JUBALAND STATE OF SOMALIA

AUDITOR GENERAL'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

Transmittal letter

OFFICE OF THE AUDITOR GENERAL JUBBALAND STATE OF SOMALIA

3rd October, 2023

Speaker of State Parliament

Jubbaland State of Somalia Kismayo, 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 2022 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 2022. 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 2022 Financial Statements, as presented, do not fairly represent the financial activities of government in three, important, areas;

(a) Unsupported receipt of $945,600. We were not able to confirm whether theses receipts were disclosed under the correct accounting codes.

(b) Payments totaling to $2,737,150 lacked any evidence of occurrence.

(c) Payments totaling to $3,742,005 lacked adequate supporting documentation.

3.3 Summary of Audit Findings

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 maintain 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, •Payments totalling to $2,737,150 were made without supporting documents while Payments totalling to $3,742,005 lacked adequate supporting documents JSS should retain supporting documents for all financial transactions and no payments should be made without proper review of evidence to support the amount and nature of the underlying transaction.

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.

Budget

The budget is the backbone for all state activities. Realized budget for 2022 financial year was $37.5 million vis a vis an original budget $53.3 million. Thirty percent of the states 2022 budget has not been realized. The state budget should be prepared in a more realistic manner. Where revenue targets are not achievable a supplementary budget should be prepared.

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	2
Partly Implemented	5
Not Implemented	11
TOTAL	18

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 2022 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 2022 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 2022.

5. Detailed Findings – FY 2022 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 $902,700 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 $6,479,155 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.

5.8 Budget

In contravention of sections 10 and 12 of the PFM Act, FY 2022 budget estimates for both revenue and expenditure have been missed by 30%. This puts doubts on the both the reliability and the reasonableness of the parameters used in budget preparation process.

In addition, we noted the 5% contingency fund as specified under Section 14 of the PFM was not actualized and set in the budget forecast.

The annual budget should be subject to review and any over or under forecast of the financial performance adjusted in the July supplementary review.

The 5% of the budget be set as contingency and any contingency activities funded from this reserve. Contingencies should not to be paid from other approved parts of the budget.

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 18 recommendations provided by OAG. only 2 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 2022 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 2022.

JUBALAND STATE OF SOMALIA (JSS)

AUDITOR GENERAL'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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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.

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Approved by Jubbaland State of Somalia (JSS) on 24, September…2023.

Ahmed Abdrizak Mohamed (Handal)….

Minister for Finance

DOWLAD-GOBOLEEDKA JUBALAND EE SOOMAALIYA
JUBA AND STATE OF SOMALIA
MINISTRY OF FINANCE
WASAARADA MALIYADA

Signature
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2.0 INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Modified Opinion

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, 2022, and of its financial performance for the year then ended in accordance with the Public Financial Management (PFM) Act 2017 and the International Public-Sector Accounting Standards (IPSAS) - Financial Reporting Under the Cash Basis of Accounting.

We have audited the financial statements of the Jubbaland State of Somalia which comprise the Consolidated Funds Statement on Receipts and Payments, the Consolidated Fund Statement of Comparison of Budget and Actual amounts for the period ended 31 December 2022 and Notes to the Financial Statements including a summary of significant accounting policies.

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):

- Unsupported receipt $945,600. We were not able to confirm whether theses recipts were disclosed under the correct accounting codes.
- Payments totaling to $2,737,150 lacked any evidence of occurrence.
- Payments totaling to $3,742,005 lacked adequate supporting documentation.

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

B. Unsupported borrowings

Note 18 of the financial statements discloses outstanding loans amounting to USD **8,449,387** comprising of supply of goods and service to the Jubbaland State of Somalia, 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 FY2022 and the brought forward amounts at the beginning of the year.

The validity of the outstanding loans disclosed in note 18 of the financial statements could not be confirmed.

C. Non-Financial Assets

The Asset Management System crashed during the year under year. Therefore, there is a lack of complete asset management register for the JSS; hence assets owned by the government could not be accounted for.

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 or to 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 auditor’s 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 Signature-----------------------------

Date 31, september--------------------------------

XAFIISKA HANTIDHOWRKA GUUD
OFFICE OF THE AUDITOR GENERAL
JUBALAND STATE OF SOMALIA
DOWLAD GOBOLEEDKA JUBALAND

Kismayo Jubaland Somalia,

Annex 1: Consolidated and Ministerial Financial Statements of Jubbaland State of Somalia for the year ended 31 December 2022.

CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF THE JUBBALAND STATE OF SOMALIA

For the Year Ended 31 December 2022

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

<u>Statement of Certification – 2022 Finanical Statements</u>

The 2022 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 2022. 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

DOWLAD GOBOLEEDKA JUBALAND EE SOOMAALIYA
JUBA AND STATE OF SOMALIA
MINISTRY OF FINANCE
WASAARADA MAALIYADA

Mr. Ahmed Abdirizak Mohamed - Handal	**April 27, 2023**	
Minister for Finance 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 2022

	Note	2022 Controlled by TSA USD	2021 Controlled by TSA USD
Receipts / Inflows			
Taxes			
Taxes on income, profits, and capital gains	2	253,203	266,658
Taxes on payroll and workforce	3	708,305	505,035
Taxes on goods and services	4	4,481,039	4,092,704
Taxes on international trade and transactions	5	10,108,700	10,051,485
Other taxes		-	12,534
Taxes		**15,551,247**	**14,928,416**
Grants			
From international organizations	6	8,091,909	4,004,990
From other general government units	7	11,554,863	4,854,160
Grants		**19,646,772**	**8,859,149**
Other Revenue			
Sale of goods and services	8	3,169,280	2,405,819
Fines, penalties and forfeits	9	52,389	24,455
Other Revenue		**3,221,669**	**2,430,274**
Receipts / Inflows		**38,419,688**	**26,217,839**
Payments / Outflows			
Compensation of Employees			
Wages and Salaries	10	18,140,859	15,050,731
Compensation of Employees		**18,140,859**	**15,050,731**
Use of Goods and Services			
Travel & Conferences	11	1,827,200	1,798,852
Operating Expenses	12	6,255,429	2,755,664
Rent	13	59,269	68,004
Other Operating Expenses	14	3,085,067	2,249,225
Contingency	15	333,522	226,307
Use of Goods and Services		**11,560,487**	**7,098,052**
Grants			
Grants To Other General Government Units	16	331,421	108,638
Grants		**331,421**	**108,638**
Social Benefits			
Employment-related social benefits	17	63,245	101,763
Social Benefits		**63,245**	**101,763**
Other Expenses			
Transfers not elsewhere classified	18	6,631,814	3,513,419
Other Expenses		**6,631,814**	**3,513,419**
Nonfinancial assets			
Fixed Assets	19	797,666	671,719
Nonfinancial assets		**797,666**	**671,719**
Payments / Outflows		**37,525,492**	**26,544,322**
Increase Decrease in Cash		**894,197**	**(326,483)**
Cash at Beginning of Year		870,512	1,196,995
Cash at End of Year	1.5	**1,717,629**	**870,512**

Jubbaland State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2022
Appropriation Budget Approved on Cash Basis
Classfication of Payments by Economic Class

		2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
	Note	USD	USD	USD	USD	USD
Receipts / Inflows						
Taxes						
Taxes on income, profits, and capital gains		298,846	298,846	253,203	(45,643)	266,658
Taxes on payroll and workforce		653,771	653,771	708,305	54,535	505,035
Taxes on goods and services		8,966,365	9,101,365	4,481,039	(4,620,326)	4,092,704
Taxes on international trade and transactions		11,338,206	10,548,206	10,108,700	(439,506)	10,051,485
Other taxes		700,000	100,000	-	(100,000)	12,534
Taxes	**20**	**21,957,188**	**20,702,188**	**15,551,247**	**(5,150,941)**	**14,928,416**
Grants						
From international organizations		3,898,729	9,018,295	8,091,909	(926,386)	4,004,990
From other general government units		13,930,355	19,221,771	11,554,863	(7,666,907)	4,854,160
Grants	**21**	**17,829,084**	**28,240,065**	**19,646,772**	**(8,593,293)**	**8,859,149**
Other Revenue						
Property income		50,000	50,000.00	-	(50,000.00)	-
Sale of goods and services		2,968,111	4,223,111	3,169,280	(1,053,831)	2,405,819
Fines, penalties and forfeits		39,880	39,880	52,389	12,509	24,455
Other Revenue	**22**	**3,057,991**	**4,312,991**	**3,221,669**	**(1,091,322)**	**2,430,274**
Receipts / Inflows		**42,844,263**	**53,255,245**	**38,419,688**	**(14,835,557)**	**26,217,839**

Jubbaland State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2022
Appropriation Budget Approved on Cash Basis
Classfication of Payments by Economic Class

	Note	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		19,487,179	24,087,966	18,140,859	(5,947,106)	15,050,731
Compensation of Employees	**23**	**19,487,179**	**24,087,966**	**18,140,859**	**(5,947,106)**	**15,050,731**
Use of Goods and Services						
Travel & Conferences		3,145,174	2,955,292	1,827,200	(1,128,091)	1,798,852
Operating Expenses		4,974,380	7,736,827	6,255,429	(1,481,398)	2,755,664
Rent		96,575	64,669	59,269	(5,400)	68,004
Other Operating Expenses		2,877,835	3,447,854	3,085,067	(362,788)	2,256,725
RCRF Non-Salary Recurrent Cost		41,166	-	-	-	-
Contingency		782,008	365,348	333,522	(31,826)	226,307
Use of Goods and Services	**24**	**11,917,138**	**14,569,990**	**11,560,487**	**(3,009,503)**	**7,105,552**
Grants						
Grants To Other General Government Units		680,000	644,500	331,421	(313,079)	108,638
Grants	**25**	**680,000**	**644,500**	**331,421**	**(313,079)**	**108,638**
Social Benefits						
Employment-related social benefits		299,139	166,564	63,245	(103,319)	101,763
Social Benefits	**26**	**299,139**	**166,564**	**63,245**	**(103,319)**	**101,763**
Other Expenses						
Transfers not elsewhere classified		3,350,000	6,642,550	6,631,814	(10,736)	3,513,419
Other Expenses	**27**	**3,350,000**	**6,642,550**	**6,631,814**	**(10,736)**	**3,513,419**
Nonfinancial assets						
Fixed Assets		8,569,907	7,143,675	797,666	(6,346,010)	671,719
Nonfinancial assets	**28**	**8,569,907**	**7,143,675**	**797,666**	**(6,346,010)**	**671,719**
Payments / Outflows		**44,303,363**	**53,255,245**	**37,525,492**	**(15,729,753)**	**26,551,822**
Increase Decrease in Cash				**894,197**	**894,197**	**(333,983)**

Jubbaland State of Somalia
Statement of Government Operations
For the Year Ended 31 December, 2022

	2022 USD	2021 USD
Transactions Affecting Net Worth		
Revenue	**38,419,688**	**26,225,339**
Taxes	**15,551,247**	**14,928,416**
Taxes on income, profits, and capital gains	253,203	266,658
Taxes on payroll and workforce	708,305	505,035
Taxes on goods and services	4,481,039	4,092,704
Taxes on international trade and transactions	10,108,700	10,051,485
Other taxes	-	12,534
Grants	**19,646,772**	**8,866,649**
From international organizations	8,091,909	4,004,990
From other general government units	11,554,863	4,861,660
Other Revenue	**3,221,669**	**2,430,274**
Sale of goods and services	3,169,280	2,405,819
Fines, penalties and forfeits	52,389	24,455
Expense	**36,727,826**	**25,880,104**
Compensation of Employees	**18,140,859**	**15,050,731**
Wages and Salaries	18,140,859	15,050,731
Use of Goods and Services	**11,560,487**	**7,105,552**
Travel & Conferences	1,827,200	1,798,852
Operating Expenses	6,255,429	2,755,664
Rent	59,269	68,004
Other Operating Expenses	3,085,067	2,256,725
Contingency	333,522	226,307
Grants	**331,421**	**108,638**
Grants To Other General Government Units	331,421	108,638
Social Benefits	**63,245**	**101,763**
Employment-related social benefits	63,245	101,763
Other Expenses	**6,631,814**	**3,513,419**
Transfers not elsewhere classified	6,631,814	3,513,419
Net worth and its changes	**797,666**	**671,719**
Nonfinancial assets	797,666	671,719
Fixed Assets	797,666	671,719
Inventories	-	-
Transactions in Financial Assets & Liabilities	**846,917**	**(326,483)**
Change In Net Worth. Transactions (Assets)	**846,917**	**(326,483)**
Financial assets	846,917	(326,483)
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 principal 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 2022.

The financial statements encompass the reporting entities as specified in the *JSS Appropriation Act No. 2, 2022* 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 Climate Change
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 and 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 2022*. 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 2022 financial year, Eight (8) 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	2022 USD	2021 USD
Ministry of Women Affairs - Support Account	63	63
Ministry Of Planning And Inter. Cooperation -Sup Account	5,155	3,234
JRIA & IDPs Affairs - GIZ Account	1	51
JRIA Support -UNHCR Account	-	2,714
Ministry of Agriculture - Supp Account	26,330	70,779
Governor's Office Lower Jubba Account	1	1
Ministry of Livestock - Support Account	51,521	977
Ministry of Health - Support Project Account	70,072	92
Ministry of Minerals, Energy & Water Resources	241	-
Jubbaland Teachers Training College (JTTC)	7,734	4,706
Moet-GIZ Support Account	4,129	131
Ministry of Minerals Energy & Water-GIZ Project	684	-
Moh-Covid19 Emergency Preparedness	-	87,116
MoEHL JSS-UNICEF Project	5	5
JSS MoH MH PSS (Covid19)	1	1
JSS Min of Women & Human Right	26,238	-
Ministry of Agriculture Jubbaland	18,579	-
MoPWH Support Project Account	80	-
Moet-GIZ Gobwen Support Account	1	1
Moet-GIZ-Herbs Account	-	425
Support Project Account MoH JSS	1	1
JRIA UFSP Sup-Account-GIZ	1	1
MOET-PROSCAL ACCOUNT	10	-
JSS Mot12-GIZ Project Account	-	2,532
Ministry Of Agriculture JSS GIZ Project	-	19,735
TECHNICAL VOCATIONAL EDUCATION AND TRANING GIZ	15,050	-
GIZ UFSP Gobweyn Project	-	38,971
MoPWRH-JSS Support Project Account	-	45,340
JUCRI CDF Sub-Account-GIZ	-	87,702
UNHCR-JUCRI SUPPORT ACCOUNT	227	-
MOHADM-Jss	15,740	-
MOH BMGF PROJECT	12,400	-
MOH JUBBALAND HEALTH PROFESSIONAL ACT	18,875	-
JUBBALAND SUN MOVEMENT SECRETARIAT	52	-
JUCRI SUPORTING FOR THE DISPLACED	55,569	-
JUCRI-SUPPORT OF IMPACTFULL UPGRADING GIZ	57,741	-
Promoting Local Artisan Through Pottery	53,554	-
	440,054	**364,574**

1.4.2 Salaam Somali Bank Accounts

During the 2022 financial year, Two (2) 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 FY2022, balances of these accounts were as follows:

Salaam Somali Bank Accounts Name	2022 USD	2021 USD
Jubbaland Treasury Single Account	87,718	3,911
Ministry of Woman & Human Rights - Support Account	60	35,427
Ministry of Agriculture - Support Account	3	9
Ministry of Fisheries & Marine - Support By FAO	93	93
MOE And Higher Learning Support Project Account	5,197	236
Moi Jubbaland Dialogue Account	10	10
MOH HMIS Strengthening Bardere And Elwak Districts	70	70
Ministry Of Minerals, Energy And Water Resources	20,064	12,575
Mopwh Jss Jplg Support Account	1,499	14,777
JRIA Subaccount-Care	3	3
Moilg-Jss	74	164
SURP- Kismayo Municipality	905,286	350,437
Ministry Of Public Work and Housing Jubbaland	3	11,066
Mole Baxnaano Project Account	-	19,485
Garoonka Diyaaradaha Sayid Mohamed Abdulle Xassan	15,657	21,898
WB Project Account-2103-34177359	180,055	8,591
RCRF III-PERFORMANCE BASED CONDITION/PBC'S	21	-
MoW & Hr-Support Account Dollars	-	1,787
JUCRI Sub-Account-Care	-	25,400
Degmada Dhoobley	53,828	-
Mole-Sagal Project	7,934	-
	1,277,575	**505,938**

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:

	2022 USD	2021 USD
Cash on hand and balances with banks	**1,717,629**	**870,512**

Included in the $1,717,629 is $87,718 held in the main TSA, with the balance of cash on hand of $1,629,910 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 2022) 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 26th of October 2021. Subsequently, a supplemental budget was approved by the Jubbaland Parliament on 8th July 2022.

1.8 Authorization Date

The financial statements were authorized for issue on **27, April 2023 by Mr Ahmed Abdirisak Mohamed (Handal), Minister of Finance and Economic Development.**

Note 2 Taxes on Income, Profits, and Capital Gains

During the 2022 financial year, JSS collected taxes on income, profits, and capital gains of $253,203 ($266,658 in the 2021). 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 2022 financial year, $708,305 ($505,035 in 2021) 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.

	2022	Ministry of Interior and Federal Affairs	Ministry of Finance and Economic Development	Ministry of Justice and Religion Affairs	Ministry of Planning and International Cooperation	Ministry of Trade and Industry	Ministry of Public Works, Housing and Construction	Ministry of Transport and Aviation	Ministry of Transport and Ports	2021
Turnover Tax	851,110		851,110							957,530
Property Tax	389,556	389,556								407,778
Vehicle & Drivers Licences	41,400							41,400		149,732
Business & Professional Licenses	103,100	35,420				67,680				31,405
Ground Handling Fee	368,861							210,686	158,175	545,962
State Road User Tax	1,296,521		1,296,521							953,272
Fishing Fees	-									20,000
Landing Fees	313,863							313,863		209,482
Local Passenger Fee	405,217							405,217		369,193
Parking Fees	1,236							1,236		3,299
International departure fee	72,134							72,134		38,007
Navigation Fee	126,517							126,517		137,247
Urban Road User Tax	453,310							453,310		228,227
International NGOs registration	12,000				12,000					18,000
Local NGO's Registration	5,000				5,000					21,800
Local Companies Registration	-									
Port docking Fees	39,625								39,625	-
Other taxes on use of goods and on permission to u	990			990						1,770
Grand Total	**4,480,439**	**424,976**	**2,147,631**	**990**	**17,000**	**67,680**	**-**	**1,624,363**	**197,799**	**4,092,704**

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, $10,108,700 was collected with $3,310,865 relating to Customs Duties - Khat ($1,988,532 in 2021) and custom duties on imported goods of $6,734,607 ($7,986,350 in 2021). The shortfall in collection of customs duty to the previous year relates to decline of imported goods. Export duty of $63,228 was collected. Following is a detailed breakdown of customs duties raised and their respective source of entry.

	2022				2021
	Total	Ministry of Finance	Ministry of Transport and Ports	Ministry of Transport and Aviation	
	USD	USD			USD
Customs duties - Imported goods	6,734,607		6,685,245	49,362	7,986,350
Customs duties - KHAT	3,310,865	3,310,865			1,988,532
Export duty	63,228		63,228		76,603
	10,108,700	**3,310,865**	**6,748,473**	**49,362**	**10,051,485**

Note 6 Grants from International Organizations

During the 2022 financial year, grants were received from international organizations of $8,091,909 ($4,004,990 in 2021). The amount received from international organisations is detailed in the breakdown below.

Donor	2022 USD	2021 USD
Danish Refugee Committee (DRC)	18,100	3,360
GIZ	1,190,145	1,053,161
ADRA	62,820	57,025
AVSI	-	3,820
Norwegian Church Aid	-	20,900
Norwegian Refugee Council	154,294	9,000
Save The Children	187,542	142,875
World Vision	-	925
TROCAIRE	10,000	-
CARE INTERNATIONAL IN SOMALIA	192,347	121,891
American Refugee Committee (ARC)	-	1,550
Lutheran World Federation (LWF) Education	-	-
Food and Agricuture Organization	437,046	333,404
International Labour Organisation	94,420	55,234
United Nations Assistance Mission in Somalia	-	1,000
United Nation Developmental Programme	148,200	53,800
UNICEF	4,727,185	1,161,524
UNHCR	404,419	323,641
UNHABITAT	82,538	88,163
World Food Program	8,941	157,578
United Nations Capital Development Fund	327,017	129,425
Gruppo Per Relazioni Transculturali	17,500	7,000
COOPERAZIONE INTERNAZIONALE	7,022	279,715
ANPPCAN (African Network for the Prevention and Pr	22,373	-
	8,091,909	**4,004,990**

Note 7 Grants from Other Government Units

During 2022 financial year, the Federal Government of Somalia granted a total of $11,554,863 ($4,854.160 in FY2021) to the Jubbaland State. The funding, which was received throughout year included $138,638 which was used for Global Partnership for Education (GPE), $3,619,572 ($2,684,093 in 2021) was received from RCRF II/III project administered by the World Bank, $460,000 for the draught assistance fund under the Ministry of Humanitarian affairs and disaster management, $9,493 was received to support LDF JPLG for districts, and $1,307,013 for Somali urban investment planning project. The amount received from projects is detailed in the breakdown below. (Refer also to Note 21).

Projects		2022 Ministry of Culture and Higher Education	2022 Ministry of Humanitarian Affairs and Disaster Management	2022 Ministry of Water and Energy	2022 Ministry of Interior and Federal Affairs	2022 Ministry of Fisheries and Marine Resources	2022 Ministry of Finance and Economic Development	2021
Global Partnership for Education (GPE)	37,866	37,866						83,200
Global Partner for Education GPE MCA	100,772	100,772						99,384
Jubbaland Strategic Plan Review	-							23,310
SURP II -TF-B1409(KFW)	951,124				951,124			718,223
SURP II -TF-B1519(EU)	169,855				169,855			269,324
SURP II - IDA-D5310(IDA)	186,034				186,034			294,975
World Water Day 2019 Events	6,540			6,540				-
GPE-Jubaland Teacher Training College	37,000	37,000						-
M&E MoE emergency drought response program	9,930	9,930						-
Somali Fishing Fund	154,677					154,677		
Stabilization Support(Kismayo,Garba,Bardh,Afmadow)	-							10,000
RCRF III Project	3,619,572						3,619,572	2,684,093
EU Budget Support	1,080,000						1,080,000	-
FGS BUDGET SUPPORT	982,000						982,000	-
Jubbaland contribution	9,493				9,493			4,130
Drougtht Assistant Fund	460,000		60,000				400,000	150,000
World Bank Budget Support	3,750,000						3,750,000	
Activity 2.2.1 RCRFIICOVID-19	-							517,520
	11,554,863	**185,568**	**60,000**	**6,540**	**1,316,505**		**9,831,572**	**4,854,160**

	2022 USD	2021 USD
Ministry of Culture and Higher Education	185,568	182,584
Ministry of Water and Energy	6,540	-
Ministry of Finance and Economic Development	9,831,572	2,684,093
Ministry of Health	-	517,520
Ministry of Planning and International Cooperation	-	23,310
Ministry of Fisheries and Marine Resources	154,677	-
Ministry of Interior and Federal Affairs	1,316,505	1,296,653
Judiciary Service Commission.	44,000	-
Ministry of Humanitarian Affairs and Disaster Management	60,000	150,000
	11,598,863	**4,854,160**

Note 8 Sale of Goods and Services

Sale of goods and services consist of income generated from JSS providing necessary legal documents to its citizens. In 2022 financial year, the Ministries and Agencies collected a total of $3,169,280 ($2,405,819 in 2021) as sale of goods and service. The following provides a detailed breakdown of the revenue items:

	2022 USD	2021 USD
Visa Fees	157,523	107,942
Individual Identification Fee	77,594	1,050
Birth certificate Fee	35,875	1,635
Land Certificate Fee	1,323,361	464,806
Number Plate Registration	262,880	246,800
Logbook Registration	157,523	144,860
Land Allocation	1,013,394	1,359,165
Public Notary Fees	1,200	600
Bidding fees	2,700	1,000
Passport Fee	44,980	4,660
Import Inspection Fees	92,050	73,302
	3,169,080	**2,405,819**

Note 9 Fines, penalties, and forfeits.

The Ministry of Justice and religious affairs collected Court Filing Fees of $25,389. Court filing fees relate to charges that are obtained in opening cases at the Kismayo Magistrate court.

Note 10 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:

	2022 USD	2021 USD
Permanent employees/Regular staff	2,713,520	2,552,838
Contract employees	1,483,435	1,718,511
Wage workers	1,093,101	914,323
Stipend	200	59,100
Security Forces (Police, Intel Forces and Prison)	3,942,250	3,399,750
Remuneration to Ministers and Statutory Appointm	127,323	308,812
Remuneration to Politicians	810,610	749,677
Accommodation Allowance	2,417,599	2,228,900
Professional allowance	1,199,553	309,283
Transportation allowance	183,853	50,820
Other allowances	-	29,160
Security Operational Allowances	440,724	385,498
Regular Food Provision	2,405,429	1,191,389
Daily meals	1,323,263	1,152,670
	18,140,859	**15,050,731**

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 11 Travel, Conferences & Conflict Resolution

Travel and conferences amounting to $1,827,200 ($1,798,852 in 2021) 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.

	2022 USD	2021 USD
Internal Travel	329,849	420,544
External Travel	188,705	270,926
Local conferences	330,005	359,612
Overseas Conferences	31,767	47,259
Conflict Resolution Expenses	946,874	700,511
	1,827,200	**1,798,852**

Note 12 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.

	2022 USD	2021 USD
Water	1,966,606	69,890
Electricity	140,388	171,216
Generator Fuel	-	19,336
Telephone fees	14,200	17,241
Mobile Phone Expenses	10,601	12,978
Internet	210,374	179,958
Satellite Fees	95,100	74,000
G-suite fees	6,144	4,608
Gasoline	15,556	13,900
Diesel	751,252	226,022
Oil (machines)	6,885	3,272
Stationary	209,480	190,382
Published fees	15,086	22,799
Meeting Supplies	1,009,686	610,447
Office Refreshments	58,747	74,975
Publications	107,055	123,901
Cleaning Supplies	113,296	49,767
Computer Consumables	27,859	23,270
Medical Supply	-	11,297
Maintenance of equipment	154,992	70,332
Maintenance of furniture & fittings	60,485	37,475
Maintenance of Vehicles	25,256	47,250
Maintenance of heavy machinery	1,750	5,800
Maintenance of buildings and repairs	699,617	79,197
Spare parts and supplies	9,010	34,863
Maintenance contracts	4,948	-
Others	10,375	34,725
Cleaning Services	-	2,000
Vehicle Hire/car rental	522,279	544,764
Vessel Hire/ rental	8,400	-
	6,255,429	**2,755,664**

Note 13 Rent

Rental expenses amounting to $59,269 was incurred in 2022 ($68,004 in 2021. The Office rental expense relates $2,200 to the Ministry of Interior for the *Jubbaland Refugee and Internally Displaced Person's Agency* (JRIA), $18,000 relates to Auditor general office rent supported by RCRF III through Non salary recurrent cost, $14,700 for UNICEF project supported Ministry of Women and Human Rights and $8,094 for the project SAGAL Social Transfer to Vulnerable for the Ministry of Labour by NRC

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

	2022 USD	2021 USD
Office Rent	43,594	47,840
Other Rent	15,675	20,164
	59,269	**68,004**

Note 14 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.

	2022 USD	2021 USD
Consultation Fees	592,140	704,503
Staff Training and Development	517,315	211,438
Fee for service provided(Non-consultancy service)	1,848,267	1,112,693
Bank charges	41,336	52,460
Monitoring And Evaluation	12,100	22,920
Recruitment and Selection Cost.	16,200	8,172
Television and Newspaper Advertisements	52,610	121,459
Newspapers and Magazine Subscriptions	5,100	15,580
	3,085,067	**2,249,225**

Note 15 Contingency

During the year, the Ministry of Finance and Economic Development incurred a cost of $333,522 of contingency cost.

	2022 USD	2021 USD
Ministry of Finance and Economic Development	333,522	226,307
	333,522	**226,307**

Note 16 Grants to other General Government units.

Grants to other general Government units relate to transfers made to lower-level Government of JSS. In the FY2022, a sum of $331,421($108,638 in 2021) 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 MoFEDED.

Note 17 Social Benefits

Social benefits costs comprise of medical treatment totalling $63,245 ($101,763 in 2021) 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 18 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) $6,631,814 was paid in FY2022 as detailed below.

	2022 USD	2021 USD
JSS Obligation	6,631,814	3,363,419
	6,631,814	**3,363,419**

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 2021/2022 JSS received interest free loan totalling 7,368,585, 7,274,675 respectively 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
Amount Received - 2022		7,274,675
Total Received		**21,046,651**
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	
FY2022	6,631,814	
Total Repayments		**12,597,264**
Remaining balance		**8,449,387**

Note 19 Non-Financial Assets

Total non-financial assets of $797,666 ($671,719 in 2021) 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 is detailed as follows.

	2022 USD	2021 USD
Buildings Other than dwellings	339,677	379,908
Road Construction	233,023	-
Cars	-	10,000
Information, computer and telecomm (ICT) equipment	27,361	5,134
Machinery and Equipment not elsewhere classified	130,970	98,631
Furniture & fixtures	9,024	15,900
Tools & specialized professional services	57,610	162,146
	797,666	**671,719**

Note 20 Taxes

A total of $20,702,188 tax collections was estimated to be raised in the 2022 financial year; however, an actual collection of $15,551,248 was achieved. The amount collected represents 75% of the total tax revenue estimate for the year.

The under collection of tax revenue directly relates to the election session in 2022. 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 2022.

	2022			2021
	Final Estimate	Actual Collections	Difference between Final Estimate and Actual	Actual Collections
Personal income tax	298,846	253,203	(45,643)	266,658
Payroll Tax - Non-Government	653,771	708,305	54,535	505,035
Turnover Tax	1,265,688	851,110	(414,578)	957,530
Property Tax	1,756,000	389,556	(1,366,445)	407,778
Vehicle & Drivers Licences	251,499	41,400	(210,099)	149,732
Business & Professional Licenses	120,472	103,100	(17,372)	31,405
Other taxes on use of goods and on permission to u	5,000	990	(4,010)	1,770
Fishing Fees	178,160	-	(178,160)	20,000
Port docking Fees	850,472	39,625	(810,847)	-
Landing Fees	369,309	313,863	(55,446)	209,482
Local Passenger Fee	548,871	405,217	(143,654)	369,193
State Road User Tax	1,310,625	1,296,521	(14,104)	953,272
Urban Road User Tax	451,169	453,310	2,141	228,227
International NGOs registration	31,200	12,000	(19,200)	18,000
Local NGO's Registration	39,600	5,000	(34,600)	21,800
Foreign Companies Registration	30,000	-	(30,000)	-
Local Companies Registration	13,500	600	(12,900)	-
Parking Fees	60,000	1,236	(58,764)	3,299
Livestock Fees	20,000	-	(20,000)	-
International departure fee	132,356	72,134	(60,222)	38,007
Navigation Fee	103,210	126,517	23,307	137,247
Ground Handling Fee	200,000	210,686	10,686	-
Ground Handling Fee	1,364,234	158,175	(1,206,059)	545,962
Customs duties - Imported goods	7,366,123	6,734,607	(631,516)	7,986,350
Customs duties - KHAT	3,046,615	3,310,865	264,250	1,988,532
Export Duty	135,468	63,228	(72,240)	76,603
Revenue Collections from local Government	100,000	-	(100,000)	12,534
	20,702,188	**15,551,247**	**(5,150,941)**	**14,928,416**

Note 21 Grants

Total grants of $19,646,772 were received against an annual estimate of $28,240,065 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.

	2022			2021
	Final Estimate	**Actual Collections**	**Difference between Final Estimate and Actual**	**Actual Collections**
Tax Type				
Current Grants From International Organizations	9,018,295	8,091,909	926,386	4,004,990
Grants from Federal Government of Somalia	19,211,223	11,545,371	7,665,853	4,850,030
Grants from local Government-Jubbaland	10,547	9,493	1,055	4,130
Total	**28,240,065**	**19,646,772**	**(8,593,293)**	**8,859,149**

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 $185,289 for female health workers. Strengthening resource management fund of $ 79,330 has not been utilized, these funds are earmarked for the salary increment of the EAFS department and the EAFS personnel have transitioned to this component in the last quarter of the year due to the delay of the CIPFA certificate completion which was a requirement for the salary upgrade. During the year there was unutilised performance-based funding of $ 160,000 due to the delay of the service delivery agreement, and delayed disbursement for MOH- service delivery support of $480,000, which has been carried forward to the 2023 financial year.

Grants from International Organizations

Grants	Budgeted	Paid	Balance
Danish Refugee Committee (DRC)	19,060	18,100	960
GIZ	1,533,959	1,190,145	343,815
ADRA	75,949	62,820	13,129
Gruppo Per Relazioni Transculturali	17,500	17,500	-
COOPERAZIONE INTERNAZIONALE	7,022	7,022	-
Norwegian Refugee Council	216,905	154,294	62,611
Save The Children	191,957	187,542	4,415
TROCAIRE	10,000	10,000	-
ANPPCAN (African Network for the Prevention and Pr	22,373	22,373	-
CARE INTERNATIONAL IN SOMALIA	221,580	192,347	29,234
Food and Agricuture organization	625,026	437,046	187,980
International Labour Organisation	124,445	94,420	30,025
United Nations Assistance Mission in Somalia	1,000		1,000
United Nation Developmental Programme	148,200	148,200	-
UNICEF	4,815,532	4,727,185	88,348
UNHCR	407,133	404,419	2,714
UNHABITAT	158,127	82,538	75,589
World Food Program	20,874	8,941	11,933
United Nations Capital Development Fund	401,653	327,017	74,636
	9,018,295	**8,091,909**	**926,386**

Grants from Federal Government of Somalia

A total grant of $19,221,771 from the Federal Government of Somalia was estimated; however, the actual grant received was $11,554,863. The variance was mainly attributed to ($5,833,751) and $1,299,948) delayed disbursement of donor fund Somalia urban resilience project (SURP II) and RCRF II/IIII support respectively.

Note 22 Other Revenue

Other revenue collections consist of sale of goods and services and other taxes on Fines, penalties, and forfeits of $4,312,991 against a target of $3,221,669.

Collections for the year were:

	2022			2021
	Final Estimate	Actual Collections	Difference between Final Estimate and Actual	Actual Collections
Tax Type				
Rental Income From Government Property	50,000	-	50,000	-
Visa Fees	128,352	157,523	(29,171)	107,942
Individual Identification Fee	75,000	77,594	(2,594)	1,050
Birth certificate Fee	40,000	35,875	4,125	1,635
Land Certificate Fee	1,448,316	1,323,361	124,955	464,806
Number Plate Registration	348,906	262,880	86,026	246,800
Logbook Registration	199,806	157,523	42,283	144,860
Land Allocation	1,685,810	1,013,394	672,416	1,359,165
Public Notary Fees	2,400	1,200	1,200	600
Bidding fees	7,536	2,900	4,636	1,000
Passport Fee	40,000	44,980	(4,980)	4,660
Import Inspection Fees	246,985	92,050	154,936	73,302
Fines/Penalties	10,000	-	10,000	-
Court Filing Fees	29,880	52,389	(22,509)	24,455
Total	**4,312,991**	**3,221,669**	**1,091,322**	**2,430,274**

Note 23 Employee Compensation

A total of $18,140,859 was spent on employee compensation against a final budget of $24,087,966 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.

	2022			2021
	Final Budget	**Actual**	**Variance between Budget and Actual**	**Actual**
Permanent employees/Regular staff	3,526,928	2,713,520	813,408	2,552,838
Contract employees	1,925,468	1,483,435	442,033	1,718,511
Wage workers	1,292,890	1,093,101	199,789	914,323
Stipend	6,000	200	5,800	59,100
Security Forces (Police, Intel Forces and Prison)	6,686,727	3,942,250	2,744,477	3,399,750
Remuneration to Ministers and Statutory Appointm	495,110	127,323	367,788	308,812
Remuneration to Politicians	1,772,500	810,610	961,890	749,677
Accommodation Allowance	2,570,808	2,417,599	153,209	2,228,900
Professional allowance	1,309,009	1,199,553	109,456	309,283
Transportation allowance	209,345	183,853	25,492	50,820
Other allowances	-	-	-	29,160
Security Operational Allowances	450,000	440,724	9,276	385,498
Regular Food Provision	2,441,760	2,405,429	36,332	1,191,389
Daily meals	1,401,420	1,323,263	78,157	1,152,670
Total Compensation of Employees	**24,087,966**	**18,140,859**	**(5,947,106)**	**15,050,731**

Note 24 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 $11,560.487, which represents 79 percent of the final budget. The variance distributed across the entities is mainly attributed to constraints in the actual available income.

	2022			2021
	Final Budget	Actual	Variance between Budget and Actual	Actual
Internal Travel	645,166	329,849	315,318	420,544
External Travel	331,830	188,705	143,125	270,926
Local conferences	827,070	330,005	497,064	359,612
Overseas Conferences	71,500	31,767	39,733	47,259
Conflict Resolution Expenses	1,079,726	946,874	132,852	700,511
Water	2,078,369	1,966,606	111,764	69,890
Electricity	255,187	140,388	114,799	171,216
Generator Fuel	1,400	-	1,400	19,336
Telephone fees	34,996	14,200	20,796	17,241
Mobile Phone Expenses	21,840	10,601	11,239	12,978
Internet	290,980	210,374	80,606	179,958
Satellite Fees	104,000	95,100	8,900	74,000
G-suite fees	6,144	6,144	-	4,608
Gasoline	22,150	15,556	6,594	13,900
Diesel	813,121	751,252	61,869	226,022
Oil (machines)	9,940	6,885	3,055	3,272
Stationary	328,005	209,480	118,525	190,382
Books	3,440	-	3,440	-
Published fees	36,351	15,086	21,265	22,799
Meeting Supplies	1,179,162	1,009,686	169,475	610,447
Office Refreshments	202,323	58,747	143,576	74,975
Publications	148,886	107,055	41,831	123,901
Cleaning Supplies	151,480	113,296	38,184	49,767
Computer Consumables	32,000	27,859	4,141	23,270
Medical Supply	68,184	-	68,184	11,297
Maintenance of equipment	203,905	154,992	48,913	70,332
Maintenance of furniture & fittings	101,250	60,485	40,765	37,475
Maintenance of Vehicles	57,735	25,256	32,479	47,250
Maintenance of heavy machinery	20,000	1,750	18,250	5,800
Maintenance of buildings and repairs	826,878	699,617	127,260	79,197
Spare parts and supplies	26,700	9,010	17,690	34,863
Maintenance contracts	5,000	4,948	52	-
Others	20,834	10,375	10,459	34,725
Cleaning Services	12,800	-	12,800	2,000
Security Services	1,200	-	1,200	-
Vehicle Hire/car rental	652,207	522,279	129,928	544,764
Vessel Hire/ rental	20,360	8,400	11,960	-
Office Rent	48,994	43,594	5,400	47,840
Other Rent	15,675	15,675	-	20,164
Consultation Fees	701,516	592,140	109,376	704,503
Staff Training and Development	682,492	517,315	165,177	211,438
Fee for service provided(Non-consultancy service)	1,861,600	1,848,267	13,333	1,112,693
Garbage collection fee	500	-	500	-
Bank charges	62,504	41,336	21,168	52,460
Monitoring And Evaluation	33,747	12,100	21,647	22,920
Recruitment and Selection Cost.	16,640	16,200	440	8,172
Television and Newspaper Advertisements	79,756	52,610	27,146	121,459
Newspapers and Magazine Subscriptions	5,100	5,100	-	15,580
Vehicle Insurance	4,000	-	4,000	-
Contingency	365,348	333,522	31,826	226,307
Total Use of Goods & Services	**14,569,990**	**11,560,487**	**(3,009,503)**	**7,098,052**

Note 25 Grants to Other Governments

Through an agreement between the MoFED 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.

	2022			2021
	Final Budget	**Actual**	**Variance between Budget and Actual**	**Actual**
Transfers to Lower Level Government	405,000	331,421	73,579	108,638
Current transfers to FGS	239,500	-	239500	-
Total Transfers to Lower level Government	**644,500**	**331,421**	**(313,079)**	**108,638**

Note 26 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.

	2022			2021
	Final Budget	**Actual**	**Variance between Budget and Actual**	**Actual**
Medical Treatment	166,564	63,245	103,319	101,763
Total Employment Related Social Benefits	**166,564**	**63,245**	**(103,319)**	**101,763**

Note 27 Other Transfers not elsewhere classified.

Other transfers not elsewhere classified relates to JSS obligation. A total of $6,642,550 was budgeted with $6,631814 (Payment made to creditors) spent during the reporting period. Following is a breakdown of the variances.

	2022			2021
	Final Budget	Actual	Variance between Budget and Actual	Actual
JSS Obligation	6,642,550	6,631,814	10,736	3,363,419
Total Other Transfers Not elsewhere Classified	**6,642,550**	**6,631,814**	**(10,736)**	**3,363,419**

Note 28 Non-Financial Assets

During the year, 11% of the non-financial assets budget was spent during the year. The variance was a result of delayed disbursement of donor funding of $5,290,547 for road construction and $853,275 relating to the acquisition of tools and specialized professional services.

	2022			2021
	Final Budget	Actual	Variance between Budget and Actual	Actual
Buildings Other than dwellings	374,835	339,677	35,158	379,908
Road Construction	5,523,571	233,023	5,290,547	-
Cars	27,000	-	27,000	10,000
Information, computer and telecomm (ICT) equipment	133,226	27,361	105,865	5,134
Machinery and Equipment not elsewhere classified	146,325	130,970	15,355	98,631
Furniture & fixtures	27,834	9,024	18,810	15,900
Tools & specialized professional services	910,885	57,610	853,275	162,146
Total Non-Financial Assets	**7,143,675**	**797,666**	**(6,346,010)**	**671,719**

Note 29 Payments by Third Parties, External, Other & Undrawn Assistance

29.1 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.

29.2 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 FY2022.

	2022 USD	2021 USD
External Assistance		
Total cash receipts	19,646,772	8,859,149
Total third party payments	-	-
Total Extenal Assistance	**19,646,772**	**8,859,149**
Multilateral Aid Agencies		
Total cash receipts	-	-
Total third party payments	-	-
Total multilateral aid agencies	**-**	**-**
Bilateral Aid Agencies		
Total cash receipts	11,554,863	4,854,160
Total third party payments	-	-
Total bilateral aid agencies	**11,554,863**	**4,854,160**
Non-Governmental Organizations		
Total cash receipts	8,091,909	4,004,990
Total third party payments	-	-
Total NGOs	**8,091,909**	**4,004,990**

29.3 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	4,919,520	4,919,520	4,919,520	4919520

The allocation on the above is an indicative allocation subject to review from year 2022 to 2025 (financing core government function $1,980,791. financing education service delivery $919,729, financing Health Service delivery $ 574,400, Strengthening Resource Management System $ 114,600, Education and Health Service Delivery Reform bench mark $ 1,140,000 and project management and coordination $190,000).

For the year ended 31 December 2022, JSS had accessed $ 3,448,087 of the RCRF III project funds.

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

Note 30 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 2022

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, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
	Note	USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		**633,966**	**725,151**	**580,895**	**(144,255)**	**395,645**
Grants						
From international organizations		467,086	599,259	402,384	(196,875)	407,361
Grants	21	**467,086**	**599,259**	**402,384**	**(196,875)**	**407,361**
Receipts / Inflows		**1,101,051**	**1,324,409**	**983,279**	**(341,130)**	**803,006**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		341,420	375,382	320,450	(54,932)	276,227
Compensation of Employees	23	**341,420**	**375,382**	**320,450**	**(54,932)**	**276,227**
Use of Goods and Services						
Travel & Conferences		18,513	14,163	5,793	(8,370)	2,800
Operating Expenses		251,280	300,253	236,949	(63,304)	103,032
Other Operating Expenses		20,753	34,353	17,704	(16,650)	12,977
Use of Goods and Services	24	**290,546**	**348,769**	**260,445**	**(88,323)**	**118,809**
Social Benefits						
Employment-related social benefits		2,000	1,000	-	(1,000)	-
Social Benefits	26	**2,000**	**1,000**	**-**	**(1,000)**	**-**
Nonfinancial assets						
Fixed Assets		-	-	-	-	610
Nonfinancial assets	28	**-**	**-**	**-**	**-**	**610**
Payments / Outflows		**633,966**	**725,151**	**580,895**	**(144,255)**	**395,645**

Ministry of Culture and Higher Education

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**2,791,474**	**2,262,179**	**1,321,178**	**(941,000)**	**1,137,635**
Grants						
From international organizations		81,752	310,592	261,881	(48,711)	149,326
From other general government units		612,757	617,722	185,568	(432,154)	182,584
Grants	22	**694,509**	**928,314**	**447,449**	**(480,865)**	**331,910**
Receipts / Inflows		**3,485,983**	**3,190,493**	**1,768,627**	**(1,421,865)**	**1,469,545**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,317,425	1,447,575	1,049,414	(398,161)	885,447
Compensation of Employees	23	**1,317,425**	**1,447,575**	**1,049,414**	**(398,161)**	**885,447**
Use of Goods and Services						
Travel & Conferences		353,829	417,341	115,215	(302,126)	103,982
Operating Expenses		479,759	222,168	120,774	(101,393)	98,356
Other Operating Expenses		319,270	175,070	35,775	(139,295)	48,000
RCRF Non-Salary Recurrent Cost		41,166	-	-	-	-
Use of Goods and Services	24	**1,194,024**	**814,579**	**271,764**	**(542,815)**	**250,338**
Nonfinancial assets						
Fixed Assets		280,025	25	-	(25)	1,850
Nonfinancial assets	28	**280,025**	**25**	**-**	**(25)**	**1,850**
Payments / Outflows		**2,791,474**	**2,262,179**	**1,321,178**	**(941,000)**	**1,137,635**

Ministry of Water and Energy

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**549,189**	**2,616,496**	**2,467,265**	**(149,232)**	**241,875**
Grants						
From international organizations		406,645	2,504,952	2,423,014	(81,938)	182,421
From other general government units		6,540	6,540	6,540		
Grants	22	**413,185**	**2,511,492**	**2,429,554**	**(81,938)**	**182,421**
Receipts / Inflows		**962,374**	**5,127,989**	**4,896,819**	**(231,170)**	**424,296**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		140,897	229,228	193,071	(36,157)	91,405
Compensation of Employees	23	**140,897**	**229,228**	**193,071**	**(36,157)**	**91,405**
Use of Goods and Services						
Travel & Conferences		30,320	36,610	25,610	(11,000)	3,380
Operating Expenses		314,250	2,234,506	2,140,334	(94,173)	127,590
Other Operating Expenses		24,482	24,882	20,760	(4,122)	7,300
Use of Goods and Services	24	**369,052**	**2,295,999**	**2,186,704**	**(109,295)**	**138,270**
Social Benefits						
Employment-related social benefits		5,000	3,000	-	(3,000)	-
Social Benefits	26	**5,000**	**3,000**	**-**	**(3,000)**	**-**
Nonfinancial assets						
Fixed Assets		34,240	88,270	87,490	(780)	12,200
Nonfinancial assets	28	34,240	88,270	87,490	(780)	12,200
Payments / Outflows		**549,189**	**2,616,496**	**2,467,265**	**(149,232)**	**241,875**

Ministry of Finance and Economic Development

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**9,217,267**	**14,353,105**	**13,855,198**	**(497,907)**	**8,108,402**
Taxes						
Taxes on income, profits, and capital gains		298,846	298,846	253,203	(45,643)	266,658
Taxes on payroll and workforce		653,771	653,771	708,305	54,535	505,035
Taxes on goods and services		2,276,313	2,276,313	2,147,631	(128,682)	1,903,102
Taxes on international trade and transactions		1,836,615	3,046,615	3,310,865	264,250	1,988,532
Taxes	**20**	**5,065,545**	**6,275,545**	**6,420,004**	**144,459**	**4,663,326**
Grants						
From international organizations						41,191
From other general government units		4,759,520	10,659,520	9,831,572	(827,948)	2,684,093
Grants	**21**	**4,759,520**	**10,659,520**	**9,831,572**	**(827,948)**	**2,725,284**
Other Revenue						
Property income		50,000	50,000	-	(50,000)	-
Sale of goods and services		2,034,126	3,134,126	2,336,755	(797,371)	1,823,970
Other Revenue	**22**	**2,084,126**	**3,184,126**	**2,336,755**	**(847,371)**	**1,823,970**
Receipts / Inflows		**21,126,458**	**34,472,296**	**32,443,529**	**(2,028,766)**	**17,320,983**

Ministry of Finance and Economic Development

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		2,134,032	2,927,448	2,735,972	(191,476)	2,175,077
Compensation of Employees	23	**2,134,032**	**2,927,448**	**2,735,972**	**(191,476)**	**2,175,077**
Use of Goods and Services						
Travel & Conferences		810,075	1,001,075	937,336	(63,740)	850,581
Operating Expenses		934,259	1,443,321	1,248,901	(194,420)	457,755
Other Operating Expenses		1,204,900	1,968,710	1,941,766	(26,944)	1,294,300
Contingency		730,000	336,000	333,522	(2,478)	226,307
Use of Goods and Services	24	**3,679,235**	**4,749,107**	**4,461,525**	**(287,582)**	**2,828,943**
Social Benefits						
Employment-related social benefits		50,000	6,000	1,917	(4,083)	28,127
Social Benefits	26	**50,000**	**6,000**	**1,917**	**(4,083)**	**28,127**
Other Expenses						
Transfers not elsewhere classified		3,350,000	6,642,550	6,631,814	(10,736)	3,068,580
Other Expenses	27	**3,350,000**	**6,642,550**	**6,631,814**	**(10,736)**	**3,068,580**
Nonfinancial assets						
Fixed Assets		4,000	28,000	23,970	(4,030)	7,675
Nonfinancial assets	28	**4,000**	**28,000**	**23,970**	**(4,030)**	**7,675**
Payments / Outflows		**9,217,267**	**14,353,105**	**13,855,198**	**(497,907)**	**8,108,402**

Ministry of Health

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**3,836,210**	**4,536,196**	**3,507,634**	**(1,028,562)**	**2,474,879**
Grants						
From international organizations		1,243,742	2,768,950	2,616,785	(152,164)	1,363,198
From other general government units		-	-	-	-	517,520
Grants	21	**1,243,742**	**2,768,950**	**2,616,785**	**(152,164)**	**1,880,718**
Receipts / Inflows		**5,079,952**	**7,305,145**	**6,124,419**	**(1,180,726)**	**4,355,597**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,137,628	2,024,961	1,694,558	(330,403)	1,313,793
Compensation of Employees	23	**1,137,628**	**2,024,961**	**1,694,558**	**(330,403)**	**1,313,793**
Use of Goods and Services						
Travel & Conferences		431,910	358,030	113,871	(244,159)	212,107
Operating Expenses		1,283,953	1,563,573	1,253,386	(310,187)	765,050
Rent		30,000	-	-	-	4,000
Other Operating Expenses		596,749	471,462	431,669	(39,793)	144,329
Use of Goods and Services	24	**2,342,612**	**2,393,065**	**1,798,926**	**(594,139)**	**1,125,486**
Social Benefits						
Employment-related social benefits		24,000	14,000	-	(14,000)	18,000
Social Benefits	26	**24,000**	**14,000**	**-**	**(14,000)**	**18,000**
Nonfinancial assets						
Fixed Assets		331,970	104,170	14,150	(90,020)	17,600
Nonfinancial assets	28	**331,970**	**104,170**	**14,150**	**(90,020)**	**17,600**
Payments / Outflows		**3,836,210**	**4,536,196**	**3,507,634**	**(1,028,562)**	**2,474,879**

Ministry of Communications, Posts, and Technology

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**110,720**	**75,868**	**15,077**	**(60,791)**	**484,218**
Grants						
From international organizations		-	-	-	-	107,560
Grants	**21**	**-**	**-**	**-**	**-**	**107,560**
Receipts / Inflows		**110,720**	**75,868**	**15,077**	**(60,791)**	**591,778**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		65,720	50,868	14,577	(36,291)	282,895
Compensation of Employees	**23**	**65,720**	**50,868**	**14,577**	**(36,291)**	**282,895**
Use of Goods and Services						
Travel & Conferences		10,000	5,000	-	(5,000)	-
Operating Expenses		25,000	15,500	500	(15,000)	118,729
Rent		5,000	3,000	-	(3,000)	1,764
Other Operating Expenses		-	-	-	-	80,830
Use of Goods and Services	**24**	**40,000**	**23,500**	**500**	**(23,000)**	**201,323**
Social Benefits						
Employment-related social benefits		5,000	1,500	-	(1,500)	-
Social Benefits	**26**	**5,000**	**1,500**	**-**	**(1,500)**	**-**
Payments / Outflows		**110,720**	**75,868**	**15,077**	**(60,791)**	**484,218**

Ministry of Internal Security

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**6,731,068**	**10,151,306**	**7,453,386**	**(2,697,920)**	**5,726,562**
Grants						
From other general government units		-	400,000	-	(400,000)	-
Grants	**21**	**-**	**400,000**	**-**	**(400,000)**	**-**
Receipts / Inflows		**6,731,068**	**10,551,306**	**7,453,386**	**(3,097,920)**	**5,726,562**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		6,641,068	9,809,306	7,156,953	(2,652,353)	5,706,511
Compensation of Employees	**23**	**6,641,068**	**9,809,306**	**7,156,953**	**(2,652,353)**	**5,706,511**
Use of Goods and Services						
Travel & Conferences		15,000	15,000	-	(15,000)	840
Operating Expenses		30,000	280,000	249,662	(30,338)	5,146
Use of Goods and Services	**24**	**45,000**	**295,000**	**249,662**	**(45,338)**	**5,986**
Social Benefits						
Employment-related social benefits		45,000	47,000	46,771	(229)	14,065
Social Benefits	**26**	**45,000**	**47,000**	**46,771**	**(229)**	**14,065**
Payments / Outflows		**6,731,068**	**10,151,306**	**7,453,386**	**(2,697,920)**	**5,726,562**

Ministry of Justice and Religion Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		177,128	211,352	137,757	(73,595)	89,522
Taxes						
Taxes on goods and services		-	5,000	990	(4,010)	1,770
Taxes	20	**-**	**5,000**	**990**	**(4,010)**	**1,770**
Grants						
From international organizations		45,000	73,200	73,200	-	26,800
Grants	21	**45,000**	**73,200**	**73,200**	**-**	**26,800**
Other Revenue						
Sale of goods and services		2,400	2,400	1,200	(1,200)	600
Fines, penalties and forfeits		39,880	39,880	52,389	12,509	24,455
Other Revenue	22	**42,280**	**42,280**	**53,589**	**11,309**	**25,055**
Receipts / Inflows		**264,408**	**331,832**	**265,536**	**(66,296)**	**143,147**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		138,528	172,752	134,328	(38,424)	53,668
Compensation of Employees	23	**138,528**	**172,752**	**134,328**	**(38,424)**	**53,668**
Use of Goods and Services						
Travel & Conferences		17,000	17,000	3,222	(13,778)	3,310
Operating Expenses		21,600	21,600	207	(21,393)	28,044
Rent		-	-	-	-	4,500
Use of Goods and Services	24	**38,600**	**38,600**	**3,429**	**(35,171)**	**35,854**
Payments / Outflows		**177,128**	**211,352**	**137,757**	**(73,595)**	**89,522**

Ministry of Planning and International Cooperation

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**224,226**	**228,124**	**163,159**	**(64,965)**	**143,118**
Taxes						
Taxes on goods and services		70,800	70,800	17,000	(53,800)	39,800
Taxes	**20**	**70,800**	**70,800**	**17,000**	**(53,800)**	**39,800**
Grants						
From international organizations		91,834	141,832	107,463	(34,369)	49,825
From other general government units		-	-	-	-	**23,310**
Grants	**21**	**91,834**	**141,832**	**107,463**	**(34,369)**	**73,135**
Receipts / Inflows		**386,860**	**440,756**	**287,622**	**(153,134)**	**256,053**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		111,592	83,392	65,118	(18,274)	83,372
Compensation of Employees	**23**	**111,592**	**83,392**	**65,118**	**(18,274)**	**83,372**
Use of Goods and Services						
Travel & Conferences		23,930	19,930	13,910	(6,020)	13,590
Operating Expenses		47,904	59,402	40,147	(19,255)	36,276
Other Operating Expenses		29,800	54,400	33,000	(21,400)	9,380
Use of Goods and Services	**24**	**101,634**	**133,732**	**87,057**	**(46,675)**	**59,246**
Social Benefits						
Employment-related social benefits		-	-	-	-	500
Social Benefits	**26**	**-**	**-**	**-**	**-**	**500**
Nonfinancial assets						
Fixed Assets		11,000	11,000	10,985	(15)	-
Nonfinancial assets	**28**	**11,000**	**11,000**	**10,985**	**(15)**	**-**
Payments / Outflows		**224,226**	**228,124**	**163,159**	**(64,965)**	**143,118**

Ministry of Trade and Industry

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**124,963**	**87,463**	**64,339**	**(23,124)**	**109,732**
Taxes						
Taxes on goods and services		50,472	50,472	67,680	17,208	30,960
Taxes	20	**50,472**	**50,472**	**67,680**	**17,208**	**30,960**
Grants						
From international organizations		8,483	8,483	5,951	(2,533)	59,097
Grants	21	**8,483**	**8,483**	**5,951**	**(2,533)**	**59,097**
Receipts / Inflows		**183,919**	**146,419**	**137,970**	**(8,449)**	**199,789**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		83,280	64,600	55,344	(9,256)	58,345
Compensation of Employees	23	**83,280**	**64,600**	**55,344**	**(9,256)**	**58,345**
Use of Goods and Services						
Travel & Conferences		11,013	8,013	5,513	(2,500)	21,035
Operating Expenses		22,573	12,073	3,386	(8,687)	6,402
Other Operating Expenses		97	97	96	(1)	18,890
Contingency		8,000	2,680	-	(2,680)	
Use of Goods and Services	24	**41,683**	**22,863**	**8,995**	**(13,868)**	**46,327**
Nonfinancial assets						
Fixed Assets		-	-	-	-	5,060
Nonfinancial assets	28	**-**	**-**	**-**	**-**	**5,060**
Payments / Outflows		**124,963**	**87,463**	**64,339**	**(23,124)**	**109,732**

Ministry of Women and Human Rights

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**296,997**	**323,657**	**229,985**	**(93,672)**	**236,371**
Grants						
From international organizations		156,361	204,221	161,505	(42,716)	180,623
Grants	21	**156,361**	**204,221**	**161,505**	**(42,716)**	**180,623**
Receipts / Inflows		**453,357**	**527,877**	**391,490**	**(136,387)**	**416,994**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		185,096	200,546	157,904	(42,642)	149,249
Compensation of Employees	23	**185,096**	**200,546**	**157,904**	**(42,642)**	**149,249**
Use of Goods and Services						
Travel & Conferences		10,000	7,500		(7,500)	1,575
Operating Expenses		65,956	83,741	43,246	(40,494)	64,097
Rent		15,675	15,675	15,675		14,400
Other Operating Expenses		1,600	4,600	3,581	(1,020)	7,050
Contingency		6,000	-	-	-	
Use of Goods and Services	24	**99,231**	**111,516**	**62,502**	**(49,014)**	**87,122**
Social Benefits						
Employment-related social benefits		8,670	8,595	6,579	(2,016)	-
Social Benefits	26	8,670	8,595	6,579	(2,016)	-
Nonfinancial assets						
Fixed Assets		4,000	3,000	3,000	-	-
Nonfinancial assets	28	**4,000**	**3,000**	**3,000**	**-**	**-**
Payments / Outflows		**296,997**	**323,657**	**229,985**	**(93,672)**	**236,371**

State Ministry for Presidency

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**2,865,340**	**2,203,322**	**2,080,316**	**(123,006)**	**2,013,289**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		2,054,340	1,514,322	1,449,836	(64,486)	1,090,554
Compensation of Employees	23	**2,054,340**	**1,514,322**	**1,449,836**	**(64,486)**	**1,090,554**
Use of Goods and Services						
Travel & Conferences		551,000	421,000	419,644	(1,356)	387,102
Operating Expenses		250,000	258,000	210,836	(47,164)	220,030
Use of Goods and Services	24	**801,000**	**679,000**	**630,480**	**(48,520)**	**607,132**
Social Benefits						
Employment-related social benefits		10,000	10,000	-	(10,000)	1,785
Social Benefits	26	**10,000**	**10,000**	**-**	**(10,000)**	**1,785**
Other Expenses						
Transfers not elsewhere classified		-	-	-	-	294,840
Other Expenses	27	**-**	**-**	**-**	**-**	**294,840**
Nonfinancial assets						
Fixed Assets		-	-	-	-	18,979
Nonfinancial assets	28	**-**	**-**	**-**	**-**	**18,979**
Payments / Outflows		**2,865,340**	**2,203,322**	**2,080,316**	**(123,006)**	**2,013,289**

Kismayo Airport Authority

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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**
Receipts / Inflows						
Consolidated Fund Appropriations						**172,519**
Taxes						
Taxes on goods and services		-	-	-	-	404,693
Taxes on international trade and transactions		-	-	-	-	20,776
Taxes	**20**	**-**	**-**	**-**	**-**	**425,469**
Other Revenue						
Sale of goods and services		-	-	-	-	81,980
Other Revenue	**22**	**-**	**-**	**-**	**-**	**81,980**
Receipts / Inflows		**-**	**-**	**-**	**-**	**679,967**
Payments / Outflows						
Compensation of Employees		-	-	-	-	
Wages and Salaries		-	-	-	-	140,912
Compensation of Employees	**23**	**-**	**-**	**-**	**-**	**140,912**
Use of Goods and Services		-	-	-	-	
Travel & Conferences		-	-	-	-	6,600
Operating Expenses		-	-	-	-	25,007
Use of Goods and Services	**24**	**-**	**-**	**-**	**-**	**31,607**
Payments / Outflows		**-**	**-**	**-**	**-**	**172,519**

Kismayo Ports Authority

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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						**24,075**
Taxes						
Taxes on goods and services		-	-	-	-	362,456
Taxes on international trade and transactions		-	-	-	-	5,446,732
Taxes	20	-	-	-	-	**5,809,188**
Other Revenue						
Sale of goods and services		-	-	-	-	50,317
Other Revenue	22	-	-	-	-	**50,317**
Receipts / Inflows		-	-	-	-	**5,883,580**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		-	-	-	-	24,075
Compensation of Employees	23	-	-	-	-	**24,075**
Payments / Outflows		-	-	-	-	**24,075**

Auditor General's Office

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		167,533	125,796	94,692	(31,104)	94,898
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		75,840	72,340	69,256	(3,084)	69,981
Compensation of Employees	23	75,840	72,340	69,256	(3,084)	69,981
Use of Goods and Services						
Travel & Conferences		11,000	5,500	3,000	(2,500)	-
Operating Expenses		40,693	22,956	4,436	(18,520)	2,417
Rent		18,000	18,000	18,000	-	22,500
Other Operating Expenses		12,000	4,000	-	(4,000)	-
Use of Goods and Services	24	81,693	50,456	25,436	(25,020)	24,917
Social Benefits						
Employment-related social benefits		10,000	3,000	-	(3,000)	-
Social Benefits	26	10,000	3,000	-	(3,000)	-
Payments / Outflows		167,533	125,796	94,692	(31,104)	94,898

Civil Service Commission

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**297,839**	**239,496**	**185,159**	**(54,337)**	**169,116**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		194,272	169,472	154,975	(14,497)	163,253
Compensation of Employees	23	**194,272**	**169,472**	**154,975**	**(14,497)**	**163,253**
Use of Goods and Services						
Travel & Conferences		5,900	2,400	1,300	(1,100)	570
Operating Expenses		37,067	25,024	7,484	(17,540)	4,893
Other Operating Expenses		28,000	24,640	21,400	(3,240)	400
Use of Goods and Services	24	**70,967**	**52,064**	**30,184**	**(21,880)**	**5,863**
Social Benefits						
Employment-related social benefits		5,200	3,200	-	(3,200)	-
Social Benefits	26	**5,200**	**3,200**	**-**	**(3,200)**	**-**
Nonfinancial assets						
Fixed Assets		27,400	14,760	-	(14,760)	-
Nonfinancial assets	28	**27,400**	**14,760**	**-**	**(14,760)**	**-**
Payments / Outflows		**297,839**	**239,496**	**185,159**	**(54,337)**	**169,116**

Jubbaland Parliament

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**2,000,000**	**2,071,500**	**779,415**	**(1,292,085)**	**1,076,090**
Grants						
From other general government units		-	128,000	128,000	-	-
Grants	21	**-**	**128,000**	**128,000**	**-**	**-**
Receipts / Inflows		**2,000,000**	**2,199,500**	**907,415**	**(1,292,085)**	**1,076,090**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,669,700	1,820,200	778,820	(1,041,380)	906,376
Compensation of Employees	23	**1,669,700**	**1,820,200**	**778,820**	**(1,041,380)**	**906,376**
Use of Goods and Services						
Travel & Conferences		160,500	101,500	-	(101,500)	91,270
Operating Expenses		86,650	86,650	595	(86,055)	43,201
Other Operating Expenses		28,150	28,150	-	(28,150)	
Use of Goods and Services	24	**275,300**	**216,300**	**595**	**(215,705)**	**134,471**
Social Benefits						
Employment-related social benefits		55,000	35,000	-	(35,000)	35,243
Social Benefits	26	**55,000**	**35,000**	**-**	**(35,000)**	**35,243**
Payments / Outflows		**2,000,000**	**2,071,500**	**779,415**	**(1,292,085)**	**1,076,090**

Ministry of Livestock

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**222,750**	**299,721**	**168,586**	**(131,135)**	**67,415**
Grants						
From international organizations		90,610	216,217	186,262	(29,955)	28,586
Grants	**21**	**90,610**	**216,217**	**186,262**	**(29,955)**	**28,586**
Receipts / Inflows		**313,360**	**515,938**	**354,848**	**(161,090)**	**96,001**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		140,730	167,754	101,832	(65,922)	59,835
Compensation of Employees	**23**	**140,730**	**167,754**	**101,832**	**(65,922)**	**59,835**
Use of Goods and Services						
Travel & Conferences		10,000	11,840	4,480	(7,360)	-
Operating Expenses		61,120	116,727	61,374	(55,353)	7,580
Rent		900	900	900	-	
Other Operating Expenses		5,000	1,500	-	(1,500)	-
Use of Goods and Services	**24**	**77,020**	**130,967**	**66,754**	**(64,213)**	**7,580**
Social Benefits						
Employment-related social benefits		5,000	1,000	-	(1,000)	-
Social Benefits	**26**	**5,000**	**1,000**	**-**	**(1,000)**	**-**
Payments / Outflows		**222,750**	**299,721**	**168,586**	**(131,135)**	**67,415**

Ministry of Fisheries and Marine Resources

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**227,834**	**333,511**	**118,733**	**(214,778)**	**96,313**
Taxes						
Taxes on goods and services		48,160	178,160	-	(178,160)	20,000
Taxes		**48,160**	**178,160**	**-**	**(178,160)**	**20,000**
Grants						
From international organizations		107,130	107,130	85,704	(21,426)	61,029
From other general government units		-	154,677	154,677	-	-
Grants	21	**107,130**	**261,807**	**240,381**	**(21,426)**	**61,029**
Receipts / Inflows		**383,124**	**773,479**	**359,114**	**(414,364)**	**177,342**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		141,428	265,105	72,999	(192,106)	63,483
Compensation of Employees	23	**141,428**	**265,105**	**72,999**	**(192,106)**	**63,483**
Use of Goods and Services						
Travel & Conferences		34,250	31,250	26,900	(4,350)	3,000
Operating Expenses		48,506	33,506	15,784	(17,722)	7,380
Other Operating Expenses		1,800	1,800	1,700	(100)	-
Use of Goods and Services	24	**84,556**	**66,556**	**44,384**	**(22,172)**	**10,380**
Nonfinancial assets						
Fixed Assets		1,850	1,850	1,350	(500)	22,450
Nonfinancial assets	28	**1,850**	**1,850**	**1,350**	**(500)**	**22,450**
Payments / Outflows		**227,834**	**333,511**	**118,733**	**(214,778)**	**96,313**

Ministry of Youth and Sports

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**191,788**	**118,741**	**64,115**	**(54,626)**	**46,773**
Grants						
From international organizations		-	22,373	22,373	-	-
Grants	**21**	**-**	**22,373**	**22,373**	**-**	**-**
Receipts / Inflows		**191,788**	**141,114**	**86,488**	**(54,626)**	**46,773**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		135,788	79,148	49,522	(29,626)	45,533
Compensation of Employees	**23**	**135,788**	**79,148**	**49,522**	**(29,626)**	**45,533**
Use of Goods and Services						
Travel & Conferences		12,000	14,626	10,626	(4,000)	400
Operating Expenses		19,000	19,001	3,001	(16,000)	840
Other Operating Expenses		-	966	966	-	-
Use of Goods and Services	**24**	**31,000**	**34,593**	**14,593**	**(20,000)**	**1,240**
Social Benefits						
Employment-related social benefits		25,000	5,000	-	(5,000)	-
Social Benefits	**26**	**25,000**	**5,000**	**-**	**(5,000)**	**-**
Payments / Outflows		**191,788**	**118,741**	**64,115**	**(54,626)**	**46,773**

Ministry of Transport and Aviation

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**1,114,096**	**1,018,096**	**496,305**	**(521,791)**	**272,180**
Taxes						
Taxes on goods and services		2,116,414	2,116,414	1,624,363	(492,051)	746,066
Taxes on international trade and transactions		29,873	29,873	49,362	19,489	22,995
Taxes	20	**2,146,287**	**2,146,287**	**1,673,725**	**(472,562)**	**769,061**
Other Revenue						
Sale of goods and services		677,064	717,064	622,906	(94,158)	422,282
Other Revenue	22	**677,064**	**717,064**	**622,906**	**(94,158)**	**422,282**
Receipts / Inflows		**3,937,447**	**3,881,447**	**2,792,936**	**(1,088,511)**	**1,463,523**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		658,436	619,436	426,270	(193,166)	226,059
Compensation of Employees	23	**658,436**	**619,436**	**426,270**	**(193,166)**	**226,059**
Use of Goods and Services						
Travel & Conferences		70,400	27,400	1,715	(25,685)	1,540
Operating Expenses		78,760	83,260	36,770	(46,490)	9,120
Other Operating Expenses		39,500	38,500	31,550	(6,950)	35,461
Use of Goods and Services	24	**188,660**	**149,160**	**70,035**	**(79,125)**	**46,121**
Grants						
Grants To Other General Government Units		250,000	239,500	-	(239,500)	-
Grants	25	**250,000**	**239,500**	**-**	**(239,500)**	**-**
Social Benefits						
Employment-related social benefits		17,000	10,000	-	(10,000)	-
Social Benefits	26	**17,000**	**10,000**	**-**	**(10,000)**	**-**
Payments / Outflows		**1,114,096**	**1,018,096**	**496,305**	**(521,791)**	**272,180**

Ministry of Interior and Federal Affairs

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**10,114,672**	**9,080,480**	**2,343,090**	**(6,737,390)**	**2,309,829**
Taxes						
Taxes on payroll and workforce		-	-	-	-	-
Taxes on goods and services		1,846,000	1,846,000	424,976	(1,421,025)	408,223
Other taxes		700,000	100,000		(100,000)	12,534
Taxes	20	**2,546,000**	**1,946,000**	**424,976**	**(1,521,025)**	**420,757**
Grants						
From international organizations		878,654	1,391,555	1,172,802	(218,752)	945,432
From other general government units		8,496,538	7,151,311	1,316,505	(5,834,806)	1,296,653
Grants	21	**9,375,192**	**8,542,866**	**2,489,308**	**(6,053,559)**	**2,242,085**
Other Revenue						
Sale of goods and services		7,536	122,536	116,369	(6,167)	3,685
Other Revenue	23	**7,536**	**122,536**	**116,369**	**(6,167)**	**3,685**
Receipts / Inflows		**22,043,401**	**19,691,882**	**5,373,742**	**(14,318,140)**	**4,976,355**

Ministry of Interior and Federal Affairs

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Payments / Outflows	**Note**	USD	USD	USD	USD	USD
Compensation of Employees						
Wages and Salaries		637,213	625,687	553,365	(72,322)	520,718
Compensation of Employees	23	**637,213**	**625,687**	**553,365**	**(72,322)**	**520,718**
Use of Goods and Services						
Travel & Conferences		391,153	369,393	127,545	(241,848)	76,290
Operating Expenses		303,568	330,929	275,127	(55,802)	463,256
Rent		16,600	16,600	16,600		15,200
Other Operating Expenses		478,638	481,498	424,368	(57,131)	541,862
Contingency		23,008	21,328		(21,328)	
Use of Goods and Services	24	**1,212,967**	**1,219,749**	**843,640**	**(376,109)**	**1,096,608**
Grants						
Grants To Other General Government Units		430,000	405,000	331,421	(73,579)	108,638
Grants	25	**430,000**	**405,000**	**331,421**	**(73,579)**	**108,638**
Social Benefits						
Employment-related social benefits		8,969	8,969	7,978	(991)	3,120
Social Benefits	26	**8,969**	**8,969**	**7,978**	**(991)**	**3,120**
Nonfinancial assets						
Fixed Assets		7,825,523	6,821,075	606,687	(6,214,389)	580,745
Nonfinancial assets	28	**7,825,523**	**6,821,075**	**606,687**	**(6,214,389)**	**580,745**
Payments / Outflows		**10,114,672**	**9,080,480**	**2,343,090**	**(6,737,390)**	**2,309,829**

Ministry of Environment and Climate Change

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

	Note	2022 Original Estimate Appropriation	2022 Final Estimate Appropriation	2022 Controlled by TSA	2022 Difference Between Final Budget and Actual	2021 Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**166,126**	**184,157**	**132,191**	**(51,966)**	**143,608**
Grants						
From international organizations		55,058	120,089	163,400	43,311	91,311
Grants	**22**	**55,058**	**120,089**	**163,400**	**43,311**	**91,311**
Receipts / Inflows		**221,184**	**304,247**	**295,591**	**(8,655)**	**234,919**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		85,698	87,768	68,128	(19,640)	86,326
Compensation of Employees	**23**	**85,698**	**87,768**	**68,128**	**(19,640)**	**86,326**
Use of Goods and Services						
Travel & Conferences		27,000	9,000	-	(9,000)	-
Operating Expenses		37,275	51,056	33,821	(17,235)	35,785
Rent		8,400	2,400	-	(2,400)	5,640
Other Operating Expenses		3,800	4,300	2,680	(1,620)	15,858
Use of Goods and Services	**24**	**76,475**	**66,756**	**36,501**	**(30,255)**	**57,283**
Social Benefits						
Employment-related social benefits		2,300	1,300	-	(1,300)	-
Social Benefits	**26**	**2,300**	**1,300**	**-**	**(1,300)**	**-**
Nonfinancial assets						
Fixed Assets		1,653.00	28,333.00	27,562.00	(771.00)	-
Nonfinancial assets	**28**	**1,653.00**	**28,333.00**	**27,562.00**	**(771.00)**	**-**
Payments / Outflows		**166,126**	**184,157**	**132,191**	**(51,966)**	**143,608**

Ministry of Public Works, Housing and Construction

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**277,004**	**435,139**	**333,692**	**(101,447)**	**287,086**
Taxes						
Taxes on goods and services		43,500	43,500	600	(42,900)	-
Taxes	20	**43,500**	**43,500**	**600**	**(42,900)**	**-**
Grants						
From international organizations		144,204	341,539	201,341	(140,197)	209,071
Grants	21	**144,204**	**341,539**	**201,341**	**(140,197)**	**209,071**
Receipts / Inflows		**464,708**	**820,177**	**535,633**	**(284,544)**	**496,157**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		172,095	239,950	181,813	(58,138)	166,335
Compensation of Employees	23	**172,095**	**239,950**	**181,813**	**(58,138)**	**166,335**
Use of Goods and Services						
Travel & Conferences		17,180	16,320	10,520	(5,800)	13,460
Operating Expenses		76,287	133,407	104,799	(28,607)	89,530
Other Operating Expenses		5,196	30,726	25,184	(5,542)	16,588
Contingency			3,340		(3,340)	
Use of Goods and Services	24	**98,663**	**183,793**	**140,503**	**(43,290)**	**119,578**
Social Benefits		-	-	-	-	-
Employment-related social benefits		-	-	-	-	923
Social Benefits	26					**923**
Nonfinancial assets		-	-	-	-	-
Fixed Assets		6,246	11,396	11,376	(20)	250
Nonfinancial assets	28	**6,246**	**11,396**	**11,376**	**(20)**	**250**
Payments / Outflows		**277,004**	**435,139**	**333,692**	**(101,447)**	**287,086**

Judiciary Service Commission

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**309,020**	**478,960**	**330,535**	**(148,425)**	**281,919**
Grants						
From international organizations		-	-	-	-	18,000
From other general government units		-	44,000	44,000	-	-
Grants	21		**44,000**	**44,000**		**18,000**
Receipts / Inflows		**309,020**	**522,960**	**374,535**	**(148,425)**	**299,919**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		284,020	469,460	329,535	(139,925)	278,109
Compensation of Employees	23	**284,020**	**469,460**	**329,535**	**(139,925)**	**278,109**
Use of Goods and Services						
Travel & Conferences		9,800	4,000	1,000	(3,000)	800
Operating Expenses		15,200	5,500	-	(5,500)	3,010
Use of Goods and Services	24	**25,000**	**9,500**	**1,000**	**(8,500)**	**3,810**
Payments / Outflows		**309,020**	**478,960**	**330,535**	**(148,425)**	**281,919**

Ministry of Constitution and Federal Affairs

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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						**34,943**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		-	-	-	-	34,416
Compensation of Employees		**-**	**-**	**-**	**-**	**34,416**
Use of Goods and Services						
Operating Expenses		-	-	-	-	527
Use of Goods and Services		**-**	**-**	**-**	**-**	**527**
Payments / Outflows		**-**	**-**	**-**	**-**	**34,943**

Ministry of Labour

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**119,876**	**104,378**	**59,949**	**(44,429)**	**66,310**
Grants						
From international organizations		12,000	27,390	35,324	7,934	41,958
Grants	21	**12,000**	**27,390**	**35,324**	**7,934**	**41,958**
Receipts / Inflows		**131,876**	**131,768**	**95,273**	**(36,495)**	**108,268**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		65,776	49,688	35,088	(14,600)	48,579
Compensation of Employees	23	**65,776**	**49,688**	**35,088**	**(14,600)**	**48,579**
Use of Goods and Services						
Travel & Conferences		15,400	8,400	-	(8,400)	-
Operating Expenses		28,700	27,400	12,971	(14,429)	17,731
Rent			8,094	8,094		
Use of Goods and Services	24	**44,100**	**43,894**	**21,065**	**(22,829)**	**17,731**
Social Benefits						
Employment-related social benefits		5,000	2,000	-	(2,000)	-
Social Benefits	26	**5,000**	**2,000**	**-**	**(2,000)**	**-**
Nonfinancial assets						
Fixed Assets		5,000	8,796	3,796	(5,000)	-
Nonfinancial assets	28	**5,000**	**8,796**	**3,796**	**(5,000)**	**-**
Payments / Outflows		**119,876**	**104,378**	**59,949**	**(44,429)**	**66,310**

Jubbaland Election Commission $ Boundaries

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**170,000**	**61,000**		**(61,000)**	**23,000**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		143,000	47,000	-	(47,000)	23,000
Compensation of Employees	**23**	**143,000**	**47,000**	**-**	**(47,000)**	**23,000**
Use of Goods and Services						
Travel & Conferences		7,000	2,000	-	(2,000)	-
Operating Expenses		20,000	12,000	-	(12,000)	**-**
Use of Goods and Services	**24**	**27,000**	**14,000**	**-**	**(14,000)**	
Payments / Outflows		**170,000**	**61,000**	**-**	**(61,000)**	**23,000**

Attorney General Office

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**120,000**	**41,000**		**(41,000)**	**19,500**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		74,000	20,000	-	(20,000)	19,000
Compensation of Employees		**74,000**	**20,000**	**-**	**(20,000)**	**19,000**
Use of Goods and Services						
Travel & Conferences		10,000	5,000	-	(5,000)	
Operating Expenses		26,000	9,000	-	(9,000)	500
Use of Goods and Services		**36,000**	**14,000**	**-**	**(14,000)**	**500**
Nonfinancial assets						
Fixed Assets		10,000	7,000	-	(7,000)	
Nonfinancial assets		**10,000**	**7,000**	**-**	**(7,000)**	
Payments / Outflows		**120,000**	**41,000**	**-**	**(41,000)**	**19,500**

Ministry of Information and Public Orientation

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**548,948**	**416,036**	**275,446**	**(140,590)**	**-**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		309,548	233,726	173,246	(60,480)	-
Compensation of Employees	23	**309,548**	**233,726**	**173,246**	**(60,480)**	**-**
Use of Goods and Services						
Travel & Conferences		26,000	10,000	-	(10,000)	
Operating Expenses		211,400	172,310	102,200	(70,110)	
Rent		2,000				-
Use of Goods and Services	24	**239,400**	**182,310**	**102,200**	**(80,110)**	**-**
Payments / Outflows		**548,948**	**416,036**	**275,446**	**(140,590)**	**-**

Ministry of Transport and Ports

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		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		**310,720**	**117,720**	**21,069**	**(96,652)**	
Taxes						
Taxes on income, profits, and capital gains						
Taxes on goods and services		2,514,706	2,514,706	197,799	(2,316,906)	175,634.00
Taxes on international trade and transactions		9,471,718	7,471,718	6,748,473	(723,245)	2,572,451.20
Taxes	20	**11,986,424**	**9,986,424**	**6,946,273**	**(3,040,151)**	**2,748,085.20**
Other Revenue						
Sale of goods and services		246,985	246,985	92,050	(154,936)	22,984.62
Other Revenue	22	**246,985**	**246,985**	**92,050**	**(154,936)**	**22,984.62**
Receipts / Inflows		**12,544,129**	**10,351,129**	**7,059,391**	**(3,291,738)**	**2,771,069.82**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		139,720	62,720	17,889	(44,832)	-
Compensation of Employees	23	**139,720**	**62,720**	**17,889**	**(44,832)**	**-**
Use of Goods and Services						
Travel & Conferences		45,000	12,000	-	(12,000)	-
Operating Expenses		101,000	37,000	3,180	(33,820)	-
Contingency		15,000	2,000	-	(2,000)	-
Use of Goods and Services	24	**161,000**	**51,000**	**3,180**	**(47,820)**	**-**
Social Benefits						
Employment-related social benefits		10,000	4,000	-	(4,000)	-
Social Benefits	26	**10,000**	**4,000**	**-**	**(4,000)**	**-**
Payments / Outflows		**310,720**	**117,720**	**21,069**	**(96,652)**	**-**

Ministry of Petroleum and Minerals

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**110,720**	**53,244**	**12,865**	**(40,379)**	**5,000**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		74,720	36,244	12,865	(23,379)	1,000
Compensation of Employees	23	**74,720**	**36,244**	**12,865**	**(23,379)**	**1,000**
Use of Goods and Services						
Travel & Conferences		5,000	2,000	-	(2,000)	4,000
Operating Expenses		16,500	8,500	-	(8,500)	-
Use of Goods and Services	24	**21,500**	**10,500**	**-**	**(10,500)**	**4,000**
Social Benefits						
Employment-related social benefits		3,000	1,000	-	(1,000)	-
Social Benefits	26	**3,000**	**1,000**	**-**	**(1,000)**	**-**
Nonfinancial assets						
Fixed Assets		11,500	5,500	-	(5,500)	-
Nonfinancial assets	28	**11,500**	**5,500**	**-**	**(5,500)**	**-**
Payments / Outflows		**110,720**	**53,244**	**12,865**	**(40,379)**	**5,000**

Ministry of Humanitarian Affairs and Disaster Management

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

For the Year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

	Note	2022				2021
		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		**275,890**	**302,052**	**233,462**	**(68,590)**	**192,500**
Grants						
From international organizations		110,170	180,514	172,519	(7,995)	42,200
From other general government units		55,000	60,000	60,000	-	150,000
Grants	21	**165,170**	**240,514**	**232,519**	**(7,995)**	**192,200**
Receipts / Inflows		**441,060**	**542,566**	**465,981**	**(76,585)**	**384,700**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		134,170	121,888	87,733	(34,155)	7,200
Compensation of Employees	23	**134,170**	**121,888**	**87,733**	**(34,155)**	**7,200**
Use of Goods and Services						
Travel & Conferences		5,000	2,000	-	(2,000)	620
Operating Expenses		40,120	68,464	45,559	(22,905)	14,380
Other Operating Expenses		78,100	98,200	92,870	(5,330)	16,000
Use of Goods and Services	24	**123,220**	**168,664**	**138,429**	**(30,235)**	**31,000**
Social Benefits						
Employment-related social benefits		3,000	1,000	-	(1,000)	-
Social Benefits	26	**3,000**	**1,000**	**-**	**(1,000)**	**-**
Other Expenses						
Transfers not elsewhere classified		-	-	-	-	150,000
Other Expenses	27	**-**	**-**	**-**	**-**	**150,000**
Nonfinancial assets						
Fixed Assets		15,500	10,500	7,300	(3,200)	4,300
Nonfinancial assets	28	**15,500**	**10,500**	**7,300**	**(3,200)**	**4,300**
Payments / Outflows		**275,890**	**302,052**	**233,462**	**(68,590)**	**192,500**

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 2022*. 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 Climate Change
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 2022*.
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 **27, April 2023 by Mr Ahmed Abdirisak Mohamed (Handal), Minister of 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 explanation 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 MoFED 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	2022 Tax Receipt Recorded USD	2021 Tax Receipt Recorded USD
Ministry of Finance and Economic Development	6,420,004	4,663,326
Ministry of Justice and Religion Affairs	990	1,770
Ministry of Planning and International Cooperation	17,000	39,800
Ministry of Trade and Industry	67,680	30,960
Kismayo Airport Authority	-	425,469
Kismayo Ports Authority	-	5,809,188
Ministry of Fisheries and Marine Resources	-	20,000
Ministry of Transport and Aviation	1,673,725	769,061
Ministry of Interior and Federal Affairs	424,976	420,757
Ministry of Public Works, Housing and Construction	600	-
Ministry of Transport and Ports	6,946,273	2,748,085
	15,551,247	**14,928,416**

Note 3 Grants

Grants from international organizations and the Federal Government of Somalia are remitted through the TSA and therefore recorded under the MoFED. 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	2022 USD
Ministry of Agriculture and Irrigation	GIZ	176,637
Ministry of Agriculture and Irrigation	COOPERAZIONE INT.	3,000
Ministry of Agriculture and Irrigation	FAO	222,747
Ministry of Culture and Higher Education	GIZ	23,650
Ministry of Culture and Higher Education	ADRA	58,050
Ministry of Culture and Higher Education	FGS	185,568
Ministry of Culture and Higher Education	CARE	95,090
Ministry of Culture and Higher Education	UNICEF	76,150
Ministry of Culture and Higher Education	World Food Program	8,941
Ministry of Water and Energy	GIZ	236,003
Ministry of Water and Energy	ADRA	4,770
Ministry of Water and Energy	FGS	6,540
Ministry of Water and Energy	UNICEF	2,182,242
Ministry of Finance and Economic Development	FGS	9,831,572
Ministry of Health	GIZ	163,785
Ministry of Health	Gruppo Per Relazioni	17,500
Ministry of Health	Norwegian Refugee Council	46,790
Ministry of Health	Save The Children	150,542
Ministry of Health	FAO	12,882
Ministry of Health	UNICEF	2,225,286
Ministry of Justice and Religion Affairs	UNDP	73,200
Ministry of Planning and International Cooperation	GIZ	74,768
Ministry of Planning and International Cooperation	TROCAIRE	5,000
Ministry of Planning and International Cooperation	UNICEF	27,695
Ministry of Trade and Industry	GIZ	5,951
Ministry of Women and Human Rights	GIZ	43,074
Ministry of Women and Human Rights	CARE	17,938
Ministry of Women and Human Rights	UNICEF	100,493
Ministry of Livestock	DRC	18,100
Ministry of Livestock	COOPERAZIONE INT	4,022
Ministry of Livestock	Norwegian Refugee Council	84,180
Ministry of Livestock	FAO	79,960
Ministry of Fisheries and Marine Resources	FAO	85,704
Ministry of Fisheries and Marine Resources	FGS	154,677
Ministry of Youth and Sports	ANPPCAN	22,373
Ministry of Interior and Federal Affairs	TSA - JSS	9,493
Ministry of Interior and Federal Affairs	GIZ	166,952
Ministry of Interior and Federal Affairs	FGS	1,307,013
Ministry of Interior and Federal Affairs	CARE	79,319
Ministry of Interior and Federal Affairs	ILO	45,440
Ministry of Interior and Federal Affairs	UNICEF	92,800
Ministry of Interior and Federal Affairs	UNHCR	404,419
Ministry of Interior and Federal Affairs	UNHABITAT	56,855
Ministry of Interior and Federal Affairs	UNCDF	327,017
Ministry of Environment and Climate Change	GIZ	127,647
Ministry of Environment and Climate Change	FAO	35,753
Ministry of Public Works, Housing and Construction	GIZ	126,678
Ministry of Public Works, Housing and Construction	ILO	48,980
Ministry of Public Works, Housing and Construction	UNHABITAT	25,683
Ministry of Labour	NRC	23,324
Ministry of Labour	Save The Children	12,000
Ministry of Humanitarian Affairs and Disaster Management	GIZ	44,999
Ministry of Humanitarian Affairs and Disaster Management	Save The Children	25,000
Ministry of Humanitarian Affairs and Disaster Management	FGS	60,000
Ministry of Humanitarian Affairs and Disaster Management	TROCAIRE	5,000
Ministry of Humanitarian Affairs and Disaster Management	UNDP	75,000
Ministry of Humanitarian Affairs and Disaster Management	UNICEF	22,520
		19,646,772

Grant income of $28,085,388 was budgeted during the reporting period of FY2022 however, $19,646,772 was received, of the $8,593,293 shortfall against the annual estimate, was as a result of an over-optimistic revision during the year of grants expected from International Organizations, and $7,665,853 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 MoFED, 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 2022 financial year, the Ministries and Agencies collected a total of $4,312,991. JSS provides certain services to the residents at a fee. In 2022, a collection of $262880 and $157523were 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 ($157,523, $44,980, $77,594, $35,875, $1,323,361$1,013,394, $1,200, $2,700and $92,050 respectively).

Court Filing Fees of $52,389 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	2022 Number of Staff	2022 Basic Salary	2021 Number of Staff	2021 Basic Salary
1	Ministry of Agriculture and Irrigation	15	6,917	13	7,240
2	Ministry of Culture and Higher Education	413	73,552	357	51,744
3	Ministry of Water and Energy	8	4,165	8	4,165
4	Ministry of Finance and Economic Development	43	22,079	46	21,474
5	Ministry of Health	107	23,105	120	24,298
6	Ministry of Communications, Posts, and Technology	2	1,787	7	4,079
7	Ministry of Internal Security	4	2,087	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	9	4,680	10	5,182
12	State Ministry for Presidency	41	13,399	46	16,812
13	Auditor General's Office	9	4,013	9	4,013
14	Civil Service Commission	23	7,757	21	7,656
15	Ministry of Livestock	6	2,739	6	2,739
16	Ministry of Fisheries and Marine Resources	4	2,439	5	2,589
17	Ministry of Youth and Sports	8	3,864	8	3,864
18	Ministry of Transport and Aviation	20	8,433	22	9,437
19	Ministry of Interior and Federal Affairs	8	4,229	6	3,040
20	Ministry of Environment and Tourism	5	2,589	5	2,589
21	Ministry of Public Works, Housing and Construction	10	4,400	11	4,550
22	Judiciary Service Commission.	24	8,870	24	8,870
24	Ministry of Labour	4	2,624	4	2,624
25	Ministry of Information and Public Orientation	6	3,577	-	-
26	Ministry of Transport and Ports	1	1,285	-	-
27	Ministry of Petroleum and Minerals	1	1,285	-	-
28	Ministry of Humanitarian Affairs and Disaster Management	2	2,088	1	1,285
		798	**223,713**	**759**	**202,589**

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 2022	Execution 2022	Execution %
Ministry of Agriculture and Irrigation	348,769	260,445	75%
Ministry of Culture and Higher Education	814,579	271,764	33%
Ministry of Water and Energy	2,295,999	2,186,704	95%
Ministry of Finance and Economic Development	4,749,107	4,461,525	94%
Ministry of Health	2,393,065	1,798,926	75%
Ministry of Communications, Posts, and Technology	23,500	500	2%
Ministry of Internal Security	295,000	249,662	85%
Ministry of Justice and Religion Affairs	38,600	3,429	9%
Ministry of Planning and International Cooperation	133,732	87,057	65%
Ministry of Trade and Industry	22,863	8,995	39%
Ministry of Women and Human Rights	111,516	62,502	56%
State Ministry for Presidency	679,000	630,480	93%
Auditor General's Office	50,456	25,436	50%
Civil Service Commission	52,064	30,184	58%
Jubbaland Parliament	216,300	595	0%
Ministry of Livestock	130,967	66,754	51%
Ministry of Fisheries and Marine Resources	66,556	44,384	67%
Ministry of Youth and Sports	34,593	14,593	42%
Ministry of Transport and Aviation	149,160	70,035	47%
Ministry of Interior and Federal Affairs	1,219,749	843,640	69%
Ministry of Environment and Climate Change	66,756	36,501	55%
Ministry of Public Works, Housing and Construction	183,793	140,503	76%
Judiciary Service Commission.	9,500	1,000	11%
Ministry of Labour	43,894	21,065	48%
Jubbaland Election Commission $ Bounderies	14,000	-	0%
Attorney General Office	14,000	-	0%
Ministry of Information and Public Orientation	182,310	102,200	56%
Ministry of Transport and Ports	51,000	3,180	6%
Ministry of Petroleum and Minerals	10,500	-	0%
Ministry of Humanitarian Affairs and Disaster Management	168,664	138,429	82%
	14,569,990	**11,560,487**	**79%**

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.

Note 9 Transfers not elsewhere classified.

Transfers not elsewhere classified totalling $6,631,814 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 2022 elections and draught. Transfers not elsewhere classified were shared among the entities as follows:

Budget Entity	**2022 USD**	**2021 USD**
Ministry of Finance and Economic Development	6,631,814	3,068,580
State Ministry for Presidency	-	294,840
Ministry of Humanitarian Affairs and Disaster Management	-	150,000
	6,631,814	**3,513,419**

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 non-residential 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 $797,666 was disbursed on non-financial assets, which represented 11% percent of the estimated budget. The entities were unable to utilize the budget allocation due to delayed disbursement of donor funds.

JUBBALAND STATE OF SOMALIA (JSS)
MANAGEMENT LETTER FOR THE YEAR ENDED 31 DECEMBER 2022

24 September 2023

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
MOFED – 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

Minister for Finance,
Jubbaland State of Somalia (JSS)
Kismayo.

Dear Sir,

MATTERS ARISING DURING THE AUDIT FOR THE YEAR ENDED 31 DECEMBER 2022

We have recently completed our audit of the Consolidated & Ministerial Financial Statements of the Jubbaland State of Somalia for the year ended 31 December 2022 which we conducted in accordance with International Standards of Supreme Audit Institutions ("ISSAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatements but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit is conducted to enable us to form and express an opinion on the financial statements that have been prepared by management with the oversight of the Minister of Finance. The audit of the financial statements does not relieve the Ministries of their responsibilities. However, in accordance with our normal practice, we write to draw your attention to certain matters which we identified during our audit. Those issues are set out in the attached report.

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented.

Management responses should be provided through the co-ordination by the Ministry of Finance. We would like to thank the management and staff for their assistance and co-operation during the audit and would be pleased to provide any clarification that you may require on the issues raised in this report.

Yours faithfully,

Bashir Mohamed Bahale

Jubbaland State of Somalia
Kismayu
Somalia

XAFIISKA HANTIDHOWRKA GUUD
OFFICE OF THE AUDITOR GENERAL
JUBBALAND STATE OF SOMALIA
DOWLAD GOBOLEEDKA JUBALAND

1

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	Huge unspent budget	Medium	-
2	Weakness in revenue management and recording process	High	902,700.00
3	Underutilization of Revenue Management System	High	-
4	Weaknesses in Kismayu Sea Port	High	-
5	Gaps at the Revenue Collection Centre	High	-
6	Improvements for bank reconciliations	High	-
7	Poor record keeping and archiving	Medium	-
8	Weakness in debt management and procedures	High	-
9	Lack of supporting documents for payments	High	2,737,150
10	Payments without adequate supporting documents	High	3,742,005
11	Incorrect classification of receipts and expenses	Medium	-
12	Failure to stamp support documents "PAID"	Medium	-
13	Non- compliance with Public Procurement Regulation	High	-
14	Weaknesses in assets management and the Assets Management System	High	-
15	Gaps in Internal Audit Function	Medium	-
16	Delayed implementation of the prior year audit recommendations	Medium	-
Total Financial Impact			**6,479,155**

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:** Unrealistic budgets

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 a realistic forecasting that is informed by the day today activities, current and potential revenue raising capabilities of the state and its current operations

Description of the finding:

Realized budget for 2022 financial year was $37.5 million vis a vis an original budget $53.3 million. Thirty percent of the states 2022 budget has not been realized.

Implication

This shows poor financial forecasting capacities of the ministry of finance. Analysis of trends and comparisons of actuals and budgets on monthly and quarterly basis should have triggered corrective action.

Significant

Medium

Recommendations:

From the onset the state's budget making process should be realistic and be informed by well researched and clear policies that reflect revenue raising capabilities of the state. The ministry should also closely monitor the performance of the state on monthly or quarterly basis so that supplementary budgets can be prepared to reflect the realities on the ground.

Agreed/Disagreed:

Comments from MOFEDED - JSS:

Budget analysis and monitoring will be carried out and supplementary budgets prepared in the future as required.

Responsible person and date:

Budget department 2024

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:

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 902,700.00** out of total receipts amounting to **USD 18,772,916** as reported in the Financial Statements. This represents 5**%** of the total internally generated revenues as detailed below:

Date	**Document Number**	**Amount**
1/17/2022	22/00000371 RV	554,700.00
2/12/2022	22/00000923 RV	100,000.00
9/14/2022	22/00005307 RV	140,000.00
9/20/2022	22/00005482 RV	108,000.00
Total Receipts		**902,700.00**

We have observed instances where receipts were incorectly classified and recorded under different account codes. Example receipt voucher number 22/00002940 RV amounted to $400,000 under the port, however this receipt was received from property tax collection.

Implication

Weakness in revenue collections procedures could lead to loss of funds, inadequate accounting for taxes collected, inaccurate financial reporting and or potential financial statement misclassification.
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 902,700.00

Significant

High

Recommendations:

MOFEDED 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.
MOFEDED should ensure revenue recorded is reconciled to underlying registration records maintained by various agencies to avoid misclassification of receipts

Agreed/Disagreed: **Disagree**

Comments from MOFEDED - JSS:

Key Points:

Accurate Revenue Recording and Reconciliation: all the revenues have been accurately recorded and reconciled with the original receipts. This includes sample amounts which consist four generated receipts of this total amount USD 902,700.00.

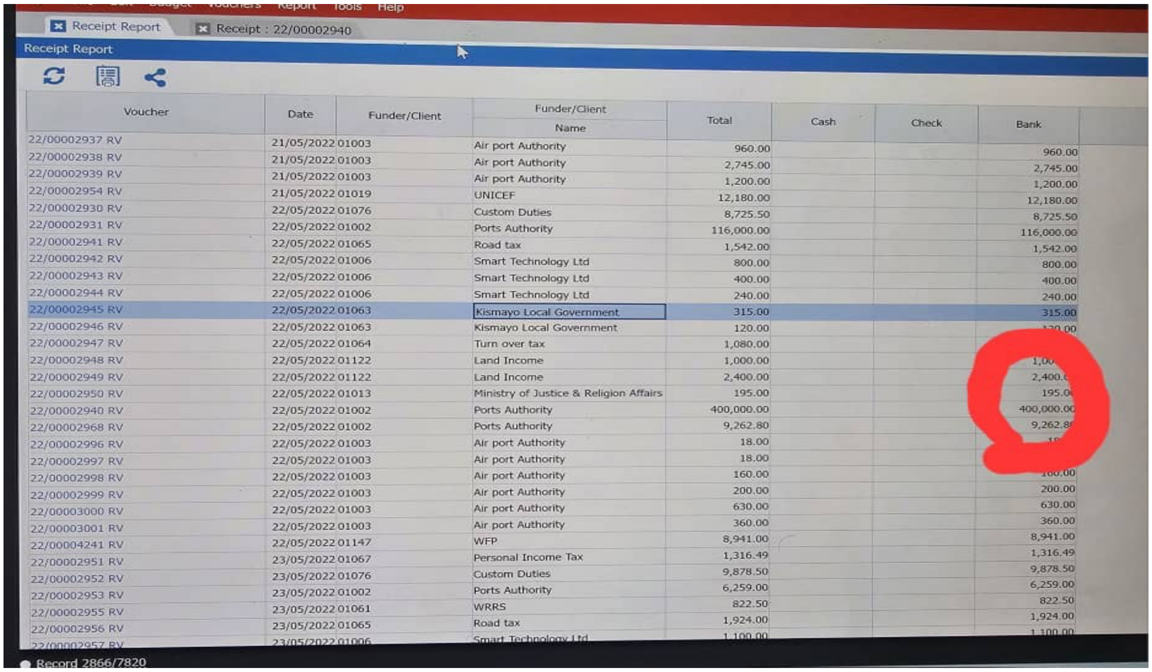
Issue of Misplaced File: It was observed that during the audit process, the file containing receipts supporting the aforementioned amount was misplaced. This led to temporary unavailability of these records for the audit team.

Future Audit Preparations: To prevent similar occurrences in the future, the Revenue Department has prepared a solution way like these. All relevant files and documents will be thoroughly prepared and organized in advance of any scheduled audit activities. This measure is aimed at facilitating a smoother and more efficient audit process.

We acknowledge the importance of meticulous record-keeping and are committed to upholding the highest standards in our financial practices. The recovered file serves as a testament to our diligence in accurately tracking and managing our financial transactions.

Incorrect Classification of Receipts: It has been observed that this receipt has been correctly recorded under the account code of the Port.

Specific Example Identified: A notable example of this issue is with receipt voucher number 22/00002940 RV. This particular receipt, amounting to $400,000, was correctly recorded under the account code for the port but this amount was not from property tax.

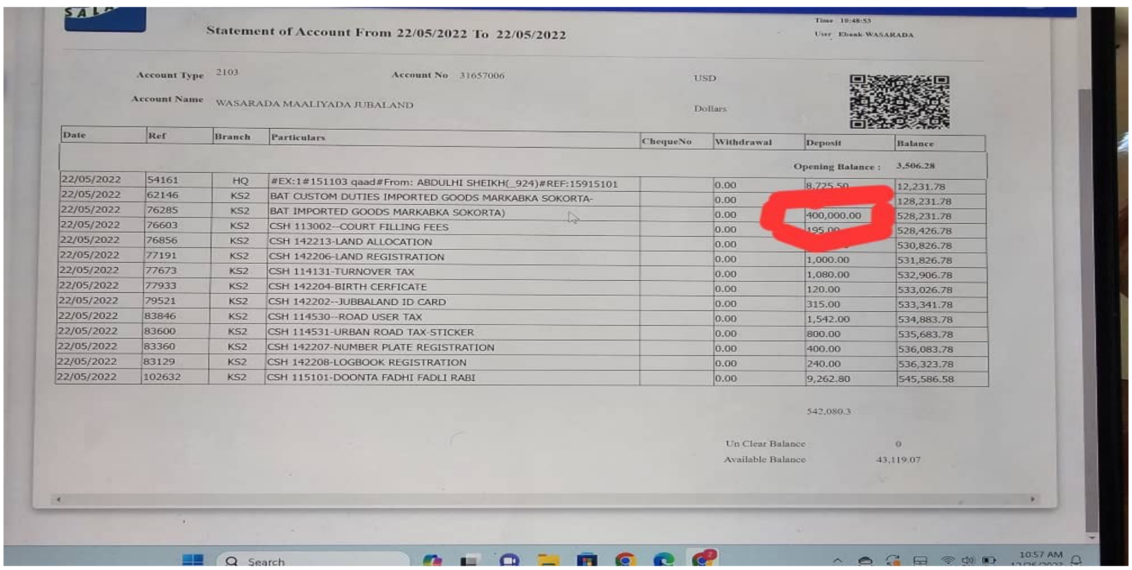


Receipt Report | Receipt : 22/00002940

Receipt Report

Voucher	Date	Funder/Client	Funder/Client Name	Total	Cash	Check	Bank
22/00002937 RV	21/05/2022	01003	Air port Authority	960.00			960.00
22/00002938 RV	21/05/2022	01003	Air port Authority	2,745.00			2,745.00
22/00002939 RV	21/05/2022	01003	Air port Authority	1,200.00			1,200.00
22/00002954 RV	21/05/2022	01019	UNICEF	12,180.00			12,180.00
22/00002930 RV	22/05/2022	01076	Custom Duties	8,725.50			8,725.50
22/00002931 RV	22/05/2022	01002	Ports Authority	116,000.00			116,000.00
22/00002941 RV	22/05/2022	01065	Road tax	1,542.00			1,542.00
22/00002942 RV	22/05/2022	01006	Smart Technology Ltd	800.00			800.00
22/00002943 RV	22/05/2022	01006	Smart Technology Ltd	400.00			400.00
22/00002944 RV	22/05/2022	01006	Smart Technology Ltd	240.00			240.00
22/00002945 RV	22/05/2022	01063	Kismayo Local Government	315.00			315.00
22/00002946 RV	22/05/2022	01063	Kismayo Local Government	120.00			[illegible]
22/00002947 RV	22/05/2022	01064	Turn over tax	1,080.00			[illegible]
22/00002948 RV	22/05/2022	01122	Land Income	1,000.00			[illegible]
22/00002949 RV	22/05/2022	01122	Land Income	2,400.00			[illegible]
22/00002950 RV	22/05/2022	01013	Ministry of Justice & Religion Affairs	195.00			[illegible]
22/00002940 RV	22/05/2022	01002	Ports Authority	400,000.00			[illegible]
22/00002968 RV	22/05/2022	01002	Ports Authority	9,262.80			[illegible]
22/00002996 RV	22/05/2022	01003	Air port Authority	18.00			[illegible]
22/00002997 RV	22/05/2022	01003	Air port Authority	18.00			[illegible]
22/00002998 RV	22/05/2022	01003	Air port Authority	160.00			[illegible]
22/00002999 RV	22/05/2022	01003	Air port Authority	200.00			200.00
22/00003000 RV	22/05/2022	01003	Air port Authority	630.00			630.00
22/00003001 RV	22/05/2022	01003	Air port Authority	360.00			360.00
22/00004241 RV	22/05/2022	01147	WFP	8,941.00			8,941.00
22/00002951 RV	23/05/2022	01067	Personal Income Tax	1,316.49			1,316.49
22/00002952 RV	23/05/2022	01076	Custom Duties	9,878.50			9,878.50
22/00002953 RV	23/05/2022	01002	Ports Authority	6,259.00			6,259.00
22/00002955 RV	23/05/2022	01061	WRRS	822.50			822.50
22/00002956 RV	23/05/2022	01065	Road tax	1,924.00			1,924.00
22/00002957 RV	23/05/2022	01006	Smart Technology Ltd	1,100.00			1,100.00

Record 2866/7820



Statement of Account From 22/05/2022 To 22/05/2022

Time 10:48:53
User Ebank-WASARADA

Account Type 2103 Account No 31657006 USD
Account Name WASARADA MAALIYADA JUBALAND Dollars

Date	Ref	Branch	Particulars	ChequeNo	Withdrawal	Deposit	Balance
						Opening Balance :	3,506.28
22/05/2022	54161	HQ	#EX:1#151103 qaad#From: ABDULHI SHEIKH(_924)#REF:15915101		0.00	8,725.50	12,231.78
22/05/2022	62146	KS2	BAT CUSTOM DUTIES IMPORTED GOODS MARKABKA SOKORTA-		0.00	[illegible]	128,231.78
22/05/2022	76285	KS2	BAT IMPORTED GOODS MARKABKA SOKORTA)		0.00	400,000.00	528,231.78
22/05/2022	76603	KS2	CSH 113002--COURT FILLING FEES		0.00	195.00	528,426.78
22/05/2022	76856	KS2	CSH 142213-LAND ALLOCATION		0.00	[illegible]	530,826.78
22/05/2022	77191	KS2	CSH 142206-LAND REGISTRATION		0.00	1,000.00	531,826.78
22/05/2022	77673	KS2	CSH 114131-TURNOVER TAX		0.00	1,080.00	532,906.78
22/05/2022	77933	KS2	CSH 142204-BIRTH CERFICATE		0.00	120.00	533,026.78
22/05/2022	79521	KS2	CSH 142202--JUBBALAND ID CARD		0.00	315.00	533,341.78
22/05/2022	83846	KS2	CSH 114530--ROAD USER TAX		0.00	1,542.00	534,883.78
22/05/2022	83600	KS2	CSH 114531-URBAN ROAD TAX-STICKER		0.00	800.00	535,683.78
22/05/2022	83360	KS2	CSH 142207-NUMBER PLATE REGISTRATION		0.00	400.00	536,083.78
22/05/2022	83129	KS2	CSH 142208-LOGBOOK REGISTRATION		0.00	240.00	536,323.78
22/05/2022	102632	KS2	CSH 115101-DOONTA FADHI FADLI RABI		0.00	9,262.80	545,586.58

542,080.3

Un Clear Balance 0
Available Balance 43,119.07

Responsible person and date:

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) Limited utilization of the BISAN RMS: We observed that not all tax categories were being recorded into the RMS. Specifically, in the fiscal year 2022, only turnover taxes, licenses, payroll, landing fees, passenger fees, customs duties, and property fees were recorded. However, other taxes, fees, and licenses mandated by the Revenue Act 2018, as imposed by the State or Local Governments, were not recorded within the RMS. Additionally, for the recorded categories, variances were identified between the amounts recorded in the RMS and the BISAN FMIS, detailed in **Annex 1.**

b) Lack of integration between the RMS and BISAN FMIS: Furthermore, we observed that the RMS lacks integration with the BISAN FMIS, hindering a seamless linkage between the collection point and the accounting software for effective posting.

Implication

1. **Data Discrepancies:** Variances between the amounts recorded in the RMS and the BISAN FMIS raise concerns about data accuracy and reconciliation processes. Such discrepancies could lead to inconsistencies in financial reporting, impacting the reliability and trustworthiness of financial information.
2. **Operational Inefficiencies:** The lack of integration between the RMS and BISAN FMIS indicates operational inefficiencies. A seamless interface between the collection point and accounting software is crucial for efficient and accurate data transfer, minimizing errors and delays in financial processing.
3. **Compliance Risks:** Failure to record all relevant taxes, fees, and licenses as mandated by legislation poses compliance risks. It could result in non-compliance penalties, legal issues, or challenges during regulatory audits.

Significant

High

Recommendations:

All revenues should be captured in RMS including FGS transfers and donor funds. RMS and FMIS should be reconciled regularly. There should be seamless integration of RMS and FMIS

Agreed/Disagreed:

Comments from MOFEDED -JSS:

Successful Reconciliation of Bisan FMIS: We have successfully reconciled the Bisan FMIS with our bank records and physical receipts. This step ensures that our financial records are accurate and consistent with our actual financial position.

Current Status of Bisan RMS: The Bisan RMS, at this stage, is recording transactions related to the all-Domestic Revenue Sources. However, it is important to note that the system is fully automated.

Future Outlook – Complete Integration: Once the RMS is fully automated, we anticipate being able to fully reconcile the Bisan FMIS with the Bisan RMS. This integration is significantly streamlining our financial and revenue management, providing a more cohesive and accurate view of our financial health.

Responsible person and date:

Revenue Director, April 2024

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

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 MOFEDED 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 lacks automation system SOMCAS

B. On provision of services to a vessel by the Kismayo Port Authorit, details of the services are recorded manually on vessel log sheet, which was not updated during audit field visit.

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. Insufficient record-keeping practices were observed at the Port Authority. During the on-site assessment, the Audit Team sought to verify critical Port traffic statistics for 2022, including the count of docked ships, small boats, and incidents within the reviewed period. Additionally, the team requested records of operational expenses set against monthly revenue. Unfortunately, these records were unavailable for review as the Port lacks maintenance of the specified documentation.

Implication

The Kismayo Port Authority's inadequate documentation practices resulted in notable fluctuations in recorded revenue during the reviewed period.

Revenue manual services and operations of vessels is prone or exposed to errors through manual data capture

Significant

High

Recommendations:

Develop and implement robust record-keeping protocols at the Port Authority. This should include a structured system for documenting Port traffic statistics, incidents, operational expenses, and revenue on a regular and systematic basis. Provide training and guidance to Port Authority staff on effective record-keeping practices. This will ensure that personnel are equipped with the necessary skills to maintain and manage the required documentation accurately.

Explore the use of SOMCAS to facilitate efficient and accurate record-keeping. This could include digital databases or management systems tailored to the Port's operational needs. Conduct periodic internal audits or compliance checks to ensure adherence to the established record-keeping procedures. This will help identify and rectify any lapses or deficiencies in maintaining essential records.

Agreed/Disagreed:

Comments from JSS:

. We will closely work with all stakeholders to ensure that all weaknesses noted are addressed within the current financial year.

The implementation of the SOMCAS system in JSS will begin in January 2024, all revenues from the airport and the sea port will be recorded in this system.

Responsible person and date:

Revenue Director, May 2024

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

Criteria:

The RCC is a division under the Revenue Department of MOFED 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 – MOFED 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 issue 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. **Inadequate Documentation:** Insufficient documentation supporting revenue transactions, such as missing or incomplete records of collections, receipts, and related documents, making it challenging to verify the accuracy and legitimacy of revenue

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

amounts.

b. **Inefficient Recording and Reporting:** Inaccurate or delayed recording of revenue transactions, improper misclassification, or failure to report revenues in a timely and accurate manner, leading to discrepancies and challenges in financial reporting. Daily reconciliations were not conducted between the total cash collected and the day's supporting receipts and banked amounts. Additionally, we requested the EVC Statement for the official collection number for review purposes, but it was not furnished.
c. **Insufficient Staff Training and Capacity:** Lack of adequate training or skill development among staff members involved in revenue collection, resulting in errors, misunderstanding of procedures, or inefficiencies in managing revenue-related tasks.

It's crucial to rectify these gaps as it greatly strengthening the Revenue Collection Centre's operations, enhancing accountability, and reduces the likelihood of financial irregularities or inaccuracies in managing revenue.

Implication

Addressing these issues promptly is crucial to uphold the integrity of the revenue collection process, ensure compliance with regulations, enhance transparency, and minimize the risk of errors, fraud, or mismanagement of funds.

Significant

High

Recommendations:

MOFEDED should establish a process for daily reconciliations between the total cash collected, supporting receipts, and banked amounts. This routine practice ensures accuracy and detects discrepancies promptly.

Ensure strict adherence to providing and maintaining essential documents like the EVC Statement for official collection numbers. Establish clear protocols for document submission upon request.

Strengthen internal controls by instituting robust procedures for verifying, recording, and reconciling financial transactions. This includes segregating duties, conducting regular audits, and enforcing accountability.

Provide comprehensive training to staff involved in revenue collection processes. Educate them on the importance of daily reconciliations, proper documentation, and compliance with protocols for better adherence.

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

Agreed/Disagreed:

Comments from MOFEDED – JSS:

We are committed to improving the organization of our filing system. Copies of customer receipts will be matched with cash deposit slips and filed systematically for easy retrieval.

Responsible person and date:

Revenue Director, Jun 2024

Finding n°: 6	**Title:** Improvements 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. Yearly confirmation request to all banks not done
B. 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.

Finding n°: 6	**Title:** Improvements for bank reconciliations

C. Periodic bank reconciliations should be performed to help in the early detection of errors and irregularities in bank and cash transactions. This was not done.
D. Lack of closure of non-operational bank accounts by the different Ministries under JSS.

Implications:

The absence of bank reconciliations increases the risk that errors and irregularities would remain undetected. Also in the absence of reconciliations the financial statements of JSS MOFED can be rendered incorrect.

Failure to disclose all the bank accounts held increases the risk of understatement of the bank balance and hinders accountability for the revenues realized during the period. Consequently, this could possibly lead to financial misstatement in the receipts and payments being reported by the State.

Significant

High

Recommendations:

We recommend that:

Monthly bank reconciliations be performed by the Treasury department, and the bank reconciliations be reviewed for accuracy and completeness on a timely basis by the Director of Treasury. The review should be documented and approval shown with the reviewer's signature and date of review to comply with Regulation 5 of the JSS PFM Act.

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

All the bank accounts have remained dormant for a certain period of time should be reviewed for unusual activities and unauthorized access for closure.

Agreed/Disagreed:

Comments from MOFEDED - JSS:

Disagree;

In response to the finding that periodic bank reconciliations were not performed, we would like to highlight that the JSS MOFED diligently conducts daily and monthly bank reconciliations as part of our standard financial control procedures. The reconciliation process is overseen by the Treasury Department, with the involvement of three assigned staff members dedicated to this task.

we respectfully disagree with the finding and believe that our existing procedures are in compliance

Finding n°: 6	**Title:** Improvements for bank reconciliations
with the regulatory requirements. However, we acknowledge the importance of continuous improvement and will take the necessary steps to enhance our processes, specifically in the areas highlighted in the Management letter.	
Responsible person and date: Treasury department	

Finding n°: 7	**Title:** Poor record keeping and archiving
Criteria: stipulates that at the end of the financial year the financial books, forms and vouchers were to be collected and kept in a safe accessible place for the purposes of audit and inspection **Description of the finding:** But there was no archive where files and records for prior years could be stored. They were stacked on the floor in the filing room. And there was no register of files in the filing room. Many files had been removed and not returned, some of the missing files relate to cases under investigation. Also, expenditure vouchers in the files were often not filed in date or numerical order, thus some vouchers were not traceable even when they were in the files. At the Treasury department approved invoices are placed in haphazard bundles on the different files, rather than being filed or arranged in order. Also, the Ministry does not have a register of all contracts. It was thus not possible to trace specific contracts.	
Implication: Non production of significant vouchers to audit can attract limitation and disclaimer Contractors can fraudulently claim double payment if payment voucher cannot be traced.	
Significant: Medium	
Recommendation: MOFEDED should arrange for an archive for proper storage of files and documents. Archival code should regulate maintenance of files with years of preservation and regulations for	

Finding n°: 7	**Title:** Poor record keeping and archiving
ingress and egress of files from the documentation room. Appointment of Archival officer in each ministry with job responsibilities is overdue.	
Agreed/Disagreed:	
Comments from MOFEDED - JSS: Agreed. Establishing an archive with proper regulations and an Archival Officer is crucial for maintaining financial records, ensuring traceability, and supporting audit processes.	
Responsible person and date: Treasury director 2024	

Finding n°: 8	**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 MOFED 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:** The outstanding amount of internal borrowing has increased over the years from Usd.1,262,769 reported in the year 2013 to Usd.7,274,675 reported in the year 2022. This represents an increase of Usd.6,011,906 or approximately 83% over the ten (10) year period	

Finding n°: 8	**Title:** Weakness in debt management and procedures

as tabulated below:

Amount Received - 2013		1,262,769
Amount Received - 2019		5,140,621
Amount Received - 2021		7,368,585
Amount Received - 2022		7,274,675
Total Received		**21,046,651**
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	
FY2022	6,631,814	
Total Repayments		**12,597,264**
Remaining balance		**8,449,387**

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

There isn't a debt strategy in place that is regularly updated and published, detailing the terms and conditions of any new borrowings as well as those of loans and guarantees that the government may endorse from time to time.

There is no financial system in place to manage the debt.

Note 18 of the financial statements discloses bending bills amounting to **USD 8,449,387** comprising of supply of goods and service to the Jubbaland State of Somalia, we were not provided listing of the above amount. It is not cleared what the amounts have been used for. No details of exact budgeting codes and descriptions for the same.
The Ministry of Finance neither prepared nor submitted a report on new borrowings, debt repayments, rescheduling, and write-offs to the President and Parliament.

Finding n°: 8	**Title:** Weakness in debt management and procedures

Implication:

Inefficiencies and weaknesses in debt management procedures can undermine the assurance that the government's debt portfolio is being managed prudently and effectively.

As a result, the authenticity of the bending bills disclosed in note 18 of the financial statements could not be verified. This could lead to undetected errors and potentially incorrect payments being made.

There is a lack of compliance with the Public Financial Management (PFM) Act.

Significant

High

Recommendation:

We recommend that the Minister should compile and present a report to the President and Parliament that outlines new borrowings and guarantees, as well as details on debt repayments, rescheduling, and write-offs. Furthermore, the Minister should prepare and make public a report detailing the outstanding public debt and projected debt service over the medium term.

Additionally, we advise that the Jubbaland State of Somalia should implement appropriate systems for managing borrowings. This would enhance record-keeping and ensure regular reconciliation of debt.

The details of the debts and movement can be tracked in a schedule but budgeting for the same should be done within the existing chart of accounts and payments charged to the category of expense which the loan paid for. For example if a portion of a loan was used to pay for salaries for securities and part of it for supplies of assets then in the financial statement, each transaction should be recorded in its correct code of account.

Agreed/Disagreed:

Comments from MOFEDED - JSS:

While it is true that we currently do not have a dedicated financial system for debt management, we would like to highlight that we have shared the detailed listing of the bending bills amounting to USD 8,449,387, as disclosed in Note 18 of the financial statements. This information has provided to the audit team for transparency verification.

We acknowledge the importance of effective debt management and are committed to addressing the identified weaknesses

Finding n°: 8	**Title:** Weakness in debt management and procedures

Responsible person and date:

Title: Treasury director 2023

Finding n°:9	**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:

There were several missing payment voucher and supporting documents for a total value of amounted **$ 2,737,150** as shown in **Appendix 2.** This indicated that payment vouchers and supporting documents were not kept under safe custody and in accessible places.

Implication:

There was Limitation of Scope on Audit to the extent vouchers were not presented. Unavailability of supporting documents means likelihood of unauthorized payment, errors, fraudulent action or misuse of funds.

Financial Impact: USD 2,737,150

Significant

High

Recommendation:

Senior management in the Ministry of Finance and Economic Development needs to set right the practices in the ministry. If these bills are not presented to Audit in three months, parliament should take notice. In future safe custody and accessibility of supporting documents should be ensured till audit is completed.

Agreed/Disagreed:

Comments from MOFEDED - JSS:

Disagree: We have presented all the supporting documents with the audit team and we totally disagree if documents with that high value was lacking supporting documents. We believe there was some minor errors for some documents and that will be rectified going forward.

Finding n°:9	**Title:** Lack of supporting documents for payments
Ensuring safe custody and accessibility of supporting documents is vital. We commit to rectifying the identified issues within the suggested timeframe.	
Responsible person and date: Treasury officer 2024	

Finding n°:10	**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:** Without sufficient supporting documentation we observed amount of **USD 3,742,005,** were inadequately supported as shown in **Appendix 3.**	
Implication: In the absence of appropriate and sufficient documentation for the payment, there is risk of both fraud and corruption. Audit cannot certify that paid for goods and services have actually been received and that all payment controls have been properly implemented.	
Financial Impact: USD 3,742,005	
Significant **High**	
Recommendation: Payments should be approved through the established lines of authority within the ministry and sufficient and appropriate documents should be in place both for payment and for subsequent audits.	
Agreed/Disagreed:	
Comments from MOFEDED - JSS:	

Finding n°:10	**Title:** Payments without adequate supporting documents
Disagree: No payment has ever been processed without going through the approval process both manually and electronically, the FMIS (Bisan system) doesn’t allow one user to make the process alone, there must be the initiator (entry), approval and then posting for commitment, payment request and payment. There is also authorization manually on the CPO and final approval for the cheque. The treasury department is fully committed to ensure sufficient and appropriate documentation is in place and all the internal control are implemented.	
Responsible person and date: Treasury Department	

Finding n°:11	**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

During our audit desk review of recorded payments selected for audit sample, multiple instances came to light where various transactions had been inaccurately classified as Obligation.

Implication:

There is a risk that the financial statements are misstated.

Significant

Medium

Recommendation:

Management must guarantee accurate classification of transactions in accordance with the chart of accounts and their inherent nature. It's imperative to thoroughly investigate all incorrectly classified transactions and execute correction journals promptly.

Agreed/Disagreed: Agree

Comments from MOFEDED - JSS:

Agreed. Accurate classification is imperative, and we commit to investigating and correcting any misclassified transactions immediately.

Responsible person: Treasury department

Estimated Completion date: 2023

Finding n°:12	**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 observed that none of the expenditure payment vouchers and associated documents were stamped with "Paid" following the completion of payments.

Implications

The existing practice facilitates misappropriation of public resources.

Significant

Medium

Recommendations:

Introduce a protocol mandating the stamping of "Paid" on expenditure payment vouchers and associated documents immediately after payments are made. This practice will serve as a visual indicator of completed transactions, ensuring clarity and reducing the risk of duplicate

or erroneous payments.
Agreed/Disagreed:
Comments from MOFEDED - JSS: **Agreed. Introducing a protocol for stamping "PAID" on expenditure payment vouchers is a good practice, and we will implement this to enhance financial controls.** **General Comments.**
Responsible person and date: Treasury director 2024

Finding n°: 13	**Title:** Non- compliance with Public Procurement Regulation

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;

Competitive bidding – requiring open international advertisement. No threshold provided.
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:

- Failure to provide contract and tender documents for audit review
- Irregular procurements and use of non-competitive procurement practices
- Abuse of low-value procurement method
- 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:

The absence of competitive procurement procedures poses a risk where JSS might not realize the maximum value for taxpayers' and donors' money. This oversight diminishes the potential for obtaining the most advantageous outcomes in terms of value and cost-effectiveness.

Significant

High

Recommendations:

To secure optimal value in contract awards, JSS MOFEDED Management must enforce competitive procurement practices for goods and services. They should diligently retain supporting documentation showcasing these procedures and the subsequent procurement

Finding n°: 13	**Title:** Non- compliance with Public Procurement Regulation

decisions. This ensures transparency and accountability in the procurement process.

Addressing these weaknesses is crucial to ensure transparency, compliance with regulations, ethical practices in procurement, and the efficient utilization of public funds. Implementing robust procurement procedures, documentation, and supplier vetting mechanisms can mitigate these risks and enhance accountability.

Agreed/Disagreed:

Comments from MOFEDED- 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.
- - 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 2024

Finding n°:14	Weaknesses in assets management and the Assets Management System

Finding n°:14	Weaknesses in assets management and the Assets Management System

Criteria:

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:

No record of assets was kept for capital items acquired during the year 2022.

The Jubbaland State of Somalia (JSS) does not have an active asset management system in place during the year 2022 this was the same in 2021 audit review.

An asset register was not made available during the audit.

Implications:

If there is no record of procured assets, the Government stands to lose vehicles, computers, equipment, and other assets. The lack of controls and records could allow a vehicle to be registered under private names or assets to be claimed by individuals.

Without asset records, it becomes impossible to verify if the procured assets were indeed delivered and are currently in use by the Government.

Significant

High

Recommendations:

We recommend that a Codification be in place to necessitate maintenance of an assets register in each Government Institution. MOFEDED should direct all Government Institutions to designate an official for the maintenance of asset records and also periodic verification of the existence and condition of the assets. The role of the officers in the Ministry of Finance should be reduced to oversight, coordination and supervision rather than collecting data. It should also facilitate the reconciliation of physical Assest verification, in accordance with the Public Financial Management (PFM) Act 2017.

Agreed/Disagreed:

Finding n°:14	Weaknesses in assets management and the Assets Management System

Comments from MOFEDED - JSS:

MOFEDED - JSS understands the importance of maintaining a centralized Capital Asset Register and agrees with the need for a Codification system in each Government Institution. However, due to financial constraints, we have been unable to allocate sufficient funds to implement and maintain such a system. The recommendation to designate an official for asset record maintenance and periodic verification is valid.

Responsible person and date:

Procurement director

Finding n°:15	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:

A review of the Internal Audit section revealed obvious short comings which in our view impact negatively on the mandate of the Internal Auditor. Illustratively;

A. No Internal Audit reports had been issued
B. The Internal Audit section had only two employees which was grossly inadequate in view of the size and budget allocation of this Ministry
C. Lack of Internal Audit Department workplan for year 2022
D. Failure by the Internal Audit Department to prepare the Risk Register for MOFED

Implications:

As a result of the weaknesses noted above, no internal audit workplan had been done.

Finding n°:15	Gaps in Internal Audit Function
Consequently, no one was appraising the effectiveness and or lack of internal controls in the Ministry. Public funds may be misapplied and/or misappropriated.	
Significant **Medium**	
Recommendations: The Internal Audit Department should ensure that audit reports are prepared and issued regularly. These reports are crucial for assessing the financial health and operational efficiency of the Ministry. We recommend increasing the number of employees in this section to ensure adequate coverage of audit functions. The Initernal audit should prioritize the preparation of the Risk Register for the Ministry of Finance. Annual workplan should be developed, this plan should outline the audit activities to be undertaken, their timelines, and the resources required.	
Agreed/Disagreed:	
Comments from MOFEDED - JSS: The internal audit department has shared its work plan to the audit team. Initially understaffed, the department is now fully operational, it is anticipated that by FY 2023, all identified issues related to internal audit findings will be addressed and rectified.	
Responsible person: Internal audit director	

Finding n°:16	**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:

It has been observed that a majority of the audit recommendations outlined for the audit period concluding on December 31, 2022, remain unimplemented. Only two (2) out of the eighteen (18) audit recommendations from the previous year's audit has been fully addressed and closed.

Please refer to the "Follow-up on Prior Period Audit Recommendations" on Section 3.0.

Implication:

JSS might miss out on leveraging audit recommendations as an effective tool for monitoring and improving operational performance.

Finding n°:16	**Title:** Delayed implementation of the prior year audit recommendations
Significant	
Medium	
Recommendation:	
We recommend JSS, particularly the Ministry of Finance (MOFED), to ensure the comprehensive resolution of all identified weaknesses outlined in the audit. This should be executed based on the provided recommendations or by implementing alternative control measures that effectively rectify these weaknesses.	
Agreed/Disagreed:	
Comments from MOFEDED-JSS:	
The MOFEDED-JSS has commented. We realize the value of promptly putting audit recommendations into practice and recognizing areas in which it still needs work. The remaining audit suggestions will be given top priority, and they will be appropriately addressed.	
Responsible person and date:	
Director General 2024	

3 FOLLOW UP OF PREVIOUS AUDIT FINDINGS

The audit recommendations in relation to the financial statement ended December 2022 status below.

Total No. of Prior Year Recommendations	Implemented	Partially Implemented	Not Implemented
18	2	5	11

No.	Finding Title	Recommendation	Status
1	Unreconciled variances between signed Financial Statements and ledger balances	MOFED 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.	Implemented.
2	Weakness in revenue management and recording process	MOFED 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. 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. MOFED should ensure revenue recorded is reconciled to underlying registration records maintained by various agencies such as the Ministry of Planning	Partially implemented.
3	Underutilization of Revenue	The revenue collection systems should be fully integrated with the accounting systems.	Partially implemented.

No.	Finding Title	Recommendation	Status
	Management System	MOFED should ensure the BISAN RMS is fully utilized and reconciled to the amounts recorded in BISAN FMIS. Further, MOFED could consider linking the two BISAN modules.	
4	Weaknesses in Kismayu Sea Port	Audit of support documents by MOFED 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.	Not implemented.
5	Gaps at the Revenue Collection Centre	MOFED should ensure supporting tariffs and bills charged to customers are documented and attached to the customer receipts. 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. MOFED should also consider installing cash safe as well as develop guidelines on maximum cash in hand amounts payable. MOFED 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.	Not implemented.
6	Gaps in the Engagement of Collection Agents in Revenue Collection Process	MOFED 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.	Partially implemented.

No.	Finding Title	Recommendation	Status
		Internally generated revenues collected should be promptly banked intact and recognized as MOFED -JSS revenue. Any collection charges by the service providers should then be billed separately and recognized as expenses in the Financial Statements. 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.	
7	Improvements to procedures for bank reconciliations	MOFED 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. All the bank accounts have remained dormant for a certain period of time should be reviewed for unusual activities and unauthorized access for closure. 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. Ensure that adequate controls on the bank management are in place and all the bank account disclosed to demonstrate transparency.	Implemented.
8	Yearly confirmation request to all banks not done	MOFED should include confirmations of bank accounts details as part of year-end procedures in compliance with the procedure’s manuals.	Partially implemented.

No.	Finding Title	Recommendation	Status
9	Inadequacies in Finance and Accounting Guidelines	The Ministry of Finance management shall update the accounting and finance policies with the missing guidelines and have these approved for use.	Not implemented.
10	Weakness in debt management and procedures	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.	Not implemented.
11	Lack of supporting documents for payments	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.	Not implemented.
12	Payments without adequate supporting documents	The Ministry should ensure that no payments should be made without adequate support documents.	Not implemented.
13	Incorrect classification of receipts and expenses	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.	Not implemented.
14	Failure to stamp support documents "PAID"	MOFED should ensure that at the point of posting transactions into the accounting software	Not implemented.
15	Weaknesses in the procurement process	In order to ensure value for money is achieved when awarding contracts, JSS MOFED Management should ensure that competitive process is applied when procuring goods and services and retain supporting documents to	Not implemented.

No.	Finding Title	Recommendation	Status
		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.	
16	Weaknesses in assets management and the Assets Management System	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.	Not implemented.
17	Gaps in Internal Audit Function	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.	Not implemented.
18	Delayed implementation of the prior year audit recommendations	We recommend that JSS and specifically the Ministry of Finance (MOFED) 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.	Partially implemented.

4 ANNEXES

ANNEX 1:

OFFICE OF THE AUDITOR GENERAL
JUBALAND STATE OF SOMALIA

KISMAYO JUBALAND SOMALIA

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