



CONSOLIDATED &
MINISTERIAL
FINANCIAL
STATEMENTS OF THE
GALMUDUG STATE OF
SOMALIA (GSS)

For the Period Ended 31 December 2017

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

Prepared by the Ministry of Finance
Galmudug State of Somalia (GSS)

Statement of Certification - 2017 Financial Statements

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

In the opinion of the Ministry of Finance and Economic Development, the financial statements of the Galmudug State of Somalia (GSS) as submitted for Audit in accordance with Section 30 of the Public Finance Management Decree 2016 are materially accurate and provide a true and fair view of the GSS's financial position for the year ended 31 December 2017.

For and on behalf of the Galmudug State of Somalia

Minister for Finance & Economic Development

Date:

Galmudug State of Somalia
Consolidated Fund Statement of Receipts and Payments
Treasury Single Accounts
For the Period Ended 31 December 2017

	Notes	2017		2016	
		Controlled By TSA USD	Payments By Thirty party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows					
Taxes					
Taxes on goods and services				1,051,807	
Taxes on international trade and transactions		339,929			
Taxes	2	339,929		1,051,807	
Grants					
From international organizations	3	357,824	3,199,452	58,850	1,083,507
From other general government units	4	1,711,792		746,900	
Grants		2,069,616	3,199,452	805,750	1,083,507
Receipts / Inflows		2,409,545	3,199,452	1,857,557	1,083,507
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		1,809,293		1,519,997	
Compensation of Employees	5	1,809,293		1,519,997	
Use of Goods and Services					
Travel & Conferences	6	7,020	2,386,986	6,540	
Operating Expenses	7	189,475	213,935	16,808	
Rent	8	3,098		32,884	
Other Operating Expenses		500	598,531		499,626
Use of Goods and Services		200,093	3,199,452	56,232	499,626
Grants					
Grants To Other General Government Units	9	31,559			
Grants		31,559			
Social Benefits					
Employer social benefits	10	29,200			
Social Benefits		29,200			
Other Expenses					
Miscellaneous other expense	11	134,100		272,604	
Other Expenses		134,100		272,604	
Nonfinancial assets					
Fixed Assets	12			7,872	583,881
Nonfinancial assets				7,872	583,881
Payments / Outflows		2,204,245	3,199,452	1,856,705	1,083,507
Increase Decrease in Cash		205,300		852	
Cash at Beginning of Year		3,066			
Cash at End of Year	1.4	208,366		3,066	

Galmudug State of Somalia

Consolidated Fund Statement of comparison of Budget and Actual Amounts For the Period Ended 31 December 2017

Appropriation Budget on Cash Basis
(Classification of Payments By Economic Class)

	2017					2016	
	Original Estimate Appropriation A USD	Final Estimate Appropriation B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payment By Thirty Party USD	Controlled By TSA USD	Payment By Thirty Party USD
Notes							
Receipts / Inflows							
Taxes & Other Revenue							
	372,000	372,000		(372,000)			
	59,020	59,020		(59,020)			
	2,000,000	2,000,000	339,929	(1,660,071)		1,051,807	
	2,431,020	2,431,020	339,929	(2,091,091)		1,051,807	
13							
Taxes & Other Revenue							
Grants							
	1,045,020	1,045,020	357,824	(687,196)	3,199,452	58,850	1,083,507
	2,500,000	2,500,000	1,711,792	(788,208)		746,900	
	3,545,020	3,545,020	2,069,616	(1,475,404)	3,199,452	805,750	1,083,507
14							
	5,976,040	5,976,040	2,409,545	(3,566,495)	3,199,452	1,857,557	1,083,507
Receipts / Inflows							

Galmudug State of Somalia
Consolidated Fund Statement of comparison of Budget and Actual Amounts
For the Period Ended 31 December 2017

Appropriation Budget on Cash Basis
(Classification of Payments By Economic Class)

	2017					2016	
	Original Estimate Appropriation A USD	Final Estimate Appropriation B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payment By Thirty Party USD	Controlled By TSA USD	Payment By Thirty Party USD
Payments / Outflows							
Compensation of Employees							
Wages and Salaries	15 4,517,470	4,517,470	1,809,293	(2,708,177)		1,519,997	
Compensation of Employees	4,517,470	4,517,470	1,809,293	(2,708,177)		1,519,997	
Use of Goods and Services							
Travel & Conferences	92,000	92,000	7,020	(84,980)	2,386,986	6,540	
Operating Expenses	342,720	342,720	189,475	(153,245)	213,935	16,808	
Rent	123,800	123,800	3,098	(120,702)		32,884	
Other Operating Expenses	98,000	98,000	500	(97,500)	598,531		499,626
Conflict Resolution Expenses	50,000	50,000		(50,000)			
RCRF Non Salary Recurrent Cost	48,000	48,000		(48,000)			
Use of Goods and Services	16 754,520	754,520	200,093	(554,427)	3,199,452	56,232	499,626
Grants							
Grants To Other General Government Units	17 252,000	252,000	31,559	(220,441)			
Grants	252,000	252,000	31,559	(220,441)			
Social Benefits							
Employer social benefits	18 30,000	30,000	29,200	(800)			
Social Benefits	30,000	30,000	29,200	(800)			
Miscellaneous other expense							
Miscellaneous other expense	19 360,000	360,000	134,100	(225,900)		272,604	
Miscellaneous other expense	360,000	360,000	134,100	(225,900)		272,604	
Nonfinancial assets							
Fixed Assets	20 62,050	62,050		(62,050)		7,872	583,881
Nonfinancial assets	62,050	62,050		(62,050)		7,872	583,881
Payments / Outflows	5,976,040	5,976,040	2,204,245	(3,771,795)	3,199,452	1,856,705	1,083,507

Galmudug State of Somalia
GFS Statement of Operation
Treasury Single Accounts
For the Period Ended 31 December 2017

	2017	2016
	USD	USD
Transactions Affecting Net Worth		
Revenue	2,409,545	2,941,064
Taxes	339,929	1,051,807
Taxes on goods and services	-	-
Taxes on international trade and transactions	339,929	1,051,807
Grants	2,069,616	1,889,257
From international organizations	357,824	1,142,357
From other general government units	1,711,792	746,900
Expense	2,204,245	2,348,459
Compensation of Employees	1,809,293	1,519,997
Wages and Salaries	1,809,293	1,519,997
Use of Goods and Services	200,093	555,858
Travel & Conferences	7,020	6,540
Operating Expenses	189,475	16,808
Rent	3,098	32,884
Other Operating Expenses	500	499,626
Grants	31,559	-
Grants To Other General Government Units	31,559	-
Social Benefits	29,200	-
Employer social benefits	29,200	-
Other Expenses	134,100	272,604
Miscellaneous other expense	134,100	272,604
Gross Operating Balance	205,300	592,605
 Transactions In Non Financial Assets		
Net Worth and its Changes	-	591,753
Nonfinancial assets	-	591,753
Fixed Assets	-	591,753
 Transactions in Financial Assets & Liabilities		
Change In Net Worth. Transactions (Assets)	205,300	3,066
Financial assets	205,300	3,066
Domestic	205,300	3,066
 Liabilities	-	-
Liabilities	-	-
Net Worth Equity	-	(2,214)
Net Worth Equity	-	(2,214)
Overall Statistical Discrepancy	-	-

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation

The Galmudug State of Somalia (GSS) consolidated financial statements have been prepared in accordance with the *Public Financial Management Decree of 2016* and the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting*. The notes to the financial statements form an **integral** part to understanding the statements and must be read in conjunction with the statements.

The accounting policies have been applied consistently throughout the period.

1.2 Reporting Entity

The Financial statements are for the Galmudug State of Somalia (GSS). This is the Governments second year of operation and covers the period 1 January – 31 December 2017. The financial statements encompass the reporting entities as specified in the *GSS Appropriation Act No. 1 of 2017* and are comprised of:

- 1 Ministry of Interior & Local Government
- 2 Ministry of Justice & Judiciary
- 3 Ministry of Finance & Economic Development
- 4 Ministry of Internal Security
- 5 Ministry of Planning & International Cooperation
- 6 Ministry of Endowment & Religious Affairs
- 7 Ministry of Fisheries & Marine Resources
- 8 Ministry of Public Works & Rebuilding
- 9 Ministry of Commerce & Industry
- 10 Ministry of Information & Culture
- 11 Ministry of Aviation & Transport
- 12 Ministry of Education
- 13 Ministry of Post & Communication
- 14 Ministry of Livestock & Agriculture
- 15 Ministry of Environment & Forestry
- 16 Ministry of Health
- 17 Ministry of Women & Family Affairs
- 18 Ministry of Labour
- 19 Ministry of Youth & Sport
- 20 Ministry of Water & Electricity
- 21 Ministry of Constitution & Reconciliation
- 22 Ministry of Ports & Maritime Transport
- 23 Ministry of Diaspora & Investment
- 24 Ministry of the Disabled and Humanitarian Affairs

- 25 Presidency
- 26 Office of the Speaker and Parliament
- 27 Civil Service Commission

All ministries were created by *Presidential Decree* entitled *A Decree Establishing Ministries of Galmudug State of Somalia and Defining Roles and Functions of Ministries* dated on 28th December 2015 and a separate decree creating the Ministry of Finance entitled *A Decree for the Purposes of Establishing the Ministry of Finance of the Galmudug State and Other Related Matters* dated on 28th December 2015.

A separate decree on establishing the Civil Service Commission (CSC) and its purpose entitled *A Decree for establishing the Civil Service Commission of the Galmudug State of Somalia* dated 28th December, 2015 established the office of the Civil Service Commission. Companion Decrees also established the Civil Service and the Civil Service Salary structure. The inauguration of the GSS constitution automatically established the Galmudug Parliament. Their respective statements form part of the consolidated Financial statements as these entities were included as part of the *GSS Appropriation Act No.1 of 2017*.

The consolidated financial statements include all entities controlled during the year. None of the entities own another entity or a separate business unit.

1.3 Payments by Third Parties

The GSS has benefited from goods and services purchased by third parties on its behalf as a result of cash payments made by third parties during the period. See Note 3.

1.4 Treasury Single Account (TSA) & Project Account

A project account was opened under a written authorization of the Minister of Finance, as a sub-account of the TSA. As a condition to the World Bank funded Recurrent Cost and Reform Financing program (RCRF II) grant, the project account was solely opened for the operations of the RCRF II project and in such a manner as to avoid the grant funds commingling with other GSS operations. As at the end of the 2017 financial year, the balance of both accounts were as follows.

	2017	2016
	USD	USD
Treasury Single Accounts	174,605	3,066
Project Account	33,761	-
Total	208,366	3,066

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.

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

	2017	2016
	USD	USD
Cash On Hand and Balances with Banks	208,366	3,066
Total	208,366	3,066

Cash on Hand of \$174,605 is held in the treasury single account from GSS internally generated revenue and FGS while \$33,761 is held World Bank to the RCRFII project at end of 31 December 2017.

1.6 Reporting Currency

The reporting currency is the United States Dollar (USD)

1.7 Borrowings

In 2016 GSS the closing balance from the 2015 interest free loans totalling \$1,220,533 from the local businesses. These borrowings are held off-balance sheet in a separate manual ledger. The funds were utilized in establishing the GSS administration. Due to the budget constraints it was agreed that GSS repays the obligations in instalments dependent on the availability of funds. The table below provides a movement schedule of the obligation.

Total Closing Balance FY2016	1,220,533
FY2017 Repayment	<u>(134,100)</u>
Remaining Balance at the End 31 Dec-17	<u>1,086,433</u>

1.8 Undrawn External Assistance

In the 2016 financial year a new project called Recurrent Cost and Reform Financing (RCRF II) was introduced. The project will run for a period of five years (up to 20 June 2020) and is reviewable on an annual basis. The RCRF II project is a multi-partner fund administered by the International Development Association (IDA). The objective of the project is to support the recipient to provide a credible and sustainable payroll, and to establish the foundation for efficient budget execution and payment systems for the non-security sectors in the Federal Government, eligible Federal Member states and Interim and Emerging Administration.

As specified in a binding agreement Number TFOA0534 Dated 29 June 2016 between the Federal Government of Somalia (FGS), acting on behalf of all other existing & emerging states, and the International Development Association (IDA), the Galmudug State by virtue of a sub-agreement with FGS has a running project with IDA which will last to 20 June 2020.

Undrawn External assistance in respect to the RCRF II project is contingent upon GSS meeting the threshold conditional requirements of the project. GSS has met the requirements and the project has an effective date of 1 July 2016. The RCRF II budget outlined in the Project Appraisal Document (PAD) does not identify the budgeted breakdown for GSS in particular, however there is a pooled budget to cover GSS, South West State and HirShabelle State over the five-year term as follows:

The grant amount is subject to annual review and approval by the IDA. For the fiscal year ending 31st December 2017, GSS had received funds from the RCRFII Project totalling \$352,544 against a budget of 1,001,380. The variance resulted from a number of Civil Servants not being recruited and not being able to access the non-salary recurrent cost component.

1.9 Reporting Amounts

The reporting amounts are in full value of USD, with rounding to the nearest dollar.

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

The approved budget is developed on the same accounting basis (Cash basis) and same classification basis as the financial statements. It encompasses the same entities as the consolidated financial statement.

The original budget was approved by the council of Ministers and signed by the President on the 20 December 2016. There was no supplementary budget during the period.

Movements across the budget line items in the final estimate appropriation are attributed to budget reallocations within the budget entities.

1.11 Authorization Date

The financial statements were authorized for issue on 31 May 2018 by Mr Said Siyad Shirwa.- Minister for Finance.

Note 2 Taxes on International Trade (Transit of Goods across State Borders)

In 2017 Galmudug State of Somalia imposed a Tax on goods in transit in place of taxes previously known as customs duties. In FY2017, Tax on goods in transit are the only taxes collected under this class. This tax is correctly classified a road user's tax as it is levied on gross vehicle weight, not on the quantity or value of goods being transported. The main road/highway connecting Galmudug to the port of Bosasso was the main source of these taxes. The amount of tax charged and collected depends on the registered gross weight of the vehicles using the road, not on the

quantity or value of the goods. A uniform rate of tax is applied. Following is a detailed breakdown of road taxes raised and their respective source of entry.

	2017	2016
	USD	USD
Tax on goods on Transit	<u>331,752</u>	<u>0</u>
Customs duties- Imported Goods	<u>8,177</u>	<u>1,051,807</u>
	<u>339,929</u>	<u>1,051,807</u>

Note 3 Grants from International Organizations

Treasury Single Account

During the 2017 financial year, grants totalling \$357,824 was received. A grant totalling \$352,544 was received from the RCRF II project, funded by the Somalia Multi-Partner Fund (SMPF) and administered by the World Bank. An additional grant from PREMIS was received to fund a revenue communication campaign in Adado and Galkio respectively.

3rd Party Grants from International Organization

3rd Party Grants refers to grants paid directly by donors to vendors on behalf of GSS for the benefit of specific Ministries or Agencies. GSS benefitted from 3rd party projects implemented by the PREMIS and SSF totalling \$3,199,452. The 3rd party payments contained both recurrent costs and capital expenses. GSS are able to report these 3rd Party-funded projects as financial information was provided to GSS by the donor in order to meet the reporting requirements of the IPSAS Cash-based reporting standard. There were other projects directly funded by donors, however insufficient information is available to GSS to allow recording on the face of the financial statements. Below is a summary breakdown of grants received and the entities that benefitted.

Ministry	Description of Grants	2017 USD	2016 USD
Ministry of Finance	Provision of Financial, Budgeting & PA System		583,881
	PFM/FMIS/Budget/RMS Training & Support		415,145
	Technical Assistant	166,508	
	Training	329,997	
	ICT Support	142,502	
		639,007	999,026
Office of the Speaker-Parliament	Training	15,400	
Civil Service Commission	Technical Assistant	41,627	
	Training	44,999	
	PA Support		84,481
		86,626	84,481
Ministry of Interior	Conflict resolution	2,279,743	
Ministry of Youth & Sport	Maintenance of building & repairs	71,433	
Ministry of Presidency	Conflict resolution	107,243	
Total		3,199,453	1,083,507

Note 4 Grants from Other Government Units

In 2017 the Federal Government of Somalia agreed to provide funding for the Galmudug Security Forces and associated running costs. Grants totalling \$1,711,792 were received from the Federal Government of Somalia during the period. \$1,000,000 was allocated to a military aid project from FGS while \$711,792 was allocated for Galmudug security forces, namely Darwish, NISA and Police forces.

Note 5 Wages and Salaries

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

	2017	2016
	USD	USD
Permanent employees/Regular staff	318,783	64,363
Wage workers	1,400	38,250
Security Forces (Police, Intel Forces and Prison)	999,043	651,598
Salaries to Ministers and Statutory Appointments	12,682	65,000
Remuneration to Politicians	149,000	0
Transportation allowance	200	0
Other allowances	44,145	0
Regular Food Provision	248,750	700,786
Daily Meals	35,290	0
Total	<u>1,809,293</u>	<u>1,519,997</u>

GSS paid Permanent employees/Regular staff \$93,600 in arrears upon meeting the RCRF II project requirement criteria and being granted formal access from FY2016 and \$225,183 salaries related to 2017. Security forces were paid \$999,043 in total, \$520,000 of which consisted of a specific military aid project funded by FGS while \$479,043 was through regular funding.

Other allowances of \$44,145 was paid to tax collectors. Regular food provision are in-kind payments to the Military forces of Galmudug and comprises food and other related food supplies, whereas the daily meals relate to meals prepared for the staff at the State Ministry and amounted to \$35,290.

The following is a breakdown of wages and salaries for each reporting entity:

	Salaries to								
	Permanent	Security Forces	Ministers and	Remuneration			Regular		
	Employees/ Regular staff	Wage Workers	Forces Allowances	Statutory Appointment	to Politicians	Transportation Allowance	Other Allowances	Food Provision	Daily Meals
Ministry of Interior & Local Government	-	-	-	-	-	-	-	-	-
Ministry of Justice & Judiciary	-	-	-	-	-	-	-	-	-
Ministry of Finance & Economic Development	278,020	1,400	-	2,000	-	200	44,145	-	-
Ministry of Internal Security	-	-	999,043	-	-	-	-	248,750	-
Ministry of Planning & International Cooperation	-	-	-	-	-	-	-	-	-
Ministry of Endowment & Religious Affairs	-	-	-	-	-	-	-	-	-
Ministry of Fisheries & Marine Resources	-	-	-	-	-	-	-	-	-
Ministry of Public Works & Rebuilding	-	-	-	-	-	-	-	-	-
Ministry of Commerce & Industry	-	-	-	-	-	-	-	-	-
Ministry of Information & Culture	-	-	-	-	-	-	-	-	-
Ministry of Aviation & Transport	-	-	-	-	-	-	-	-	-
Ministry of Education	-	-	-	-	-	-	-	-	-
Ministry of Post & Communication	-	-	-	-	-	-	-	-	-
Ministry of Livestock & Agriculture	-	-	-	-	-	-	-	-	-
Ministry of Environment & Forestry	-	-	-	-	-	-	-	-	-
Ministry of Health	-	-	-	6,492	-	-	-	-	-
Ministry of Women & Family Affairs	-	-	-	-	-	-	-	-	-
Ministry of Labour	-	-	-	-	-	-	-	-	-
Ministry of Youth & Sport	-	-	-	-	-	-	-	-	-
Ministry of Water & Electricity	-	-	-	-	-	-	-	-	-
Ministry of Constitution & Reconciliation	-	-	-	-	-	-	-	-	-
Ministry of Ports & Maritime Transport	-	-	-	-	-	-	-	-	-
Ministry of Diaspora & Investment	-	-	-	-	-	-	-	-	-
Ministry of the Disabled and Humanitarian Affairs	-	-	-	-	-	-	-	-	-
Presidency	-	-	-	-	-	-	-	-	35,290
Office of the Speaker and Parliament	-	-	-	-	149,000	-	-	-	-
Civil Service Commission	40,763	-	-	4,190	-	-	-	-	-
Total	318,783	1,400	999,043	12,682	149,000	200	44,145	248,750	35,290

Note 6 Travel and Conferences

Travel and conferences amounting to \$7,020 comprise internal travel costs within the country, External travel and Local conferences within Galmudug state. The following provides a breakdown of the total Costs.

	2017	2016
	USD	USD
Internal Travel	3,540	4,780
External Travel	500	1,580
Local Conferences	2,980	180
	7,020	6,540

Note 7 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 GSS.

	2017	2016
	USD	USD
Water	200	
Electricity	300	1,552
Mobile Phone Expenses	-	371
Internet	300	1,220
Diesel	150	2,574
Oil (machines)	-	150
Stationary	260	909
Gasoline	59,930	-
Books	-	222
Published fees	7,485	270
Meeting Supplies	400	500
Cleaning Supplies	400	-
Security Operational Allowances	70,000	2,000
Maintenance of equipment	50,050	100
Vehicle Hire/car rental	-	6,940
	189,475	16,808

Note 8 Rent

Rental expenses of \$3,098 for 2017 constitute Office Rents amounting to \$1,636 and other rentals of \$1,462. Comparatively, 2016 expenses constitute of Office Rents amounting to \$29,544 while other rental expenses occurred were \$3,340. See comparison below.

Entity	2017	2017
	USD	USD
Ministry of Interior & Local Government	300	
Ministry of Interior & Local Government		640
Ministry of Justice & Judiciary		3,076
Ministry of Finance & Economic Development		15,350
Ministry of Finance & Economic Development		2,000
Ministry of Internal security	236	
Ministry of Public Works& Rebuilding	300	
Ministry of Information & Culture		2,000
Ministry of Aviation & Transport	800	
Ministry of Health		300
Ministry of Constitution & Reconciliation	400	700
Office of the Presidency		580
Office of the Presidency	1,062	
Office of the Speaker and Parliament		1,000
Civil Service Commission		6,838
Civil Service Commission		400
	3,098	32,884

Note 9 Grants to Other General Government Units

The transfers made to lower levels of government during the reporting period totalled \$31,559. This transfer has benefited two districts, Adaado and Galkaio. The transfers to districts were allocated to running costs and sanitation.

Note 10 Social Benefits

In FY2017, 29,200 in Social benefits were paid to treat staff of GSS both locally and outside the county. Medical treatment is usually provided to the security personnel who are injured during service.

Note 11 Miscellaneous Other Expenses

Other Miscellaneous expenses totalling \$134,100 relate to repayment of GSS obligations (refer note 1.7) for previous debts and arrears owed by GSS at the time of state establishment.

Note 12 Non Financial Assets

Treasury Single Account

GSS had not incurred Non-Financial Asset costs during in FY17 in relation to Office equipment, and Furniture and Fixtures across all Ministries of GSS. A comprehensive breakdown of GSS Non-Financial asset costs for 2016 is detailed below.

	2017	2016
	USD	USD
Office Equipment	-	5,051
Office Furniture	-	2,821
	-	7,872

Note 13 Taxes

A total of \$ 2,431,020 in Revenue collections was estimated to be raised and received in FY2017, however an actual collection of \$339,929 was achieved. The shortfall was a result of not implementing some taxes estimated in the budget and the government not in control of key transit points for good in order to collect road user taxes. Following is a breakdown of taxes collected in FY2017.

Tax Type	Final Estimate	Actual Collections	Difference between Final Estimate and Actual
Tax on income, profits & Capital gains	372,000	-	(372,000)

Tax Type	Final Estimate	Actual Collections	Difference between Final Estimate and Actual
Custom duties-Imported goods	-	8,177	8,177
Tax on goods on transit	2,000,000	331,752	(1,668,248)
Tax on goods & Services	59,020	-	(59,020)
Total	2,431,020	339,929	(2,091,091)

Tax on Goods on Transit was estimated at \$2,000,000 and collections were \$331,752. This deficit was caused by droughts in Somalia in 2016 & 2017 and livestock export decreases due to the droughts and the number of trucks transiting roads declined.

Note 14 Grants

Total grants of \$2,069,616 were received against a budgeted sum of \$ 3,545,020. Grants from International organizations and other general government units were not received as per estimated in the budget. The following table presents a detailed breakdown of the grant variances.

Grant Type	Final Estimates	Actual Collections	Difference between Final Estimates and Actual
Grants from Federal Government of Somalia	2,500,000	1,711,792	(788,208)
Grants from international organisations	1,045,020	357,824	(687,196)
Total	3,545,020	2,069,616	(1,475,404)

The variance of \$1,475,404 is a result of not receiving the estimated budget amount \$687,196 from international organisation and \$ 788,208 from the federal government. With respect to grants from International Organisations, this variance resulted from RCRF II support not received as estimated because receiving RCRF II support depends on the number of civil servants recruited by GSS. Because GSS did not recruit civil servants at the pace they budgeted, grants from the RCRF II programme was significantly less than budgeted.

Note 15 Employee Compensation

A total of \$1,809,293 was spent on employee compensation against budget of \$4,517,470. Under spending of (\$2,708,177) was as a result of low revenue collected, thus not having the resources to pay budgeted employee compensation expenses and under recruitment of civil servants as discussed in the note above related to grants.

Note 16 Use of Good and Services

The ability to disburse in the Galmudug State of Somalia was limited to the revenue collections over a specified period of time. In the case of goods and services, GSS spent a total of \$200,093 which represents 27 percent of the final estimated budget. The variance is attributed to constraints in the actual available income.

Note 17 Grants to Other Governments

Grants to other governments units were \$31,559 during the reporting period. MOF and two districts (Adado and Galkio) entered into an informal agreement that the districts will deposit their locally-generated revenue from districts into the TSA and subsequently request payment of their operational costs through the established expenditure payment procedures of the Ministry of Finance.

Note 18 Employer Social Benefits

Medical treatment both within and outside the country is the prime social benefit that is currently provided to GSS staff. The GSS forces (police and NISA) are the major beneficiary of this benefit mainly due to the security risks to which they are exposed. The budgeted estimate for the period was \$30,000 and actual was \$29,200 so it has been met with 97 percent absorption rate. Nonetheless, benefits of such medical treatment naturally depend on demand, availability of resources and the number of incidents during a year.

Note 19 Miscellaneous Other Expenses

A total of \$360,000 was budgeted for Miscellaneous Other Expenses with actual expenditure of \$134,100 incurred. These expenses relate to the GSS obligation incurred during state formation process. Payments during this reporting period were contingent on the availability of funds.

Note 20 Non Financial Assets

Fixed assets budgeted during the year were not purchased due constraints in the actual available income.

GALMUDUG STATE OF SOMALIA
INDIVIDUAL BUDGET ENTITY
STATEMENT OF CASH RECEIPTS &
PAYMENTS & COMPARISON TO BUDGET

For the Period Ended 31 December 2017

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

Ministry of Interior & Local Government
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Period Ended 31 December 2017
Government Uses a Treasury Single Account System to Manage Funds

		<i>2017</i>					<i>2016</i>	
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	2	307,610	307,610	31,859	(275,751)	-	5,044
Grants								
	From international organizations		20,640	20,640		(20,640)	2,279,743	
	Grants	4	20,640	20,640		(20,640)	2,279,743	
Receipts / Inflows								
			328,250	328,250	31,859	(296,391)	2,279,743	5,044
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries		29,790	29,790		(29,790)		
	Compensation of Employees	5	29,790	29,790		(29,790)		
Use of Goods and Services								
	Travel & Conferences		3,000	3,000		(3,000)	2,279,743	1,080
	Operating Expenses		4,820	4,820		(4,820)		3,324
	Rent		5,000	5,000	300	(4,700)		640
	Conflict Resolution Expenses		10,000	10,000		(10,000)		
	Use of Goods and Services	6	22,820	22,820	300	(22,520)	2,279,743	5,044
Grants								
	Grants To Other General Government Units		252,000	252,000	31,559	(220,441)		
	Grants	8	252,000	252,000	31,559	(220,441)		
Nonfinancial assets								
	Fixed Assets		3,000	3,000		(3,000)		
	Nonfinancial assets	9	3,000	3,000		(3,000)		
Payments / Outflows								
			307,610	307,610	31,859	(275,751)	2,279,743	5,044

Ministry of Justice & Judiciary
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Period Ended 31 December 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017							
		Original Estimate Appropriation A	Final Estimate Appropriate B	Controlled By TSA C	Difference Between Final Budget & Actual C-B	Payments By Third Party	Controlled By TSA	Payments By Third Party	
Notes		USD	USD	USD	USD	USD	USD	USD	
Receipts / Inflows									
	Consolidated Fund Appropriations	26,590	26,590		(26,590)		3,076		
Grants									
	From international organizations	11,400	11,400		(11,400)				
	Grants	11,400	11,400		(11,400)				
	Receipts / Inflows	37,990	37,990		(37,990)		3,076		
Payments / Outflows									
Compensation of Employees									
	Wages and Salaries	17,550	17,550		(17,550)				
	Compensation of Employees	17,550	17,550		(17,550)				
Use of Goods and Services									
	Travel & Conferences	1,600	1,600		(1,600)				
	Operating Expenses	2,640	2,640		(2,640)				
	Rent	3,200	3,200		(3,200)		3,076		
	Use of Goods and Services	7,440	7,440		(7,440)		3,076		
Nonfinancial assets									
	Fixed Assets	1,600	1,600		(1,600)				
	Nonfinancial assets	1,600	1,600		(1,600)				
	Payments / Outflows	26,590	26,590		(26,590)		3,076	-	

Ministry of Finance & Economic Development
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Period Ended 31 December 2017
Government Uses a Treasury Single Account System to Manage Funds

		2017						
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows	Notes							
Consolidated Fund Appropriations	2	1,075,190	1,075,190	467,125	(608,065)	-	396,834	-
Taxes								
Taxes on income, profits, and capital gains		372,000	372,000		(372,000)			
Taxes on goods and services								
Taxes on international trade and transactions		2,000,000	2,000,000	339,929	(1,660,071)		1,043,438	
Taxes	3	2,372,000	2,372,000	339,929	(2,032,071)		1,043,438	
Grants								
From international organizations		584,600	584,600	357,824	(226,776)	639,007	58,850	999,026
From other general government units		1,500,000	1,500,000	705,300	(794,700)		696,900	
Grants	4	2,084,600	2,084,600	1,063,124	(1,021,476)	639,007	755,750	999,026
Receipts / Inflows		5,531,790	5,531,790	1,870,178	(3,661,612)	639,007	2,196,022	999,026
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		483,050	483,050	325,765	(157,285)		89,433	
Compensation of Employees	5	483,050	483,050	325,765	(157,285)		89,433	
Use of Goods and Services								
Travel & Conferences		27,500	27,500	2,980	(24,520)		2,705	
Operating Expenses		28,640	28,640	3,780	(24,860)	142,502	11,859	
Rent		20,000	20,000		(20,000)		17,350	
Other Operating Expenses		98,000	98,000	500	(97,500)	496,505		415,145
RCRF Non Salary Recurrent Cost		48,000	48,000		(48,000)			
Use of Goods and Services	6	222,140	222,140	7,260	(214,880)	639,007	31,914	415,145
Other Expenses								
Miscellaneous other expense		360,000	360,000	134,100	(225,900)		272,604	
Other Expenses	7	360,000	360,000	134,100	(225,900)		272,604	
Nonfinancial assets								
Fixed Assets		10,000	10,000		(10,000)		2,883	583,881
Nonfinancial assets	9	10,000	10,000		(10,000)		2,883	583,881
Payments / Outflows		1,075,190	1,075,190	467,125	(608,065)	639,007	396,834	999,026

Ministry of Internal Security
Combined Statement of Cash Receipts and Payments & Comparison to Budget
For the Period Ended 31 December 2017
Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017				2016		
		Original Estimate	Final Estimate	Contrilled By	Difference Between	Payments By	Controlled By	Payments By
		Appropriation	Appropriate	TSA	Final Budget & Actual	Third Party	TSA	Third Party
		A	B	C	C-B			
		USD	USD	USD	USD	USD	USD	
Receipts / Inflows								
Consolidated Fund Appropriations	2	3,092,270	3,092,270	1,457,309	(1,634,961)		1,353,789	
Taxes								
Taxes on international trade and transactions							8,369	
Taxes	3						8,369	
Grants								
From international organizations		27,300	27,300		(27,300)			
From other general government units		1,000,000	1,000,000	1,000,000				
Grants	4	1,027,300	1,027,300	1,000,000	(27,300)			
Receipts / Inflows		4,119,570	4,119,570	2,457,309	(1,662,261)		1,353,789	
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		2,866,450	2,866,450	1,247,793	(1,618,657)		1,352,384	
Compensation of Employees	5	2,866,450	2,866,450	1,247,793	(1,618,657)		1,352,384	
Use of Goods and Services								
Travel & Conferences		3,000	3,000		(3,000)		1,405	
Operating Expenses		184,820	184,820	180,080	(4,740)			
Rent		5,000	5,000	236	(4,764)			
Use of Goods and Services	6	192,820	192,820	180,316	(12,504)		1,405	
Social Benefits								
Employer social benefits		30,000	30,000	29,200	(800)			
Social Benefits		30,000	30,000	29,200	(800)			
Nonfinancial assets								
Fixed Assets		3,000	3,000		(3,000)			
Nonfinancial assets	9	3,000	3,000		(3,000)			
Payments / Outflows		3,092,270	3,092,270	1,457,309	(1,634,961)		1,353,789	

Ministry of Planning & International Cooperation

Combined Statement of Cash Receipts and Payments & Comparison to Budget

For the Period Ended 31 December 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Thirty Party USD
Receipts / Inflows							
	Consolidated Fund Appropriations	2	38,480	38,480	(38,480)		
Grants							
	From international organizations		19,250	19,250	(19,250)		
	Grants	4	19,250	19,250	(19,250)		
	Receipts / Inflows		57,730	57,730	(57,730)		
Payments / Outflows							
Compensation of Employees							
	Wages and Salaries		28,400	28,400	(28,400)		
	Compensation of Employees	5	28,400	28,400	(28,400)		
Use of Goods and Services							
	Travel & Conferences		1,900	1,900	(1,900)		
	Operating Expenses		2,580	2,580	(2,580)		
	Rent		3,600	3,600	(3,600)		
	Use of Goods and Services	6	8,080	8,080	(8,080)		
Nonfinancial assets							
	Fixed Assets		2,000	2,000	(2,000)		
	Nonfinancial assets	9	2,000	2,000	(2,000)		
	Payments / Outflows		38,480	38,480	(38,480)		

Ministry of Endowment & Religious Affairs

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	23,600	23,600		(23,600)			
Grants								
	From international organizations	8,190	8,190		(8,190)			
	Grants	8,190	8,190		(8,190)			
	Receipts / Inflows	31,790	31,790		(31,790)			
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries	14,340	14,340		(14,340)			
	Compensation of Employees	14,340	14,340		(14,340)			
Use of Goods and Services								
	Travel & Conferences	1,400	1,400		(1,400)			
	Operating Expenses	2,260	2,260		(2,260)			
	Rent	3,600	3,600		(3,600)			
	Use of Goods and Services	7,260	7,260		(7,260)			
Nonfinancial assets								
	Fixed Assets	2,000	2,000		(2,000)			
	Nonfinancial assets	2,000	2,000		(2,000)			
	Payments / Outflows	23,600	23,600		(23,600)			

Ministry of Fishies & Marine Resources

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	Consolidated Fund Appropriations	26,780	26,780		(26,780)		
Grants							
	From international organizations	10,350	10,350		(10,350)		
	Grants	10,350	10,350		(10,350)		
	Receipts / Inflows	37,130	37,130	-	(37,130)		
Payments / Outflows							
Compensation of Employees							
	Wages and Salaries	16,500	16,500		(16,500)		
	Compensation of Employees	16,500	16,500		(16,500)		
Use of Goods and Services							
	Travel & Conferences	2,000	2,000		(2,000)		
	Operating Expenses	2,680	2,680		(2,680)		
	Rent	3,600	3,600		(3,600)		
	Use of Goods and Services	8,280	8,280		(8,280)		
Nonfinancial assets							
	Fixed Assets	2,000	2,000		(2,000)		
	Nonfinancial assets	2,000	2,000		(2,000)		
	Payments / Outflows	26,780	26,780		(26,780)		

Ministry of Public Works & Rebuilding

Combined Statement of Cash Receipts and Payments & Comparison to Budget

For the Period Ended 31 December 2017

Government Uses a Treasury Single Account System to Manage Funds

Notes	2017				2016		
	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
	USD	USD	USD	USD	USD	USD	USD
Receipts / Inflows							
Consolidated Fund Appropriations	23,550	23,550	300	(23,250)			
Grants							
From international organizations	8,100	8,100		(8,100)			
Grants	8,100	8,100		(8,100)			
Receipts / Inflows	31,650	31,650	300	(31,350)			
Payments / Outflows							
Compensation of Employees							
Wages and Salaries	14,250	14,250		(14,250)			
Compensation of Employees	14,250	14,250		(14,250)			
Use of Goods and Services							
Travel & Conferences	1,000	1,000		(1,000)			
Operating Expenses	2,700	2,700		(2,700)			
Rent	3,600	3,600	300	(3,300)			
Use of Goods and Services	7,300	7,300	300	(7,000)			
Nonfinancial assets							
Fixed Assets	2,000	2,000		(2,000)			
Nonfinancial assets	2,000	2,000		(2,000)			
Payments / Outflows	23,550	23,550	300	(23,250)			

Ministry of Commerce & Industry

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	2	41,180	41,180	(41,180)			
Taxes								
	Taxes on goods and services		59,020	59,020	(59,020)			
	Taxes	3	59,020	59,020	(59,020)			
Grants								
	From international organizations		24,750	24,750	(24,750)			
	Grants	4	24,750	24,750	(24,750)			
	Receipts / Inflows		124,950	124,950	(124,950)			
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries		30,900	30,900	(30,900)			
	Compensation of Employees	5	30,900	30,900	(30,900)			
Use of Goods and Services								
	Travel & Conferences		2,000	2,000	(2,000)			
	Operating Expenses		2,680	2,680	(2,680)			
	Rent		3,600	3,600	(3,600)			
	Use of Goods and Services	6	8,280	8,280	(8,280)			
Nonfinancial assets								
	Fixed Assets		2,000	2,000	(2,000)			
	Nonfinancial assets	9	2,000	2,000	(2,000)			
	Payments / Outflows		41,180	41,180	(41,180)			

Ministry of Information & Culture

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	2	23,140	23,140	(23,140)		2,000	
Grants							
		5,980	5,980	(5,980)			
	4	5,980	5,980	(5,980)			
Receipts / Inflows							
		29,120	29,120	(29,120)	-	2,000	
Payments / Outflows							
Compensation of Employees							
		12,130	12,130	(12,130)			
	5	12,130	12,130	(12,130)			
Use of Goods and Services							
		2,000	2,000	(2,000)			
		3,110	3,110	(3,110)			
		3,900	3,900	(3,900)		2,000	
	6	9,010	9,010	(9,010)		2,000	
Nonfinancial assets							
		2,000	2,000	(2,000)			
	9	2,000	2,000	(2,000)			
Payments / Outflows							
		23,140	23,140	-	-	2,000	-

Ministry of Aviation & Transport

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016			
Notes	Original Estimate A USD	Final Estimate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD		
Receipts / Inflows									
	Consolidated Fund Appropriations	2	37,930	37,930	800	(37,130)	-	-	-
Grants									
	From international organizations	4	22,000	22,000		(22,000)			
	Grants	4	22,000	22,000		(22,000)			
	Receipts / Inflows		59,930	59,930	800	(59,130)	-	-	-
Payments / Outflows									
Compensation of Employees									
	Wages and Salaries		28,150	28,150		(28,150)			
	Compensation of Employees	5	28,150	28,150		(28,150)			
Use of Goods and Services									
	Travel & Conferences		2,200	2,200		(2,200)			
	Operating Expenses		2,780	2,780		(2,780)			
	Rent		3,200	3,200	800	(2,400)			
	Use of Goods and Services	6	8,180	8,180	800	(7,380)			
Nonfinancial assets									
	Fixed Assets		1,600	1,600		(1,600)			
	Nonfinancial assets	9	1,600	1,600		(1,600)			
	Payments / Outflows		37,930	37,930	800	(37,130)	-	-	-

Ministry of Education

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

Government Uses a Treasury Single Account System to Manage Funds

		2017					2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD	
Receipts / Inflows								
	2	41,220	41,220	-	(41,220)	-	-	
Grants								
		16,400	16,400		(16,400)			
	4	16,400	16,400		(16,400)			
Receipts / Inflows								
		57,620	57,620	-	(57,620)	-	-	
Payments / Outflows								
Compensation of Employees								
		25,400	25,400		(25,400)			
	5	25,400	25,400		(25,400)			
Use of Goods and Services								
		3,000	3,000		(3,000)			
		4,820	4,820		(4,820)			
		5,000	5,000		(5,000)			
	6	12,820	12,820		(12,820)			
Nonfinancial assets								
		3,000	3,000		(3,000)			
	9	3,000	3,000		(3,000)			
Payments / Outflows								
		41,220	41,220	-	(41,220)	-	-	

Ministry of Post & Communication

Combined Statement of Cash Receipts and Payments & Comparison to Budget

For the Period Ended 31 December 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	Consolidated Fund Appropriations	22,270	22,270	-	(22,270)	-	-
Grants							
	From international organizations	5,760	5,760		(5,760)		
	Grants	5,760	5,760		(5,760)		
	Receipts / Inflows	28,030	28,030	-	(28,030)	-	-
Payments / Outflows							
Compensation of Employees							
	Wages and Salaries	11,910	11,910		(11,910)		
	Compensation of Employees	11,910	11,910		(11,910)		
Use of Goods and Services							
	Travel & Conferences	2,100	2,100		(2,100)		
	Operating Expenses	3,060	3,060		(3,060)		
	Rent	4,000	4,000		(4,000)		
	Use of Goods and Services	9,160	9,160		(9,160)		
Nonfinancial assets							
	Fixed Assets	1,200	1,200		(1,200)		
	Nonfinancial assets	1,200	1,200		(1,200)		
	Payments / Outflows	22,270	22,270	-	(22,270)	-	-

Ministry of Livestock & Agriculture

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	Consolidated Fund Appropriations	22,740	22,740	-	(22,740)	-	-
Grants							
	From international organizations	6,960	6,960		(6,960)		
	Grants	6,960	6,960		(6,960)		
	Receipts / Inflows	29,700	29,700	-	(29,700)	-	-
Payments / Outflows							
Compensation of Employees							
	Wages and Salaries	13,110	13,110		(13,110)		
	Compensation of Employees	13,110	13,110		(13,110)		
Use of Goods and Services							
	Travel & Conferences	1,700	1,700		(1,700)		
	Operating Expenses	3,330	3,330		(3,330)		
	Rent	3,200	3,200		(3,200)		
	Use of Goods and Services	8,230	8,230		(8,230)		
Nonfinancial assets							
	Fixed Assets	1,400	1,400		(1,400)		
	Nonfinancial assets	1,400	1,400		(1,400)		
	Payments / Outflows	22,740	22,740	-	(22,740)	-	-

Ministry of Environment & Forest

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	2	18,000	18,000	(18,000)			
Grants								
	From international organizations		1,680	1,680	(1,680)			
	Grants	4	1,680	1,680	(1,680)			
Receipts / Inflows								
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries		7,830	7,830	(7,830)			
	Compensation of Employees	5	7,830	7,830	(7,830)			
Use of Goods and Services								
	Travel & Conferences		1,800	1,800	(1,800)			
	Operating Expenses		2,870	2,870	(2,870)			
	Rent		4,000	4,000	(4,000)			
	Use of Goods and Services	6	8,670	8,670	(8,670)			
Nonfinancial assets								
	Fixed Assets		1,500	1,500	(1,500)			
	Nonfinancial assets	9	1,500	1,500	(1,500)			
Payments / Outflows								
18,000 18,000 (18,000)								

Ministry of Health

Combined Statement of Cash Receipts and Payments & Comparison to Budget

For the Period Ended 31 December 2017

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	Consolidated Fund Appropriations						300
2	36,650	36,650	6,492	(30,158)			
Grants							
	From international organizations						
	16,400	16,400		(16,400)			
	From other general government units						
4	16,400	16,400	6,492	(9,908)			
	53,050	53,050	12,984	(40,066)		300	
Receipts / Inflows							
Payments / Outflows							
Compensation of Employees							
	Wages and Salaries						
	25,550	25,550	6,492	(19,058)			
5	25,550	25,550	6,492	(19,058)			
Use of Goods and Services							
	Travel & Conferences						
	3,000	3,000		(3,000)			
	Operating Expenses						
	3,300	3,300		(3,300)			
	Rent						300
6	9,500	9,500		(9,500)		300	
Use of Goods and Services							
Nonfinancial assets							
	Fixed Assets						
	1,600	1,600		(1,600)			
9	1,600	1,600		(1,600)			
	36,650	36,650	6,492	(30,158)		300	
Payments / Outflows							

Ministry of Women & Family Affairs

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	23,250	23,250		(23,250)			
Grants								
	From international organizations	10,250	10,250		(10,250)			
	Grants	10,250	10,250		(10,250)			
	Receipts / Inflows	33,500	33,500	-	(33,500)	-	-	-
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries	16,400	16,400		(16,400)			
	Compensation of Employees	16,400	16,400		(16,400)			
Use of Goods and Services								
	Travel & Conferences	1,400	1,400		(1,400)			
	Operating Expenses	2,150	2,150		(2,150)			
	Rent	2,000	2,000		(2,000)			
	Use of Goods and Services	5,550	5,550		(5,550)			
Nonfinancial assets								
	Fixed Assets	1,300	1,300		(1,300)			
	Nonfinancial assets	1,300	1,300		(1,300)			
	Payments / Outflows	23,250	23,250		(23,250)			

Ministry of Labor

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	2	21,560	21,560	(21,560)			
Grants							
		7,140	7,140	(7,140)			
	4	7,140	7,140	(7,140)			
Receipts / Inflows							
		28,700	28,700	(28,700)			
Payments / Outflows							
Compensation of Employees							
		13,290	13,290	(13,290)			
	5	13,290	13,290	(13,290)			
Use of Goods and Services							
		1,800	1,800	(1,800)			
		1,670	1,670	(1,670)			
		3,600	3,600	(3,600)			
	6	7,070	7,070	(7,070)			
Nonfinancial assets							
		1,200	1,200	(1,200)			
	9	1,200	1,200	(1,200)			
Payments / Outflows							
		21,560	21,560	(21,560)			

Ministry of Youth & Sports

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	23,380	23,380		(23,380)	71,433		
Grants								
	From international organizations	7,440	7,440		(7,440)	71,433		
	Grants	7,440	7,440		(7,440)	71,433		
	Receipts / Inflows	30,820	30,820		(30,820)	142,865		
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries	13,590	13,590		(13,590)			
	Compensation of Employees	13,590	13,590		(13,590)			
Use of Goods and Services								
	Travel & Conferences	3,000	3,000		(3,000)			
	Operating Expenses	2,590	2,590		(2,590)	71,433		
	Rent	2,400	2,400		(2,400)			
	Use of Goods and Services	7,990	7,990		(7,990)	71,433		
Nonfinancial assets								
	Fixed Assets	1,800	1,800		(1,800)			
	Nonfinancial assets	1,800	1,800		(1,800)			
	Payments / Outflows	23,380	23,380		(23,380)	71,433		

Ministry of Water & Electricity

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	Consolidated Fund Appropriations	2	19,590	19,590	-	(19,590)	-
Grants							
	From international organizations		4,780	4,780		(4,780)	
	Grants	4	4,780	4,780		(4,780)	
	Receipts / Inflows		24,370	24,370	-	(24,370)	-
Payments / Outflows							
Compensation of Employees							
	Wages and Salaries		10,930	10,930		(10,930)	
	Compensation of Employees	5	10,930	10,930		(10,930)	
Use of Goods and Services							
	Travel & Conferences		1,800	1,800		(1,800)	
	Operating Expenses		2,460	2,460		(2,460)	
	Rent		3,200	3,200		(3,200)	
	Use of Goods and Services	6	7,460	7,460		(7,460)	
Nonfinancial assets							
	Fixed Assets		1,200	1,200		(1,200)	
	Nonfinancial assets	9	1,200	1,200		(1,200)	
	Payments / Outflows		19,590	19,590		(19,590)	

Ministry of Constitution & Reconciliation

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
	2	54,920	54,920	400	(54,520)	1,700	
Grants							
		29,250	29,250		(29,250)		
	4	29,250	29,250		(29,250)		
Receipts / Inflows							
		84,170	84,170	400	(83,770)	1,700	
Payments / Outflows							
Compensation of Employees							
		35,400	35,400		(35,400)		
	5	35,400	35,400		(35,400)		
Use of Goods and Services							
		2,000	2,000		(2,000)	1,000	
		2,720	2,720		(2,720)		
		3,600	3,600	400	(3,200)	700	
		10,000	10,000		(10,000)		
	6	18,320	18,320	400	(17,920)	1,700	
Nonfinancial assets							
		1,200	1,200		(1,200)		
	9	1,200	1,200		(1,200)		
Payments / Outflows							
		54,920	54,920	400	(54,520)	1,700	

Ministry of Ports & Maritime Transport

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

Government Uses a Treasury Single Account System to Manage Funds

		2017					2016	
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	39,330	39,330	-	(39,330)	-	-	-
Grants								
	From international organizations	22,950	22,950		(22,950)			
	Grants	22,950	22,950		(22,950)			
	Receipts / Inflows	62,280	62,280	-	(62,280)	-	-	-
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries	29,100	29,100		(29,100)			
	Compensation of Employees	29,100	29,100		(29,100)			
Use of Goods and Services								
	Travel & Conferences	2,000	2,000		(2,000)			
	Operating Expenses	3,430	3,430		(3,430)			
	Rent	3,200	3,200		(3,200)			
	Use of Goods and Services	8,630	8,630		(8,630)			
Nonfinancial assets								
	Fixed Assets	1,600	1,600		(1,600)			
	Nonfinancial assets	1,600	1,600		(1,600)			
	Payments / Outflows	39,330	39,330	-	(39,330)	-	-	-

Ministry of Diaspora & Investment

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016		
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Notes								
Receipts / Inflows								
	Consolidated Fund Appropriations	13,800	13,800		(13,800)			
Grants								
	From international organizations	1,350	1,350		(1,350)			
	Grants	1,350	1,350		(1,350)			
	Receipts / Inflows	15,150	15,150		(15,150)			
Payments / Outflows								
Compensation of Employees								
	Wages and Salaries	7,500	7,500		(7,500)			
	Compensation of Employees	7,500	7,500		(7,500)			
Use of Goods and Services								
	Travel & Conferences	1,200	1,200		(1,200)			
	Operating Expenses	2,100	2,100		(2,100)			
	Rent	1,900	1,900		(1,900)			
	Use of Goods and Services	5,200	5,200		(5,200)			
Nonfinancial assets								
	Fixed Assets	1,100	1,100		(1,100)			
	Nonfinancial assets	1,100	1,100		(1,100)			
	Payments / Outflows	13,800	13,800		(13,800)			

Ministry of the Disabled & Humanitarian Affairs

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

Government Uses a Treasury Single Account System to Manage Funds

	Notes	2017				2016	
		Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD
Receipts / Inflows							
Consolidated Fund Appropriations	2	47,080	47,080		(47,080)		
Grants							
From international organizations		29,500	29,500		(29,500)		
Grants	4	29,500	29,500		(29,500)		
Receipts / Inflows		76,580	76,580		(76,580)		
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		35,650	35,650		(35,650)		
Compensation of Employees	5	35,650	35,650		(35,650)		
Use of Goods and Services							
Travel & Conferences		3,000	3,000		(3,000)		
Operating Expenses		2,730	2,730		(2,730)		
Rent		4,200	4,200		(4,200)		
Use of Goods and Services	6	9,930	9,930		(9,930)		
Nonfinancial assets							
Fixed Assets		1,500	1,500		(1,500)		
Nonfinancial assets	9	1,500	1,500		(1,500)		
Payments / Outflows		47,080	47,080		(47,080)		

Ministry of Presidency

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
Consolidated Fund Appropriations	2	266,900	266,900	39,892	(227,008)	-	4,624
Grants							
From international organizations		69,800	69,800		(69,800)	107,243	
Grants	4	69,800	69,800		(69,800)	107,243	
Receipts / Inflows		336,700	336,700	39,892	(296,808)	107,243	4,624
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		161,300	161,300	35,290	(126,010)		2,080
Compensation of Employees	5	161,300	161,300	35,290	(126,010)		2,080
Use of Goods and Services							
Travel & Conferences		10,000	10,000	3,540	(6,460)	107,243	350
Operating Expenses		49,100	49,100		(49,100)		500
Rent		12,000	12,000	1,062	(10,938)		580
Conflict Resolution Expenses		30,000	30,000		(30,000)		
Use of Goods and Services	6	101,100	101,100	4,602	(96,498)	107,243	1,430
Nonfinancial assets							
Fixed Assets		4,500	4,500		(4,500)		1,114
Nonfinancial assets	9	4,500	4,500		(4,500)		1,114
Payments / Outflows		266,900	266,900	39,892	(227,008)	107,243	4,624

Office of the Speaker & Parliament

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

Government Uses a Treasury Single Account System to Manage Funds

		2017				2016	
Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows							
Consolidated Fund Appropriations	2	497,810	497,810	149,500	(348,310)	-	54,875
Grants							
From international organizations		31,400	31,400	(31,400)	15,400		
From other general government units						50,000	
Grants	4	31,400	31,400	(31,400)	15,400	50,000	
Receipts / Inflows		529,210	529,210	149,500	(379,710)	15,400	104,875
Payments / Outflows							
Compensation of Employees							
Wages and Salaries		479,600	479,600	149,000	(330,600)	53,000	
Compensation of Employees	5	479,600	479,600	149,000	(330,600)	53,000	
Use of Goods and Services							
Travel & Conferences		3,600	3,600	500	(3,100)		
Operating Expenses		5,860	5,860		(5,860)		
Rent		5,000	5,000		(5,000)	1,000	
Other Operating Expenses						15,400	
Use of Goods and Services	6	14,460	14,460	500	(13,960)	1,000	
Nonfinancial assets							
Fixed Assets		3,750	3,750		(3,750)	875	
Nonfinancial assets	9	3,750	3,750		(3,750)	875	
Payments / Outflows		497,810	497,810	149,500	(348,310)	15,400	54,875

Civil service Commission

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

Government Uses a Treasury Single Account System to Manage Funds

		2017					2016	
	Notes	Original Estimate Appropriation A USD	Final Estimate Appropriate B USD	Controlled By TSA C USD	Difference Between Final Budget & Actual C-B USD	Payments By Third Party USD	Controlled By TSA USD	Payments By Third Party USD
Receipts / Inflows								
Consolidated Fund Appropriations	2	111,220	111,220	50,568	(60,652)	86,626	34,463	84,481
Grants								
From international organizations		41,400	41,400		(41,400)			84,481
Grants	4	41,400	41,400		(41,400)			84,481
Receipts / Inflows		152,620	152,620	50,568	(102,052)	86,626	34,463	168,962
Payments / Outflows								
Compensation of Employees								
Wages and Salaries		89,400	89,400	44,953	(44,447)		23,100	
Compensation of Employees	5	89,400	89,400	44,953	(44,447)		23,100	
Use of Goods and Services								
Travel & Conferences		3,000	3,000		(3,000)			
Operating Expenses		10,820	10,820	5,615	(5,205)		1,125	
Rent		5,000	5,000		(5,000)		7,238	
Other Operating Expenses						86,626		84,481
Use of Goods and Services	6	18,820	18,820	5,615	(13,205)	86,626	8,363	84,481
Nonfinancial assets								
Fixed Assets		3,000	3,000		(3,000)		3,000	
Nonfinancial assets	9	3,000	3,000		(3,000)		3,000	
Payments / Outflows		111,220	111,220	50,568	(60,652)	86,626	34,463	84,481

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

1.2 Basis of Preparation

The individual budget entity financial statement for each ministry/authority of the Galmudug State of Somalia's (GSS) have been prepared in accordance with the *Public Financial Management Decree of 2016* and the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting Under the Cash Basis of Accounting*. These notes to the financial statements form an integral part to understanding the budget entity statements and must be read in conjunction with the statements.

The accounting policies have been applied consistently throughout the period. This is the Government's second year of operation and covers the period 1 January – 31 December 2017.

1.3 Consolidated Notes

The following notes serve as notes for all budget entities. There will not be separate and 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 *GSS Appropriation Act No. 1 of 2017*. All budget entities listed below are controlled by the GSS. All activities of budget entities are funded by the GSS 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*** entitled *A Decree Establishing Ministries of Galmudug State and Defining Roles and Functions of Ministries* dated 28 December 2015 plus a separate decree creating the Ministry of Finance entitled *A Decree for the Purposes of Establishing the Ministry of Finance of the Galmudug State and Other Related Matters* dated 28 December, 2015. A decree on establishing the Civil Service Commission (CSC) and its purpose entitled *A Decree for establishing the Civil Service Commission of the Galmudug State dated 28 December, 2015* established the office of the Civil Service Commission. Companion Decrees also established the Civil Service and the Civil Service Salary structure. The inauguration of the GSS constitution

automatically established the Galmudug Parliament. Their respective statements form part of the consolidated Financial statements as these entities were included as part of the *GSS Appropriation Act No.1 of 2017*.

Budget Entity	
1	Ministry of Interior & Local Government
2	Ministry of Justice & Judiciary
3	Ministry of Finance & Economic Development
4	Ministry of Internal Security
5	Ministry of Planning & International Cooperation
6	Ministry of Endowment & Religious Affairs
7	Ministry of Fisheries & Marine Resources
8	Ministry of Public Works & Rebuilding
9	Ministry of Commerce & Industry
10	Ministry of Information & Culture
11	Ministry of Aviation & Transport
12	Ministry of Education
13	Ministry of Post & Communication
14	Ministry of Livestock & Agriculture
15	Ministry of Environment & Forestry
16	Ministry of Health
17	Ministry of Women & Family Affairs
18	Ministry of Labour
19	Ministry of Youth & Sport
20	Ministry of Water & Electricity
21	Ministry of Constitution & Reconciliation
22	Ministry of Ports & Maritime Transport
23	Ministry of Diaspora & Investment
24	Ministry of the Disabled and Humanitarian Affairs
25	Presidency
26	Office of the Speaker and Parliament
27	Civil Service Commission

1.5 Payments by Third Parties

A budget entity may also benefit from goods and services purchased on its behalf as a result of cash payments made by third parties external to the GSS during the period. The payments made by the third parties do not constitute cash receipts or payments of the budget entity but do benefit the entity. Where GSS has been formally advised by the 3rd party that such payments have been made or otherwise verified the payment/s, they are disclosed in the *Payments by 3rd Parties* column in the *Combined Statement of Cash Receipts and Payments & Comparison to Budget*.

1.6 Single Treasury 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 Controlled by Treasury Single Account column in the *Combined Statement of Cash Receipts and Payments & Comparison to Budget*.

1.7 Transfers

Amounts are transferred to eligible recipients in accordance with the agreements between the Ministry and the recipient.

1.7 Reporting Currency

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

1.8 Authorization Date

On behalf of the individual budget entity, their financial statements were authorized for issue on 31 May 2018 by Mr Said Siyad Shirwa, Minister for Finance.

Note 2 Consolidated Fund Appropriations

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

Amounts appropriated by the Galmudug 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 FMIS. The amount reported as Consolidated Fund Appropriations in the *Individual entity Combined Statement of Cash Receipts and Payments & Comparison to Budget* is the amount

Treasury has released through the Treasury Single Account for the benefit of the budget entities (the amount of “draw down” on the appropriation).

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

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

Note 3 Taxes

Taxes refer to revenue arising from Turnover Tax, Tax on goods in transit, Vehicle & Drivers Licenses. Some entities regarded as cost 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 in to the Treasury Single Account where it is utilized to fund appropriations to the budget entities.

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

Budget Entity	2017	2017
	Estimated Revenue	Actual Revenue
	USD	USD
Ministry of Interior & Local Government	20,640	-
Ministry of Justice & Judiciary	11,400	-
Ministry of Finance & Economic Development	4,456,600	1,403,053
Ministry of Internal Security	1,027,300	1,000,000
Ministry of Planning & International Cooperation	19,250	-
Ministry of Endowment & Religious Affairs	8,190	-
Ministry of Fisheries & Marine Resources	10,350	-
Ministry of Public Works & Rebuilding	8,100	-
Ministry of Commerce & Industry	83,770	-
Ministry of Information & Culture	5,980	-
Ministry of Aviation & Transport	22,000	-
Ministry of Education	16,400	-
Ministry of Post & Communication	5,760	-
Ministry of Livestock & Agriculture	6,960	-
Ministry of Environment & Forestry	1,680	-
Ministry of Health	16,400	6,492
Ministry of Women & Family Affairs	10,250	-
Ministry of Labour	7,140	-
Ministry of Youth & Sport	7,440	-
Ministry of Water & Electricity	4,780	-
Ministry of Constitution & Reconciliation	29,250	-
Ministry of Ports & Maritime Transport	22,950	-
Ministry of Diaspora & Investment	1,350	-
Ministry of the Disabled and Humanitarian Affairs	29,500	-
Presidency	69,800	-
Office of the Speaker and Parliament	31,400	-
Civil Service Commission	41,400	-
Total	5,976,040	2,409,545

Note 4 Grants

Treasury Single Account

Grants from international organizations and the Federal Government of Somalia are remitted through the TSA and therefore recorded under the Ministry of Finance.

Grant income of \$3,545,020 was budgeted during the reporting period of FY2017, however \$2,069,616 was received. See the table below.

Grant Donors

Budget Entity	RCRF II USD	PREMIS USD	Federal Government of Somalia USD	Total Grants USD
Ministry of Finance & Economic Development	352,544	5,280	705,300	1,063,124
Ministry of Internal Security	-	-	1,000,000	1,000,000
Ministry of Health	-	-	6,492	6,492
Total	352,544	5,280	1,711,792	2,069,616

The table below demonstrates actual beneficiaries of the donor grants.

Budget Entity	Description of Expense	USD Amount
Ministry of Finance	Stipend and salaries to the Ministry staff, Salaries to Ministers & Statutory Appointments, operational	451,291
Ministry of Internal security	GSS security forces, food provision, maintenance of Equipment, Security operational allowances, medical treatment & Gasoline	1,444,880
Ministry of Health	Salaries to Ministers & Statutory appointment	6,492
Office of the Speaker Parliament	Remuneration to Politicians	149,000
Civil Service Commission	Salaries to the civil servants.	44,953
Grand Total		2,096,616

3rd Party Contributions

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

In FY2017, GSS benefited from projects implemented by the Somalia Stability Fund and PREMIS valued at \$3,199,453. GSS are able to report these 3rd Party-funded projects as financial information was provided to GSS by the donor in order to meet the reporting requirements of the IPSAS Cash-based reporting standard. There were other projects directly funded by donors, however insufficient information is available to GSS to allow recording on the face of the financial statements. The following provides a summary of the projects implemented with the 3rd party funds.

Projects	Costs (USD)
Technical Assistance	208,135
Training	390,396
ICT Support	142,502
Maintenance of Building & repairs	71,433
Conflict resolution	325,527
Reconciliation & Peace Dividend	2,061,460
Total	3,199,453

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 majority of employee compensation. The Recurrent cost and reform financing (RCRF II) reimburses the salaries of the permanent employees of GSS who have been recruited competitively by the Civil Service Commission (CSC). During the reporting period, the project reimbursed salaries to the Ministry of Finance and the secretariat to the Civil Service Commission. Civil servants of both entities received salaries for eighteen months, January–December2017 and an additional six months ‘salary arrears from July–December 2016, which was paid during this reporting period.

A competitive recruitment process is a fundamental condition for eligibility to the RCRF II project and in order to meet the criteria a Civil Service Commission was established to spearhead the process. There are no civil servant salary arrears for 2017.

Note 6 Use of Good and Services

GSS’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 budget execution. GSS does not have access to a credit facility and therefore due to this integral constraint GSS has prioritized and spent 37 percent of the budget based on the available income in executing budgets across ten entities. The following is a summary of the GSS Wages/Salaries and operational budget execution

level. Note the table only summarizes for Salaries/Wages and operational budget. Please see Note 10 for the corresponding Non-financial assets.

Budget Entity	Final Budget USD	Execution USD	% Execution
Ministry of Interior & Local Government	307,610	31,859	10%
Ministry of Justice & Judiciary	26,590		0%
Ministry of Finance & Economic Development	1,075,190	467,125	43%
Ministry of Internal Security	3,092,270	1,457,309	47%
Ministry of Planning & International Cooperation	38,480		0%
Ministry of Endowment & Religious Affairs	23,600		0%
Ministry of Fisheries & Marine Resources	26,780		0%
Ministry of Public Works & Rebuilding	23,550	300	1%
Ministry of Commerce & Industry	41,180	-	0%
Ministry of Information & Culture	23,140		0%
Ministry of Aviation & Transport	37,930	800	2%
Ministry of Education	41,220	-	0%
Ministry of Post & Communication	22,270	-	0%
Ministry of Livestock & Agriculture	22,740	-	0%
Ministry of Environment & Forestry	18,000	-	0%
Ministry of Health	36,650	6,492	18%
Ministry of Women & Family Affairs	23,250		0%
Ministry of Labour	21,560	-	0%
Ministry of Youth & Sport	23,380	-	0%
Ministry of Water & Electricity	19,590	-	0%
Ministry of Constitution & Reconciliation	54,920	400	1%
Ministry of Ports & Maritime Transport	39,330	-	0%
Ministry of Diaspora & Investment	13,800	-	0%
Ministry of the Disabled and Humanitarian Affairs	47,080		0%
Presidency	266,900	39,892	15%
Office of the Speaker and Parliament	497,810	149,500	30%
Civil Service Commission	111,220	50,568	45%
Total	5,976,040	2,204,245	37%

Note 7 Other Operating Expenses

Treasury Single Account

\$500 was recorded for other operating costs for television and newspaper advertisement allocated to the Adado revenue campaign.

Note 8 Grants to Other Government Units

Other government units refer to lower level governments such as the city municipalities. The Adado and Galkayo municipalities are the active local government in Galmudug that operate both a revenue collection and expenditure process. However during the period the two Municipalities did not deposit revenue into the TSA. Their expenditure is processed through the Ministry of Interior and Local Government and was transferred to \$31,559 for both districts.

Note 9 Non-Financial Assets

Treasury Single Account

Non-financial assets consist of assets acquired by entities in running their business operations and include assets such as, but not limited to, cars, computers, furniture and fixtures, construction of ministerial offices, etc.

During the reporting period, GSS did not purchase non-financial assets and did not execute against this budget line in 2017. GSS’ ability to execute its budget on capital investment is limited to its revenue collections. Following is a comparative summary breakdown of Non-financial asset budget execution level.

	2017	2016
	USD	USD
Office Equipment	-	5,051
Office Furniture	-	2,821
	-	7,872