General Government Units	108,638	104,789
Social Benefits	**101,763**	**369,926**
Employment-related social benefits	101,763	369,926
Other Expenses	**3,513,419**	**1,436,670**
Transfers not elsewhere classified	3,513,419	1,436,670
Gross Operating Balance	**345,235**	**1,745,091**
Transactions In Non Financial Assets	-	-
Net worth and its changes	**671,719**	**805,980**
Nonfinancial assets	671,719	805,980
Fixed Assets	671,719	805,980
Inventories	-	-
Transactions in Financial Assets & Liabilities	**(326,483)**	**939,111**
Change In Net Worth. Transactions (Assets)	**(326,483)**	**939,111**
Financial assets	(326,483)	939,111
Domestic	-	-
Liabilties	**-**	**-**
Liabilties	-	-
Liabilties	-	-
Overall Statistical Discrepancy	-	-

Notes to the Financial Statements

Note 1 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 (PFM)* and the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting under the Cash Basis of Accounting 2017*. 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.

1.2 Reporting Entity

The Financial statements are for the Jubbaland State of Somalia. The Designed capital of Jubbaland State is Buale, located in the Middle Jubba of Somalia, situated in the southern Jubba River. However, Jubbaland State of Somalia is located as an interim in Kismayo currently. The principal address is:

Ministry of Finance Building,
Airport road,
Fanole Village, Opposite Agan hotel.

The principle activities of the Government and its controlled entities include the provision of health, education, security and general public services. The financial statements are for the Jubbaland State of Somalia (JSS) and covers the period 1 January to 31 December 2021.

The financial statements encompass the reporting entities as specified in the *JSS Appropriation Act No. 2, 2020* and are comprised of:

1. Ministry of Agriculture and Irrigation
2. Ministry of Culture and Higher Education
3. Ministry of Water and Energy
4. Ministry of Finance and Economic Development
5. Ministry of Health
6. Ministry of Communications, Posts, and Technology
7. Ministry of Internal 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 and Human Rights
12. State Ministry for Presidency
13. Kismayo Airport Authority
14. Kismayo Ports Authority
15. Auditor General's Office
16. Civil Service Commission

17 Jubbaland Parliament
18 Ministry of Livestock
19 Ministry of Fisheries and Marine Resources
20 Ministry of Youth and Sports
21 Ministry of Transport and Aviation
22 Ministry of Interior and Federal Affairs
23 Ministry of Environment and Tourism
24 Ministry of Public Works, Housing and Construction
25 Judiciary Service Commission.
26 Ministry of Constitution and Federal Affairs
27 Ministry of Labour
28 Jubbaland Election Commission $ Boundaries
29 Attorney General Office
30 Ministry of Information and Public Orientation
31 Ministry of Transport and Ports
32 Ministry of Petroleum and Minerals
33 Ministry of Humanitarian Affairs and Disaster Managemen

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, four (4) new Ministries were created by a *Presidential Decree XM/DGS/112/2018* on November 27th, 2018 The Ministry of Finance and Revenue Collection Authority Establishment Act 2017 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 & deposit into the Treasury Single Account (TSA) all legally established taxes and other revenues of the Jubbaland State of Somalia. The Auditor General's Office was created via the Audit Act 2016; however, the Office was only formally established during the 2018 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 *Act for establishing the Civil Service Commission of the Jubbaland State of Somalia dated 23 April 2018* established the office of the Civil Service Commission. A companion Act 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. 2 2021.*

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 2 of 2021.* During FY2021 Kismayo Airport Authority and Kismayo Seaport Authority were brought under the Ministry of Transport and Ministry of Transport and Ports respectively.

The Auditor General's Office, Judiciary Service Commission, Ministry of Labour and Ministry of Constitution and Federal Affairs were established during the 2018 financial year and Jubbaland Election Commission Boundaries in 2019.

During FY2021 additional Ministries were introduced namely, Ministry of Humanitarian Affairs and Disaster Management while Ministry of Water, Mines and Energy was renamed as Ministry of Water and Energy and Ministry of Petroleum and Minerals respectively, also the Ministry of information and Telecommunication was made into two entities as ministry of Information and Ministry of Telecommunication.

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 and Federal Affairs

1.3 External Assistance

1.3.1 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. Third party assistance is reported under Note 30

1.3.2 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. Other assistance was provided for specified purposes by NGOs and other donors and is reported under Note 30.2

1.4 Treasury Single Account & Project Accounts

Jubbaland State of Somalia operates bank accounts at both the Dahabshiil and Salaam banks.

1.4.1 Dahabshiil Bank Accounts

In the 2021 financial year, five (5) new accounts were opened under a written authorization of the Minister of Finance, in accordance with Section 29, paragraph 2 of the PFM Act 2017. The sub-account relates to donor project and was opened to comply with the donor's requirements. As of the end of FY2021, balances of these accounts were as follows:

Dahabshil Bank Accounts Name	2021 USD	2020 USD
Ministry of Women Affairs - Support Account	63	913
Ministry Of Planning And Inter. Cooperation -Sup Account	3,234	-
JRIA & IDPs Affairs - GIZ Account	51	-
JRIA& IDPs Affairs Emergency Fund- GIZ Account	-	93,886
JRIA Support -UNHCR Account	2,714	2,681
Ministry of Agriculture - Supp Account	70,779	684
Governor's Office Lower Jubba Account	1	-
Ministry of Livestock - Support Account	977	10
Ministry of Health - Support Project Account	92	4,800
Ministry of Minerals, Energy & Water Resources	-	2,175
Jubbaland Teachers Training College (JTTC)	4,706	-
Moet-GIZ Support Account	131	-
Ministry of Minerals Energy & Water-GIZ Project	-	17,728
Moh-Covid19 Emergency Preparedness	87,116	21,455
MoEHL JSS-UNICEF Project	5	-
JSS MoH Kismayo Quarantine Facility (Covid19)	-	21,900
JSS MoH Kismayo Rural Mobile Clinic (Allenley)	-	16,000
JSS MoH Kismayo Urban Mobile Clinic (Allenley)	-	2,968
JSS MoTI-GIZ Project Account	-	12,821
JSS Min of Women & Human Right	-	29,736
Ministry of Agriculture Jubbaland	-	28,708
Ministry of Finance Support Project Account	-	4,335
Ministry of ICT GIZ Support Project	-	8,750
MoPWH Support Project Account	-	5,330
Moet-GIZ Gobwen Support Account	1	4,344
Moet-GIZ-Herbs Account	425	19,954
Ministry of Minerals, Energy &Water JSS	-	1,955
Support Project Account MoH JSS	1	9,819
JRIA Resilience Sub-Account-GIZ	-	65,635
JRIA UFSP Sup-Account-GIZ	1	88,080
JRIA CFD Sub Account-GIZ	-	53,321
JSS Mot12-GIZ Project Account	2,532	-
Ministry Of Agriculture JSS GIZ Project	19,735	-
GIZ UFSP Gobweyn Project	38,971	-
MoPWRH-JSS Support Project Account	45,340	-
JUCRI CDF Sub-Account-GIZ	87,702	-
	364,574	**517,990**

1.4.2 Salaam Somali Bank Accounts

During the 2021 financial year, four (4) new accounts were opened under a written authorization of the Minister for Finance, in accordance with Section 29, paragraph 2 of the PFM Act 2017. Notably, all the sub-accounts relate to donor projects and were opened to comply with the donor requirements. As of the end of FY2021, balances of these accounts were as follows:

Salaam Somali Bank Accounts Name	2021 USD	2020 USD
Jubbaland Treasury Single Account	3,911	343,361
Ministry of Woman & Human Rights - Support Account	35,427	42
Ministry of Agriculture - Support Account	9	9
Wb Project RCRF II	-	81,312
Ministry of Fisheries & Marine - Support By FAO	93	93
MOE And Higher Learning Support Project Account	236	12,061
Moi Jubbaland Dialogue Account	10	10
Moj-Women Access to Justice Project	-	5,000
MOH HMIS Strengthening Bardere And Elwak Districts	70	70
Supp_Af Kismayo Municipality	-	48,514
Ministry Of Minerals, Energy And Water Resources	12,575	-
Mopwh Jss Jplg Support Account	14,777	5,100
JRIA Subaccount-Care	3	21,327
Support Account Jl-Gpe Account	-	119,601
Moilg-Jss	164	13,532
SURP- Kismayo Municipality	350,437	-
Ministry Of Public Work and Housing Jubbaland	11,066	28,971
Mole Baxnaano Project Account	19,485	1
Garoonka Diyaaradaha Sayid Mohamed Abdulle Xassan	21,898	-
WB Project Account-2103-34177359	8,591	-
MoW & Hr-Support Account Dollars	1,787	-
JUCRI Sub-Account-Care	25,400	-
	505,938	679,005

1.5 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. Somali banks do not pay interest.

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

	2021 USD	2020 USD
Cash on hand and balances with banks	870,512	1,196,995

Included in the $870,512 is $3,911 held in the main TSA, with the balance of cash on hand of $866,601 held in the TSA sub-accounts which is restricted cash for specific project purposes

1.6 Reporting Currency

The reporting currency is the United States Dollar (USD), rounded to the nearest dollar.

1.7 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 2021 to 31st December 2021) as for the financial statements. It encompasses the same entities as the consolidated financial statement (These are identified in Note 1.2)

The Jubbaland Parliament approved the original budget on the 27th December 2020. Subsequently, a supplemental budget was approved by the Jubbaland Parliament in 22nd August 2021.

1.8 Authorization Date

The financial statements were authorized for issue on **30, April 2022 by Mr Mohamed Abdi Salad, Deputy Minister for Finance and Economic Development.**

Note 2 Taxes on Income, Profits, and Capital Gains

During the 2021 financial year, JSS collected taxes on income, profits, and capital gains of $266,658 ($250,485 in the 2020). The tax is paid by the Civil servants and other business employees on total remuneration (Salary) paid by the Jubbaland State of Somalia at a standard rate of 5%.

Note 3 Taxes on Payroll and Workforce

The tax is paid by the employers based on the total remuneration (salary/wage bill) paid to all the employees at a standard rate of 5%. In 2021 financial year, $505,035 ($460,788 in 2020) ware received from international organizations and business entities in Jubbaland State of Somalia.

Note 4 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.

	2021	Ministry of Interior and Federal	Ministry of Finance and Economic Development	Ministry of Justice and Religion Affairs	Ministry of Planning and International Cooperation	Ministry of Trade and Industry	Kismayo Airport Authority	Kismayo Ports Authority	Ministry of Fisheries & Marine	Ministry of Transport and Aviation	Ministry of Transport and Ports	2020
Turnover Tax	957,530		957,530									837,515
Property Tax	407,778	407,778										229,326
Vehicle & Drivers Licences	149,732									149,732		10,080
Business & Professional Licenses	31,405	445				30,960						36,510
Ground Handling Fee	545,962							354,756		15,572	175,634	947,499
State Road User Tax	953,272		945,572					7,700				727,068
Fishing Fees	20,000								20,000			404,850
Port docking Fees	-											424,137
Landing Fees	209,482						112,133			97,349		101,059
Local Passenger Fee	369,193						208,253			160,940		
Parking Fees	3,299						708			2,591		
International departure fee	38,007						10,027			27,980		
Navigation Fee	137,247						73,572			63,675		58,218
Urban Road User Tax	228,227									228,227		260,460
International NGOs registration	18,000				18,000							27,000
Local NGO's Registration	21,800				21,800							20,500
Foreign Companies Registration	-											2,000
Local Companies Registration	-											1,400
Parking Fees	-											6,550
Livestock Fees	-											6,781
Other taxes on use of goods and on permission to u	1,770			1,770								-
Local passenger fees.	-											172,757
Grand Total	**4,092,704**	**408,223**	**1,903,102**	**1,770**	**39,800**	**30,960**	**404,693**	**362,456**	**20,000**	**746,066**	**175,634**	**4,273,710**

The applicable rates on services vary and mostly depend on the business sector and service type and are authorized in accordance with the Revenue Act 2017.

Note 5 Taxes on International Trade and Transactions

Taxes on International Trade incorporate all taxes that are imposed on goods and services exported out of 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.

During the year, $10,051,485 was collected with $1,988,532 relating to Customs Duties - Khat ($4,223,258 in 2020) and custom duties on imported goods of $7,986,350 ($6,935,576 in 2020). The shortfall in collection of customs duty to the previous year relates to decline of Khat collection. Export duty of $76,603 was collected. Following is a detailed breakdown of customs duties raised and their respective source of entry.

	2021						2020
	Total	Ministry of Finance	Ministry of Transport and Ports	Kismayo Ports Authority	Ministry of Transport and Aviation	Kismayo Airport Authority	
	USD	USD		USD		USD	USD
Customs duties - Imported goods	7,986,350		2,551,698	5,390,882	22,995	20,776	6,935,576
Customs duties - KHAT	1,988,532	1,988,532		-		-	4,223,258
Export duty	76,603	-	20,753	55,850		-	160,156
	10,051,485	1,988,532	2,572,451	5,446,732	22,995	20,776	11,318,990

Note 6 Other taxes

Other taxes encompass revenue collections from the local governments. During the year, Ministry of Finance (MoF) collected revenue on behalf of the Kismayo Municipality totalling $2,430,274 ($1,278,719 in 2020).

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 transport. 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 7 Grants from International Organizations

During the 2021 financial year, grants were received from international organizations of $4,004,990 ($5,372,109 in 2020). The amount received from international organisations is detailed in the breakdown below.

Donor	2021 USD	2020 USD
Danish Refugee Committee (DRC)	3,360	-
GIZ	1,053,161	2,344,480
ADRA	57,025	30,600
AVSI	3,820	-
Norwegian Church Aid	20,900	15,058
Norwegian Refugee Council	9,000	2,400
Save The Children	142,875	291,487
World Vision	925	-
TROCAIRE	-	10,000
CARE INTERNATIONAL IN SOMALIA	121,891	142,510
American Refugee Committee (ARC)	1,550	19,351
Lutheran World Federation (LWF) Education	-	1,140
Food and Agricuture Organization	333,404	395,945
International Labour Organisation	55,234	75,262
United Nations Assistance Mission in Somalia	1,000	-
United Nation Developmental Programme	53,800	170,985
UNICEF	1,161,524	380,333
UNHCR	323,641	482,516
UNHABITAT	88,163	62,840
World Food Program	157,578	42,886
United Nations Capital Development Fund	129,425	160,000
UN-WOMEN	7,000	25,200
International Organization for Migration	279,715	545,657
Somali Stability Fund	-	20,010
Adam Smith International	-	153,448
	4,004,990	**5,372,109**

Note 8 Grants from Other Government Units

During 2021 financial year, the Federal Government of Somalia granted a total of $4,854,160 ($8,022,644 in FY2020) to the Jubbaland State. The funding, which was received throughout year included $182,584 which was used for Global Partnership for Education (GPE), $2,684,093 ($2,289,636 in 2020) was received from RCRF II/III project administered by the World Bank. $517,520 for COVID-19 emergency preparedness and response under the Ministry of Health was received from Federal Government of Somalia, with the remaining being $150,000 for the draught assistance fund under the Ministry of Humanitarian affairs and disaster management, $23,310 for support to Jubbaland strategic plan review, $4,130 was received to support JPLG for Afmadow district, $10,000 for stabilization and $1,282,523 for Somali urban investment planning project. The amount received from projects is detailed in the breakdown below. (Refer also to Note 22).

Projects		2021						2020
		Ministry of Culture and Higher Education	Ministry of Humanitarian Affairs and Disaster Management	Ministry of Health	Ministry of Planning and International and Cooperation	Ministry of Interior Federal Affairs	Ministry of Finance and Economic Development	
Global Partnership for Education (GPE)	83,200	83,200						158,652
National Exam Form4	-							10,210
Global Partner for Education GPE MCA	99,384	99,384						17,375
Jubbaland Strategic Plan Review	23,310				23,310			-
SURP II -TF-B1409(KFW)	718,223					718,223		-
SURP II -TF-B1519(EU)	269,324					269,324		-
SURP II - IDA-D5310(IDA)	294,975					294,975		-
World Water Day 2019 Events	-							6,540
Jubbaland COVID19 Emergence Preparedness $ respone	-							500,000
COVID-19 Locust & Floods	-							2,493
Jubbaland Strategic Plan Review	-							23,310
Stabilization Support(Kismayo,Garba,Bardh,Afmadow)	10,000					10,000		75,000
Somali Urban Investment Planning Project	-							320,429
RCRF II Project	2,684,093						2,684,093	2,289,636
EU Budget Support	-							1,319,000
FGS BUDGET SUPPORT	-							3,300,000
JPLG for Afmadow District	4,130					4130		-
Drougtht Assistant Fund	150,000		150,000					-
Activity 2.2.1 RCRFIICOVID-19	517,520			517,520				-
	4,854,160	184,605	150,000	517,520	23,310	1,296,653	2,684,093	8,022,644

[redacted]

Note 9 Sale of Goods and Services

Sale of goods and services consist of income generated from JSS providing necessary legal documents to its citizens. In 2021 financial year, the Ministries and Agencies collected a total of $2,405,819 ($1,250,878 in 2020) as sale of goods and service. The following provides a detailed breakdown of the revenue items:

	2021 USD	2020 USD
Visa Fees	107,942	86,950
Individual Identification Fee	1,050	-
Birth certificate Fee	1,635	-
Land Certificate Fee	464,806	289,514
Number Plate Registration	246,800	182,200
Logbook Registration	144,860	105,720
Land Allocation	1,359,165	540,969
Public Notary Fees	600	1,500
Bidding fees	1,000	5,600
Passport Fee	4,660	-
Import Inspection Fees	73,302	38,425
	2,405,819	**1,250,878**

Note 10 Fines, penalties and forfeits

The Ministry of Justice and religious affairs collected Court Filing Fees of $24,455. Court filing fees relate to charges that are obtained in opening cases at the Kismayo Magistrate court.

Note 11 Wages and Salaries

Treasury Single Account

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

	2021 USD	2020 USD
Permanent employees/Regular staff	2,552,838	2,197,741
Contract employees	1,718,511	1,911,511
Wage workers	914,323	949,025
Stipend	59,100	15,600
Security Forces (Police, Intel Forces and Prison)	3,399,750	5,023,492
Remuneration to Ministers and Statutory Appointm	308,812	381,715
Remuneration to Politicians	749,677	923,264
Accommodation Allowance	2,228,900	3,633,977
Professional allowance	309,283	127,427
Transportation allowance	50,820	254,720
Other allowances	29,160	19,500
Security Operational Allowances	385,498	787,177
Regular Food Provision	1,191,389	1,561,321
Daily meals	1,152,670	1,447,224
	15,050,731	**19,233,695**

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 allowance and hotel accommodation allowances paid to Ministers, Parliamentarians, Commissioners, and the civil servants of JSS. Regular food provisions are in-kind payments to the Military forces of Jubbaland that are made in the 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 providing security to Government Institutions.

Note 12 Travel, Conferences & Conflict Resolution

Travel and conferences amounting to $1,798,852 ($2,787,377 in 2020) is comprised of travel costs, conferences costs within and outside the country and conflict resolution expenses. The following provides a breakdown of the total costs

	2021 USD	2020 USD
Internal Travel	420,544	412,022
External Travel	270,926	330,042
Local conferences	359,612	553,437
Overseas Conferences	47,259	26,119
Conflict Resolution Expenses	700,511	1,465,757
	1,798,852	**2,787,377**

Note 13 Operating Expenses

Operating Costs are a 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

	2021 USD	2020 USD
Water	69,890	49,889
Electricity	171,216	164,170
Generator Fuel	19,336	-
Telephone fees	17,241	7,050
Mobile Phone Expenses	12,978	19,520
Internet	179,958	206,924
Satellite Fees	74,000	86,244
G-suite fees	4,608	-
Gasoline	13,900	17,962
Diesel	226,022	182,478
Oil (machines)	3,272	2,328
Stationary	190,382	173,153
Published fees	22,799	588
Meeting Supplies	610,447	283,692
Office Refreshments	74,975	77,568
Publications	123,901	185,777
Cleaning Supplies	49,767	323,215
Computer Consumables	23,270	5,318
Medical Supply	11,297	467,209
Maintenance of equipment	70,332	78,252
Maintenance of furniture & fittings	37,475	10,735
Maintenance of Vehicles	47,250	26,251
Maintenance of heavy machinery	5,800	1,550
Maintenance of buildings and repairs	79,197	461,269
Spare parts and supplies	34,863	15,027
Others	34,725	45,395
Cleaning Services	2,000	9,771
Security Services	-	5,015
Vehicle Hire/car rental	544,764	465,689
	2,755,664	**3,372,039**

Note 14 Rent

Rental expenses amounting to $68,004 was incurred in 2021 ($67,200 in 2020. The Office rental expense relates $14,400 to office rent in Luuq, Dhobley, Beledhawa and Afmadow to the Ministry of Interior for the *Jubbaland Refugee and Internally Displaced Person's Agency* (JRIA), $800 livelihood project by CARE, $22,500 relates to Auditor general office rent supported by RCRF III through Non salary recurrent cost, $5,640 for GIZ project supported Ministry of Environment and $4,500 for the project Rule of law and correction for the Ministry of Justice and Religious Affairs by UNDP.

Other rent relates to hotel and hall hire amounting to $20,164.

	2021 USD	2020 USD
Office Rent	47,840	47,500
Other Rent	20,164	19,700
	68,004	**67,200**

Note 15 Other Operating Expenses

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 RCRFII project, Somalia urban investment planning project through Federal Government of Somalia, GIZ, CARE, Trocaire Norwegian Refugee Council (NRC) and Food and agriculture Organization implanted projects. Staff training costs relates to specialized technical trainings provided by GIZ, ADRA, Norwegian Refugee Council (NRC), UNHABITAT, International Labour Organization (ILO) and United Nations Capital Development Fund implemented projects.

Fees for services provided are payments made to SEMLEX and MILESTONE, SEMLEX is a company contracted by JSS for providing logbook, numberplate registration services and house numbering; these is primarily achieved through JSS paying the cost incurred by SEMLEX when providing these services. MILESTONE provided land registration for Jubbaland. While television & Newspaper Advertisements relates to costs for television and magazine subscriptions procured by JSS. Bank charges relate to JSS TSA accounts operations decrease of Bank charges relates to the low bank charges rate by Salaam bank. Following is the breakdown of other operating costs.

	2021 USD	2020 USD
Consultation Fees	704,503	374,278
Staff Training and Development	211,438	53,926
Fee for service provided(Non-consultancy service)	1,112,693	516,126
Bank charges	52,460	58,642
Monitoring And Evaluation	22,920	-
Recruitment and Selection Cost.	8,172	-
Television and Newspaper Advertisements	121,459	152,492
Newspapers and Magazine Subscriptions	15,580	-
Marketing and Promotion	-	11,710
	2,249,225	**1,167,175**

Note 16 Contingency

During the year, the Ministry of Finance and Economic Development incurred a cost of $226,307 of contingency cost.

	2021 USD	2020 USD
Ministry of Finance and Economic Development	226,307	693,483
	226,307	**693,483**

Note 17 Grants to other General Government units

Grants to other general Government units relate to transfers made to lower-level Government of JSS. In the FY2021, a sum of $108,638 ($104,789 in 2020) 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 18 Social Benefits

Social benefits costs comprise of Medical treatment totalling $101,763 ($369,926 in 2020) 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 19 Transfers not elsewhere classified

Transfers not elsewhere classified relates to JSS obligations (refer to previous debts and arrears owned to JSS since inception to date) $3,513,419 was paid in FY2021 as detailed below.

	2021 USD	2020 USD
JSS Obligation	3,363,419	1,436,670
Natural Disaster	150,000	-
	3,513,419	**1,436,670**

In 2013, JSS received interest free loans totalling $1,262,769 from local businesses. The funds were utilized in establishing the JSS administration. In 2019 during the election period and Federal Government of Somalia travel restriction JSS received interest free loan totalling to $5,140,621. In addition, FY 2021 JSS received interest free loan totalling to 7,368,585 due to the budget constraints and no budget support was received from Federal Government of Somalia, 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.

Amount Received - 2013	1,262,769
Amount Received - 2019	5,140,621
Amount Received - 2021	7,368,585
Total Received	**13,771,975**

Repayments		
FY2014	70,000	
FY2015	483,108	
FY2016	353,141	
FY2017	152,521	
FY2018	106,590	
FY2019	-	
FY2020	1,436,670	
FY2021	3,363,419	
Total Repayments		**5,965,449**
Remaining balance		**7,806,526**

Note 20 Non-Financial Assets

Total non-financial assets of $671,719 ($805,980 in 2020) were acquired and consist of costs that were incurred in rehabilitation of Buildings, purchasing ICT equipment, Furniture, Machinery, furniture & Fixtures and tools for Government.

Comprehensive breakdown of non-financial asset acquisitions are detailed as follows.

	2021	**2020**
	USD	**USD**
Buildings Other than dwellings	379,908	106,805
Cars	10,000	160,603
Information, computer and telecomm (ICT) equipment	5,134	85,036
Machinery and Equipment not elsewhere classified	98,631	414,837
Furniture & fixtures	15,900	35,787
Tools & specialized professional services	162,146	2,913
	671,719	**805,980**

Note 21 Taxes

A total of $17,843,501 tax collections was estimated to be raised in the 2021 financial year; however, an actual collection of $14,928,416 was achieved. The amount collected represents 84% of the total tax revenue estimate for the year

The under collection of tax revenue directly relates to the election session in 2021. Also, the low revenue collection from Kismayo Port Authority due to a noticeable general decline of imported goods, both in volume and value during the election period in 2021.

	2021			2020
	Final Estimate	Actual Collections	Difference between Final Estimate and Actual	Actual Collections
Personal income tax	271,679	266,658	(5,021)	250,485
Payroll Tax - Non-Government	470,821	505,035	34,214	460,788
Turnover Tax	1,000,000	957,530	(42,470)	837,515
Property Tax	1,056,000	407,778	(648,222)	229,326
Vehicle & Drivers Licences	240,000	149,732	(90,268)	10,080
Business & Professional Licenses	16,824	31,405	14,581	36,510
Other taxes on use of goods and on permission to u	-	1,770	1,770	-
Fishing Fees	48,160	20,000	(28,160)	404,850
Port docking Fees	450,472		(450,472)	424,137
Landing Fees	240,469	209,482	(30,987)	101,059
Local Passenger Fee	328,478	369,193	40,715	172,757
State Road User Tax	1,230,074	953,272	(276,802)	727,068
Urban Road User Tax	350,000	228,227	(121,773)	260,460
International NGOs registration	34,000	18,000	(16,000)	27,000
Local NGO's Registration	39,000	21,800	(17,200)	20,500
Foreign Companies Registration	30,000	-	(30,000)	2,000
Local Companies Registration	13,500	-	(13,500)	1,400
Parking Fees	30,000	3,299	(26,701)	6,550
Livestock Fees	20,000	-	(20,000)	6,781
International departure fee	75,000	38,007	(36,993)	-
Navigation Fee	150,000	137,247	(12,753)	58,218
Ground Handling Fee	1,952,057	545,962	(1,406,096)	947,499
Customs duties - Imported goods	7,176,796	7,986,350	809,554	6,935,576
Customs duties - KHAT	2,025,000	1,988,532	(36,469)	4,223,258
Export Duty	200,000	76,603	(123,397)	160,156
Revenue Collections from local Government	395,170	12,534	(382,636)	-
	17,843,501	14,928,416	(2,915,085)	16,303,972

Note 22 Grants

Total grants of $8,859,149 were received against an annual estimate of $15,157,438 Grants from Foreign government and International organizations were not received as estimated with the difference mainly due to an over optimistic estimate of $1,385,905 RCRFIII, $632,543 global partner for education and $3,177,673 delayed disbursement of donor fund Somalia urban resilience project (SURP II). The following table presents a detailed breakdown of the grant variances.

	2021			**2020**
	Final Estimate	**Actual Collections**	**Difference between Final Estimate and Actual**	**Actual Collections**
Tax Type				
Current Grants From International Organizations	5,041,382	4,004,990	1,036,392	5,372,109
Grants from Federal Government of Somalia	10,111,926	4,850,030	5,261,897	8,022,644
Grants from local Government-Jubbaland	4,130	4,130	-	-
Total	15,157,438	8,859,149	(6,298,289)	13,394,753

RCRF II/III and RCRFIII majorly funds civil servant salaries that have been recruited following a very rigorous process, JSS did not recruit at the pace that was originally planned leading to unutilized access to funds of $191,819 for female health workers. Strengthening resource management fund of

$ 96,000 has not been utilized, these funds are earmarked for the salary increment of the EAFS department and the EAFS personnel are yet to complete the CIPFA certificate course, which was a condition for the salary upgrade. During the year there was unutilised school supervision activity funding of $83,051 and delayed disbursement for MOH- service delivery support of $480,000, which has been carried forward to the 2022 financial year.

Grants from International Organizations

Grants	Budgeted	Paid	Balance
Danish Refugee Committee (DRC)	2,400	3,360	(960)
GIZ	1,418,380	1,053,161	365,219
ADRA	95,780	57,025	38,755
AVSI	3,820	3,820	-
Norwegian Church Aid	21,813	20,900	913
Norwegian Refugee Council	9,000	9,000	-
Save The Children	218,262	142,875	75,387
World Vision	1,850	925	925
CARE INTERNATIONAL IN SOMALIA	347,911	121,891	226,020
American Refugee Committee (ARC)	1,550	1,550	-
Food and Agricuture organization	373,647	333,404	40,243
International Labour Organisation	149,898	55,234	94,664
United Nations Assistance Mission in Somalia	-	1,000	(1,000)
United Nation Developmental Programme	58,800	53,800	5,000
UNICEF	1,155,911	1,161,524	(5,613)
UNHCR	326,322	323,641	2,681
UNHABITAT	100,886	88,163	12,723
World Food Program	169,406	157,578	11,828
United Nations Capital Development Fund	184,134	129,425	54,710
UN-WOMEN	33,300	7,000	26,300
International Organization for Migration	368,312	279,715	88,597
	5,041,382	**4,004,990**	**947,795**

Grants from Federal Government of Somalia

A total grant of $10,116,056 from the Federal Government of Somalia was estimated; however, the actual grant received was $4,854,160. The variance was mainly attributed to ($3,177,673 and $1,385,905) delayed disbursement of donor fund Somalia urban resilience project (SURP II) and RCRF II/IIII support respectively.

Jubbaland did not received budget support funding during the FY2021.

Note 23 Other Revenue

Other revenue collections consist of sale of goods and services and other taxes on Fines, penalties and forfeits of $2,430,274 against a target of $2,157,715. The over collection against the target was due to $54,301 land certificate fee and $259,165 land allocation performed well during the FY2021.

Collections for the year were:

Tax Type	2021 Final Estimate	2021 Actual Collections	2021 Difference between Final Estimate and Actual	2020 Actual Collections
Visa Fees	145,872	107,942	37,930	86,950
Individual Identification Fee	-	1,050	(1,050)	-
Birth certificate Fee	-	1,635	(1,635)	-
Land Certificate Fee	410,505	464,806	(54,301)	289,514
Number Plate Registration	250,000	246,800	3,200	182,200
Logbook Registration	100,000	144,860	(44,860)	105,720
Land Allocation	1,100,000	1,359,165	(259,165)	540,969
Public Notary Fees	10,000	600	9,400	1,500
Bidding fees	700	1,000	(300)	5,600
Passport Fee	-	4,660	(4,660)	-
Import Inspection Fees	100,000	73,302	26,698	38,425
Fines/Penalties	10,000	-	10,000	-
Court Filing Fees	30,338	24,455	5,883	27,842
Total	**2,157,415**	**2,430,274**	**(272,859)**	**1,278,719**

Note 24 Employee Compensation

A total of $15,050,731 was spent on employee compensation against a final budget of $17,220,256. The underspend related to Contract employees, Wage workers Accommodation allowance and Remuneration to Ministers, and was as a result of funding delays from the FGS. The under spending of permanent employees was as a result of delay in recruiting civil servants.

	2021 Final Budget	2021 Actual	2021 Variance between Budget and Actual	2020 Actual
Permanent employees/Regular staff	3,047,337	2,552,838	494,499	2,197,741
Contract employees	2,226,687	1,718,511	508,176	1,911,511
Wage workers	1,205,049	914,323	290,727	949,025
Stipend	69,250	59,100	10,150	15,600
Security Forces (Police, Intel Forces and Prison)	3,636,266	3,399,750	236,516	5,023,492
Remuneration to Ministers and Statutory Appointm	609,444	308,812	300,632	381,715
Remuneration to Politicians	873,500	749,677	123,823	923,264
Accommodation Allowance	2,399,809	2,228,900	170,909	3,633,977
Professional allowance	313,983	309,283	4,700	127,427
Transportation allowance	55,710	50,820	4,890	254,720
Other allowances	29,160	29,160	-	19,500
Security Operational Allowances	385,800	385,498	302	787,177
Regular Food Provision	1,208,090	1,191,389	16,700	1,561,321
Daily meals	1,160,171	1,152,670	7,501	1,447,224
Total Compensation of Employees	**17,220,256**	**15,050,731**	**(2,169,525)**	**19,233,695**

Note 25 Use of Good and Services

The ability to incur expenditure in the Jubbaland State of Somalia was limited to the revenue collections over a specified period. In the case of goods and services, JSS spent a total of $7,098,052, which represents 71 percent of the final budget. The variance distributed across the entities is mainly attributed to constraints in the actual available income.

	2021			2020
	Final Budget	Actual	Variance between Budget and Actual	Actual
Internal Travel	629,041	420,544	208,496	412,022
External Travel	416,841	270,926	145,915	330,042
Local conferences	616,167	359,612	256,555	553,437
Overseas Conferences	76,748	47,259	29,489	26,119
Conflict Resolution Expenses	735,855	700,511	35,344	1,465,757
Water	118,467	69,890	48,577	49,889
Electricity	300,751	171,216	129,535	164,170
Generator Fuel	36,380	19,336	17,044	-
Telephone fees	26,771	17,241	9,530	7,050
Mobile Phone Expenses	21,694	12,978	8,716	19,520
Internet	264,094	179,958	84,136	206,924
Satellite Fees	96,000	74,000	22,000	86,244
G-suite fees	4,608	4,608	-	-
Gasoline	15,050	13,900	1,150	17,962
Diesel	303,515	226,022	77,493	182,478
Oil (machines)	4,026	3,272	754	2,328
Stationary	307,040	190,382	116,658	173,153
Books	6,320	-	6,320	-
Published fees	29,940	22,799	7,142	588
Meeting Supplies	835,364	610,447	224,917	283,692
Office Refreshments	120,411	74,975	45,435	77,568
Publications	169,560	123,901	45,659	185,777
Cleaning Supplies	61,330	49,767	11,563	323,215
Computer Consumables	23,270	23,270	-	5,318
Medical Supply	12,761	11,297	1,464	467,209
Maintenance of equipment	135,637	70,332	65,305	78,252
Maintenance of furniture & fittings	60,485	37,475	23,010	10,735
Maintenance of Vehicles	73,447	47,250	26,198	26,251
Maintenance of heavy machinery	9,900	5,800	4,100	1,550
Maintenance of buildings and repairs	123,803	79,197	44,606	461,269
Spare parts and supplies	43,550	34,863	8,688	15,027
Maintenance contracts	500	-	500	-
Others	56,665	34,725	21,940	45,395
Cleaning Services	13,600	2,000	11,600	9,771
Security Services	4,700	-	4,700	5,015
Vehicle Hire/car rental	669,126	544,764	124,363	465,689
Vessel Hire/ rental	3,100	-	3,100	-
Office Rent	87,300	47,840	39,460	47,500
Other Rent	39,149	20,164	18,985	19,700
Consultation Fees	743,567	704,503	39,064	374,278
Staff Training and Development	387,734	211,438	176,296	53,926
Fee for service provided(Non-consultancy service)	1,123,288	1,112,693	10,595	516,126
Bank charges	86,866	52,460	34,406	58,642
Monitoring And Evaluation	106,980	22,920	84,060	-
Recruitment and Selection Cost.	8,188	8,172	16	-
Television and Newspaper Advertisements	162,050	121,459	40,591	152,492
Newspapers and Magazine Subscriptions	15,580	15,580	-	-
Marketing and Promotion	-	-	-	11,710
Vehicle Insurance	7,000	-	7,000	-
RCRF Non-Salary Recurrent Cost	544,217	-	544,217	-
Contingency	259,577	226,307	33,270	693,483
Total Use of Goods & Services	**9,998,013**	**7,098,052**	**(2,899,961)**	**8,087,273**

Note 26 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.

	2021			2020
	Final Budget	**Actual**	**Variance between Budget and Actual**	**Actual**
Transfers to Lower Level Government	199,000	108,638	90362	104,789
Total Transfers to Lower level Government	**199,000**	**108,638**	**(90,362)**	**104,789**

Note 27 Employment Related Social Benefits

Medical treatment both within and outside the country is the primary social benefit that is currently provided to the JSS staff. 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 61 percent of the total budget. Nonetheless, benefits of such medical treatment naturally depend on demand, availability of resources and the number of incidents during a year.

	2021			2020
	Final Budget	**Actual**	**Variance between Budget and Actual**	**Actual**
Medical Treatment	166,662.00	101,763.00	64899	369,925.82
Total Employment Related Social Benefits	**166,662**	**101,763**	**(64,899)**	**369,926**

Note 28 Other Transfers not elsewhere classified

Other transfers not elsewhere classified relates to JSS obligation. A total of $3,579,277 was budgeted with $3,513,419 (Payment made to creditors) spent during the reporting period. In addition, a draught-affected person in Jubbaland was provided with humanitarian assistance. Following is a breakdown of the variances.

	2021			2020
	Final Budget	Actual	Variance between Budget and Actual	Actual
JSS Obligation	3,429,277	3,363,419	65,858	1,436,670
Natural Disaster	150,000	150,000	-	-
Total Other Transfers Not elsewhere Classified	**3,579,277**	**3,513,419**	**(65,858)**	**1,436,670**

Note 29 Non-Financial Assets

During the year, 17% of the non-financial assets budget was spent during the year. The variance was a result of delayed disbursement of donor funding of $2,667,382 for road construction and $432,123 relating to the acquisition of tools and specialized professional services.

	2021			2020
	Final Budget	Actual	Variance between Budget and Actual	Actual
Buildings Other than dwellings	413,384	379,908	33,477	106,805
Road Construction	2,667,382	-	2,667,382	-
Cars	64,547	10,000	54,547	160,603
Information, computer and telecomm (ICT) equipment	25,360	5,134	20,226	85,036
Machinery and Equipment not elsewhere classified	163,948	98,631	65,317	414,837
Furniture & fixtures	66,555	15,900	50,655	35,787
Tools & specialized professional services	594,269	162,146	432,123	2,913
Total Non-Financial Assets	**3,995,445**	**671,719**	**(3,323,727)**	**805,980**

Note 30 Payments by Third Parties, External, Other & Undrawn Assistance

30.1 Payments by Third Parties

The JSS benefits from third parties who purchase goods and services on its behalf. These payments do not constitute cash receipts or payments by the JSS, but these payments do benefit the government. They include payments made by multilateral and bilateral aid agencies and non-governmental organizations. They form part of the support for government programs provided by way of external and other assistance. The government has been formally advised that the following payments have been made by third parties to purchase goods and services during the 2021 financial year for the benefit of JSS. The amount disclosed as payments by third parties does not necessarily indicate that this is a complete listing of all third-party contributions, only the amounts that JSS has been formally advised.

30.2 External and Other 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. Other assistance was provided for specified purposes by NGOs and other donors. The following amounts were received in FY2021

	2021 USD	2020 USD
External Assistance		
Total cash receipts	8,859,149	13,394,753
Total third party payments	-	-
Total Extenal Assistance	**8,859,149**	**13,394,753**
Multilateral Aid Agencies		
Total cash receipts	-	-
Total third party payments	-	-
Total multilateral aid agencies	**-**	**-**
Bilateral Aid Agencies		
Total cash receipts	4,854,160	8,022,644
Total third party payments	-	-
Total bilateral aid agencies	**4,854,160**	**8,022,644**
Non-Governmental Organizations		
Total cash receipts	4,004,990	5,372,109
Total third party payments	-	-
Total NGOs	**4,004,990**	**5,372,109**

30.3 Undrawn External Assistance

During the 2015 financial year, a new project called the Recurrent Cost and Reform Financing (RCRF II/III) was introduced. This project runs for a period of five years, up to 30 June 2022 and is reviewable on an annual basis. The RCRF II/III project is a multi-partner fund administered by the International Development Association (IDA), with funds flowing through the Federal Government of Somalia and onto JSS. 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.

As specified in a binding agreement *Number TFOA0534 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 31 December 2025.

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

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Budgeted Amount (USD)	1780000	2,980,000	2,580,000	3,430,000	2,598,432	3,512,815	4,569,998	4,759,520	4,759,520	4,759,520	4759520

The allocation on the above is an indicative allocation subject to review from year 2022 to 2025 (financing core government function $1,930,769, financing education service delivery $778,829, financing Health Service delivery $ 474,400, Strengthening Resource Management System $ 96,000, Strengthen Intergovernmental Fiscal Relation $ 1,100,000 and project management and coordination $190,000).

For the year ended 31 December 2021, JSS had accessed 3,274,334 ($2,342,573 in 2020) of the RCRF II/III project funds. As at the 31 December 2021, 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.

Note 31 Statements 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 (2017), 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 Year Ended 31 December 2021

Prepared in accordance with the
International Public Sector Accounting Standard (IPSAS) - Financial Reporting Under the Cash Basis of Accounting 2017

Ministry of Agriculture and Irrigation

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**473,369**	**540,069**	**395,645**	**(144,424)**	**500,947**
Grants						
From international organizations		316,489	403,189	407,361	4,172	435,762
Grants	**22**	**316,489**	**403,189**	**407,361**	**4,172**	**435,762**
Receipts / Inflows		**789,858**	**943,258**	**803,006**	**(140,252)**	**936,709**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		314,108	330,808	276,227	(54,581)	283,519
Compensation of Employees	**24**	**314,108**	**330,808**	**276,227**	**(54,581)**	**283,519**
Use of Goods and Services						
Travel & Conferences		11,983	12,863	2,800	(10,063)	7,887
Operating Expenses		128,188	172,658	103,032	(69,627)	171,058
Other Operating Expenses		13,480	21,130	12,977	(8,153)	34,570
Use of Goods and Services	**25**	**153,651**	**206,651**	**118,809**	**(87,843)**	**213,515**
Social Benefits						
Employment-related social benefits		5,000	2,000	-	(2,000)	1,000
Social Benefits	**27**	**5,000**	**2,000**	**-**	**(2,000)**	**1,000**
Nonfinancial assets						
Fixed Assets		610	610	610	-	2,913
Nonfinancial assets	**29**	**610**	**610**	**610**	**-**	**2,913**
Payments / Outflows		**473,369**	**540,069**	**395,645**	**(144,424)**	**500,947**

Ministry of Culture and Higher Education

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**2,309,970**	**2,155,000**	**1,137,635**	**(1,017,365)**	**832,704**
Grants						
From international organizations		174,878	199,908	149,326	(50,582)	93,472
From other general government units		815,127	815,127	182,584	(632,543)	186,237
Grants	**22**	**990,005**	**1,015,035**	**331,910**	**(683,125)**	**279,709**
Receipts / Inflows		**3,299,975**	**3,170,035**	**1,469,545**	**(1,700,490)**	**1,112,413**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,197,171	1,191,761	885,447	(306,314)	673,913
Compensation of Employees	**24**	**1,197,171**	**1,191,761**	**885,447**	**(306,314)**	**673,913**
Use of Goods and Services						
Travel & Conferences		226,684	242,285	103,982	(138,303)	27,495
Operating Expenses		176,073	201,438	98,356	(103,082)	90,110
Other Operating Expenses		282,950	272,524	48,000	(224,524)	9,300
RCRF Non-Salary Recurrent Cost		424,217	244,217	-	(244,217)	-
Use of Goods and Services	**25**	**1,109,924**	**960,464**	**250,338**	**(710,126)**	**126,905**
Social Benefits						
Employment-related social benefits		1,000	900	-	(900)	13,000
Social Benefits	**27**	**1,000**	**900**	**-**	**(900)**	**13,000**
Nonfinancial assets						
Fixed Assets		1,875	1,875	1,850	(25)	18,886
Nonfinancial assets	**29**	**1,875**	**1,875**	**1,850**	**(25)**	**18,886**
Payments / Outflows		**2,309,970**	**2,155,000**	**1,137,635**	**(1,017,365)**	**832,704**

Ministry of Water and Energy

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**191,184**	**302,716**	**241,875**	**(60,841)**	**529,959**
Grants						
From international organizations		69,998	196,530	182,421	(14,109)	472,726
From other general government units		-	-	-	-	6,540
Grants	**22**	**69,998**	**196,530**	**182,421**	**(14,109)**	**479,266**
Receipts / Inflows		**261,182**	**499,246**	**424,296**	**(74,950)**	**1,009,225**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		104,221	118,321	91,405	(26,916)	165,959
Compensation of Employees	**24**	**104,221**	**118,321**	**91,405**	**(26,916)**	**165,959**
Use of Goods and Services						
Travel & Conferences		14,380	10,780	3,380	(7,400)	34,492
Operating Expenses		64,175	154,107	127,590	(26,517)	103,410
Other Operating Expenses		3,400	7,300	7,300	-	40,290
Use of Goods and Services	**25**	**81,955**	**172,187**	**138,270**	**(33,917)**	**178,192**
Nonfinancial assets						
Fixed Assets		5,008	12,208	12,200	(8)	185,808
Nonfinancial assets	**29**	**5,008**	**12,208**	**12,200**	**(8)**	**185,808**
Payments / Outflows		**191,184**	**302,716**	**241,875**	**(60,841)**	**529,959**

Ministry of Finance and Economic Development

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**7,935,641**	**8,377,251**	**8,108,402**	**(268,848)**	**6,984,927**
Taxes						
Taxes on income, profits, and capital gains		300,000	271,679	266,658	(5,021)	250,485
Taxes on payroll and workforce		503,771	470,821	505,035	34,214	460,788
Taxes on goods and services		2,126,313	1,930,074	1,903,102	(26,972)	1,564,583
Taxes on international trade and transactions		2,025,000	2,025,000	1,988,532	(36,469)	4,223,258
Other taxes		-	-	-	-	-
Taxes	**21**	**4,955,084**	**4,697,574**	**4,663,326**	**(34,247)**	**6,499,113**
Grants						
From international organizations		45,790	45,790	41,191	(4,599)	171,519
From other general government units		4,074,998	4,069,998	2,684,093	(1,385,905)	6,908,636
Grants	**22**	**4,120,788**	**4,115,788**	**2,725,284**	**(1,390,504)**	**7,080,155**
Other Revenue						
Property income		50,000	-	-	-	-
Sale of goods and services		560,000	1,510,505	1,823,970	313,465	830,483
Other Revenue		610,000	1,510,505	1,823,970	313,465	830,483
Receipts / Inflows	**23**	**17,621,512**	**18,701,117**	**17,320,983**	**(1,380,135)**	**21,394,678**

Ministry of Finance and Economic Development

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021 Original Estimate Appropriation	2021 Final Estimate Appropriation	2021 Controlled by TSA	2021 Difference Between Final Budget and Actual	2020 Controlled by TSA
		A	B	C	C-B	
Payments / Outflows		USD	USD	USD	USD	USD
Compensation of Employees						
Wages and Salaries		1,756,115	2,297,775	2,175,077	(122,698)	2,278,593
Compensation of Employees	24	**1,756,115**	**2,297,775**	**2,175,077**	**(122,698)**	**2,278,593**
Use of Goods and Services						
Travel & Conferences		757,419	873,176	850,581	(22,595)	1,269,121
Operating Expenses		502,079	503,048	457,755	(45,293)	664,853
Rent		-	-	-	-	300
Other Operating Expenses		779,781	1,305,828	1,294,300	(11,528)	691,559
RCRF Non-Salary Recurrent Cost		18,923	-	-	-	-
Contingency		226,598	226,598	226,307	(290)	693,483
Use of Goods and Services	25	**2,284,799**	**2,908,649**	**2,828,943**	**(79,706)**	**3,319,317**
Social Benefits						
Employment-related social benefits		29,081	29,081	28,127	(954)	38,366
Social Benefits	27	**29,081**	**29,081**	**28,127**	**(954)**	**38,366**
Other Expenses						
Transfers not elsewhere classified		3,860,570	3,134,070	3,068,580	(65,490)	1,126,719
Other Expenses	28	**3,860,570**	**3,134,070**	**3,068,580**	**(65,490)**	**1,126,719**
Nonfinancial assets						
Fixed Assets		5,075	7,675	7,675	-	221,933
Nonfinancial assets	29	**5,075**	**7,675**	**7,675**	**-**	**221,933**
Payments / Outflows		**7,935,641**	**8,377,251**	**8,108,402**	**(268,848)**	**6,984,927**

Ministry of Health

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**2,835,421**	**3,336,567**	**2,474,879**	**(861,688)**	**3,159,926**
Grants						
From international organizations		1,046,490	1,520,115	1,363,198	(156,917)	1,852,547
From other general government units		500,000	517,520	517,520	-	500,000
Grants	22	**1,546,490**	**2,037,636**	**1,880,718**	**(156,917)**	**2,352,547**
Receipts / Inflows		**4,381,912**	**5,374,202**	**4,355,597**	**(1,018,605)**	**5,512,473**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,500,030	1,512,748	1,313,793	(198,955)	1,518,755
Compensation of Employees	24	**1,500,030**	**1,512,748**	**1,313,793**	**(198,955)**	**1,518,755**
Use of Goods and Services						
Travel & Conferences		176,828	295,680	212,107	(83,573)	100,596
Operating Expenses		690,060	961,390	765,050	(196,340)	1,153,363
Rent		7,984	43,984	4,000	(39,984)	-
Other Operating Expenses		137,919	168,979	144,329	(24,651)	36,177
RCRF Non-Salary Recurrent Cost		300,000	300,000	-	(300,000)	-
Use of Goods and Services	25	**1,312,791**	**1,770,033**	**1,125,486**	**(644,547)**	**1,290,136**
Social Benefits						
Employment-related social benefits		18,600	18,600	18,000	(600)	252,789
Social Benefits	27	**18,600**	**18,600**	**18,000**	**(600)**	**252,789**
Nonfinancial assets						
Fixed Assets		4,000	35,185	17,600	(17,585)	98,245
Nonfinancial assets	29	**4,000**	**35,185**	**17,600**	**(17,585)**	**98,245**
Payments / Outflows		**2,835,421**	**3,336,567**	**2,474,879**	**(861,688)**	**3,159,926**

Ministry of Communications, Posts, and Technology

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**615,938**	**615,938**	**484,218**	**(131,720)**	**405,058**
Grants						
From international organizations		116,990	116,990	107,560	(9,430)	108,850
Grants	**22**	**116,990**	**116,990**	**107,560**	**(9,430)**	**108,850**
Receipts / Inflows		**732,928**	**732,928**	**591,778**	**(141,150)**	**513,908**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		**347,746**	**346,583**	**282,895**	**(63,688)**	**178,279**
Compensation of Employees	**24**	**347,746**	**346,583**	**282,895**	**(63,688)**	**178,279**
Use of Goods and Services						
Travel & Conferences		3,552	3,552	-	(3,552)	2,500
Operating Expenses		180,150	181,313	118,729	(62,584)	139,985
Rent		2,990	2,990	1,764	(1,226)	3,750
Other Operating Expenses		81,500	81,500	80,830	(670)	78,554
Use of Goods and Services	**25**	**268,192**	**269,355**	**201,323**	**(68,032)**	**224,789**
Nonfinancial assets						
Fixed Assets		-	-	-	-	1,990
Nonfinancial assets	**29**	**-**	**-**	**-**	**-**	**1,990**
Payments / Outflows		**615,938**	**615,938**	**484,218**	**(131,720)**	**405,058**

Ministry of Internal Security

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**5,509,868**	**5,989,868**	**5,726,562**	**(263,306)**	**8,887,332**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		**5,428,268**	**5,948,268**	**5,706,511**	**(241,757)**	**8,829,343**
Compensation of Employees	24	**5,428,268**	**5,948,268**	**5,706,511**	**(241,757)**	**8,829,343**
Use of Goods and Services						
Travel & Conferences		14,500	4,500	840	(3,660)	28,446
Operating Expenses		16,100	16,100	5,146	(10,954)	13,016
Other Operating Expenses		1,000	1,000	-	(1,000)	-
Use of Goods and Services	25	**31,600**	**21,600**	**5,986**	**(15,614)**	**41,462**
Social Benefits						
Employment-related social benefits		50,000	20,000	14,065	(5,935)	16,528
Social Benefits	27	**50,000**	**20,000**	**14,065**	**(5,935)**	**16,528**
Payments / Outflows		**5,509,868**	**5,989,868**	**5,726,562**	**(263,306)**	**8,887,332**

Ministry of Justice and Religion Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

	Note	2021 Original Estimate Appropriation	2021 Final Estimate Appropriation	2021 Controlled by TSA	2021 Difference Between Final Budget and Actual	2020 Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**167,128**	**160,228**	**89,522**	**(70,706)**	**348,666**
Taxes						
Taxes on goods and services		-	-	1,770	1,770	-
Taxes	21	-	-	**1,770**	**1,770**	-
Grants						
From international organizations		45,000	53,100	26,800	(26,300)	196,185
Grants	22	**45,000**	**53,100**	**26,800**	**(26,300)**	**196,185**
Other Revenue						
Sale of goods and services		10,000	10,000	600	(9,400)	1,500
Fines, penalties and forfeits		20,000	40,338	24,455	(15,883)	27,842
Other Revenue	23	**30,000**	**50,338**	**25,055**	**(25,283)**	**29,342**
Receipts / Inflows		**242,128**	**263,666**	**143,147**	**(120,519)**	**574,192**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		88,688	83,688	53,668	(30,020)	221,787
Compensation of Employees	24	**88,688**	**83,688**	**53,668**	**(30,020)**	**221,787**
Use of Goods and Services						
Travel & Conferences		13,500	10,500	3,310	(7,190)	18,494
Operating Expenses		50,700	52,000	28,044	(23,956)	79,185
Rent		4,500	4,500	4,500	-	18,000
Other Operating Expenses		600	600	-	(600)	6,100
Use of Goods and Services	25	**69,300**	**67,600**	**35,854**	**(31,746)**	**121,779**
Social Benefits						
Employment-related social benefits		2,000	1,800	-	(1,800)	-
Social Benefits	27	**2,000**	**1,800**	-	**(1,800)**	-
Nonfinancial assets						
Fixed Assets		7,140	7,140	-	(7,140)	5,100
Nonfinancial assets	29	**7,140**	**7,140**	-	**(7,140)**	**5,100**
Payments / Outflows		**167,128**	**160,228**	**89,522**	**(70,706)**	**348,666**

Ministry of Planning and International Cooperation

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	**Final Estimate Appropriation**	**Controlled by TSA**	**Difference Between Final Budget and Actual**	**Controlled by TSA**
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**154,972**	**216,527**	**143,118**	**(73,409)**	**120,239**
Taxes						
Taxes on goods and services		50,000	73,000	39,800	(33,200)	47,500
Taxes	**21**	**50,000**	**73,000**	**39,800**	**(33,200)**	**47,500**
Grants						
From international organizations		9,270	80,825	49,825	(31,000)	18,078
From other general government units		23,310	23,310	23,310	-	25,803
Grants	**22**	**32,580**	**104,135**	**73,135**	**(31,000)**	**43,881**
Receipts / Inflows		**237,552**	**393,662**	**256,053**	**(137,609)**	**211,620**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		95,472	115,772	83,372	(32,400)	64,303
Compensation of Employees	**24**	**95,472**	**115,772**	**83,372**	**(32,400)**	**64,303**
Use of Goods and Services						
Travel & Conferences		9,920	27,920	13,590	(14,330)	6,700
Operating Expenses		43,780	56,955	36,276	(20,679)	40,717
Other Operating Expenses		2,800	9,380	9,380	-	8,520
Use of Goods and Services	**25**	**56,500**	**94,255**	**59,246**	**(35,009)**	**55,937**
Social Benefits						
Employment-related social benefits		3,000	500	500	-	-
Social Benefits	**27**	**3,000**	**500**	**500**	**-**	**-**
Nonfinancial assets						
Fixed Assets		-	6,000	-	(6,000)	-
Nonfinancial assets	**29**	**-**	**6,000**	**-**	**(6,000)**	**-**
Payments / Outflows		**154,972**	**216,527**	**143,118**	**(73,409)**	**120,239**

Ministry of Trade and Industry

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**124,790**	**169,473**	**109,732**	**(59,741)**	**83,841**
Taxes						
Taxes on goods and services		70,270	16,824	30,960	14,136	36,510
Taxes	**21**	**70,270**	**16,824**	**30,960**	**14,136**	**36,510**
Grants						
From international organizations		18,310	77,993	59,097	(18,896)	49,398
Grants	**22**	**18,310**	**77,993**	**59,097**	**(18,896)**	**49,398**
Receipts / Inflows		**213,370**	**264,290**	**199,789**	**(64,501)**	**169,749**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		85,480	93,980	58,345	(35,635)	53,940
Compensation of Employees	**24**	**85,480**	**93,980**	**58,345**	**(35,635)**	**53,940**
Use of Goods and Services						
Travel & Conferences		10,380	29,048	21,035	(8,013)	9,480
Operating Expenses		21,550	22,287	6,402	(15,885)	4,921
Other Operating Expenses		5,000	19,082	18,890	(192)	7,500
Use of Goods and Services	**25**	**36,930**	**70,417**	**46,327**	**(24,090)**	**21,901**
Nonfinancial assets						
Fixed Assets		2,380	5,076	5,060	(16)	8,000
Nonfinancial assets	**29**	**2,380**	**5,076**	**5,060**	**(16)**	**8,000**
Payments / Outflows		**124,790**	**169,473**	**109,732**	**(59,741)**	**83,841**

Ministry of Women and Human Rights

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**292,674**	**305,674**	**236,371**	**(69,303)**	**218,452**
Grants						
From international organizations		162,038	195,038	180,623	(14,415)	189,745
Grants	**21**	**162,038**	**195,038**	**180,623**	**(14,415)**	**189,745**
Receipts / Inflows		**454,712**	**500,712**	**416,994**	**(83,718)**	**408,197**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		161,584	177,734	149,249	(28,485)	103,584
Compensation of Employees	**24**	**161,584**	**177,734**	**149,249**	**(28,485)**	**103,584**
Use of Goods and Services						
Travel & Conferences		19,575	9,475	1,575	(7,900)	875
Operating Expenses		88,965	95,040	64,097	(30,943)	57,835
Rent		15,600	15,375	14,400	(975)	5,100
Other Operating Expenses		6,950	8,050	7,050	(1,000)	6,558
Use of Goods and Services	**25**	**131,090**	**127,940**	**87,122**	**(40,818)**	**70,368**
Social Benefits						
Employment-related social benefits		-	-	-	-	1,500
Social Benefits	**27**	**-**	**-**	**-**	**-**	**1,500**
Nonfinancial assets						
Fixed Assets		-	-	-	-	43,000
Nonfinancial assets	**29**	**-**	**-**	**-**	**-**	**43,000**
Payments / Outflows		**292,674**	**305,674**	**236,371**	**(69,303)**	**218,452**

State Ministry for Presidency

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**2,063,345**	**2,063,345**	**2,013,289**	**(50,056)**	**3,099,670**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		832,253	1,109,448	1,090,554	(18,894)	1,727,141
Compensation of Employees	24	**832,253**	**1,109,448**	**1,090,554**	**(18,894)**	**1,727,141**
Use of Goods and Services						
Travel & Conferences		271,694	388,932	387,102	(1,830)	767,384
Operating Expenses		311,601	239,266	220,030	(19,236)	172,008
Other Operating Expenses		800	800	-	(800)	5,000
Use of Goods and Services	25	**584,095**	**628,998**	**607,132**	**(21,866)**	**944,391**
Social Benefits						
Employment-related social benefits		5,301	5,301	1,785	(3,516)	28,443
Social Benefits	27	**5,301**	**5,301**	**1,785**	**(3,516)**	**28,443**
Other Expenses						
Transfers not elsewhere classified		570,207	295,207	294,840	(368)	309,951
Other Expenses	28	**570,207**	**295,207**	**294,840**	**(368)**	**309,951**
Nonfinancial assets						
Fixed Assets		71,488	24,391	18,979	(5,412)	89,743
Nonfinancial assets	29	**71,488**	**24,391**	**18,979**	**(5,412)**	**89,743**
Payments / Outflows		**2,063,345**	**2,063,345**	**2,013,289**	**(50,056)**	**3,099,670**

Kismayo Airport Authority

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**281,216**	**172,519**	**172,519**	**-**	**204,138**
Taxes						
Taxes on goods and services		899,869	386,413	404,693	18,280	338,584
Taxes on international trade and transactions		80,000	17,855	20,776	2,921	12,589
Taxes	**21**	**979,869**	**404,268**	**425,469**	**21,201**	**351,173**
Other Revenue						
Sale of goods and services		115,440	81,980	81,980	-	86,950
Other Revenue	**23**	**115,440**	**81,980**	**81,980**	**-**	**86,950**
Receipts / Inflows		**1,376,525**	**658,767**	**679,967**	**21,200**	**642,261**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		200,016	140,912	140,912	-	157,765
Compensation of Employees	**24**	**200,016**	**140,912**	**140,912**	**-**	**157,765**
Use of Goods and Services						
Travel & Conferences		15,000	6,600	6,600	-	3,800
Operating Expenses		56,000	25,007	25,007	-	41,374
Other Operating Expenses		1,200	-	-	-	-
Use of Goods and Services	**25**	**72,200**	**31,607**	**31,607**	**-**	**45,174**
Social Benefits						
Employment-related social benefits		9,000	-	-	-	1,200
Social Benefits	**27**	**9,000**	**-**	**-**	**-**	**1,200**
Payments / Outflows		**281,216**	**172,519**	**172,519**	**-**	**204,138**

Kismayo Ports Authority

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**279,540**	**24,075**	**24,075**	**-**	**158,775**
Taxes						
Taxes on goods and services		2,150,472	362,456	362,456	-	1,371,636
Taxes on international trade and transactions		8,836,250	5,446,732	5,446,732	-	7,083,143
Taxes	21	**10,986,722**	**5,809,188**	**5,809,188**		**8,454,779**
Other Revenue						
Sale of goods and services		-	50,317	50,317	-	38,425
Other Revenue	23	**-**	**50,317**	**50,317**	**-**	**38,425**
Receipts / Inflows		**11,266,262**	**5,883,580**	**5,883,580**		**8,651,979**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		228,540	24,075	24,075	-	117,223
Compensation of Employees	24	**228,540**	**24,075**	**24,075**		**117,223**
Use of Goods and Services						
Travel & Conferences		9,000	-	-	-	**8,845**
Operating Expenses		25,000	-	-	-	11,635
Use of Goods and Services	25	**34,000**	**-**	**-**	**-**	**20,480**
Nonfinancial assets						
Fixed Assets		17,000	-	-	-	21,072
Nonfinancial assets	29	**17,000**	**-**	**-**	**-**	**21,072**
Payments / Outflows		**279,540**	**24,075**	**24,075**		**158,775**

Auditor General's Office

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**167,533**	**126,947**	**94,898**	**(32,049)**	**97,683**
Grants						
From international organizations		-	-	-	-	23,335
Grants	**22**	**-**	**-**	**-**	**-**	**23,335**
Receipts / Inflows		**167,533**	**126,947**	**94,898**	**(32,049)**	**121,017**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		105,720	80,720	69,981	(10,739)	68,304
Compensation of Employees	**24**	**105,720**	**80,720**	**69,981**	**(10,739)**	**68,304**
Use of Goods and Services						
Travel & Conferences		10,210	5,210	-	(5,210)	-
Operating Expenses		32,193	17,517	2,417	(15,100)	6,519
Rent		18,000	22,590	22,500	(90)	13,500
Use of Goods and Services	**25**	**60,403**	**45,317**	**24,917**	**(20,400)**	**20,019**
Social Benefits						
Employment-related social benefits		1,410	910	-	(910)	-
Social Benefits	**27**	**1,410**	**910**	**-**	**(910)**	**-**
Nonfinancial assets						
Fixed Assets		-	-	-	-	9,360
Nonfinancial assets	**29**	**-**	**-**	**-**	**-**	**9,360**
Payments / Outflows		**167,533**	**126,947**	**94,898**	**(32,049)**	**97,683**

Civil Service Commission

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**266,039**	**245,215**	**169,116**	**(76,099)**	**183,450**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries	**24**	191,772	184,172	163,253	(20,919)	175,928
Compensation of Employees		**191,772**	**184,172**	**163,253**	**(20,919)**	**175,928**
Use of Goods and Services						
Travel & Conferences		11,000	9,000	570	(8,430)	900
Operating Expenses		45,767	39,543	4,893	(34,650)	5,872
Other Operating Expenses		3,700	3,700	400	(3,300)	750
Use of Goods and Services	**25**	**60,467**	**52,243**	**5,863**	**(46,380)**	**7,522**
Social Benefits						
Employment-related social benefits		4,000	2,500	-	(2,500)	-
Social Benefits		**4,000**	**2,500**	**-**	**(2,500)**	**-**
Nonfinancial assets						
Fixed Assets		9,800	6,300	-	(6,300)	-
Nonfinancial assets	**29**	**9,800**	**6,300**	**-**	**(6,300)**	**-**
Payments / Outflows		**266,039**	**245,215**	**169,116**	**(76,099)**	**183,450**

Jubbaland Parliament

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	Note	USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**1,523,600**	**1,123,600**	**1,076,090**	**(47,511)**	**1,557,697**
Grants						
From international organizations		-	-	-	-	20,010
Grants	22	-	-	-	-	**20,010**
Receipts / Inflows		**1,523,600**	**1,123,600**	**1,076,090**	**(47,511)**	**1,577,707**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,271,000	921,000	906,376	(14,625)	1,182,691
Compensation of Employees	24	**1,271,000**	**921,000**	**906,376**	**(14,625)**	**1,182,691**
Use of Goods and Services						
Travel & Conferences		122,850	92,850	91,270	(1,580)	363,405
Operating Expenses		76,750	71,750	43,201	(28,549)	7,601
Use of Goods and Services	25	**199,600**	**164,600**	**134,471**	**(30,129)**	**371,006**
Social Benefits						
Employment-related social benefits		53,000	38,000	35,243	(2,757)	4,000
Social Benefits	27	**53,000**	**38,000**	**35,243**	**(2,757)**	**4,000**
Payments / Outflows		**1,523,600**	**1,123,600**	**1,076,090**	**(47,511)**	**1,557,697**

Ministry of Livestock

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021 Original Estimate Appropriation	2021 Final Estimate Appropriation	2021 Controlled by TSA	2021 Difference Between Final Budget and Actual	2020 Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**135,348**	**142,359**	**67,415**	**(74,944)**	**73,056**
Taxes						
Taxes on goods and services		20,000	20,000	-	(20,000)	6,781
Taxes on international trade and transactions		-	-	-	-	-
Taxes	**21**	**20,000**	**20,000**	**-**	**(20,000)**	**6,781**
Grants						
From international organizations		17,120	46,540	28,586	(17,954)	25,150
Grants	**22**	**17,120**	**46,540**	**28,586**	**(17,954)**	**25,150**
Receipts / Inflows		**172,468**	**208,899**	**96,001**	**(112,898)**	**104,987**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		85,168	100,559	59,835	(40,724)	67,791
Compensation of Employees	**24**	**85,168**	**100,559**	**59,835**	**(40,724)**	**67,791**
Use of Goods and Services						
Travel & Conferences		5,000	4,000		(4,000)	300
Operating Expenses		31,180	32,900	7,580	(25,320)	4,965
Rent		-	900	-	(900)	-
Use of Goods and Services	**25**	**36,180**	**37,800**	**7,580**	**(30,220)**	**5,265**
Social Benefits						
Employment-related social benefits		14,000	4,000	-	(4,000)	-
Social Benefits	**27**	**14,000**	**4,000**	**-**	**(4,000)**	**-**
Payments / Outflows		**135,348**	**142,359**	**67,415**	**(74,944)**	**73,056**

Ministry of Fisheries and Marine Resources

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**171,828**	**151,828**	**96,313**	**(55,515)**	**185,365**
Taxes						
Taxes on goods and services		48,160	48,160	20,000	(28,160)	404,850
Taxes	**21**	**48,160**	**48,160**	**20,000**	**(28,160)**	**404,850**
Grants						
From international organizations		61,124	61,124	61,029	(95)	137,929
Grants	**22**	**61,124**	**61,124**	**61,029**	**(95)**	**137,929**
Receipts / Inflows		**281,112**	**261,112**	**177,342**	**(83,770)**	**728,144**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		112,808	102,808	63,483	(39,325)	100,467
Compensation of Employees	**24**	**112,808**	**102,808**	**63,483**	**(39,325)**	**100,467**
Use of Goods and Services						
Travel & Conferences		9,000	9,000	3,000	(6,000)	7,300
Operating Expenses		20,520	16,570	7,380	(9,190)	45,878
Rent		6,000	-	-	-	10,450
Use of Goods and Services	**25**	**35,520**	**25,570**	**10,380**	**(15,190)**	**63,628**
Social Benefits						
Employment-related social benefits		1,000	1,000	-	(1,000)	3,270
Social Benefits	**27**	**1,000**	**1,000**	**-**	**(1,000)**	**3,270**
Nonfinancial assets						
Fixed Assets		22,500	22,450	22,450	-	18,000
Nonfinancial assets	**29**	**22,500**	**22,450**	**22,450**	**-**	**18,000**
Payments / Outflows		**171,828**	**151,828**	**96,313**	**(55,515)**	**185,365**

Ministry of Youth and Sports

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	Note	USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**154,078**	**134,078**	**46,773**	**(87,305)**	**69,288**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		111,678	101,678	45,533	(56,145)	57,480
Compensation of Employees	**24**	**111,678**	**101,678**	**45,533**	**(56,145)**	**57,480**
Use of Goods and Services						
Travel & Conferences		29,642	19,642	400	(19,242)	1,050
Operating Expenses		12,758	12,758	840	(11,918)	8,258
Use of Goods and Services	**25**	**42,400**	**32,400**	**1,240**	**(31,160)**	**9,308**
Social Benefits						
Employment-related social benefits		-	-	-	-	2,500
Social Benefits	**27**	**-**	**-**	**-**	**-**	**2,500**
Payments / Outflows		**154,078**	**134,078**	**46,773**	**(87,305)**	**69,288**

Ministry of Transport and Aviation

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**232,880**	**422,577**	**272,180**	**(150,397)**	**122,088**
Taxes						
Taxes on goods and services		390,000	1,227,534	746,066	(481,468)	270,540
Taxes on international trade and transactions		-	62,145	22,995	(39,151)	-
Taxes	**21**	**390,000**	**1,289,679**	**769,061**	**(520,619)**	**270,540**
Other Revenue						
Sale of goods and services		250,000	413,892	422,282	8,390	287,920
Other Revenue	**23**	**250,000**	**413,892**	**422,282**	**8,390**	**287,920**
Receipts / Inflows		**872,880**	**2,126,148**	**1,463,523**	**(662,626)**	**680,548**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		140,860	285,564	226,059	(59,505)	118,142
Compensation of Employees	**24**	**140,860**	**285,564**	**226,059**	**(59,505)**	**118,142**
Use of Goods and Services						
Travel & Conferences		11,000	19,400	1,540	(17,860)	955
Operating Expenses		36,400	67,893	9,120	(58,773)	2,991
Other Operating Expenses		39,520	40,720	35,461	(5,259)	-
Use of Goods and Services	**25**	**86,920**	**128,013**	**46,121**	**(81,892)**	**3,946**
Social Benefits						
Employment-related social benefits		5,100	9,000	-	(9,000)	-
Social Benefits	**27**	**5,100**	**9,000**	**-**	**(9,000)**	**-**
Payments / Outflows		**232,880**	**422,577**	**272,180**	**(150,397)**	**122,088**

Ministry of Interior and Federal Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**11,275,952**	**6,385,340**	**2,309,829**	**(4,075,511)**	**1,464,502**
Taxes						
Taxes on goods and services		1,056,000	1,056,000	408,223	(647,777)	229,326
Other taxes		400,000	395,170	12,534	(382,636)	-
Taxes	**21**	**1,456,000**	**1,451,170**	**420,757**	**(1,030,413)**	**229,326**
Grants						
From international organizations		1,285,738	1,482,888	945,432	(537,456)	1,302,210
From other general government units		9,503,734	4,540,101	1,296,653	(3,243,449)	395,429
Grants	**22**	**10,789,472**	**6,022,990**	**2,242,085**	**(3,780,905)**	**1,697,639**
Other Revenue						
Sale of goods and services		-	700	3,685	2,985	5,600
Other Revenue	**23**	**-**	**700**	**3,685**	**2,985**	**5,600**
Receipts / Inflows		**23,521,424**	**13,860,199**	**4,976,355**	**(8,883,844)**	**3,397,067**

Ministry of Interior and Federal Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Payments / Outflows		USD	USD	USD	USD	USD
Compensation of Employees						
Wages and Salaries		664,071	722,244	520,718	(201,526)	532,835
Compensation of Employees	24	**664,071**	**722,244**	**520,718**	**(201,526)**	**532,835**
Use of Goods and Services						
Travel & Conferences		264,115	304,830	76,290	(228,540)	86,742
Operating Expenses		622,169	628,720	463,256	(165,464)	418,004
Rent		27,100	30,100	15,200	(14,900)	16,100
Other Operating Expenses		678,934	647,560	541,862	(105,698)	227,797
Contingency		33,358	32,980	-	(32,980)	-
Use of Goods and Services	25	**1,625,675**	**1,644,190**	**1,096,608**	**(547,582)**	**748,643**
Grants						
Grants To Other General Government Units		229,000	199,000	108,638	(90,362)	104,789
Grants	26	**229,000**	**199,000**	**108,638**	**(90,362)**	**104,789**
Social Benefits						
Employment-related social benefits		9,170	21,170	3,120	(18,050)	4,830
Social Benefits	27	**9,170**	**21,170**	**3,120**	**(18,050)**	**4,830**
Nonfinancial assets						
Fixed Assets		8,748,035	3,798,735	580,745	(3,217,991)	73,405
Nonfinancial assets	29	**8,748,035**	**3,798,735**	**580,745**	**(3,217,991)**	**73,405**
Payments / Outflows		**11,275,952**	**6,385,340**	**2,309,829**	**(4,075,511)**	**1,464,502**

Ministry of Enviroment and Tourism

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**238,212**	**270,977**	**143,608**	**(127,369)**	**183,602**
Grants						
From international organizations		107,144	189,909	91,311	(98,598)	172,148
Grants	**22**	**107,144**	**189,909**	**91,311**	**(98,598)**	**172,148**
Receipts / Inflows		**345,355**	**460,886**	**234,919**	**(225,967)**	**355,750**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		113,318	140,278	86,326	(53,953)	78,557
Compensation of Employees	**24**	**113,318**	**140,278**	**86,326**	**(53,953)**	**78,557**
Use of Goods and Services						
Travel & Conferences		15,000	6,500	-	(6,500)	4,000
Operating Expenses		86,494	96,889	35,785	(61,104)	88,845
Rent		1,500	6,010	5,640	(370)	-
Other Operating Expenses		15,900	18,300	15,858	(2,442)	12,200
Use of Goods and Services	**25**	**118,894**	**127,699**	**57,283**	**(70,416)**	**105,045**
Social Benefits						
Employment-related social benefits		6,000	3,000	-	(3,000)	-
Social Benefits	**27**	**6,000**	**3,000**	**-**	**(3,000)**	**-**
Payments / Outflows		**238,212**	**270,977**	**143,608**	**(127,369)**	**183,602**

Ministry of Public Works, Housing and Construction

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**340,182**	**389,467**	**287,086**	**(102,381)**	**128,125**
Taxes						
Taxes on goods and services		43,500	43,500	-	(43,500)	3,400
Taxes	21	**43,500**	**43,500**	**-**	**(43,500)**	**3,400**
Grants						
From international organizations		190,598	269,283	209,071	(60,212)	95,642
Grants	22	**190,598**	**269,283**	**209,071**	**(60,212)**	**95,642**
Receipts / Inflows		**574,280**	**702,250**	**496,157**	**(206,093)**	**227,166**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		189,124	204,184	166,335	(37,849)	85,758
Compensation of Employees	24	**189,124**	**204,184**	**166,335**	**(37,849)**	**85,758**
Use of Goods and Services						
Travel & Conferences		23,080	29,380	13,460	(15,920)	4,120
Operating Expenses		107,078	135,103	89,530	(45,573)	29,932
Other Operating Expenses		17,600	18,500	16,588	(1,912)	2,300
Use of Goods and Services	25	**147,758**	**182,983**	**119,578**	**(63,405)**	**36,352**
Social Benefits						
Employment-related social benefits		2,000	1,000	923	(77)	-
Social Benefits	27	**2,000**	**1,000**	**923**	**(77)**	**-**
Nonfinancial assets						
Fixed Assets		1,300	1,300	250	(1,050)	6,015
Nonfinancial assets	29	**1,300**	**1,300**	**250**	**(1,050)**	**6,015**
Payments / Outflows		**340,182**	**389,467**	**287,086**	**(102,381)**	**128,125**

Judiciary Service Commission

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**365,020**	**327,020**	**281,919**	**(45,101)**	**265,986**
Grants						
From international organizations		6,000	18,000	18,000	-	-
Grants	**22**	**6,000**	**18,000**	**18,000**	**-**	**-**
Receipts / Inflows		**371,020**	**345,020**	**299,919**	**(45,101)**	**265,986**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		325,020	301,263	278,109	(23,154)	255,730
Compensation of Employees	**24**	**325,020**	**301,263**	**278,109**	**(23,154)**	**255,730**
Use of Goods and Services						
Travel & Conferences		22,804	10,561	800	(9,761)	1,300
Operating Expenses		17,196	15,196	3,010	(12,186)	6,456
Use of Goods and Services	**25**	**40,000**	**25,757**	**3,810**	**(21,947)**	**7,756**
Social Benefits						
Employment-related social benefits		-	-	-	-	2,500
Social Benefits	**27**	**-**	**-**		**-**	**2,500**
Payments / Outflows		**365,020**	**327,020**	**281,919**	**(45,101)**	**265,986**

Ministry of Constitution and Federal Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**97,816**	**41,016**	**34,943**	**(6,073)**	**61,432**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		61,316	37,016	34,416	(2,600)	58,962
Compensation of Employees	**24**	**61,316**	**37,016**	**34,416**	**(2,600)**	**58,962**
Use of Goods and Services						
Travel & Conferences		13,000	2,347	-	(2,347)	670
Operating Expenses		21,800	1,653	527	(1,126)	1,800
Other Operating Expenses		500	-	-	-	-
Use of Goods and Services	**25**	**35,300**	**4,000**	**527**	**(3,473)**	**2,470**
Social Benefits						
Employment-related social benefits		1,200	-	-	-	-
Social Benefits	**27**	**1,200**	**-**	**-**	**-**	**-**
Payments / Outflows		**97,816**	**41,016**	**34,943**	**(6,073)**	**61,432**

Ministry of Labour

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**133,607**	**116,016**	**66,310**	**(49,706)**	**23,424**
Grants						
From international organizations		41,959	41,959	41,958	(1)	7,405
Grants	**22**	**41,959**	**41,959**	**41,958**	**(1)**	**7,405**
Receipts / Inflows		**175,566**	**157,975**	**108,268**	**(49,707)**	**30,829**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,473	77,832	48,579	(29,253)	18,945
Compensation of Employees	**24**	**80,473**	**77,832**	**48,579**	**(29,253)**	**18,945**
Use of Goods and Services						
Travel & Conferences		10,230	3,500	-	(3,500)	520
Operating Expenses		30,149	27,784	17,731	(10,053)	1,449
Use of Goods and Services	**25**	**40,379**	**31,284**	**17,731**	**(13,553)**	**1,969**
Social Benefits						
Employment-related social benefits		3,400	1,900	-	(1,900)	-
Social Benefits	**27**	**3,400**	**1,900**	**-**	**(1,900)**	**-**
Nonfinancial assets						
Fixed Assets		9,356	5,000	-	(5,000)	2,510
Nonfinancial assets	**29**	**9,356**	**5,000**	**-**	**(5,000)**	**2,510**
Payments / Outflows		**133,607**	**116,016**	**66,310**	**(49,706)**	**23,424**

Jubbaland Election Commission $ Boundaries

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**200,000**	**165,000**	**23,000**	**(142,000)**	**88,000**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		158,000	133,000	23,000	(110,000)	58,000
Compensation of Employees	**24**	**158,000**	**133,000**	**23,000**	**(110,000)**	**58,000**
Use of Goods and Services						
Travel & Conferences		20,500	15,500	-	(15,500)	30,000
Operating Expenses		21,500	16,500	-	(16,500)	-
Use of Goods and Services	**25**	**42,000**	**32,000**	**-**	**(32,000)**	**30,000**
Payments / Outflows		**200,000**	**165,000**	**23,000**	**(142,000)**	**88,000**

Attorney General Office

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**100,000**	**70,000**	**19,500**	**(50,500)**	**-**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,900	55,900	19,000	(36,900)	-
Compensation of Employees	**24**	**80,900**	**55,900**	**19,000**	**(36,900)**	**-**
Use of Goods and Services						
Travel & Conferences		4,500	4,500	-	(4,500)	-
Operating Expenses		11,600	6,600	500	(6,100)	-
Use of Goods and Services	**25**	**16,100**	**11,100**	**500**	**(10,600)**	**-**
Nonfinancial assets						
Fixed Assets		3,000	3,000	-	(3,000)	-
Nonfinancial assets	**29**	**3,000**	**3,000**	**-**	**(3,000)**	**-**
Payments / Outflows		**100,000**	**70,000**	**19,500**	**(50,500)**	**-**

Ministry of Information and Public Orientation

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

		2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		-	50,000	-	(50,000)	-
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		-	18,500	-	(18,500)	-
Compensation of Employees	24		18,500	-	(18,500)	-
Use of Goods and Services						
Travel & Conferences		-	3,500	-	(3,500)	-
Operating Expenses		-	11,500	-	(11,500)	-
Use of Goods and Services	25	-	15,000	-	(15,000)	-
Social Benefits						
Employment-related social benefits		-	1,500	-	(1,500)	-
Social Benefits	27	-	1,500	-	(1,500)	-
Nonfinancial assets						
Fixed Assets		-	15,000	-	(15,000)	-
Nonfinancial assets	29	-	15,000	-	(15,000)	-
Payments / Outflows		-	50,000	-	(50,000)	-

Ministry of Transport and Ports

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		-	275,465	-	(275,465)	-
Taxes						
Taxes on goods and services		-	2,140,074	175,634	(1,964,440)	-
Taxes on international trade and transactions		-	1,850,064	2,572,451	722,387	-
Taxes	21		**3,990,137**	**2,748,085**	**(1,242,052)**	-
Other Revenue						
Sale of goods and services		-	49,683	22,985	(26,698)	-
Other Revenue	23	-	**49,683**	**22,985**	**(26,698)**	-
Receipts / Inflows		-	**4,315,285**	**2,771,070**	**(1,544,216)**	-
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		-	214,465	-	(214,465)	-
Compensation of Employees	24	-	**214,465**	-	**(214,465)**	-
Use of Goods and Services						
Travel & Conferences		-	9,000	-	(9,000)	-
Operating Expenses		-	35,000	-	(35,000)	-
Use of Goods and Services	25	-	**44,000**	-	**(44,000)**	-
Social Benefits						
Employment-related social benefits		-	1,500	-	(1,500)	-
Social Benefits	27	-	**1,500**	-	**(1,500)**	-
Nonfinancial assets						
Fixed Assets		-	15,500	-	(15,500)	-
Nonfinancial assets	29	-	**15,500**	-	**(15,500)**	-
Payments / Outflows		-	**275,465**	-	**(275,465)**	-

Ministry of Petroleum and Minerals

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2021

Government Uses a Treasury Single Account System to Manage Funds

	Note	2021 Original Estimate Appropriation	2021 Final Estimate Appropriation	2021 Controlled by TSA	2021 Difference Between Final Budget and Actual	2020 Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**-**	**50,000**	**5,000**	**(45,000)**	**-**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		-	20,000	1,000	(19,000)	-
Compensation of Employees	**24**	**-**	**20,000**	**1,000**	**(19,000)**	**-**
Use of Goods and Services						
Travel & Conferences		-	5,000	4,000	(1,000)	-
Operating Expenses		-	11,500	-	(11,500)	-
Use of Goods and Services	**25**	**-**	**16,500**	**4,000**	**(12,500)**	**-**
Social Benefits						
Employment-related social benefits		-	1,500	-	(1,500)	-
Social Benefits	**27**	**-**	**1,500**	**-**	**(1,500)**	-
Nonfinancial assets						
Fixed Assets		-	12,000	-	(12,000)	-
Nonfinancial assets	**29**	**-**	**12,000**	**-**	**(12,000)**	**-**
Payments / Outflows		**-**	**50,000**	**5,000**	**(45,000)**	**-**

Ministry of Humanitarian Affairs and Disaster Management

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2021
Government Uses a Treasury Single Account System to Manage Funds

	Note	2021				2020
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**42,200**	**242,200**	**192,500**	**(49,700)**	**-**
Grants						
From international organizations		42,200	42,200	42,200	-	-
From other general government units		-	150,000	150,000	-	-
Grants	**22**	**42,200**	**192,200**	**192,200**	**-**	**-**
Receipts / Inflows		**84,400**	**434,400**	**384,700**	**(49,700)**	**-**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		7,200	27,200	7,200	(20,000)	-
Compensation of Employees	**24**	**7,200**	**27,200**	**7,200**	**(20,000)**	**-**
Use of Goods and Services						
Travel & Conferences		-	5,620	620	(5,000)	-
Operating Expenses		15,000	25,880	14,380	(11,500)	-
Other Operating Expenses		16,000	16,000	16,000	-	-
Use of Goods and Services	**25**	**31,000**	**47,500**	**31,000**	**(16,500)**	**-**
Social Benefits						
Employment-related social benefits		-	1,500.00	-	(1,500.00)	-
Social Benefits	**27**	**-**	**1,500**	**-**	**(1,500)**	**-**
Other Expenses						
Transfers not elsewhere classified		-	150,000	150,000	-	-
Other Expenses	**28**	**-**	**150,000**	**150,000**	**-**	**-**
Nonfinancial assets						
Fixed Assets		4,000	16,000	4,300	(11,700)	-
Nonfinancial assets	**29**	**4,000**	**16,000**	**4,300**	**(11,700)**	**-**
Payments / Outflows		**42,200**	**242,200**	**192,500**	**(49,700)**	**-**

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, 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 (2017).*

1.2 Basis of Preparation

The individual budget entity financial statement for each ministry/authority of the Jubbaland State of Somalia's (JSS) has 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 (2017)*. 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. 2 of 2021*. All budget entities listed below are controlled by the JSS. All activities of budget entities are funded through 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 Somali and a subsequent presidential decree XM/DGS/032/2016 creating seven extra Ministries dated May 18 2016.

No	Budget Entity
1	Ministry of Agriculture and Irrigation
2	Ministry of Culture and Higher Education
3	Ministry of Water and Energy
4	Ministry of Finance and Economic Development
5	Ministry of Health
6	Ministry of Communications, Posts, and Technology
7	Ministry of Internal 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 and Human Rights
12	State Ministry for Presidency
13	Kismayo Airport Authority
14	Kismayo Ports Authority
15	Auditor General's Office
16	Civil Service Commission
17	Jubbaland Parliament
18	Ministry of Livestock
19	Ministry of Fisheries and Marine Resources
20	Ministry of Youth and Sports
21	Ministry of Transport and Aviation
22	Ministry of Interior and Federal Affairs
23	Ministry of Environment and Tourism
24	Ministry of Public Works, Housing and Construction
25	Judiciary Service Commission.
26	Ministry of Constitution and Federal Affairs
27	Ministry of Labour
28	Jubbaland Election Commission $ Bounderies
29	Attorney General Office
30	Ministry of Information and Public Orientation
31	Ministry of Transport and Ports
32	Ministry of Petroleum and Minerals
33	Ministry of Humanitarian Affairs and Disaster Management

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 2 of 2021.*
Presidential decree May 2021, Kismayo Airport Authority was brought under Ministry of Transport and Aviation while Kismayo Seaport Authority was taken under new Ministry named Ministry of Transport and Ports.

The Auditor General's Office, Judiciary Service Commission, Ministry of Labour and Ministry of Constitution and Federal Affairs were established during the 2018 financial year and Jubbaland Election Commission $ Boundaries for 2019.

Additional Ministries were introduced during the year 2021 namely, Ministry of Humanitarian Affairs and Disaster Management while Ministry of Water, Mines and Energy was renamed as Ministry of Water and Energy; and Ministry of Petroleum and Minerals respectively, also the Ministry of information and Telecommunication was made into two entities as ministry of Information and Ministry of Telecommunication.

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

1.5 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*.

1.6 Transfers

Amounts are transferred to eligible recipients in accordance with the agreements between the Ministry and the recipient. For more clarification, please see Note 9 below.

1.7 Reporting Currency

The reporting currency is the United States Dollar (USD) rounded to the nearest dollar

1.8 Authorization Date

On behalf of the individual budget entity, their financial statements were authorized for issue on **30, April 2022 by Mr Mohamed Abdi Salad, Deputy Minister for Finance and Economic Development.**

1.9 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 2.

1.10 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 Budget*s 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 2 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 Entities	2021 Tax Receipt Recorded USD	2020 Tax Receipt Recorded USD
Ministry of Finance and Economic Development	4,663,326	6,499,113
Ministry of Justice and Religion Affairs	1,770	-
Ministry of Planning and International Cooperation	39,800	47,500
Ministry of Trade and Industry	30,960	36,510
Kismayo Airport Authority	425,469	351,173
Kismayo Ports Authority	5,809,188	8,454,779
Ministry of Livestock	-	6,781
Ministry of Fisheries and Marine Resources	20,000	404,850
Ministry of Transport and Aviation	769,061	270,540
Ministry of Interior and Federal Affairs	420,757	229,326
Ministry of Public Works, Housing and Construction	-	3,400
Ministry of Transport and Ports	2,748,085	-
	14,928,416	**16,303,972**

Note 3 Grants

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 projects will fall under that particular entity even though the funds are deposited into the TSA.

Entity	Donor	2021 USD
Ministry of Agriculture and Irrigation	GIZ	103,828
Ministry of Agriculture and Irrigation	FAO	303,533
Ministry of Culture and Higher Education	ADRA	53,090
Ministry of Culture and Higher Education	NRC	9,000
Ministry of Culture and Higher Education	FGS	182,584
Ministry of Culture and Higher Education	ARC	1,550
Ministry of Culture and Higher Education	UNICEF	58,080
Ministry of Culture and Higher Education	WFP	27,606
Ministry of Water and Energy	GIZ	24,514
Ministry of Water and Energy	ADRA	3,935
Ministry of Water and Energy	NCA	400
Ministry of Water and Energy	World Vision	925
Ministry of Water and Energy	UNICEF	152,647
Ministry of Finance and Economic Development	GIZ	41,191
Ministry of Finance and Economic Development	FGS	2,684,093
Ministry of Health	GIZ	180,175
Ministry of Health	Save The Children	142,875
Ministry of Health	FGS	517,520
Ministry of Health	UNICEF	698,620
Ministry of Health	WFP	61,814
Ministry of Health	IOM	279,715
Ministry of Communications, Posts, and Technology	GIZ	107,560
Ministry of Justice and Religion Affairs	UNDP	19,800
Ministry of Justice and Religion Affairs	UN-WOMEN	7,000
Ministry of Planning and International Cooperation	GIZ	31,000
Ministry of Planning and International Cooperation	FGS	23,310
Ministry of Planning and International Cooperation	UNICEF	18,825
Ministry of Trade and Industry	GIZ	59,097
Ministry of Women and Human Rights	GIZ	3,873
Ministry of Women and Human Rights	NCA	20,500
Ministry of Women and Human Rights	CARE	16,018
Ministry of Women and Human Rights	UNSOM	1,000
Ministry of Women and Human Rights	UNICEF	139,232
Ministry of Livestock	DRC	3,360
Ministry of Livestock	AVSI	3,820
Ministry of Livestock	FAO	21,406
Ministry of Fisheries and Marine Resources	GIZ	61,029
Ministry of Interior and Federal Affairs	TSA- JSS	4,130
Ministry of Interior and Federal Affairs	GIZ	233,693
Ministry of Interior and Federal Affairs	FGS	1,292,523
Ministry of Interior and Federal Affairs	CARE	105,873
Ministry of Interior and Federal Affairs	ILO	12,300
Ministry of Interior and Federal Affairs	UNICEF	94,120
Ministry of Interior and Federal Affairs	UNHCR	323,641
Ministry of Interior and Federal Affairs	UNHABITAT	46,380
Ministry of Interior and Federal Affairs	UNCDF	129,425
Ministry of Environment and Tourism	GIZ	82,846
Ministry of Environment and Tourism	FAO	8,465
Ministry of Public Works, Housing and Construction	GIZ	124,355
Ministry of Public Works, Housing and Construction	ILO	42,934
Ministry of Public Works, Housing and Construction	UNHABITAT	41,783
Judiciary Service Commission.	UNDP	18,000
Ministry of Labour	WFP	41,958
Ministry of Humanitarian Affairs and Disaster Management	FGS	150,000
Ministry of Humanitarian Affairs and Disaster Management	UNDP	16,000
Ministry of Humanitarian Affairs and Disaster Management	WFP	26,200
		8,859,149

Grant income of $15,157,438 was budgeted during the reporting period of FY2021 however, $8,859,149 was received, of the $6,298,289 shortfall against the annual estimate, $1,036,392 was as a result of an over-optimistic revision during the year of grants expected from International Organizations, and $5,261,897 was a result of Federal Government of Somalia delayed disbursement of project fund Somalia urban resilience project (SURP II), RCRF II/III/III.

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.

Note 4 Other Revenue

Sale of goods and services consist of income and other taxes on Fines, penalties and forfeits generated from JSS providing necessary legal documents to its citizens. In 2021 financial year, the Ministries and Agencies collected a total of $2,430,274. JSS provides certain services to the residents at a fee. In 2021, a collection of $246,800 and $144,860 were recorded from Number plate and logbook registrations respectively. Similarly, Visa fees, Passport fee, Individual identification fee, Birth certificate fee, Land certificate fees, Land allocation, Public notary fees, Bidding fees and Import inspection fees was collected ($107,942 $4,660, $1,050, $1,635, $464,806 $1,359,165, $600, $1,000 and $73,302 respectively).

Court Filing Fees of $24,455 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.

Note 5 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/III/III) 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 RCRF II/III/III project has reimbursed salaries to following Entities.

SR.	MDAs Name	2021 Number of Staff	2021 Basic Salary	2020 Number of Staff	2020 Basic Salary
1	Ministry of Agriculture and Irrigation	13	7,240	13	7,240
2	Ministry of Culture and Higher Education	357	51,744	341	53,824
3	Ministry of Water and Energy	8	4,165	8	3,864
4	Ministry of Finance and Economic Development	46	21,474	47	21,976
5	Ministry of Health	120	24,298	7	4,496
6	Ministry of Communications, Posts, and Technology	7	4,079	7	4,079
7	Ministry of Internal Security	5	2,589	5	2,589
8	Ministry of Justice and Religion Affairs	10	4,344	10	4,344
9	Ministry of Planning and International Cooperation	9	4,366	9	4,366
10	Ministry of Trade and Industry	6	3,040	6	3,040
11	Ministry of Women and Human Rights	10	5,182	9	5,032
12	State Ministry for Presidency	46	16,812	48	17,765
13	Kismayo Airport Authority	-	-	18	6,697
14	Auditor General's Office	9	4,013	9	4,013
15	Civil Service Commission	21	7,656	23	7,956
16	Ministry of Livestock	6	2,739	6	3,693
17	Ministry of Fisheries and Marine Resources	5	2,589	6	3,392
18	Ministry of Youth and Sports	8	3,864	8	3,864
19	Ministry of Transport and Aviation	22	9,437	4	2,740
20	Ministry of Interior and Federal Affairs	6	3,040	6	3,040
21	Ministry of Environment and Tourism	5	2,589	5	2,589
22	Ministry of Public Works, Housing and Construction	11	4,550	8	3,864
23	Judiciary Service Commission.	24	8,870	24	8,870
24	Ministry of Constitution and Federal Affairs	-	-	10	4,636
25	Ministry of Labour	4	2,624	1	1,285
		758	**201,304**	**638**	**189,254**

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/III Project to meet budgeted expectations.

Note 6 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 71% 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.

	Final Budget 2021	Execution 2021	Execution %
Ministry of Agriculture and Irrigation	206,651	118,809	57%
Ministry of Culture and Higher Education	960,464	250,338	26%
Ministry of Water and Energy	172,187	138,270	80%
Ministry of Finance and Economic Development	2,908,649	2,828,943	97%
Ministry of Health	1,770,033	1,125,486	64%
Ministry of Communications, Posts, and Technology	269,355	201,323	75%
Ministry of Internal Security	21,600	5,986	28%
Ministry of Justice and Religion Affairs	67,600	35,854	53%
Ministry of Planning and International Cooperation	94,255	59,246	63%
Ministry of Trade and Industry	70,417	46,327	66%
Ministry of Women and Human Rights	127,940	87,122	68%
State Ministry for Presidency	628,998	607,132	97%
Kismayo Airport Authority	31,607	31,607	100%
Auditor General's Office	45,317	24,917	55%
Civil Service Commission	52,243	5,863	11%
Jubbaland Parliament	164,600	134,471	82%
Ministry of Livestock	37,800	7,580	20%
Ministry of Fisheries and Marine Resources	25,570	10,380	41%
Ministry of Youth and Sports	32,400	1,240	4%
Ministry of Transport and Aviation	128,013	46,121	36%
Ministry of Interior and Federal Affairs	1,644,490	1,096,608	67%
Ministry of Environment and Tourism	127,699	57,283	45%
Ministry of Public Works, Housing and Construction	182,983	119,578	65%
Judiciary Service Commission.	25,757	3,810	15%
Ministry of Constitution and Federal Affairs	4,000	527	13%
Ministry of Labour	31,284	17,731	57%
Jubbaland Election Commission $ Bounderies	32,000	-	0%
Attorney General Office	11,100	500	5%
Ministry of Information and Public Orientation	15,000	-	0%
Ministry of Transport and Ports	44,000	-	0%
Ministry of Petroleum and Minerals	16,500	4,000	24%
Ministry of Humanitarian Affairs and Disaster Management	47,500	31,000	65%
	9,998,013	**7,098,052**	**71%**

Note 7 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 8 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 for across the entities. During the year, the following entities were provided with medical treatment.

	2021 USD	2020 USD
Ministry of Agriculture and Irrigation	-	1,000
Ministry of Culture and Higher Education	-	13,000
Ministry of Finance and Economic Development	28,127	38,366
Ministry of Health	18,000	252,789
Ministry of Internal Security	14,065	16,528
Ministry of Planning and International Cooperation	500	-
Ministry of Women Affairs	-	1,500
State Ministry for Presidency	1,785	28,443
Kismayo Airport Authority	-	1,200
Jubbaland Parliament	35,243	4,000
Ministry of Fisheries and Marine Resources	-	3,270
Ministry of Youth and Sports	-	2,500
Ministry of Interior and Federal Affairs	3,120	4,830
Ministry of Public Works, Housing and Construction	923	-
Judiciary Service Commission.	-	2,500
	101,763	**369,926**

Note 9 Transfers not elsewhere classified

Transfers not elsewhere classified totalling $3,513,419 relates to JSS obligations are payments made to creditors of JSS and relates to debts incurred in establishing the Interim administration of Jubbaland and during 2021 elections and draught. Transfers not elsewhere classified were shared among the entities as follows:

Budget Entity	2021 USD	2020 USD
Ministry of Finance and Economic Development	3,068,580	1,126,719
State Ministry for Presidency	294,840	309,951
Ministry of Humanitarian Affairs and Disaster Management	150,000	-
	3,513,419	**1,436,670**

Note 10 Non-Financial Assets

Non-financial assets consist of assets acquired by entities in running their business operations and include assets such as motor vehicles, Machinery and Equipment not elsewhere classified Furniture & fixtures, Information, computer and telecom (ICT) equipment, Road Construction and nonresidential buildings for the established Ministries. The preliminary set-up of the newly created entities warranted emphasis on assets acquisition towards furniture and fixtures, office equipment and cars.

During the reporting period, a total of $671,719 was disbursed on non-financial assets, which represented 17% percent of the estimated budget. The entities were unable to utilize the budget allocation due to delayed disbursement of donor funds.

DOWLAD GOBOLEEDKA JUBALAND EE SOOMAALIYA

XAFIISKA HANTIDHOWRKA GUUD

دولة إقليم جوبالاند الصومالية

مكتب المراجع العام ومكافحة الفساد

JUBALAND STATE OF SOMALIA

OFFICE OF THE AUDITOR GENERAL

FINAL MANAGEMENT LETTER

29 December 2022

AUDITOR'S GENERAL REPORT ON THE AUDIT OF
JUBBALAND STATE OF SOMALIA (JSS)
FOR THE YEAR ENDED 31 DECEMBER 2021

TABLE OF CONTENTS

ABBREVIATIONS

Acronyms	Full Description
DRP	Disaster Recovery Plan
DSA	Daily subsistence allowance
FMIS	Financial Management Information System
FMS	Federal Member State
FS	Financial Statements
FY	Financial Year
ICT	Information Communication Technology
ISSAI	International Standards of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
JSS	Jubbaland State of Somalia
MDA	Ministries, Departments and Agencies
MOF – JSS	Ministry of Finance of Jubbaland State of Somalia
MPs	Members of Parliament
OAG	Office of Auditor General
PFM	Public Finance Management
PV	Payment Voucher
RCC	Revenue Collection Centre
REG	Regulation
RMS	Revenue Management System
RV	Revenue Voucher
SAS	Safari Aviation Service Limited
SOMSAD	Somalia Single Administrative Document
TSA	Treasury Single Account
USD	United States Dollar

The Minister of Finance,

Jubbaland State of Somalia (JSS)

Kismayo.

Dear Sir,

MATTERS ARISING DURING THE AUDIT FOR THE YEAR ENDED 31 DECEMBER 2021

The Ministry of Finance is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the Ministry are required to assess the expected benefits and related costs of the internal control structure, policies, and procedures. The objectives of an internal control structure are to provide the Ministry with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with Ministry's authorization and recorded properly to permit the preparation of Financial Statements in accordance with the International Public Sector Accounting Standard, Financial Reporting under the 2017 Cash Basis of Accounting and Section 30 of the Public Finance Management (PFM) Act 2017.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

The report set out below is based on information available to us and observations made during our audit of Jubbaland State of Somalia (JSS). Our review of the JSS's systems of internal control is carried out to assist us in expressing an opinion on the current period's Financial Statements of the project taken as a whole. This work is not primarily directed towards the discovery of weaknesses, the detection of fraud or other irregularities (other than those which would influence us in forming an opinion) and should not, therefore be relied upon to show that no other weaknesses or areas that require attention exist. The matters raised in this letter are those that have come to our attention during the audit and that we believe need to be brought to your attention. They are not a comprehensive record of all matters arising, and as such we cannot be held responsible for reporting all risks in your project or all internal control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this report has not been prepared for and is not intended for any other purpose.

We are, therefore, pleased to provide this report and its recommendations on internal controls, accounting procedures and other matters, which came to our attention during our audit.

We take this opportunity to express our thanks to you and your staff for the co-operation, which we received during the course of our audit. We shall be grateful if you will let us have your comments on observations and recommendations raised in this management letter together with details of any consequential changes that are to be implemented or introduced.

Yours faithfully,

Bashir Mohamed Bahale

Hantidhowraha Guud JSS

Kismayu

Somalia

Signed by

Date : 31 August 2022

DOWLAD GOBOLEEDKA JUBBALAND EE SOOMAALIYA
OFFICE OF THE AUDITOR GENERAL
JUBBALAND STATE OF SOMALIA
XAFIISKA HANTI DHAWRKA GUUD

1 INTRODUCTION

We have completed the audit of Jubbaland State of Somalia (JSS) for the period ended on 31 December 2021. We have set out issues identified during the course of our normal audit work as detailed in subsequent sections.

1.1 Ranking

For ease of follow up and to enable your management to focus effectively in addressing the issues in our report, we have classified the issues arising from our audit in order of significance: "High", "Medium" and "Low".

In ranking the issues between "High", "Medium" and "Low" ISSAIs require us to consider the relative importance of a matter, taken in context.

We have assigned priority ratings to the audit findings as follows:

High	The recommended measures should be implemented quickly because they cover significant weaknesses
Medium	The improvements should be taken into account in the medium-term.
Low	The recommendations correspond to the best practices and can be implemented in the longer-term.

2 DETAILED MANAGEMENT LETTER

2.1 SUMMARY OF FINDINGS

Ref	Summary of findings	Priority	Financial impact in US$*
1.	Unreconciled variances between signed Financial Statements and ledger balances	Medium	1,377,808
2.	Weakness in revenue management and recording process	High	1,022,957
3.	Underutilization of Revenue Management System	High	-
4.	Weaknesses in Kismayu Sea Port	High	988,750
5.	Gaps at the Revenue Collection Centre	High	-
6.	Gaps in the Engagement of Collection Agents in Revenue Collection Process	High	-
7.	Improvements to procedures for bank reconciliations	High	-
8.	Yearly confirmation request to all banks not done	Medium	-
9.	Inadequacies in Finance and Accounting Guidelines	Medium	
10.	Weakness in debt management procedures	High	
11.	Lack of basic supporting documents for payments	High	405,400
12.	Payments with insufficient supporting documents	High	664,118
13.	Failure to stamp support documents "PAID"	Medium	-
14.	Incorrect classification of receipts and expenses	Medium	
15.	Weaknesses in the procurement process	High	-
16.	Weaknesses in assets management and the Assets Management System	High	-
17.	Gaps in Internal Audit Function	Medium	-
18.	Delayed implementation of the prior year audit recommendations	Medium	-
		Total Financial Impact	**4,459,033**

Financial impact (USD) - This is only the measured financial impact and the actual impact is likely to be much larger*

2.2 DETAILED FINDINGS AND RECOMMENDATIONS

Finding n°: 1	**Title:** Unreconciled variances between signed Financial Statements and ledger balances

Criteria:

Key requirements in ensuring an accurate and complete set of financial files are effective financial control policies and procedures. An important financial control is ensuring all donor receipts are properly recorded and reconciled periodically with donor records.

Description of the finding:

Based on the signed financial statements received from the Ministry of Finance, we noted variances between the ledger balances and the amounts recorded in the Financial Statements as follows;

Account Name	Note Number	Amount as per Financial Statements USD	Amount as per Ledger balances USD	Variance USD
Grants From other general government units	**8**	4,854,160	6,231,968	1,377,808
				(1,377,808)
Other Operating Expenses	**15**	2,249,225	2,256,725	(7,500)
Fixed Assets	**20**	671,719	2,042,027	(1,370,308)
Total				**1,377,808)**

We further noted journal backdating recorded May 2022 after the Financial statements signed by the Minister for Finance.

Implication

There is a risk that the Financial Statements is understated and thus misrepresentation in the consolidated Financial Statements.

Significant

Medium

Recommendations:

MOF should always reconcile various Ledger accounts before preparing the State's Consolidated financial statements and reconcile any variances arising in ample time in order to guarantee the accuracy of the information carried in the financial statements and avoid material misstatements.

Agreed/Disagreed: Agreed

Comments from JSS:

We shared confirmation to federal government of Somalia on third party payments, FGS did the confirmation late after the preparation of the financial statement and such the third payment was posted to FGS code instead of the third-party code. Correction has been done and right now the payment is reflected on third party code instead the FGS code.

Responsible person and date:

Treasury director September 2022

Finding n°: 2	**Title:** Weakness in revenue management and recording process

Criteria:

The Revenue Process outline sections of Jubbaland State of Somalia Financial Management and Expenditure/Revenue Procedures Manual States "Collection of revenue per the revenue decree/law is done either by government-employed tax collectors or authorized collection agents on behalf of the government, or the taxpayer can pay directly into the TSA bank account or at the Cashier's window at the Ministry of Finance. Tax collection by collectors or agents is always supported by the collector/agent issuing a numerically controlled, authorized revenue receipt. Tax collectors should deposit the money to the bank.

Revenue is recorded into the FMIS utilizing the proper revenue codes"

Description of the finding:

We reviewed the revenue receipts recorded in the Financial Statements and noted the following weaknesses:

a) Unsupported receipts; Copies of the original revenue receipts issued to citizens on payments for State services were not provided in relation to the internally generated receipts amounting to **USD 1,022,957.40** out of total receipts amounting to **USD 17,358,690** as reported in the Financial Statements. This represents **6%** of the total internally generated receipts as detailed under **Annex 1.**

b) We requested for a list of all registered businesses, properties, local and international NGOs and companies for the year 2021 in order to establish whether all the receipts due on the various revenue sources had been recorded. These listings were only availed for registered international NGOs revenue category only. From the list of international NGO registered in 2021 of the Ministry of Planning we noted under-declaration variance of USD 28,000 against the ledger as detailed below;

Revenue Category	Amount as per Ledger	Amount as per supporting the listing	Variance
	USD	USD	USD
INGOs registrations	18,000	46,000	28,000

c) The customer receipts were not being matched to the bank deposit slips and BISAN FMIS receipt which is used as the basis for posting into the accounting system. Based on our analysis of the total receipts provided for our review, we noted variances between the amounts as per the copies of the original JSS revenue receipts and the amount posted into the BISAN accounting software.

Implication

a) Weakness in revenue collections procedures could lead to loss of funds, inadequate accounting for taxes collected, inaccurate financial reporting and or potential financial statement misstatement.

b) The lack of original source documents for revenue reduces the ability for verification of the accuracy of revenue amounts and assessment of the effectiveness of control procedures applied to the transactions.

Financial Impact: USD 1,022,957.4

Significant

High

Recommendations:

a) MOF should ensure all revenue is correctly supported with copies of original JSS revenue receipts. In addition, all the revenue collected should be reconciled to both the receipt books and bank.
b) All entries into the books at the various stages of the revenue and accounting cycles should be based on unique references derived from the appropriate documentation used at the various stages. Tax collectors should use the system generated reference number and include it in the specific batch of receipts amounting to the total amount banked for the day. In addition, the serialized receipt vouchers for collecting revenues, these receipt books should be issued following a sequence to improve accountability.
c) MOF should ensure revenue recorded is reconciled to underlying registration records maintained by various agencies such as the Ministry of Planning

Agreed/Disagreed: **Agreed**

Comments from MOF - JSS:

- All revenues are correctly recorded and reconciled with the original receipts, the sample amount of $1,022,957.4 is correctly supported with receipts but it was in a misplaced file during the audit process and it has been recovered after the audit completion for validation it can be shared it with you for your evidence and review. In the future the files will be prepared for audit before the start of an audit activity.
- The Ledger and the list of INGOS are reconciled, however, Ministry of planning has provided the list of the FY 2020 and 2021 and that has caused the variance of the $28,000 in addition to that Ministry of planning recorded outstanding payments as paid receipts.

Responsible person and date:

Revenue Director October 2022

Finding n°: 3	**Title:** Underutilization of Revenue Management System

Criteria:
Key control in achieving a proper revenue management process is to ensure the revenue system is completely automated with a revenue recording software or machine that generates real-time receipts at the revenue collection points which could then be linked with the BISAN RMS and BISAN FMIS modules.

Description of the finding:
We reviewed the revenue receipts recorded in the Financial Statements and noted the following weaknesses:

a) Underutilization of the BISAN RMS; We noted that the RMS was not being utilized for all the categories of taxes. Only turnover taxes, licenses, payroll, landing fees, passenger fees, customs duties, and property fees had been recorded in FY 2021, all other taxes, fees, licenses imposed by the State or Local Governments as prescribed in the Revenue Act 2018, were not recorded in the RMS. Further, for the categories recorded, we noted variances between the amounts recorded as per the RMS and the BISAN FMIS as detailed under **Annex 2;**

b) Further, the RMS is not linked to the BISAN FMIS for a seamless interface between the collection point and the posting into the accounting software.

Implication
Without fully utilization of BISAN RMS module, there are risk procedures applied could lead to loss of funds, manipulation of data in RMS, inadequate accounting for taxes collected as well as inaccurate financial reporting.

Significant

High

Recommendations:

a) The revenue collection systems should be fully integrated with the accounting systems.
b) MOF should ensure the BISAN RMS is fully utilized and reconciled to the amounts recorded in BISAN FMIS. Further, MOF could consider linking the two BISAN modules.

Agreed/Disagreed: **Agreed**

Comments from JSS:

- The Bisan FMIS is reconciled with the Bank and the physical receipts, however, the Bisan RMS are recorded to some specific revenues though it is not fully automated, the Revenue authority is working on the automation of the RMS for all revenue streams, and this will eventually reconcile the Bisan FMIS to Bisan RMS.

Responsible person and date:

Revenue Director June 2023

Finding n°: 4	**Title:** Weaknesses in Kismayu Sea Port

Criteria:

Section 9 of the Taxation Act provides that an official receipt to be provided by tax officials containing the date of payment, name and number of the official receiving the payments, place at which payment is made, name and identifying number of taxpayers, amount paid and liability in respect of which payment is made. The records of all taxes collected must be kept in the form according to procedures prescribed by regulations issued by Minister of Finance. Receipt payment are to be audited by MoF to ensure there was no irregularities and fraud and make correction in case of any improper payment.

Description of the finding:

We reviewed the revenue receipts recorded in the Financial Statements and noted the following weaknesses:

a) The recorded revenue from Kismayu Port amounting to **US$ 988,750** by the MoF is not supported by the relevant supporting documents including port traffic report, number of vessels/ships docked, tonnage, number of small-sized boat arrivals which is due to weakness in the internal controls of Kismayu Sea Port.

b) Further, Word-typed report shared by the Sea port office indicates variance of **USD 220,893** from the ledger balance.

c) From our inquiry and review of the customs process at the Kismayu Seaport and the Aiport, process of custom declaration remained a manual process; indicating a delay in the implementation of the online customs declaration system.

d) Inadequate record keeping by the Port Authority. During the field visit, the Audit Team requested to verify the Port traffic statistics such as number of ships docked in 2021, the number of small boats, incidences in the period under review, records of the operational expenses net off against the monthly revenue. However, this was not provided for review as the Port does not maintain the mentioned records.

Implication

Lack of proper documentation by the Kismayo Port Authority, significant fluctuations in revenue recorded in the period under review. Revenue collection from the Sea port may be misstated and susceptible to error and fraud.

Significant

High

Recommendations:

Audit of support documents by MoF to ensure there is no irregularities and fraud, Automation of seaport activities such as volume of trade, traffic in terms of number of ships, small boats and consignment tonnage to enhance revenue collection consistency in posting customs tax. Training or capacity building for the customs team. SOMSAD to be fully utilized in order to improve customs declarations from time consuming manual forms to the effective recommended SOMSAD online declaration system.

Agreed/Disagreed: **Agreed**

Comments from JSS:

- All revenues are correctly recorded and reconciled with the original receipts, the sample amount of $988,750 is correctly supported with receipts but it was in a misplaced file during the audit process, and it has been recovered after the audit completion for validation it can be shared it with you for your evidence and review. In the future the files will be prepared for audit before the start of an audit activity.

- There was delay of the SOMSAD system due to resistance from the business community, the system will help us in recording and reconciliation going forward. Donor project support delay its implementation and Harmonization of SOMSAD will FGS was delayed due to the elections in Somalia.

Responsible person and date:

Revenue Director June 2023

Finding n°: 5	**Title:** Gaps at the Revenue Collection Centre

Criteria:

The RCC is a division under the Revenue Department of MOF JSS involved in collection of some types of internally generated revenues such as Turnover taxes, property taxes, vehicle registration, driver's licenses, road user taxes, and customs duties – khat. The unit is headed by a bank manager who reports to the Revenue Director – MOF JSS, with several staff; composed of taxpayer officers and cashiers.

For taxes recorded under RMS such as the turnover taxes, the taxpayer proceeds to the second cashier, who upon confirming the cash amount records the amount in BISAN RMS module an issues an RMS receipt while retaining one copy. For taxes which are yet to be recorded in RMS, an initial receipt issued to customer by cashier 1 is always final.

All daily collections are banked the following day upon deducting collection charges by Smart technologies limited.

Description of the finding:

From our review, we noted the following gaps;

a) There is no evidence in the form a pay-in slip or invoice against which taxpayers were being charged for taxes such as property taxes, customs – khat. We could not, therefore, establish the criteria in which the amounts paid by customers were derived.
b) Lack of reconciliation showing total collection as per RCC receipt books revenue entries and the RMS system
c) There were no daily reconciliations done of the total cash collected to the day's supporting receipts and amounts banked. Further, we requested for the EVC Statement for the official collection number for our review, however, this was not provided.
d) There was no maximum limit on the amount of cash payable at the RCC, huge cash amounts exceeding USD 1,000 could be paid at RCC by customers, rather than making cheque payments.
e) There was no proper filing at RCC. Copies of the customer's receipts retained were not matched with the cash deposit slips and where not arranged in an organized manner for easy retrieval.

Implication

a) Without supporting tariffs and taxpayers' pay-in slips, there is a risk that taxes may not be charged as per the prescribed rated in Revenue Act and the total revenue chargeable may not have been collected.
b) Weakness in revenue collections procedures at the RCC could lead to loss of funds, inadequate accounting for taxes collected as well as inaccurate financial reporting.

Significant

High

Recommendations:

a) MOF should ensure supporting tariffs and bills charged to customers are documented and attached to the customer receipts.

b) An officer not involved in revenue collection should perform reconciliations of revenues collected with the amounts banked on a regular basis such as daily or weekly. These reconciliations should be reviewed by senior officers and such reviews demonstrated in writing.

c) MOF should also consider installing a cash safe as well as develop guidelines on maximum cash in hand amounts payable.

d) MOF should ensure there is proper record keeping at the RCC. Duplicate customer receipts should be matched with their corresponding RMS receipts and banking slips and filed sequentially for easy retrieval.

Agreed/Disagreed: **Agreed**

Comments from MOF – JSS:

- RCA is planning to automate revenue collection by RMS to fully operational and to stop manual receipt. Taxpayers will be issued with system generated receipt that will enable RCA to do proper recording and easy reconciliation.
- Thank you for bringing these observations to our attention. We appreciate the opportunity to address these gaps and improve our processes.
- a) We understand the importance of providing evidence of payments made by taxpayers. We will ensure that pay-in slips or invoices are issued for all tax payments, including property taxes and customs – khat. This will help establish the criteria for determining the amounts paid by customers.
- b) We acknowledge the need for reconciliation to show total collection as per RCC receipt books revenue entries and the RMS system. We will institute a process to reconcile these records on a regular basis, and this will ensure that our records are accurate and reliable.
- c) We agree that daily reconciliations of the total cash collected to the day's supporting receipts and amounts banked are critical in ensuring transparency and accountability. We will institute a process to ensure that these reconciliations are conducted regularly. We also apologize for the lack of EVC Statement for the official collection number, and we will ensure that this is provided in a timely manner in the future.
- d) We understand the concerns raised about the lack of a maximum limit on the amount of cash payable at the RCC. We will implement a policy that limits cash payments to a maximum of USD 1,000 and encourage customers to make cheque payments for amounts exceeding this limit.
- e) We acknowledge the importance of proper filing and organization of receipts for easy retrieval. We will ensure that copies of customer receipts are matched with the cash deposit slips and filed in an organized manner for easy retrieval.
- Overall, we appreciate your feedback and will work to address these gaps to improve our processes and increase transparency and accountability in our operations.

Responsible person and date:

Revenue Director September 2023

Finding n°: 6	**Title:** Gaps in the Engagement of Collection Agents in Revenue Collection Process

Criteria:

According to the JSS Public Financial Management (PFM) Act 2017, the consolidated financial statements of the State are to be prepared in accordance with the International Public-Sector Accounting Standards (IPSAS) - Financial Reporting Under the Cash Basis of Accounting.

Section 25 Paragraph 64 of the Revenue Act States "64. It is an offense to collect or attempt to collect money from the public on behalf of or purporting to be on behalf of any government in the area of the Jubbaland State of Somalia without valid registration as an Accredited Collecting Agent or current employment as a Revenue Collector with the Ministry of Finance of the Jubbaland State of Somalia. Penalties are prescribed in Schedule 5"

In addition, a key requirement in ensuring an accurate and complete set of financial files are effective financial control policies and procedures. An important financial control is ensuring all revenue collected is promptly banked entirely and expenses are paid directly from the bank using cheques or other banking instruments.

Description of the finding:

We noted that two companies; Smart Technologies Limited and SAS were engaged by JSS in the revenue collection process as follows;

- Smart Technologies limited; this company was an agent of Semlex International Company and had signed a contract with JSS for the provision of services such as vehicle registrations, issuance of logbooks, issuance of driving licenses, issuance of road stickers, changing of vehicle ownership and issuance of birth certificates.

- Safari Aviation Service Limited (SAS); This company was engaged by JSS for the provision of cargo handling services and management of passenger fees at the Kismayo airport. They would collect revenue on behalf of the Kismayo Airport Authority and prepare daily, weekly, and monthly reports.

From our review, we noted the following gaps;

a) Even though JSS had signed contracts with each of the companies, there was no evidence provided on how the sourcing of the two suppliers was conducted. We could also not establish whether the engagement of these companies was through a competitive process, the prices quoted were fair and JSS achieved value for money in the services provided.

b) Daily collections were not banked intact; we noted that both the two suppliers were offsetting their revenue collection charges before the daily collections were banked as follows;

c) Smart Technologies Limited would collect their commissions on a daily basis from the Revenue Collection Centre (RCC) of the daily revenue collections before RCC banked the amounts in the TSA account. There were no records maintained showing the daily collections and amounts deducted and paid to Smart technologies. We obtained revenue reports for 2021 from Smart technologies; Variance amounting to **USD 420,703** noted between the ledger and the record kept by Smart Technology. Periodic income reconciliations relating to third parties like Smart technology were not availed.

d) Safari Aviation Service Limited (SAS) was retaining 60% of the total revenue collected from cargo handling and passenger fees, information gathered from our interview with the Finance and Administration Director and the SAS Operational Manager. We requested for the monthly reports prepared during the year 2021 for our review from the Airport Authority, however, these were not provided. We could not, therefore, establish the total revenue collected as per their records.

Finding n°: 6	**Title:** Gaps in the Engagement of Collection Agents in Revenue Collection Process

e) The Contract between MOF and SAS was not availed for our review and thus we could not ascertain the Revenue share proportions, the terms, and conditions of engagement.

Implication

a) Without a proper sourcing and assessment process for the suppliers engaged in the revenue collection process, there is a risk that MOF may not enjoy value for money.
b) Offsetting of daily collections before banking leads to understated revenues resulting from incompleteness in the disclosure of the total revenue received. There is also the risk of cash loss due to the undocumented offsetting of the daily cash collections.
c) Non-compliance with the IPSAS cash basis of accounting in revenue recognition and material misstatement in the Consolidated Financial Statement of the State.
d) The non-provision of the contract with Safari Aviation Service Limited (SAS) for our review could signal non-existence of the contract and this makes it difficult to review the company's engagement terms as a State's revenue collection agent. In addition, it is impossible to determine the revenues share proportion basis and ownership of the Company.

Significant

High

Recommendations:

a) MOF should ensure revenue collection is conducted by the Revenue Department staff. In cases where external services providers are engaged in the revenue collection process, proper sourcing, assessment, and evaluation should be conducted and documented.
b) Internally generated revenues collected should be promptly banked intact and recognized as MOF - JSS revenue. Any collection charges by the service providers should then be billed separately and recognized as expenses in the Financial Statements.
c) Contracts with the State appointed revenue agents should be filed in such a way that they can easily be retrieved, have evidence approval of the appointment by the Minister of Finance and be adequately vetted. Such contracts should be awarded through a competitive process and be readily available for review.

Agreed/Disagreed: Agreed

Comments from MOF- JSS:

- RCA trained and registered six accredited agents from Ministries of Transport, Trade, planning, Local Government, Airport and Sea port but not yet operational due to logistical issues.
- To address these gaps, JSS will implement effective financial control policies and procedures, such as maintaining clear records of daily collections and ensuring that all revenue collected is promptly banked entirely.
- JSS will also review its processes for engaging suppliers to ensure that they are competitive and fair, and contracts should be clear and transparent.
- Regular income reconciliations relating to third parties like Smart technology would be conducted to ensure transparency and accuracy in the revenue collection process.

Finding n°: 6	**Title:** Gaps in the Engagement of Collection Agents in Revenue Collection Process

Responsible person and date:

Revenue Director September 2023

Finding n°: 7	**Title:** Improvements to procedures for bank reconciliations

Criteria:

According to the PFM Act and precisely Regulation 5_Cash and Banking agreements, 3.1.1 it States "The Treasury Single Account and any other bank accounts of the [FMS] are to be reconciled preferably daily or at a minimum weekly within 2 days after end of the week by the Treasury Department, Ministry of Finance using the financial management information system (FMIS). '3.1.2. Each reconciliation must be checked and approved by one of the authorized signatories of the bank account or designated senior officer and lastly' "3.1.3. Bank reconciliations and supporting documents must be retained for management control and audit purposes, filed both in soft copy and hard copy format."

Article 8.1. of the Operation of Bank Accounts Procedures Manual, States: "In December each year, the Cash Management Unit will conduct a review of the bank register and all government bank accounts. The review will cover the following key issues:

Best accounting practice requires that an accurate and complete set of financial control procedures are maintained in an organization. One such control is performing bank reconciliations between bank Statements and organization cash books in order to highlight any errors.

Description of the finding:

a) The Bank reconciliations were not prepared on a weekly basis as required, instead, these were prepared on a monthly basis. We find that the requirement for weekly bank reconciliations is administratively tedious and may not result in significant increase in strength of controls above the frequency of monthly bank reconciliations.

b) Based on our review on the bank reconciliations, we noted the following observations:

- BISAN FMIS generated bank reconciliations for some months were not provided from July to December 2021 for all Bank accounts. There was, therefore, no evidence that bank reconciliations for the highlighted months had been prepared.
- Lack of closure of non-operational bank accounts by the different Ministries under JSS.
- Bank reconciliation Statements did not bear evidence of review by the Treasury Director and approval by the Director-General MOF - JSS.

Implications:

a) Without undertaking periodical reconciliation, there is a risk that errors in bank Statements or cash book may not be identified and corrected timely.

b) Lack of evidence of review and approval of bank reconciliations by a senior officer increases the risk of delayed detection of errors and anomalies in bank transactions.

Finding n°: 7	**Title:** Improvements to procedures for bank reconciliations

Significant

High

Recommendations:

We recommend that:

a) MOF should ensure compliance with the preparation of weekly bank reconciliations. Alternatively, they could consider revising the Fiduciary Procedures Manual to provide for monthly preparation of bank reconciliations rather than weekly.
b) All the bank accounts have remained dormant for a certain period of time should be reviewed for unusual activities and unauthorized access for closure.

c) That bank reconciliation Statements be prepared, checked and approved as per the requirements of Regulation 5 of the PFM Act. Evidence of review and approval should be demonstrated on the face of the bank reconciliations. This includes stating the date and designations of reviewers and approvers.

Agreed/Disagreed: **Disagreed**

Comments from MOF - JSS:

- It is not possible to prepare the reconciliation on weekly basis due to numerous number of active bank accounts in addition to that preparing reconciliations on weekly basis may not result in significant increase in strength of internal controls, we would ensure compliance and will reconsider to revise the fiduciary procedures manual to provide for monthly preparation of bank reconciliations rather than weekly.
- BISAN FMIS generated bank reconciliations for some months were not provided from July to December 2021for all Bank accounts. There was, therefore, no evidence that bank reconciliations for the highlighted months had been prepared- the reconciliation from January to December 2021 has been prepared and it has been provided to you for review in both soft copy and hard copy.

- Lack of closure of non-operational bank accounts by the different Ministries under JSS: - Inactive bank accounts have been closed subject to confirmation from the line Ministry that the account will not be in use, therefore there are some inactive accounts that have not been closed due to lack of confirmation from the line Ministry.

Responsible person and date:

Treasury Director

Finding n°: 8	**Title:** Yearly confirmation request to all banks not done

Criteria:

Section 8 of The Bank Account Procedure Manual states that in December each year, the Cash Management Unit should conduct a review of the bank register and all government bank accounts to confirm bank balances, bank names and account numbers of all bank accounts registered in the name of the JSS However,

Description of the finding:

We noted that the there was no evidence provided that the Treasury Department under the Ministry of Finance had undertaken annual confirmations with the banks to confirm that the names and account numbers of all bank accounts registered are in the name of the Ministry of Finance.

Implication:

There was noncompliance with requirements to confirm bank account details which increases the risk of some bank accounts not being disclosed or captured and the State receipts and payments control been circumvented.

Significant:

Medium

Recommendation:

MOF should include confirmations of bank accounts details as part of year-end procedures in compliance with the procedure's manuals.

Agreed/Disagreed: Disagreed

Comments from MOF JSS:

- All bank confirmation notes have been shared with the institutions on Feb 2022, we have the evidence of the emails circulated.

Responsible person and date:

Treasury Director

Finding n°: 9	**Title:** Inadequacies in Finance and Accounting Guidelines

Criteria:

Part VII section 30 (1) of the Jubbaland State of Somalia (JSS) PFM Act 2017 States that "accounting rules and standards for Jubbaland State of Somalia should be consistent with internationally accepted principles and are to be applied consistently to all government agencies, including autonomous agencies, or any other subdivisions of the Jubbaland State of Somalia at the local level, whether in existence or to be established in the future."

Section 30 (2) further states "the Minister shall be responsible for establishing the Accounting Rules and Standards for the Jubbaland State of Somalia. These will be set out in accounting regulations established under this Act, and further detailed in instructions and guidelines issued by the Minister "

Description of the finding:

We noted that the ministry has developed the regulations as required in the PFM Act. However, the following weaknesses were noted;

a) The manuals do not provide guidelines on allowances payable to security officers as well as other State staff. We noted that in practice the amounts of allowances paid and the frequency of payments was not consistent. Officers received differing amounts and were paid at different times.

b) They lack guidelines on DSA paid to none civil servants.

Implication:

Inadequacies in the financial policies and procedures may lead to an inadequate control environment and increase the likelihood of inconsistent application of accounting practices.

Significant:

Medium

Recommendation:

The Ministry of Finance management shall update the accounting and finance policies with the missing guidelines and have these approved for use.

Agreed/Disagreed: **Agreed**

Comments from MOF JSS:

- In response to the observations, we will review and update the manuals to include guidelines on allowances payable to security officers and other State staff, as well as guidelines on DSA paid to non-civil servants. We will also ensure that the manuals are regularly reviewed and updated to reflect any changes in policies or regulations.
- Additionally, we will put in place measures to ensure that officers receive consistent allowances and are paid at the same frequency. This will help to prevent any perceived favoritism or bias in the administration of allowances.

We appreciate the feedback and will take the necessary steps to address the weaknesses identified in our manuals.

Responsible person and date:

Director General September 2022

Finding n°: 10	**Title:** Weakness in debt management and procedures

Criteria:

Section 36 (1) of PFM Act 2017, "The Proposed Budget presented by the Minister to Parliament shall include An Annex stating the amounts of outstanding public debt and guarantees". Section 38 (2) of PFM Act, "The Minister shall issue guidelines, covering terms and conditions to be met in loan agreements". Also, "Section 42 (4) of PFM Act, stated that MOF shall ensure that there is a debt strategy, which will from time to time be updated and published showing details of the terms and conditions of any new borrowing as well as those of loans and guarantees that the government may guarantee from time to time".

Section 41 of the public management act states that **"**State-owned enterprises and public financial institutions are required to submit to the Minister, at the end of each quarter, a detailed report of their borrowing and debt servicing, including government guaranteed debt, as well as any debt they have restructured, and any outstanding arrears to suppliers more than 90 days overdue."

Description of the finding:

During our review of these debts, the following weaknesses were noted;

a) The MOF did not prepared and submitted a report to the President and Parliament identifying new borrowing and debt repayments, rescheduling and write-offs.

b) MOF neither prepared and nor published a report on public debt outstanding as well as debt service projections over the medium-term.

c) No evidence showed that the Minister signed loan agreements on behalf of the Jubbaland State of Somalia.

d) There is no a debt strategy, which will from time to time be updated and published showing details of the terms and conditions of any new borrowing as well as those of loans and guarantees that the government may guarantee from time to time.

e) No financial system for administering the debt management

f) Note 19 of the financial statements discloses bending bills amounting to **USD 7,806,526** comprising of supply of goods and service to the Jubbaland State of Somalia, we were not provided listing of the above amount.

g) There is no breakdown of what the existing balance brought forward at the beginning of the year. Detailed is shown is shown below:

Finding n°: 10	**Title:** Weakness in debt management and procedures

Amount Received - 2013		1,262,769
Amount Received - 2019		5,140,621
Amount Received - 2021		7,368,585
Total Received		**13,771,975**
Repayments		
FY2014	70,000	
FY2015	483,108	
FY2016	353,141	
FY2017	152,521	
FY2018	106,590	
FY2019	-	
FY2020	1,436,670	
FY2021	3,363,419	
Total Repayments		**5,965,449**
Remaining balance		**7,806,526**

Implication:

- Weakness in debt management and procedures can reduce assurances that the government debt portfolio is being managed prudently and efficiently..
- Consequently the validity of the bending bills disclosed in note 19 of the financial statements could not be confirmed and Errors may go undetected leading to Incorrect payments may be made.
- Non-compliance with PFM Act

Significant

High

Recommendation:

The Minister should prepare and submit a report to the President and Parliament identifying new borrowing and issuance of guarantees, as well as debt repayments, rescheduling and write-offs. In addition the Minister should prepare and publish a report on public debt outstanding as well as debt service projections over the medium-term.

We recommend that, Jubbaland State of Somalia should ensure proper systems for administering borrowings should be put in place to enhance better recordkeeping and regular reconciliation of debt are done.

Agreed/Disagreed: Agreed

Comments from MOF JSS:

- FY 2021 JSS received interest free loan totaling to 7,368,585 due to the budget constraints and no budget support was received from Federal Government of Somalia, it has been agreed that JSS repay the obligations in instalments depending on the availability of funds.

- The MOF would strengthen its debt management processes to ensure that the State's debt

Finding n°: 10	**Title:** Weakness in debt management and procedures

position is effectively managed, and stakeholders are provided with accurate and timely information on public debt.

- The MOF would establish a financial system for administering the debt management process. This will ensure that there is a structured approach to managing the State's debt and reduce the likelihood of errors.
- The MOF will prepare and submit a report to the President and Parliament identifying new borrowing and debt repayments, rescheduling, and write-offs. This will ensure transparency and accountability in the management of public debt.
- The MOF will ensure that loan agreements are signed by the Minister on behalf of the Jubbaland State of Somalia. This is necessary to ensure that the State is legally bound to the terms and conditions of the loan agreements.

Responsible person and date:

Treasury Director October 2023

Finding n°:11	**Title:** Lack of supporting documents for payments

Criteria:

Key requirements in ensuring an accurate and complete set of financial files are effective financial control policies and procedures. An important financial control is ensuring all payments are supported by adequate documents such as invoice, receipts, agreements, tickets, boarding pass, delivery notes, etc.

Description of the finding:

In our review of payments, we noted that Payments amounted **$ 405,400** were lacking any supporting documents as shown in **Appendix 3.**

Implication:

Without adequate support documents, it would be difficult to confirm if the expenses reported in the Financial Statements were incurred. There is a risk that the expenditure reported in the Financial Statements is overstated.

Financial Impact: USD 405,400

Significant

High

Recommendation:

The Ministry should ensure that adequate supporting documents are maintained to prove that all the services or goods have been incurred or delivered and therefore that the associated costs are eligible for inclusion in the Financial Statements. No payments should be made without adequate support documents.

Finding n°:11	**Title:** Lack of supporting documents for payments
Agreed/Disagreed: **Agreed**	
Comments from MOF - JSS: - The Ministry takes prompt and decisive action to address the issues identified in this audit observation. The Ministry will implement stronger financial control policies and procedures to ensure that all payments are properly authorized and supported by adequate documentation. - This will help to ensure that public funds are used in a transparent and accountable manner and that the ministry is able to meet its obligations to the citizens of Jubbaland State of Somalia	
Responsible person and date: **Treasury Director December 2022**	

Finding n°:12	**Title:** Payments without adequate supporting documents

Criteria:

To achieve an accurate set of financial records is to ensure that payment vouchers should be accompanied by appropriate supporting documents which may include bank transfer letter, invoices, boarding pass, contracts and delivery notes are attached

Description of the finding:

In our review of payments, we noted payments totaled **USD 664,118,** were inadequately supported as shown in **Appendix 4.**

Implication:

Inadequately supported payments could be difficult to verify the accuracy and classification of payments as disclosed in the financial statements also It is also difficult to verify that paid for goods and services have actually been received and that all payment controls have been properly implemented.

Financial Impact: USD 664,118

Significant

High

Recommendation:

The Ministry should ensure that no payments should be made without adequate support documents.

Agreed/Disagreed: Agreed

Comments from MOF - JSS:

- Jubbaland State of Somalia will establish clear policies and procedures for payment processing and documentation and ensure that all payments are supported by proper documentation. This can include ensuring that invoices, receipts, and other supporting documents are obtained and maintained for all payments, and that all payment requests are reviewed and approved by authorized personnel before payment is made.

- Ministry of Finance will conduct a thorough investigation to determine the root causes of the inadequacies and implement appropriate corrective actions to prevent recurrence in the future.

Responsible person and date:

Treasury Director December 2022

Finding n°:13	**Title:** Incorrect classification of receipts and expenses

Criteria:

Section 8. 2 (a & d) of the Public Financial Management Act 2017 States: All public financial transactions, both revenues, and expenditures, are to be structured and classified using the same classifications for both budgeting and accounting. The following rules will apply:

- Where relevant, these classifications shall be designed to meet generally accepted international standards as defined in regulations issued pursuant to this Act. In the consolidated budget or supplementary appropriations, budgetary classifications may be made for expenditures of a confidential nature.

- Expenditures and other payments will be classified by administrative/institutional unit responsible for spending, appropriated at the spending agency level, and will be further classified according to economic classification and other classifications as shall be defined in regulations under this Act.

Description of the finding:

From our review of the receipts recorded and the sample of payments selected for audit, we noted numerous instances whereby various transactions had been incorrectly classified

Implication:

There is a risk that the financial statements are misstated.

Significant

Medium

Recommendation:

The management should ensure transactions are properly classified as per the chart of accounts and based on their nature. They should investigate all the incorrectly classified transactions and pass correction journals.

Agreed/Disagreed: **Agreed**

Comments from MOF - JSS:

- To address this observation, Jubbaland State of Somalia will review and strengthen its financial management procedures and internal controls to ensure that all transactions are properly classified. This can be achieved through regular training and capacity building for staff responsible for financial management, as well as implementing a system of checks and balances to ensure accuracy in financial records.

Responsible person: **Treasury Director**

Estimated Completion date: **December 2022**

Finding n°:14	**Title:** Failure to stamp support documents "PAID"

Criteria:

Key requirements in ensuring an accurate and complete set of financial files are effective financial control policies and procedures. An important financial control is to cancel all supporting documents on which payment had been settled by stamping "PAID" to distinguish them from the unpaid expenses and reduce the likelihood of multiple payments being made based on the same set of documentation.

Description of the finding:

We noted all expenditure payment vouchers and their supporting documentation had not been stamped "PAID".

Implications

Failure to indicate documentation as "PAID" increases the likelihood of multiple payments based on the same set of documentation.

Significant

Medium

Recommendations:

MOF should ensure that at the point of posting transactions into the accounting software

Agreed/Disagreed: **Agreed**

Comments from MOF - JSS:

- The audit observation is valid, and the Ministry of Finance would implement a policy of stamping all expenditure payment vouchers and supporting documentation as "PAID" to ensure accurate and complete records of payments made. This will also help the Ministry to prevent fraud and ensure that payments are only made for goods and services that have been received.

Responsible person and date:

Treasury Director December 2022

Finding n°: 15	**Title:** Weaknesses in the procurement process

Criteria:

Section 4 of the procurement policy provides guidelines on the procurement of goods, works, and non-consultant services awarded and/or funded by the Jubbaland State Somalia (JSS) including with funds provided by any international Donor that are processed through the JSS Treasury Single Account.

It provides the following procurement methods;

a) Competitive bidding – requiring open international advertisement. No threshold provided.
b) Other methods; to be used where competitive bidding may not be the most economical and efficient method of procurement, and where other methods are deemed more appropriate as illustrated below;
   - Limited bidding; direct invitation without open advertisement. No threshold provided.
   - Shopping method for goods and services amounting to USD 10,000 or less - requires a minimum of 3 quotations.
   - Sole and Single Sourcing for goods or services amounting to USD 1,000 or less.

Description of the finding:

We noted the following weaknesses in the procurement process:

- Numerous instances of single sourcing of suppliers without documented justification and approval. These did not meet the criteria set out in the JSS Procurement Policy & procedure manual. Additionally, there was overreliance on only a few suppliers for the provision of goods and services. Examples are highlighted under **Annex 5.**
- The ministry lacks a prequalified list of suppliers
- The policy lacks guidelines for competitive bidding for purchases for goods and services above USD 10,000.

Implication:

Lack of application of competitive procurement procedures poses the risk of JSS not benefitting from the best value for money for the taxpayers and donor's money.

In addition, lack of adherence to set procurement procedures may lead to malpractice in the procurement process.

Significant

High

Recommendations:

In order to ensure value for money is achieved when awarding contracts, JSS MOF Management should ensure that competitive process is applied when procuring goods and services and retain supporting documents to demonstrate those procedures and the procurement decisions made.

We also recommend that JSS takes steps to update the procurement manuals and have these approved for use, establish a procurement committee with associated guidelines, prequalified list of suppliers.

Agreed/Disagreed: **Agreed**

Comments from MOF- JSS:

- The implementation of these recommendations will help to strengthen the procurement process and improve transparency, accountability, and efficiency in the management of public funds.

- We have threshold for shopping method and single source method anything above shopping method which is 10,000 is considered to be competitive method.

Finding n°: 15	**Title:** Weaknesses in the procurement process

- It is true that we have numerous instances of single source and that is due to security related activities or maybe sometimes the company that was single sourced is the only vendor that can provide that service.
- On matters of the prequalification, we have a prequalified list in place.
- The Ministry will Document justification and approval to be provided for all instances of single sourcing, in accordance with the JSS Procurement Policy & procedure manual. This will help to ensure that the criteria for selecting suppliers are clearly defined and met.

Responsible person and date:

Procurement Director December 2022

Finding n°:16	**Title:** Weaknesses in assets management and the Assets Management System

Criteria:

Article 3.2 of the responsibility under regulation 9 (Capital Asset Policy) of the PFM Act 2017 States that "The Director General (or equivalent) may delegate duties for coordinating asset physical inventory counts, as well as ensuring capital asset acquisitions, transfers, and disposals are recorded in the centralized Capital Asset Register."

Further, Article 3.3 under regulation 9 (Capital Asset Policy) of the PFM Act 2017 States "The Ministry of Finance shall maintain a centralized Capital Asset Register for the whole of government, to be administered by the Director-General of the Ministry of Finance. Individual agencies, entities, and institutions may maintain an entity-specific Capital Asset Register for internal management purposes, however, the centrally controlled register operated by the Ministry of Finance is the official register of the government and all audits and reporting on capital assets will be made against the centrally-controlled register."

Description of the finding:

- JSS lacked Asset management system in place
- Asset register was not provided during the audit

Implications:

- Lack of asset register makes it impossible to physically verify all assets held and this opens them to misuse or theft.
- The lack of a systematic way of tracking assets could lead to theft and misappropriation of assets.
- There were inadequate controls over assets which increases risk of failure to track assets and reconcile assets register to Financial Statements.
- Non-compliance with Regulation 9 of the PFM Act provisions.

Significant

High

Recommendations:

We recommend that JSS should use Asset Management System to ensure that assets are recorded with all key information, tagged unique number, and reconciling of physical inventory to accounting records as per PFM Act 2017.

The State should ensure for the accuracy of information and data captured in the Asset Management System by ensuring the tag numbers and serial numbers on the assets are synchronized with those in the Asset Management System.

Agreed/Disagreed: Partially Disagreed

Comments from MOF - JSS:

- we have the asset management system in place and the procurement department will be in a position to provide all the necessary data required from the system. However, Asset management system was down when the auditors were conducting the audit, and this has been reinstated system is now working.

Responsible person and date:

Procurement Director December 2022

Finding n°:17	**Title:** Gaps in Internal Audit Function

Criteria:

In accordance with section 34 (1) of PFM Act 2017, Internal audit department is ultimately responsible for to review periodically the organization of financial management within the organization or unit also assess the adherence to all financial management procedures as well as evaluate the adequacy of management checks and balances, and controls, in the financial management practices within the organization or unit and reporting directly to minister.

Description of the finding:

From our review, we noted the following weakness in the internal audit function;

a) No internal audit report were prepared and shared with the Ministry of finance
b) Lack of Internal Audit Department workplan for year 2021
c) Failure by the Internal Audit Department to prepare the Risk Register for MOF

Implications:

Without an efficiently and adequately internal audit function, the MOF of finance may lack a critical management tool for monitoring operations and timely decision making so as to ensure prevention or early detection of any anomalies or errors whether intentionally or unintentionally.

Significant

Medium

Recommendations:

JSS should ensure the internal audit function is effective operations and Internal auditors should work and do their audit independently and report to the minister for finance as well as internal audit should be planned audits for all identified high risk areas.

Comments from MOF - JSS:

- **Agreed:** The internal audit department was initially understaffed, however, currently we have the fully functional department and fully staffed with Director and other officers, come FY 2022 all the findings regarding the internal audit will be corrected.

Responsible person:

Director General December 2022

Finding n°:18	**Title:** Delayed implementation of the prior year audit recommendations

Criteria:

Best practice requires that when an audit is finalized, the management of the Entity will take responsibility to improve the internal control system and thus prevent similar occurrences in the future.

Description of the finding:

We have noted most of the audit recommendations made for the audit year ended 31 December 2020 have not been implemented. Only Seven (7) out of the Forty (40) audit recommendations arising from the prior year audit had been fully closed out. See "Follow up on prior period audit recommendations" on Section 3.0.

Implication:

JSS may not benefit from audit recommendations as a management tool for tracking performance of the operations.

Significant

Medium

Recommendation:

We recommend that JSS and specifically the Ministry of Finance (MOF) should ensure that all weaknesses identified in the audit are addressed based on the recommendation provided or other control measures that would address the weakness satisfactorily.

Agreed/Disagreed: **Agreed**

Comments from MOF-JSS:

- I agree we had gaps in implementing the audit recommendations and you can understand that some of it has been affected by the COVID 19 pandemic, political factors like the elections and climate interferences were also another factor, well copied on your recommendations and we shall put into practice going forward.

- The Ministry will address identified weaknesses and improve operations. We will prioritize the implementation of audit recommendations to ensure that the Ministry operations are effective, efficient, and comply with applicable laws and regulations.

- The Ministry will promptly develop and implement an action plan to address the outstanding audit recommendations and establish a system for tracking and monitoring the progress of implementation. Additionally, the Ministry would ensure that the necessary resources, including financial and human resources, are allocated to the implementation of the audit recommendations.

Responsible person and date:

Ministry of Finance and Economic Development, December 2024

3 FOLLOW UP OF PREVIOUS AUDIT FINDINGS

The audit recommendations in relation to the financial statement ended December 2020 status below.

Total No. of Prior Yea Recommendations	Implemented	Partially Implemented	Not Implemented
40	7	2	31

No.	Finding Title	Recommendation	Status
1.	Lack of clear taxpayer segmentation	The JSS's tax authority reviews RMS capability and classifies its 23,035 taxpayers register into small, medium and large to provide timely and effective domestic revenue collection as this allows the authority to flag noncompliance among the top 20%of the taxpayers that contribute more than 50% of the domestic tax revenue.	Not implemented.
2.	Lack of adequate facilities in the tax administration centers.	a) The Revenue Collection Authority should review the completeness of the daily collections against the total number of receipt book leaflets utilized in day by the Tax Collection Officers. These should be reconciled to the total amount of revenue banked and recorded in RMS. b) The management should invest in adequate facilities such as vehicles, computer laptops as well as regular maintenance of the offices environment including the RCC. c) MoF JSS should engage donors and the Ministry to cater for facility improvements including vehicles, computers, stationery and tidy office environment at the RCC.	Not implemented.

No.	Finding Title	Recommendation	Status
3.	Slow adoption of public services (citizenry services) rendered by third parties (under the Public Private Partnership) on behalf of the JSS	The Revenue Collection Authority (RCA) and the MoF should follow up with the relevant agency and ministry to ensure these public service/citizenry documents are utilized within a reasonable time frame to prevent wastage of these valuable items. The accounts department should maintain unpaid invoices file to ensure that no bills, vendor invoices are missed from the annual closure of the financial statements. All unpaid invoices and contracts should be clearly identified and maintained on records.	Not implemented.
4.	Variance between revenue recorded under RMS and FMIS	We recommend for the real time interface between RMS and FMIS to enable MoF counter check the completeness and accuracy of revenue ollected and recorded in real time. A monthly reconciliation should be undertaken to check the total daily collections from the RCC, whether these have been captured accurately in the RMS by the Revenue Officers, and matched with the amount reported in the FMIS.	Not implemented.
5.	Weaknesses in revenue collection-risks relating to completeness.	We recommend: • Entry of the receipt book serial numbers into the RMS. • Weekly reconciliation between RMS and the physical receipt books by RCC management • RCC should maintain field revenue collection report showing the amounts per issued receipt per month, and subsequently counter check against the MoF's FMIS position. • Proper classsification of revenue accounts. • Ministry of Land to advocate the push for the enactment of the land rates and regulations Revenue Collection Authority to work closely with JLA in tracking of monthly land income. There should be a regular (at least quarterly) reconciliation of the revenue recorded in RMS and the statement from Milestone the service provider working with the JLA.	Not implemented.
6.	Weak financial reporting and poor documentation at the Kismayu Sea Port	We recommend: • Monthly complete reports including tonnage and number of ships docked to be sent to MoF for validation. • Establish a performance monitoring mechanism which will disclose	Not implemented.

No.	Finding Title	Recommendation	Status
		traffic and other revenue reports on a monthly. • Audit of support documents by MoF to ensure there is no irregularities and fraud. • Training or capacity building for the customs team on daily activity and sales reporting. • SOMSAD transformation initiatives should be accelerated to ensure importers and exporters perform declaration of goods via the online system • CCTV installation and management at the seaport vicinity. • Supply sufficient tools i.e. computers and office furniture to match the number of staff. • Both Airport and Sea Port to establish monthly statement of receipts and expenditure Automation of seaport activities to enable reporting via the Customs Administration System (CAS) to enable recording of volume of trade, traffic in terms of number of ships, small boats and consignment tonnage to enhance revenue collection consistency in posting customs tax.	
7.	Delay in the implementation of Somalia Single Administrative Document (SOMSAD) to streamline and improve cargo declarations	a) The RCA to accelerate engagement with the Ports' Management to have the SOMSAD fully utilized in order to improve customs declarations from time consuming manual forms to the effective recommended SOMSAD online declaration system.	Not implemented.
8.	Grants income_ adequate support documents including contracts & progress reports were not provided	We recommend: • All donor grants to be centralized within a section of the EAFS that monitors the contracts for expiration and compliance. • Improval of the filing system to ease the retreaval and archival of donor agreements and other support documents. Periodic reconciliation between FMIS and actual receipts as per bank statement.	Not implemented.
9.	Lack of procurement function's role in the	The procurement department should take an active role in the management of all purchases of the JSS in accordance with the procurement policy. Section 2.1 of the JSS's procurement policy states that the procurement	Not implemented.

No.	Finding Title	Recommendation	Status
	purchasing process	committee shall review the JSS's procurement procedures, documents, bid evaluations, award recommendations, contracts to ensure that procurement process is carried out in accordance with the policy. Regulation Number 8 provides for centralized procurement department that is at the centre of all the purchases made by the JSS.	
10.	Lack of Bid Evaluation Reports for the selected suppliers	The Treasury and Procurement Departments should ensure to establish sound Bid and quotation evaluation report that provides the discussions, reasons and recommendation for all procurement award in accordance with the JSS's Procurement Policy and Procedures Sect 4.26.2 of regulation #8 of 2018. This will enhance the transparency and fair value of money obtained by the JSS from its suppliers.	Not implemented.
11.	Unsatisfactory accounting records- inadequate support documents	To enhance compliance with PFM and treasury regulations, appropriate support documents be maintained for all payments. In addition, the conflict resolution expenses should have adequate support documentation such as activity TOR, background document.	Not implemented.
12.	Expenditure documents not stamped as "PAID"	1) Invalidate paid documents by cancelling through PAID mark, including budget code, donor and project references 2) For own source use of funds at the treasury, all invoices, receipts, attendance sheets , request letters, tickets and boarding passes bear government stamp-MoF PAID.	Not implemented.
13.	Weaknesses in human resource processes	We recommend the State: • Automate and base the payroll expenses on biometric identity of recepients. In the absence of automated payroll system or account to account transfer banking platform, we recommend the individual receipient to acknowledge by signing the payment schedule or providing thumb print against his/her name. • MoF to obtain monthly personnel head count and status prior to release of lumpsum required amounts • A leave monitoring system be set up using the newly acquired HRMIS at the Civil Service Commission. • Background checks be completed prior to the offer letter.	Implemented.

No.	Finding Title	Recommendation	Status
		• Performance management and appraisal be incorporated in the newly acquired HRMIS.' Deduction of taxes for all employees be done consistently.	
14.	Weaknesses under Fixed assets	The assets register should be updated to include all government property both movable and immovable. JSS should ensure that all assets are tagged with a unique identification code. An asset maintenance schedule be maintained and followed and all broken but useful pieces of assets be regularly repaired and put into good use.	Not implemented.
15.	Weaknesses identified in the bank reconciliation statements	Bank reconciliation statements should be signed and dated by the different officers involved in the preparation and filing. Evidence of preparation, review and approved of bank statement should be maintained on the statements or within the automatic reconciliation feature present in the FMIS.	Not implemented.
16.	Dormant bank accounts	All dormant bank accounts should be reviewed and approval for closure to be given by the MoF. As a risk mitigation measures, all the bank accounts have remained dormant for a certain period of time should be reviewed for unusual activities and unauthorized access from a staff of MDAs or any other government cash management team.	Not implemented.
17.	Journal documentation & filing	All journals passed should be accompanied by relevant support documents. The coding or numbering of the journals should be done in a way that it facilitates the transaction being corrected.	Not implemented.
18.	No interface/link between Budget Preparation Module (BPM) and IFMIS	Implement an automated interface to ensure changes to the budget in FMIS are accurately and completely reflected in BPM. However, any official changes to the budget should be updated and the approval is documented to address the change.	Implemented
19.	Large Number of duplicate payment vouchers in IFMIS	Re-configure FMIS with payments voucher number as primary key	Implemented
20.	Weaknesses of ICT infrastructure over revenue collected by third parties	1) Automation of the revenue collection process at the Kismayo Port to increase efficiency in reporting and ease of getting revenue assurance. 2) Requesting for an interface to track business activities at smart technologies for better tracking of revenue collection from the	Not implemented.

No.	Finding Title	Recommendation	Status
		services provided. 3) The vendor is advised to update the server operating system for improved security of the critical applications used for daily operations. 4) Independent validation and reconciliation of all revenue collection transactions by the third party. 5) Upgrade the servers to a version that is supported by the vendor.	
21.	Inadequate internal controls at the Revenue Collection Centre (RCC)	• Consider automating the process in revenue collection control and list of taxpayer • Consider implementing an automated integration between RMS, FMIS, and the automated processes that support the revenue collection control to eliminate human intervention and possible manipulation after and before posting. • Create field in RMS to record the physical receipt number and payment refference IDs for ease of tracking supporting documents during revenue assurance reviews. Implement a receipting system and interface it with RMS to enable the posting of the cash received directly to RMS.	Partially implemented
22.	Lack of control over event logs in the audit trail for FMIS, RMS, BPM, and AMS	Implement a proper mechanism to control systems event logs and review super administrator activities in the system	Not implemented
23.	Lack of control over JSS IT resources and users- log in sharing	Implement a proper mechanism to manage IT resources users and computers	Not Implemented
24.	Lack of event log audit trail in AMS.	Implement events logs audit trial in the Asset Management system (AMS)	Not implemented.
25.	Existence of unknown users in the FMIS, RMS, BPM and AMS	• All users in FMIS, RMS, BPM, and AMS should be matched with official HR records • Review the existing system user creation process and ensure approval by HR and system owners.	Not implemented.

No.	Finding Title	Recommendation	Status
26.	Inadequate Segregation of Duties (SOD) in FMIS	Review all user roles in IFMIS and implement strong Segregation Of Duties (SOD) controls that are documented to ensure all areas of conflict which may lead to invalid, unauthorized, or fraudulent transactions are prevented.	Implemented.
27.	Delay in the activation/de-activation of users access in FMIS	Implement a process to ensure all users leaving are deactivated immediately from all information systems	Implemented.
28.	Weak password configuration controls in FMIS	• The password policies and procedures are improved to include: Maximum number of allowable unsuccessful attempts; and Password lockout duration • Password policies and configuration settings are improved for windows and all critical business systems.	Not implemented.
29.	Inadequate physical security of IT systems and equipment on premises	• A register is availed for the recording of laptop serial numbers for all laptops being brought into and taken out of Jubbaland State of Somalia offices. • A gate pass system is set up to record and approve any electronics being taken out for service or being transferred from their original locations. • CCTV system is implemented in MoF premises.	Implemented
30.	Generic User Accounts	All generic IDs be deactivated if not in use or be documented and assigned to specific employees after approval by the relevant management for accountability.	Partially implemented.
31.	Absence of ICT Steering Committee	Formulate the ICT steering committee with an appropriate member as per requirements	Not implemented.
32.	Inadequately documented Information Security Policies	A documented, approved and implementable policy and procedures document be prepared to incorporate the mentioned policies and circulated to users and IT administrators for compliance.	Not implemented.
33.	IT Security Awareness Training	Regular/Annual training sessions be organized for end-users, ICT staff, and administrators of critical information systems on the latest systems attacks and measures to protect the IT assets from unauthorized access or attackers.	Not implemented.

No.	Finding Title	Recommendation	Status
34.	Inadequate ICT Service Support and helpdesk incidents mechanism	A comprehensive incident reporting and logging system be formalized to include the following: • Reporter name, • Problem ticket no, • Description of a problem, • Time to report, • Time to resolve, • Root cause and; the technical solution used to solve the problem be kept	Not implemented.
35.	Inadequate management of computers' anti-virus software	All machines are installed with antivirus, license, and adequately update.	Implemented.
36.	Absence of formally documented and approved process to manage upgrades and changes made to all information systems	All processes aimed at managing upgrades and changes to information systems be developed, documented, and approved. A change management policy be developed should include: • initiation of the change; • classification of the change; • authorization for the change; • unit and system testing in a test environment; • business user testing and signoff; and migration to production.	Not implemented.
37.	Lack of adoption of system development and acquisition policy	Aduate formalized process, policy, and procedures are documented and implemented to include: • Initiating and authorizing system projects; • Assigning priorities to projects; • Developing requirements and specifications; • Testing applications; • Business user testing and formal signoff; • Migration from the test environment to the production environment; and Reconciliation of data migrated to new or significantly modified applications.	Not implemented.

No.	Finding Title	Recommendation	Status
38.	Lack of an IT Disaster Recovery and Business Continuity Plan	A business continuity plan is documented, approved, implemented, tested, and annually updated to cover new IT risks due to changes in technology and cyber-attack technique.	Not implemented.
39.	Lack of formalized backup strategy, policy and procedure manual	A comprehensive strategy for backup of relevant data and programs to include: • responsibility for performing backups; • format of the backup tool, e.g. Veritas, Galaxy, etc; • the operational process to be followed to successfully perform the backup of financial data and applications has been outlined; • corrective action to be taken in the event of failed backups has been outlined; and the backup schedule is commensurate with the risk of data loss based on the criticality of the system (Daily, weekly, monthly, etc).	Not implemented.
40.	Lack of formalized software escrow for all acquired systems	Considering business continuity by adapting and formalizing software escrow when acquiring information systems	Not implemented.

4 ANNEXES

ANNEX 1 (a): UNSUPPORTED RECEIPTS

Receipts Category	Account Code	Amount as per Financial Statements & Ledgers	Amount not supported with a copy of original customer receipt	Remarks
		USD	USD	
Property Tax	114203	407,778.20	58,650.00	BISAN FMIS receipt and copy of deposit slip provided, however, no copies of original customer receipts provided for the entire category.
Vehicle & Drivers Licences	114511	149,732.00	97,578.00	
Business & Professional Licenses	114521	31,405.00	12,780.00	
Other taxes on use of goods & services	114525	1,770.00	1,770.00	
Fishing Fees	114526	20,000.00	20,000.00	
Landing Fees	114528	209,482.00	146,876.80	
Local Passenger Fee	114529	369,193.00	106,350.80	
Customs duties – KHAT	115103	1,988,531.50	160,460.80	BISAN FMIS receipt and copy of deposit slip provided, however, no copies of original customer receipts
Revenue Collections from local Government	116201	12,534.00	12,534.00	BISAN FMIS receipt and copy of deposit slip provided, however, no copies of original customer receipts provided for the entire category.
Land certificate fees	142206	464,805.50	270,450.00	
Land Allocation	142213	1,359,164.65	135,507.00	
		5,967,667.85	**1,022,957.4**	

ANNEX 2): VARIANCES BETWEEN THE AMOUNTS RECORDED AS PER THE RMS AND THE BISAN FMIS

Account Code	Account Name	Amount as per Ledger USD	Amount Recorded in RMS USD	Variance USD
111101	Personal Income Tax	266,658	-	266,658
112102	Payroll Tax - Non-Government	505,035	263,792	241,243
114131	Turnover Tax	957,530	663,909	293,621
114203	Property Tax	407,778	240,860	166,918
114511	Vehicle & Drivers Licences	149,732	-	149,732
114521	Business & Professional Licenses	31,405	-	31,405
114528	Landing Fees	209,482	155,850	53,632
114529	Local Passenger Fee	369,193	274,920	94,272
114530	State Road User Tax	953,272	-	953,272
114539	Parking Fees	3,299	1,450	1,849
115103	Customs duties - KHAT	1,988,532	-	1,988,532
116201	Revenue Collections from local Government	12,534	-	12,534
142201	Visa Fees	107,942	95,942	12,000
142207	Number Plate Registration	246,800	-	246,800
142208	Logbook Registration	144,860	-	144,860
		6,354,052	**1,696,723**	**4,657,328**

ANNEX 3: Lack of supporting documents for payments.

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
2/23/2021	21/00002720 PV	JSF Salaries	070000	000000	120,000.00
3/22/2021	21/00003884 PV	Shir Dib U Heshiseyn	120000	000000	1,500.00
5/20/2021	21/00006188 PV	Shir Dib U Heshiseyn	120000	000000	20,150.00
5/30/2021	21/00006477 PV	Shir Dib U Heshiseyn	120000	000000	15,000.00
7/6/2021	21/00007874 PV	Shir Dib U Heshiseyn	120000	000000	32,000.00
9/1/2021	21/00010055 PV	Shir Dib U Heshiseyn	120000	000000	10,000.00
9/20/2021	21/00010917 PV	Shir Dib U Heshiseyn	120000	000000	70,000.00
9/25/2021	21/00011134 PV	JSF Salaries	070000	000000	85,700.00
11/20/2021	21/00013521 PV	Jss state Daily Meals	120000	000000	1,550.00
11/23/2021	21/00013684 PV	Jamame Brothers Company LTD	120000	000000	20,020.00
12/4/2021	21/00014070 PV	Jamame Brothers Company LTD	120000	000000	19,000.00
12/5/2021	21/00014094 PV	Jss Security Daily allowance	070000	000000	5,240.00
12/6/2021	21/00014156 PV	Jss Security Daily allowance	070000	000000	5,240.00
TOTAL					**405,400**

ANNEX 4: Payments without adequate supporting documents

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
1/3/2021	21/00000058 PV	Kismayo Immigration Office	040000	000000	16,033.00
1/6/2021	21/00000272 PV	JEELLE TRAVEL AGENCY	040000	000000	2,000.00
1/7/2021	21/00000315 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	10,400.00
1/10/2021	21/00000435 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	9,811.00
1/10/2021	21/00000436 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	5,913.00
1/13/2021	21/00000616 PV	Jubbaland Quality control service	040000	000000	12,144.00
1/21/2021	21/00000968 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	12,794.00
1/30/2021	21/00001419 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	8,921.00
2/1/2021	21/00001511 PV	MILESTONE LTD	040000	000000	4,326.00
2/4/2021	21/00001738 PV	MOF Staff Salary and Allowances	040000	000000	12,429.80
2/4/2021	21/00001789 PV	SMART TECHNOLOGY RUNNING COST	040000	000000	8,504.00
2/4/2021	21/00001802 PV	Kismayo Immigration Office	040000	000000	12,200.00
2/6/2021	21/00001836 PV	SMART TECHNOLOGY RUNNING COST	040000	000000	8,658.00
2/18/2021	21/00002512 PV	Smart Technology Ltd	040000	000000	10,000.00
2/21/2021	21/00002617 PV	MILESTONE LTD	040000	000000	6,371.00
2/28/2021	21/00002922 PV	Kismayo Immigration Office	040000	000000	13,228.00
3/3/2021	21/00003178 PV	MOF Staff Salary and Allowances	040000	000000	12,429.80
3/3/2021	21/00003179 PV	Jamame Brothers Company LTD	040000	000000	10,000.00
3/9/2021	21/00003453 PV	JEELLE TRAVEL AGENCY	040000	000000	1,200.00
3/16/2021	21/00003704 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	7,188.00
3/22/2021	21/00003907 PV	MILESTONE LTD	040000	000000	4,634.00
3/29/2021	21/00004228 PV	JEELLE TRAVEL AGENCY	040000	000000	1,560.00
4/12/2021	21/00004819 PV	Agan hotel	040000	000000	28,000.00
4/12/2021	21/00004815 PV	MILESTONE LTD	040000	000000	14,736.00
4/12/2021	21/00004818 PV	Shir Dib U Heshiseyn	040000	000000	35,545.00
4/17/2021	21/00004984 PV	MILESTONE LTD	040000	000000	9,125.00
4/28/2021	21/00005474 PV	MILESTONE LTD	040000	000000	14,239.00

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
5/1/2021	21/00005630 PV	JEELLE TRAVEL AGENCY	040000	000000	1,680.00
5/1/2021	21/00005647 PV	SMART TECHNOLOGY STAFF SALARY	040000	000000	7,980.00
6/1/2021	21/00006623 PV	SMART TECHNOLOGY STAFF SALARY	040000	000000	11,250.00
6/16/2021	21/00007110 PV	Blue Sky Airline	040000	000000	2,300.00
7/3/2021	21/00007715 PV	kismayo air port staff salaries	040000	000000	13,611.50
7/3/2021	21/00007719 PV	Shir Dib U Heshiseyn	040000	000000	17,000.00
7/6/2021	21/00007871 PV	Shir Dib U Heshiseyn	040000	000000	13,800.00
7/10/2021	21/00007988 PV	Shir Dib U Heshiseyn	040000	000000	14,000.00
7/13/2021	21/00008111 PV	Shir Dib U Heshiseyn	040000	000000	19,000.00
7/19/2021	21/00008302 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	12,031.00
8/2/2021	21/00008845 PV	MOF Staff Salary and Allowances	040000	000000	13,514.30
8/26/2021	21/00009726 PV	Shir Dib U Heshiseyn	040000	000000	10,000.00
8/28/2021	21/00009764 PV	Kismayo Immigration Office	040000	000000	12,300.00
8/31/2021	21/00009960 PV	MILESTONE LTD	040000	000000	11,025.00
9/2/2021	21/00010119 PV	SMART TECHNOLOGY RUNNING COST	040000	000000	11,000.00
9/11/2021	21/00010511 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	5,175.00
9/12/2021	21/00010574 PV	Nisa Daily Meals	040000	000000	14,000.00
9/25/2021	21/00011078 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	12,337.00
9/28/2021	21/00011317 PV	JEELLE TRAVEL AGENCY	040000	000000	1,680.00
10/3/2021	21/00011533 PV	Mall Group Company	040000	000000	29,539.14
10/3/2021	21/00011534 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	7,188.00
10/5/2021	21/00011644 PV	MOF Staff Salary and Allowances	040000	000000	14,122.70
10/27/2021	21/00012481 PV	SOCIAL WELFAFAR	040000	000000	4,800.00
10/30/2021	21/00012629 PV	SMART TECHNOLOGY STAFF SALARY	040000	000000	7,980.00
10/30/2021	21/00012633 PV	Smart Technology Ltd	040000	000000	10,000.00
10/31/2021	21/00012664 PV	MILESTONE LTD	040000	000000	11,511.00
11/2/2021	21/00012764 PV	MILESTONE LTD	040000	000000	5,684.00
11/4/2021	21/00012885 PV	MOF Staff Salary and Allowances	040000	000000	14,122.70

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
11/4/2021	21/00012862 PV	Mohamed Abdi Salad	040000	000000	1,800.00
11/4/2021	21/00012841 PV	Abdinasir Seraar Maax	040000	000000	5,000.00
11/6/2021	21/00012895 PV	Mall Group Company	040000	000000	7,080.00
11/8/2021	21/00013076 PV	Mof Wages& allowance	040000	000000	6,000.00
11/11/2021	21/00013210 PV	MILESTONE LTD	040000	000000	4,510.00
11/13/2021	21/00013256 PV	JEELLE TRAVEL AGENCY	040000	000000	1,406.00
11/14/2021	21/00013310 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/15/2021	21/00013362 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/16/2021	21/00013399 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/17/2021	21/00013444 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/17/2021	21/00013447 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	5,472.00
11/18/2021	21/00013507 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/20/2021	21/00013540 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/21/2021	21/00013590 PV	JEELLE TRAVEL AGENCY	040000	000000	1,396.00
11/21/2021	21/00013598 PV	SHIGSHIGOW MACQUL SPARE PARTS	040000	000000	7,337.00
11/24/2021	21/00013749 PV	Al-Faws Car Sales	040000	000000	4,760.00
11/24/2021	21/00013754 PV	SOCIAL WELFAFAR	040000	000000	9,960.00
TOTAL					**664,117.94**

ANNEX 5: Weaknesses in the procurement process

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
1/3/2021	21/00000058 PV	Kismayo Immigration Office	040000	000000	16,033.00
1/7/2021	21/00000315 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	10,400.00
1/10/2021	21/00000432 PV	Xafiiska kastamka Dekkada	040000	000000	12,390.00
1/13/2021	21/00000616 PV	Jubbaland Quality control service	040000	000000	12,144.00
1/21/2021	21/00000968 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	12,794.00
2/2/2021	21/00001642 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	23,382.00
2/4/2021	21/00001802 PV	Kismayo Immigration Office	040000	000000	12,200.00
2/28/2021	21/00002922 PV	Kismayo Immigration Office	040000	000000	13,228.00
3/1/2021	21/00003044 PV	ALTAQWA TRADING COMPANY	040000	000000	13,697.00
4/11/2021	21/00004773 PV	MILESTONE LTD	040000	000000	98,000.00
4/12/2021	21/00004817 PV	Agan hotel	040000	000000	26,455.00
4/12/2021	21/00004819 PV	Agan hotel	040000	000000	28,000.00
4/12/2021	21/00004815 PV	MILESTONE LTD	040000	000000	14,736.00
4/12/2021	21/00004818 PV	Shir Dib U Heshiseyn	040000	000000	35,545.00
4/28/2021	21/00005474 PV	MILESTONE LTD	040000	000000	14,239.00
5/20/2021	21/00006188 PV	Shir Dib U Heshiseyn	120000	000000	20,150.00
5/30/2021	21/00006477 PV	Shir Dib U Heshiseyn	120000	000000	15,000.00
7/3/2021	21/00007719 PV	Shir Dib U Heshiseyn	040000	000000	17,000.00
7/6/2021	21/00007871 PV	Shir Dib U Heshiseyn	040000	000000	13,800.00
7/6/2021	21/00007874 PV	Shir Dib U Heshiseyn	120000	000000	32,000.00
7/10/2021	21/00007988 PV	Shir Dib U Heshiseyn	040000	000000	14,000.00
7/13/2021	21/00008111 PV	Shir Dib U Heshiseyn	040000	000000	19,000.00
7/19/2021	21/00008302 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	12,031.00
7/19/2021	21/00008315 PV	Shir Dib U Heshiseyn	170000	000000	22,500.00
7/28/2021	21/00008580 PV	Shir Dib U Heshiseyn	040000	000000	120,000.00
7/28/2021	21/00008580 PV	Shir Dib U Heshiseyn	040000	000000	30,000.00
7/28/2021	21/00008580 PV	Shir Dib U Heshiseyn	040000	000000	30,000.00
8/28/2021	21/00009764 PV	Kismayo Immigration Office	040000	000000	12,300.00

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
8/28/2021	21/00009771 PV	Shir Dib U Heshiseyn	040000	000000	30,000.00
8/29/2021	21/00009792 PV	Shir Dib U Heshiseyn	040000	000000	30,000.00
8/29/2021	21/00009792 PV	Shir Dib U Heshiseyn	040000	000000	30,000.00
8/31/2021	21/00009960 PV	MILESTONE LTD	040000	000000	11,025.00
9/1/2021	21/00010054 PV	Shir Dib U Heshiseyn	040000	000000	30,000.00
9/2/2021	21/00010119 PV	SMART TECHNOLOGY RUNNING COST	040000	000000	11,000.00
9/7/2021	21/00010386 PV	Jamame Brothers Company LTD	040000	000000	36,000.00
9/7/2021	21/00010339 PV	JAMAME BROTHERS GROUP	040000	000000	40,000.00
9/12/2021	21/00010574 PV	Nisa Daily Meals	040000	000000	14,000.00
9/16/2021	21/00010791 PV	Jamame Brothers Company LTD	040000	000000	25,733.00
9/19/2021	21/00010861 PV	MILESTONE LTD	040000	000000	22,139.00
9/19/2021	21/00010879 PV	Mall Group Company	040000	000000	62,177.00
9/20/2021	21/00010917 PV	Shir Dib U Heshiseyn	120000	000000	70,000.00
9/25/2021	21/00011078 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	12,337.00
9/28/2021	21/00011310 PV	Jamame Brothers Company LTD	040000	000000	20,116.00
9/28/2021	21/00011318 PV	Jamame Brothers Company LTD	040000	000000	20,755.79
9/29/2021	21/00011365 PV	Jubbaland Chamber of Commerce and Industry	040000	000000	24,324.00
10/3/2021	21/00011533 PV	Mall Group Company	040000	000000	29,539.14
10/4/2021	21/00011578 PV	Mohamud Sayid Aden	120000	000000	17,000.00
10/12/2021	21/00011878 PV	Abdullahi Aden Bille	170000	000000	11,500.00
10/31/2021	21/00012640 PV	Allowance	040000	000000	26,500.00
10/31/2021	21/00012664 PV	MILESTONE LTD	040000	000000	11,511.00
11/2/2021	21/00012750 PV	Visa Fees share FGS	040000	000000	11,265.00
11/3/2021	21/00012823 PV	MILESTONE LTD	040000	000000	26,663.00
11/4/2021	21/00012838 PV	Jubbaland TV	060000	000000	14,345.00
11/11/2021	21/00013218 PV	Mohamud Sayid Aden	040000	000000	20,000.00
11/23/2021	21/00013684 PV	Jamame Brothers Company LTD	120000	000000	20,020.00
11/24/2021	21/00013715 PV	MILESTONE LTD	040000	000000	17,250.00
12/4/2021	21/00014070 PV	Jamame Brothers Company LTD	120000	000000	19,000.00

Date	Voucher	Funder/Client	Ministry/Agency	Project	Amount
12/12/2021	21/00014390 PV	Jamame Brothers Company LTD	050000	000000	33,000.00
12/12/2021	21/00014422 PV	SMART TECHNOLOGY RUNNING COST	050000	000000	18,000.00
12/14/2021	21/00014537 PV	Mall Group Company	170000	000000	20,900.00
TOTAL					**1,487,123.93**

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