



CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF THE HIRSHABELLE STATE OF SOMALIA

For the Year Ended 31 December 2019

*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
& Economic Development**
Hirshabelle State of Somalia



Federal Republic of Somalia
Hirshabelle State of Somalia
Ministry of Finance & Economic Development
Office of the Minister

DGSHS/XWM/023/2020

TR:08/04/2020

Statement of Certification - 2019 Financial Statements

The 2019 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).

In the opinion of the Ministry of Finance and Economic Development, the financial statements of the Hirshabelle State of Somalia (HSS) as submitted for Audit in accordance with Section 30 of the Public Finance Management Act 2018 passed by the parliament, are materially accurate and provide a true and fair view of the HSS's financial position for the year ended 31 December 2019.

For and on behalf of the Hirshabelle State of Somalia

HE. Abdishakur Abukar Hassan
Minister for Finance & Economic Development - HSS

Hirshabelle State of Somalia
Consolidated Fund Statement of Cash Receipts and Payments
Treasury Single Account
for the Year Ended December 31,2019

		<u>2019</u>	<u>2018</u>
		<u>Controlled by</u>	<u>Controlled by</u>
Receipts / Inflows	Notes	USD	USD
Taxes			
Taxes on payroll and workforce	2	273	
Taxes on property			
Taxes on goods and services	3	800,805	537,771
Taxes on international trade and transactions			135,792
Taxes		801,079	673,563
Grants			
From foreign governments			
From international organizations	4	653,946	258,476
From other general government units	5	4,529,800	2,357,000
Grants		5,183,746	2,615,476
Receipts / Inflows		5,984,825	3,289,040
Payments / Outflows			
Compensation of Employees			
Wages and Salaries		3,610,910	1,842,450
Compensation of Employees	6	3,610,910	1,842,450
Use of Goods and Services			
Travel & Conferences	7	257,858	188,780
Operating Expenses	8	642,699	147,972
Rent	9	96,570	4,650
Other Operating Expenses	10	9,153	1,304
Contingency			127,000
Use of Goods and Services		1,006,281	469,706
Grants			
Grants To Other General Government Units	11	491,503	190,289
Grants		491,503	190,289
Nonfinancial assets			
Fixed Assets		832,300	756,500
Nonfinancial assets	12	832,300	756,500
Payments / Outflows		5,940,994	3,258,945
Increase Decrease in Cash		43,831	30,095
Cash at Beginning of Year		39,473	
Cash at End of Year	1.4	83,304	39,473

Hirshabelle State of Somalia
Consolidated Fund Statement of Comparison of Budget and Actual Amounts
Treasury Single Account
for the Year Ended December 31, 2019
Appropriation Budget Approved on Cash Basis
Classification of Payments By Economic Class

		Original Estimate Appropriation	Final Estimate Appropriation	2019 Controlled by TSA	Difference Between Final Budget and Actual	2018 Controlled by TSA
		A	B	C	C-B	
	Notes	USD	USD	USD	USD	USD
Receipts / Inflows						
Taxes						
Taxes on payroll and workforce				273	273.30	
Taxes on property		441,379	441,379		(441,379.00)	
Taxes on goods and services		5,392,753	5,392,753	800,805	(4,591,947.60)	537,771
Taxes on international trade and transactions		699,296	699,296		(699,296.00)	135,792
Taxes	13	6,533,428	6,533,428	801,079	(5,732,349.30)	673,563
Grants						
From foreign governments						
From international organizations		1,729,245	1,729,245	653,946	(1,075,298.66)	258,476
From other general government units		4,640,000	4,640,000	4,529,800	(110,200.00)	2,357,000
Grants	14	6,369,245	6,369,245	5,183,746	(1,185,498.66)	2,615,476
Other Revenue						
Sale of goods and services		426,965	426,965		(426,965.00)	
Fines, penalties and forfeits		5,000	5,000		(5,000.00)	
Other Revenue	15	431,965	431,965		(431,965.00)	
Receipts / Inflows		13,334,638	13,334,638	5,984,825	(7,349,812.96)	3,289,040
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		7,817,838	7,817,838	3,610,910	(4,206,928.35)	1,842,450
Compensation of Employees	16	7,817,838	7,817,838	3,610,910	(4,206,928.35)	1,842,450
Use of Goods and Services						
Travel & Conferences		680,853	680,853	257,858	(422,995.26)	188,780
Operating Expenses		1,517,302	1,517,302	642,699	(874,602.60)	147,972
Rent		159,980	159,980	96,570	(63,410.00)	4,650
Other Operating Expenses		316,450	316,450	9,153	(307,296.56)	1,304
RCRF Non-Salary Recurrent Cost		45,600	45,600		(45,600.00)	
Contingency		388,809	388,809		(388,808.65)	127,000
Use of Goods and Services	17	3,108,994	3,108,994	1,006,281	(2,102,713.07)	469,706
Grants						
Grants To Other General Government Units	18	810,600	810,600	491,503	(319,096.62)	190,289
Grants		810,600	810,600	491,503	(319,096.62)	190,289
Nonfinancial assets						
Fixed Assets		1,597,206	1,597,206	832,300	(764,906.00)	756,500
Nonfinancial assets	19	1,597,206	1,597,206	832,300	(764,906.00)	756,500
Payments / Outflows		13,334,638	13,334,638	5,940,994	(7,393,644.04)	3,258,945

Hirshabelle State of Somalia
Statement of Government Operations
For the Year Ended 31 December 2019

	<u>2,019</u>	<u>2,018</u>
Transactions Affecting Net Worth		
Revenue	5,984,825	3,289,040
Taxes	801,079	673,563
Taxes on payroll and workforce	273	0
Taxes on property	0	0
Taxes on goods and services	800,805	537,771
Taxes on international trade and transactions	0	135,792
Grants	5,183,746	2,615,476
From foreign governments	0	0
From international organizations	653,946	258,476
From other general government units	4,529,800	2,357,000
Expense	5,108,694	2,502,445
Compensation of Employees	3,610,910	1,842,450
Wages and Salaries	3,610,910	1,842,450
Use of Goods and Services	1,006,281	469,706
Travel & Conferences	257,858	188,780
Operating Expenses	642,699	147,972
Rent	96,570	4,650
Other Operating Expenses	9,153	1,304
Contingency	0	127,000
Grants	491,503	190,289
Grants To Other General Government Units	491,503	190,289
Gross Operating Balance	876,131	786,595
Transactions In Non Financial Assets		
Change In Net Worth. Transactions (Assets)	832,300	756,500
Nonfinancial assets	832,300	756,500
Fixed Assets	832,300	756,500
Transactions in Financial Assets & Liabilities		
Change In Net Worth. Transactions (Assets)	43,831	39,473
Financial assets	43,831	39,473
Financial assets	43,831	39,473
Liabilities	0	0
Liabilities	0	0
Overall Statistical Discrepancy	0	0

Notes to the Financial Statements

Note 1 Accounting Policies

1.1 Basis of Preparation

The Hirshabelle State of Somalia's (HSS) consolidated financial statements have been prepared in accordance with the *Public Financial Management Act 2018* 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.

The Financial statements are for the Hirshabelle State of Somalia. The financial statements encompass the reporting entities as specified in the *HSS Appropriation Act No. 1 2019* and are comprised of:

- 1 Ministry of Justice & Religious Affairs
- 2 Ministry of Livestock, Forestry and Vegetation
- 3 Ministry of Ports and Maritime Transport
- 4 Ministry of Youth and Sports
- 5 Ministry of Postal, Communication and Modern Technology
- 6 Ministry of Education and Tertiary
- 7 Ministry of Environmental and Sea Protection
- 8 Ministry of Agriculture and Irrigation
- 9 Ministry of Health and Social Care
- 10 Ministry of Fishery & Marine Resources
- 11 Ministry of Public Works and Reconstruction
- 12 Ministry of Information and Culture
- 13 Ministry of Interior and Local Government
- 14 Ministry of Planning, Investment and International Cooperation
- 15 Ministry of Transport, Air and Land
- 16 Ministry of Security and Rehabilitation
- 17 Ministry of Labour and Employment
- 18 Ministry of Finance and Economic Development
- 19 Ministry of Constitution & Federal Affairs
- 20 Ministry of Commerce & Industry
- 21 Ministry of Women & Human Rights
- 22 Ministry of Water, Energy and Minerals
- 23 Ministry of Humanitarian and Disaster Management
- 24 Civil Service Commission
- 25 Hirshabelle Parliament
- 26 Auditor General's Office
- 27 Ministry of State Presidency
- 28 Ministry of Rehabilitation and Disbarment

- 29 Ministry of Religious and Endowments
- 30 Ministry of Petroleum and mining
- 31 Ministry of Reconciliation and Resettlement

Ministries were created by a preceding Presidential Decree on 20th February 2017 entitled *A Decree Establishing Ministries of Hirshabelle State of Somalia and Defining Roles and Functions of Ministries*. Number of Ministries/Agencies were increased into 31 by a preceding Presidential Decree on 22nd January 2019. The Ministry of Finance & Economic Development and Revenue Collection Authority was Established by a Presidential Decree in March 2017. The purposes of establishing the Ministry of Finance & Economic Development and Revenue Collection Authority was to ensure that the Hirshabelle State of Somalia has a Ministry of Finance & Economic Development that is responsible for the overall financial management of the Hirshabelle State of Somalia and to also ensure that within the Ministry of Finance & Economic Development there is a Revenue Collection Authority that is fully staffed, organized, administered and empowered to collect & deposit into the TSA all legally established taxes and other revenues of the Hirshabelle State of Somalia and Other Related Matters. The Decree Establishing the Ministry of Finance & Economic Development was changed into an Act of Parliament on 06 February 2018. The Auditor General's Office was created via Presidential Decree in 2018 and changed to an Audit Act in 18 March 2019 and became operational during the 2019 financial year.

A subsequent decree on establishing the Civil Service Commission (CSC) and its purpose entitled *A Decree for establishing the Civil Service Commission of the Hirshabelle State of Somalia dated December, 2017* 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 HSS constitution automatically established the Hirshabelle Parliament. The Civil Service Commission (CSC) was changed in to act in October 2018. The respective statements of all the listed entities form part of the consolidated Financial statements as these entities were included as part of the *HSS Appropriation Act No. 1, 2019*.

The consolidated financial statements include all entities controlled during the year. None of the entities own another entity however HSS Municipalities is controlled by the Ministry of Interior and Local Government.

1.2 Treasury Single Account& Project Accounts

Two bank accounts were operational during the 2019 financial year, the Treasury Single Account (TSA) and a Project which relates to the RCRF II project account and is a sub-account of the Treasury Single Account. As at the end of FY2019, balances of these account were as follows:

	2019	2018
	USD	USD
Treasury Single Account - Main	-	39,466
Project Account - RCRF II	83,304	-
TOTAL	83,304	39,466

1.3 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:

	2019	2018
	USD	USD
Cash on Hand and balances		
With banks	83,304	39,466
TOTAL	83,304	39,466

All cash on hand at end of year is unrestricted and is free to be utilized in normal operations.

1.4 Reporting Currency

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

1.5 Borrowings

HSS did not receive any loans during the 2019 financial year and has zero owing in respect of banks, and other commercial institutions.

1.6 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 2019 to 31st December 2019) as the financial statements. It encompasses the same entities as the consolidated financial statement (these are identified in Note 1.1)

The original budget was approved by the Hirshabelle Parliament on 18th March 2019. No Supplementary Budget was passed in FY 2019.

1.7 Authorization Date

The financial statements were authorized to issue on 30 April 2020 by HE Abdishakur Abukar Hassan, Minister of Finance and Economic Development.

Note 2 Taxes on payroll and workforce

HSS implemented a Payroll tax during the 2019 financial year with \$273 collected (Nil, 2018). And is expected to be fully implemented in the 2020 financial year

Note 3 Taxes on Goods and Services

These are combined taxes charged for the use of services offered by HSS. Currently the Ministry of Finance and Economic Development is the main institution collecting Revenue while some other institutions collect while efforts are being made to increase the collections on these taxes

Road User Tax is levied on gross vehicle weight, not on the quantity or value of goods being transported. 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 and is authorized by the Revenue Act. The following outlines the breakdown and the sources of the taxes on goods and services collected within the jurisdiction of HSS

Description	2019	2018
	USD	USD
Road User Tax	797,333	533,269
Livestock Fees	3,072	4,502
Business & Professional Licenses	400	
TOTAL	800,805	537,771

Note 4 Grants from International Organizations

In the 2019 financial year, grants were received from international organizations totaling \$653,946 (\$258,476 in 2018). The RCRF II project, funded via transfer from FGS, provided \$589,302 (\$198,423 in 2018) while PREMIS funded \$64,644 (\$60,053 in 2018).

Note 5 Grants from Other Government Units

In 2019 the Federal Government of Somalia granted a total of \$4,529,800 (\$2,357,000 in 2018) to the Hirshabelle State of Somalia. Funds were provided for budget support and SURGE projects providing funding for specific expenditure as approved by FGS:

	2019	2018
	USD	USD
Budget Support	3,635,200	1,460,000
Surge Support	894,600	897,000.0
TOTAL	4,529,800	2,357,000

Note 6 Wages and Salaries

Wages and salaries are a combination of all salaries, allowances and in-kind payments to staff. The staffs include both the civil servants and political positions.

Remuneration to Ministers and statutory appointments encompasses salaries made to Ministers and Parliamentarians. Daily meals are in-kind payments to the Military forces of Hirshabelle that is made in form of food and other related food supplies.

	2019	2018
	USD	USD
Premanent employees/Regular staff	418,710	206,823
Contract employees	3,360	
Wage workers	35,400	
security forces (Police, intel forces and prison)	1,019,500	486,750
Remuneration to minister & Statutory Appointments	1,498,700	1,009,000
Salary Arrears		54,650
Accommodation Allowance	140,000	
Other allowances	5,950	11,500
Daily Meals	489,290	73,727
TOTAL	3,610,910	1,842,450

Note 7 Travel and Conferences

Travel and Conferences amounting to \$257,858 (\$188,780 in 2018) comprise of travel and conferences costs within and outside the country.

	2019	2018
	USD	USD
Internal Travel	178,610	164,580
External Travel	74,584	24,200
Local conferences	4,664	
TOTAL	257,858	188,780

Note 8 Operating Expenses

Operating Costs are costs that are geared towards facilitating the running of the Ministries, Departments and Agencies of the HSS. Following is a detailed breakdown of the operating costs incurred by HSS during the year.

	2019	2018
	USD	USD
Water	3,708	10,000
Electricity	112,965	16,907
Internet		3,460
Gasoline	270,000	75,700
Telephone fees	223	
Stationary	18,445	1,471
Meeting Supplies	102,995	38,484
Cleaning Supplies	364	200
Maintenance of equipment	38,850	1,750
Maintenance of furniture & fittings	150	
Maintenance of Vehicles	95,000	
	642,699	147,972

Note 9 Rent

Office rent expenses amounting to \$96,570 (\$4,650 in 2018) was funded through a grant from PREMIS with the purpose of paying the Office Rent for the Civil Service Commission and the Auditor General's Office

Note 10 Other Operating Expenses

Other operating expenses comprise of bank charges, staff training adverting and marketing costs.

	2019	2018
	USD	USD
Bank Charges	91	129
Television and Newspaper Advertisement	1,250	1,175
Staff training and Development	7,030	
Marketing and Promotion	782	
TOTAL	9,153	1,304

Note 11 Contingency Fund

The Contingency Fund relates to urgent and unforeseen expenditure arising from emergency situations for which payments cannot be postponed until the passage of a supplementary budget or the next annual Consolidated Budget without seriously affecting the public interest. There were no payments made out of the contingency fund during the 2019 financial year with \$127,000 utilized during the 2018 financial year as a result of the drought and flood emergencies in Beletwayne and other cities

Note 12 Grants to other General Government units

Transfers to other government units refer to lower level governments transfers to Jowhar, Beledwayne and Balcad Municipalities. These are the only active local governments in HSS that collects revenue

and incurs expenditure. The Municipalities collect revenue from the public transport system and other mobile businesses within HSS. There is an informal agreement between the Ministry of Finance and Economic Development and the Municipalities specifying that all revenue collections shall be deposited into the TSA and request for incurring expenditures is made by the local government to the State.

Note 13 Non-Financial Assets

Non-Financial Assets consist of costs that were incurred for Road Construction relating to the rehabilitation of Jowhar City Roads, Office equipment, Furniture and Fixtures and ICT Equipment.

	2019		
	USD		
	Budget	Actual	Variance
Buildings other than dwellings	85,000		85,000
Road construction	1,000,000	550,000	450,000
Cars	288,650	238,650	50,000
Information, computer, & telecom. (ICT) equ	82,438	29,448	52,990
Office equipment	69,543	9,802	59,741
Furniture & Fixture	71,575	4,400	67,175
TOTAL	1,597,206	832,300	764,906

Note 14 Taxes

A total of \$6,533,428, tax collections was estimated to be raised in the 2019 financial year; \$801,079 collected. The amount collected represents 12% of the total revenue estimate for the year.

Revenue collections from road user tax and custom duties accounted for 99% of the total revenue collected during the FY 2019. The significant under collection is due to lack of political will and very weak revenue collection controls

	2019		
	USD		
	Estimate	Actual	Variance
Payroll Tax - Non-Government		273	(273)
Property Tax	441,379		441,379
Turnover Tax	603,890		603,890
Fuel Tax	115,200		115,200
Electricity Tax	59,870		59,870
Vehicle & Drivers Licences	19,450		19,450
Business & Professional Licenses	200,100	400	199,700
Fishing Fees	19,850		19,850
Landing Fees	384,000		384,000
Road User Tax	2,921,320	797,333	2,123,987
International NGOs registration	9,864		9,864
Local NGO's Registratoin	9,450		9,450
Local Companies Registration	7,890		7,890
Work Permit Licenses	9,860		9,860
Livestock Fees	886,500	3,072	883,428
International Departure Tax	145,509		145,509
Customs duties - Tobacco	144,120		144,120
Customs duties - KHAT	482,835		482,835
Customs duties - Cigarettes	72,341		72,341
TOTAL	6,533,428	801,079	5,732,623

Note 15 Grants

Total grants of \$5,183,740 were received against a budgeted sum of \$6,369,245. Grants from the Federal Government were received as forecast whereas the Grants from International Organizations were not received as per estimated in the budget due to the delay in implementing some projects.

Budget Entity	2019			
	USD			
	RCRFII	FGS Budget Support	FGS Surge Support	PREMIS
Ministry of Public Works and Reconstruction			894,600	
Ministry of Finance and Economic Development	282,241	2,635,200		22,296
Civil Service Commission	48,799			29,733
Office of the Auditor General	25,881			12,615
State Presidency	83,855	315,000		
Ministry of Security		685,000		
Ministry of Education and Tertiary	148,520			
	589,296	3,635,200	894,600	64,644
				5,183,740

Note 16 Other Revenue

Sale of government goods and services and fines and penalties constitute other sources of revenue. A total of \$431, 965 was budgeted in the year of 2019; however, no revenue in this category was collected due to the state's fragility and capacity to collect the targeted revenue.

	2019		
	USD		
	Estimate	Actual	Variance
Civil Servant Identification Fee	50,000	-	50,000
Birth Certificate Fee	5,000	-	5,000
Land Certificate Fee	221,965	-	221,965
Number Plate Registration	100,000	-	100,000
Logbook Registration	50,000	-	50,000
Fines/Penalties	5,000	-	5,000
TOTAL	431,965	-	431,965

Note 17 Employee Compensation

A total of \$3,610,910 was spent on employee compensation against a final budget of \$ 7,817,838. The under spend of \$4,206,928 was mostly due to the States fragility and thus significant under collection of revenues. Due to this, there were insufficient resources to fund employee compensation as budgeted. Additionally, HSS have not fully benefited from the RCRFII Project due to the delay in recruitment

	2019		
	USD		
	Budget	Actual	Variance
Permanent employees/Regular staff	1,313,627	418,710	894,917
Contract employees	27,410	3,360	24,050
Wage workers	222,843	35,400	187,443
Security forces (Police, intel forces and prison)	1,243,575	1,019,500	224,075
Remuneration to minister & Statutory Appointments	4,307,200	1,498,700	2,808,500
Accommodation Allowance	146,330	140,000	6,330
Transportation allowance	4,270		4,270
Other allowances	13,900	5,950	7,950
Daily Meals	538,683	489,290	49,393
Grand Total	7,817,838	3,610,910	4,206,928

Note 18 Use of Good and Services

The ability to spend is limited to the amount of revenue that is collected. In the case of goods and services, HSS spent a total of \$1,006,281 against a budget of \$3,108,994, representing 32% of the final estimated budget. The variance distributed across the entities is mainly attributed to constraints in actual funds available.

	2019		
	USD		
	Budget	Actual	Variance
Internal Travel	343,640	178,610	165,030
External Travel	277,421	74,584	202,837
Local conferences	52,992	4,664	48,328
Overseas Conferences	6,800		6,800
Water	46,500	3,708	42,793
Electricity	152,500	112,965	39,535
Telephone fees	6,050	223	5,827
Mobile Phone Expenses	9,600		9,600
Internet	39,300		39,300
Gasoline	438,150	270,000	168,150
Stationary	92,826	18,445	74,382
Books	9,406		9,406
Published fees	7,900		7,900
Meeting Supplies	437,840	102,995	334,845
Publications	2,700		2,700
Cleaning Supplies	54,100	364	53,736
Computer Consumables	800		800
Maintenance of equipment	107,500	38,850	68,650
Maintenance of furniture & fittings	2,200	150	2,050
Maintenance of Vehicles	96,200	95,000	1,200
Maintenance contracts	5,000		5,000
Vehicle Hire/car rental	8,730		8,730
Office Rent	157,180	96,570	60,610
Other Rent	2,800		2,800
Consultation Fees	85,228		85,228
Audit Fees	20,000		20,000
Staff training and Development	13,500	7,030	6,470
Fee for Service Provided (non Consult)	140,000		140,000
Bank charges	21,820	91	21,729
Television and Newspaper Advertiser	34,890	1,250	33,640
Marketing and Promotion	1,012	782	230
RCRF Non-Salary Recurrent Cost	45,600		45,600
Contingency	388,809		388,809
TOTAL	3,108,994	1,006,281	2,102,713

Note 19 Grants to Other General Government Units

Grants to other General Government Units relates to transfers made to lower levels of government of HSS. In FY 2019, a sum of \$810,600 was budgeted for the Lower level Governments of HSS and \$491,503 was actually transferred to the Middle Shabelle and Hiran Regions to facilitate their operations as well as provide key services to the Region. The lower level municipalities of the Middle Shabelle and Hiran Regions operating under an informal agreement between the MoFED and HSS Municipalities (see Note 12), operate their own standard procedures in managing funds as stipulated in the informal agreement with the MoFED

Note 20 Non-Financial Assets

During the year, 52% of the non-financial assets budget of \$1,597,206 was spent on capital assets budgeted for during the year. Costs were mainly associated with the rehabilitation of road between Jowhar City and Jowhar Airport which was funded by the Federal Government under the SURGE project

	2019		
	USD		
	Budget	Actual	Variance
Buildings other than dwellings	85,000		85,000
Road construction	1,000,000	550,000	450,000
Information, computer, & telecom. (ICT) €	82,438	29,448	52,990
Office equipment	69,543	9,802	59,741
Furniture & Fixture	71,575	4,400	67,175
TOTAL	1,308,556	593,650	714,906

Note 21 Payments by Third Parties, External, Other & Undrawn Assistance

21.1 Payments by Third Parties

Third party payments totaling \$ 5,390,268 was paid by PREMIS and the Somalia Stability Fund (SSF) on behalf of HSS. These amount of \$635,564 related to technical assistance, training and ICT support paid by PREMIS. Construction, construction related costs, various Economic livelihoods and Development, women empowerment and Stabilization of \$ 4,030,760 was provided by SSF.

The PREMIS project, funded by the UK Department for International Development (DFID) and European Union (EU) t provided support previously provided by the Somalia Stability Fund (SSF), providing continuing support to the HSS in the areas of public financial management and public administration. The nature of the support in 2019 is summarized below:

PREMIS Third Party Payment Breakdown:

Budget Entities	Technical Assistance	Training	ICT Support	Total
Ministry of Finance	219,067	131,521	137,469	488,057
Civil Service Commission	50,489	79,946		130,435
Office of the Auditor General	9,485	7,587		17,072
Total	279,041	219,054	137,469	635,564

During the year, SSF provided specific 3rd party support with respect to the construction of buildings for various ministries and directly helped alleviate the impact of drought. For the Ministries of Interior, Public Works, Agriculture, Women and Parliament. SSF have conducted construction of state house offices and Guest house and construction of Hirshabelle Parliament although the construction works of the Parliament, State House and MoFED was suspended during the early stages.

Various Economic livelihoods projects were undertaken focusing on: Engineering Assessment - Baladweyn. Community Youth Based Recovery and Stabilization (CYBERS) Development of Agricultural Resources and Youth Economy Livelihoods (DARYEL) – Balcad. Program for Economic Development and Livelihoods (PEDAL) - Beletweyne District. Building non-offices composes of construction of meat and vegetable market, Administration offices, community halls and construction of stadium in Bulo-Burte. Drilling of borehole in Warsheikh.

A women empowerment project was funded which focused on training women in leadership and inclusive participation, mobilize women/key stakeholders to conduct grassroots empowerment campaigns, Civic education, mentoring/ internships for community, women and girls, voter education seminars and pre-electoral training for women. Projects also supported the stabilization and governance focusing on District Council Formation for Beledweyne and District council formation for Warsheikh, trauma healing trainings and civic dialogue forums. Similarly.

SSF Third Party Payment Breakdown:

Description	Ministry of Public Works	Ministry of Agriculture	Ministry of Women	Ministry of Interior	HSS Parliament	Total
Buildings (Office Complex)	345,748				19,012	364,760
Economic Livelihood & Devt		1,562,437				1,562,437
Buildings (Non-Office)	649,337					649,337
Women Empowerment			581,418			581,418
Stabilization	-			872,808		872,808
Total	995,085	1,562,437	581,418	872,808	19,012	4,030,760

21.2 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. Total assistance in cash was utilized for funding salaries and third-party assistance is described in Note 21.1 above. The following amounts were received in FY2019:

External Assistance		2019
Total Cash Receipts	723,945	
Total Third Party Payment	635,563	
Total External Assistance	A= B+C	<u>1,289,503</u>
Multilateral Aid Agencies		
Cash Receipt	<u>589,296</u>	
Third Party Payment		
	B	<u>589,296</u>
Bilateral Aid Agencies		
Cash Receipt	64,644	
Third Party payment	635,563	
	C	<u>700,207</u>

21.3 Undrawn External Assistance

During the 2018 financial year, HSS became eligible to participate in the Recurrent Cost and Reform Financing (RCRF II) project. This project runs through to 30 June 2022 and is reviewable on an annual basis. The RCRF II project is a multi-partner fund administered by the International Development Association (IDA), with funds flowing through the Federal Government of Somalia and to HSS. 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 2015* between the Federal Government of Somalia (FGS), acting on behalf of all other existing & emerging states, and the International Development Association (IDA), the Hirshabelle State of Somalia, by virtue of a sub-agreement with FGS, has a current project which will last to 30 June 2022.

Undrawn External assistance in respect to the RCRF II project is contingent upon HSS meeting the threshold conditional requirements of the project. The RCRF II budget outlined in the Project Appraisal Document (PAD) does not identify the budgeted breakdown for HSS in particular the grant amount is subject to annual review and approval by the IDA.

As at the 31 December 2019, HSS had accessed a total of \$857,724 (198,423 of 2018 and 659,301 of 2019) against a budget of \$456,667 and \$1,254,254 respectively of the RCRF II project funds since

becoming eligible. The variance resulted from a number of Civil Servants not being recruited as originally planned.

It is expected that conditions will continue to be satisfied and the projects are anticipated to continue under the terms of agreement between the donor and HSS. There have been no instances of non-compliance with terms and conditions which can result in cancelation of external assistance grants.

Note 21 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 analyze the operations of a specific level of government, transactions between levels of government, and the public sector

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

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

For the Year Ended 31 December 2019

Prepared in accordance with the

*International Public Sector Accounting Standard (IPSAS) - Financial Reporting Under the Cash Basis of
Accounting (2017)*

Ministry of Justice & Religious Affairs
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual C-B	Controlled by TSA
		A	B	C	C-B	
Notes		USD	USD	USD	USD	
Receipts / Inflows	2					
Consolidated Fund Appropriations	3	106,145	106,145	6,000	(100,145)	10,400
Grants						
From international organizations		11,565	11,565		(11,565)	
Grants	5	11,565	11,565		(11,565)	
Receipts / Inflows		117,710	117,710	6,000	(111,710)	10,400
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		76,145	76,145	6,000	(70,145)	10,400
Compensation of Employees	7	76,145	76,145	6,000	(70,145)	10,400
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		106,145	106,145	6,000	(100,145)	10,400

Ministry of Livestock, Forestry and Vegetation
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		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
Receipts / Inflows	Notes 2				
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000) 2,000
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	6,000	(74,000) 2,000
Compensation of Employees	7	80,000	80,000	6,000	(74,000) 2,000
Use of Goods and Services					
Travel & Conferences		1,900	1,900		(1,900)
Operating Expenses		22,600	22,600		(22,600)
Use of Goods and Services	8	24,500	24,500		(24,500)
Nonfinancial assets					
Fixed Assets		5,500	5,500		(5,500)
Nonfinancial assets	10	5,500	5,500		(5,500)
Payments / Outflows		110,000	110,000	6,000	(104,000) 2,000

Ministry of Ports and Maritime Transport
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual Controlled by TSA
		A	B	C	C-B
Notes		USD	USD	USD	USD
Receipts / Inflows	2				
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000) 3,000
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	6,000	(74,000) 3,000
Compensation of Employees	7	80,000	80,000	6,000	(74,000) 3,000
Use of Goods and Services					
Travel & Conferences		2,500	2,500		(2,500)
Operating Expenses		22,000	22,000		(22,000)
Use of Goods and Services	8	24,500	24,500		(24,500)
Nonfinancial assets					
Fixed Assets		5,500	5,500		(5,500)
Nonfinancial assets	10	5,500	5,500		(5,500)
Payments / Outflows		110,000	110,000	6,000	(104,000) 3,000

Ministry of Youth and Sports
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Notes		USD	USD	USD	USD	
Receipts / Inflows	2					
Consolidated Fund Appropriations	3	110,000	110,000	8,000	(102,000)	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	8,000	(72,000)	
Compensation of Employees	7	80,000	80,000	8,000	(72,000)	
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	8,000	(102,000)	

Ministry of Postal, Communication and Modern Technology
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual Controlled by TSA
		A	B	C	C-B
Notes		USD	USD	USD	USD
Receipts / Inflows	2				
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000)
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	6,000	(74,000)
Compensation of Employees	7	80,000	80,000	6,000	(74,000)
Use of Goods and Services					
Travel & Conferences		2,400	2,400		(2,400)
Operating Expenses		22,100	22,100		(22,100)
Use of Goods and Services	8	24,500	24,500		(24,500)
Nonfinancial assets					
Fixed Assets		5,500	5,500		(5,500)
Nonfinancial assets	10	5,500	5,500		(5,500)
Payments / Outflows		110,000	110,000	6,000	(104,000)

Ministry of Education and Tertiary
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		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	
Receipts / Inflows	2					
Consolidated Fund Appropriations	3	639,228	639,228	92,700	(546,528)	2,000
Grants						
From international organizations		549,228	549,228	148,526	(389,229)	
Grants	5	549,228	549,228	148,526	(389,229)	
Receipts / Inflows		1,188,456	1,188,456	241,226	(935,757)	2,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		511,965	511,965	92,700	(419,265)	2,000
Compensation of Employees	7	511,965	511,965	92,700	(419,265)	2,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Other Operating Expenses		51,663	51,663		(51,663)	
RCRF Non-Salary Recurrent Cost		45,600	45,600		(45,600)	
Use of Goods and Services	8	121,763	121,763		(121,763)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		639,228	639,228	92,700	(546,528)	2,000

Ministry of Environmental and Sea Protection
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual Controlled by TSA
		A	B	C	C-B
Notes		USD	USD	USD	USD
Receipts / Inflows	2				
Consolidated Fund Appropriations	3	110,000	110,000	4,000	(106,000) 3,000
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	4,000	(76,000) 3,000
Compensation of Employees	7	80,000	80,000	4,000	(76,000) 3,000
Use of Goods and Services					
Travel & Conferences		2,400	2,400		(2,400)
Operating Expenses		22,100	22,100		(22,100)
Use of Goods and Services	8	24,500	24,500		(24,500)
Nonfinancial assets					
Fixed Assets		5,500	5,500		(5,500)
Nonfinancial assets	10	5,500	5,500		(5,500)
Payments / Outflows		110,000	110,000	4,000	(106,000) 3,000

Ministry of Agriculture and Irrigation
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018	
		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	
Receipts / Inflows	Notes 2					
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000)	3,000
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	6,000	(74,000)	3,000
Compensation of Employees	7	80,000	80,000	6,000	(74,000)	3,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	6,000	(104,000)	3,000

Ministry of Health and Social Care
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual C-B	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	
Receipts / Inflows	Notes					
	2					
Consolidated Fund Appropriations	3	106,145	106,145	4,000	(102,145)	2,000
Grants						
From international organizations		11,565	11,565		(11,565)	
Grants	5	11,565	11,565		(11,565)	
Receipts / Inflows		117,710	117,710	4,000	(113,710)	2,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		76,145	76,145	4,000	(72,145)	2,000
Compensation of Employees	7	76,145	76,145	4,000	(72,145)	2,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		106,145	106,145	4,000	(102,145)	2,000

Ministry of Fishery & Marine Resources
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual Controlled by TSA
		A	B	C	C-B
Notes		USD	USD	USD	USD
Receipts / Inflows	2				
Consolidated Fund Appropriations	3	110,000	110,000	32,000	(78,000)
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		72,500	72,500	6,000	(66,500)
Compensation of Employees	7	72,500	72,500	6,000	(66,500)
Use of Goods and Services					
Travel & Conferences		9,900	9,900	9,000	(900)
Operating Expenses		22,100	22,100	17,000	(5,100)
Use of Goods and Services	8	32,000	32,000	26,000	(6,000)
Nonfinancial assets					
Fixed Assets		5,500	5,500		(5,500)
Nonfinancial assets	10	5,500	5,500		(5,500)
Payments / Outflows		110,000	110,000	32,000	(78,000)

Ministry of Public Works and Reconstruction
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018	
		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	
Receipts / Inflows	Notes					
	2					
Consolidated Fund Appropriations	3	1,110,000	1,110,000	562,200	(547,800)	751,250
Grants						
From foreign governments						
From international organizations						
From other general government units		1,000,000	1,000,000	894,600	(105,400)	897,000
Grants	5	1,000,000	1,000,000	894,600	(105,400)	897,000
Receipts / Inflows		2,110,000	2,110,000	1,456,800	(653,200)	1,648,250
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	12,200	(67,800)	2,000
Compensation of Employees	7	80,000	80,000	12,200	(67,800)	2,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	100
Other Operating Expenses						450
Use of Goods and Services	8	24,500	24,500		(24,500)	550
Nonfinancial assets						
Fixed Assets		1,005,500	1,005,500	550,000	(455,500)	748,700
Nonfinancial assets	10	1,005,500	1,005,500	550,000	(455,500)	748,700
Payments / Outflows		1,110,000	1,110,000	562,200	(547,800)	751,250

Ministry of Information and Culture
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		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
Receipts / Inflows	Notes 2				
Consolidated Fund Appropriations	3	106,145	106,145	6,000	(100,145) 3,000
Grants					
From international organizations		11,565	11,565		(11,565)
Grants	5	11,565	11,565		(11,565)
Receipts / Inflows		117,710	117,710	6,000	(111,710) 3,000
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		76,145	76,145	6,000	(70,145) 3,000
Compensation of Employees	7	76,145	76,145	6,000	(70,145) 3,000
Use of Goods and Services					
Travel & Conferences		2,400	2,400		(2,400)
Operating Expenses		22,100	22,100		(22,100)
Use of Goods and Services	8	24,500	24,500		(24,500)
Nonfinancial assets					
Fixed Assets		5,500	5,500		(5,500)
Nonfinancial assets	10	5,500	5,500		(5,500)
Payments / Outflows		106,145	106,145	6,000	(100,145) 3,000

Ministry of Interior and Local Government
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
	Notes	USD	USD	USD	USD	
Receipts / Inflows	2					
Consolidated Fund Appropriations	3	936,145	936,145	508,503	(427,642)	199,249
Taxes						
Taxes on goods and services						
From international organizations		11,565	11,565		(11,565)	
Grants	5	11,565	11,565		(11,565)	
Receipts / Inflows		947,710	947,710	508,503	(439,207)	199,249
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		76,145	76,145	9,000	(67,145)	8,000
Compensation of Employees	7	76,145	76,145	9,000	(67,145)	8,000
Use of Goods and Services						
Travel & Conferences		12,000	12,000	2,000	(10,000)	
Operating Expenses		30,400	30,400	6,000	(24,400)	960
Rent		3,000	3,000		(3,000)	
Use of Goods and Services	8	45,400	45,400	8,000	(37,400)	960
Grants						
Grants To Other General Government Units		810,600	810,600	491,503	(319,097)	190,289
Grants	9	810,600	810,600	491,503	(319,097)	190,289
Nonfinancial assets						
Fixed Assets		4,000	4,000		(4,000)	
Nonfinancial assets	10	4,000	4,000		(4,000)	
Payments / Outflows		936,145	936,145	508,503	(427,642)	199,249

Ministry of Planning, Investment and International Cooperation
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		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	
Receipts / Inflows	Notes					
	2					
Consolidated Fund Appropriations	3	106,145	106,145	5,000	(101,145)	2,000
From international organizations		11,565	11,565		(11,565)	
Grants	5	11,565	11,565		(11,565)	
Receipts / Inflows		117,710	117,710	5,000	(112,710)	2,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		76,145	76,145	5,000	(71,145)	2,000
Compensation of Employees	7	76,145	76,145	5,000	(71,145)	2,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		106,145	106,145	5,000	(101,145)	2,000

Ministry of Transport, Air and Land
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018	
		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	
Receipts / Inflows	Notes 2					
Consolidated Fund Appropriations	3	106,145	106,145	6,000	(100,145)	3,000
Grants						
From international organizations		11,565	11,565		(11,565)	
Grants	5	11,565	11,565		(11,565)	
Receipts / Inflows		117,710	117,710	6,000	(111,710)	3,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		76,145	76,145	6,000	(70,145)	3,000
Compensation of Employees	7	76,145	76,145	6,000	(70,145)	3,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		106,145	106,145	6,000	(100,145)	3,000

Ministry of Security and Rehabilitation
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019			2018
		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
Receipts / Inflows	2				
Consolidated Fund Appropriations	3	1,630,286	1,630,286	1,283,000	(347,286)
Grants					
From international organizations		11,565	11,565		(11,565)
From other general government units		685,000	685,000	685,000	
Grants	5	696,565	696,565	685,000	(11,565)
Receipts / Inflows		2,326,851	2,326,851	1,968,000	(358,851)
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		1,194,586	1,194,586	949,500	(245,086)
Compensation of Employees	7	1,194,586	1,194,586	949,500	(245,086)
Use of Goods and Services					
Travel & Conferences		3,000	3,000		(3,000)
Operating Expenses		222,700	222,700	133,500	(89,200)
Rent		6,000	6,000		(6,000)
Use of Goods and Services	8	231,700	231,700	133,500	(98,200)
Nonfinancial assets					
Fixed Assets		204,000	204,000	200,000	(4,000)
Nonfinancial assets	10	204,000	204,000	200,000	(4,000)
Payments / Outflows		1,630,286	1,630,286	1,283,000	(347,286)

Ministry of Labor and Employment
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Notes		USD	USD	USD	USD	
Receipts / Inflows	2					
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000)	3,000
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	6,000	(74,000)	3,000
Compensation of Employees	7	80,000	80,000	6,000	(74,000)	3,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	6,000	(104,000)	3,000

Ministry of Finance and Economic Development
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	Notes	2019				2018
		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	
Receipts / Inflows	2					
Consolidated Fund Appropriations	3	1,451,056	1,451,056	330,254	(1,120,802)	366,768
Taxes						
Taxes on payroll and workforce				273	273	
Taxes on property		441,379	441,379		(441,379)	
Taxes on goods and services		5,392,753	5,392,753	800,805	(4,591,948)	537,771
Taxes on international trade and transactions		699,296	699,296		(699,296)	135,792
Taxes	4	6,533,428	6,533,428	801,079	(5,732,349)	673,563
Grants						
From international organizations		817,959	817,959	304,537	(524,895)	258,476
From other general government units		2,640,000	2,640,000	2,635,200	(4,800)	1,460,000
Grants	5	3,457,959	3,457,959	2,939,737	(529,695)	1,718,476
Other Revenue						
Sale of goods and services		426,965	426,965		(426,965)	
Fines, penalties and forfeits		5,000	5,000		(5,000)	
Other Revenue	6	431,965	431,965		(431,965)	
Receipts / Inflows		11,874,408	11,874,408	4,071,070	(7,814,811)	2,758,808
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		396,648	396,648	208,685	(187,963)	235,385
Compensation of Employees	7	396,648	396,648	208,685	(187,963)	235,385
Use of Goods and Services						
Travel & Conferences		71,532	71,532	33,658	(37,874)	3,030
Operating Expenses		119,530	119,530	10,974	(108,557)	724
Rent		24,000	24,000		(24,000)	
Other Operating Expenses		236,837	236,837	8,143	(228,694)	129
Contingency		388,809	388,809		(388,809)	127,000
Use of Goods and Services	8	840,708	840,708	52,775	(787,933)	130,883
Nonfinancial assets						
Fixed Assets		213,700	213,700	68,794	(144,906)	500
Nonfinancial assets	10	213,700	213,700	68,794	(144,906)	500
Payments / Outflows		1,451,056	1,451,056	330,254	(1,120,802)	366,768

Ministry of Constitution & Federal Affairs
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		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	
Receipts / Inflows	Notes 2					
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000)	2,000
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	6,000	(74,000)	2,000
Compensation of Employees	7	80,000	80,000	6,000	(74,000)	2,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	6,000	(104,000)	2,000

Ministry of Commerce & Industry
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		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	
Receipts / Inflows	Notes 2					
Consolidated Fund Appropriations	3	110,000	110,000	6,000	(104,000)	3,000
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	6,000	(74,000)	3,000
Compensation of Employees	7	80,000	80,000	6,000	(74,000)	3,000
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services	8	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	10	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	6,000	(104,000)	3,000

Ministry of Women & Human Rights
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		Original Estimate Appropriation	estimate Approp	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Notes		USD	USD	USD	USD	
Receipts / Inflows						
Consolidated Fund Appropriations		106,145	106,145	6,000	(100,145)	
Grants						
From international organizations		11,565	11,565		(11,565)	
Grants		11,565	11,565		(11,565)	
Receipts / Inflows		117,710	117,710	6,000	(111,710)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		76,145	76,145	6,000	(70,145)	
Compensation of Employees		76,145	76,145	6,000	(70,145)	
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services		24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets		5,500	5,500		(5,500)	
Payments / Outflows		106,145	106,145	6,000	(100,145)	

Ministry of Water, Energy and Minerals
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	2019				2018
	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	
Receipts / Inflows					
Consolidated Fund Appropriations	110,000	110,000	4,000	(106,000)	3,000
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries	80,000	80,000	4,000	(76,000)	3,000
Compensation of Employees	80,000	80,000	4,000	(76,000)	3,000
Use of Goods and Services					
Travel & Conferences	2,400	2,400		(2,400)	
Operating Expenses	22,100	22,100		(22,100)	
Use of Goods and Services	24,500	24,500		(24,500)	
Nonfinancial assets					
Fixed Assets	5,500	5,500		(5,500)	
Nonfinancial assets	5,500	5,500		(5,500)	
Payments / Outflows	110,000	110,000	4,000	(106,000)	3,000

Ministry of Humanitarian and Disaster Management
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	2019				2018
	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	
Receipts / Inflows					
Consolidated Fund Appropriations	110,000	110,000	6,000	(104,000)	
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries	80,000	80,000	6,000	(74,000)	
Compensation of Employees	80,000	80,000	6,000	(74,000)	
Use of Goods and Services					
Travel & Conferences	2,400	2,400		(2,400)	
Operating Expenses	22,100	22,100		(22,100)	
Use of Goods and Services	24,500	24,500		(24,500)	
Nonfinancial assets					
Fixed Assets	5,500	5,500		(5,500)	
Nonfinancial assets	5,500	5,500		(5,500)	
Payments / Outflows	110,000	110,000	6,000	(104,000)	

Civil Service Commission
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	2019				2018
	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	
Notes					
Receipts / Inflows					
Consolidated Fund Appropriations	161,181	161,181	72,666	(88,515)	47,863
Grants					
From international organizations	99,781	99,781	78,532	(21,249)	
Grants	99,781	99,781	78,532	(21,249)	
Receipts / Inflows	260,962	260,962	151,198	(109,764)	47,863
Payments / Outflows					
Compensation of Employees					
Wages and Salaries	107,998	107,998	48,799	(59,199)	35,188
Compensation of Employees	107,998	107,998	48,799	(59,199)	35,188
Use of Goods and Services					
Travel & Conferences	6,900	6,900		(6,900)	
Operating Expenses	9,966	9,966	2,840	(7,126)	
Rent	24,500	24,500	13,950	(10,550)	4,650
Other Operating Expenses	5,750	5,750	1,010	(4,740)	725
Use of Goods and Services	47,116	47,116	17,800	(29,316)	5,375
Nonfinancial assets					
Fixed Assets	6,067	6,067	6,067		7,300
Nonfinancial assets	6,067	6,067	6,067		7,300
Payments / Outflows	161,181	161,181	72,666	(88,515)	47,863

Hirshabelle Parliament
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	Notes	2019				2018
		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	
Receipts / Inflows						
Consolidated Fund Appropriations		3,225,450	3,225,450	1,720,384	(1,505,067)	1,229,110
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		2,648,000	2,648,000	1,382,500	(1,265,500)	1,078,000
Compensation of Employees		2,648,000	2,648,000	1,382,500	(1,265,500)	1,078,000
Use of Goods and Services						
Travel & Conferences		261,000	261,000	119,500	(141,500)	70,110
Operating Expenses		202,450	202,450	140,384	(62,067)	81,000
Rent		84,000	84,000	78,000	(6,000)	
Use of Goods and Services		547,450	547,450	337,884	(209,567)	151,110
Nonfinancial assets						
Fixed Assets		30,000	30,000		(30,000)	
Nonfinancial assets		30,000	30,000		(30,000)	
Payments / Outflows		3,225,450	3,225,450	1,720,384	(1,505,067)	1,229,110

Ministry of State Presidency
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	2019				2018
	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	
Notes					
Receipts / Inflows					
Consolidated Fund Appropriations	1,672,714	1,672,714	1,180,791	(491,923)	384,719
Grants					
From international organizations	100,649	100,649	83,855	(16,794)	
From other general government units	315,000	315,000	315,000		
Grants	415,649	415,649	398,855	(16,794)	
Receipts / Inflows	2,088,363	2,088,363	1,579,646	(508,717)	384,719
Payments / Outflows					
Compensation of Employees					
Wages and Salaries	1,024,493	1,024,493	760,645	(263,848)	205,391
Compensation of Employees	1,024,493	1,024,493	760,645	(263,848)	205,391
Use of Goods and Services					
Travel & Conferences	256,921	256,921	93,700	(163,221)	115,640
Operating Expenses	391,300	391,300	326,446	(64,854)	63,688
Use of Goods and Services	648,221	648,221	420,146	(228,075)	179,328
Payments / Outflows	1,672,714	1,672,714	1,180,791	(491,923)	384,719

Auditor General's Office
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

		2019				2018
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Notes		USD	USD	USD	USD	
Receipts / Inflows						
Consolidated Fund Appropriations		111,708	111,708	38,496	(73,212)	
Grants						
From international organizations		69,108	69,108	38,496	(30,612)	
Grants		69,108	69,108	38,496	(30,612)	
Receipts / Inflows		180,816	180,816	76,992	(103,824)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		48,633	48,633	25,881	(22,752)	
Compensation of Employees		48,633	48,633	25,881	(22,752)	
Use of Goods and Services						
Travel & Conferences		4,800	4,800		(4,800)	
Operating Expenses		10,156	10,156	556	(9,600)	
Rent		18,480	18,480	4,620	(13,860)	
Other Operating Expenses		22,200	22,200		(22,200)	
Use of Goods and Services		55,636	55,636	5,176	(50,460)	
Nonfinancial assets						
Fixed Assets		7,439	7,439	7,439		
Nonfinancial assets		7,439	7,439	7,439		
Payments / Outflows		111,708	111,708	38,496	(73,212)	

Ministry of Rehabilitation and Disarmament
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	Notes	2019				2018
		Original Estimate	Final Estimate	Controlled	Difference Between	Controlled
		Appropriation	Appropriation	by TSA	Final Budget and	
		A	B	C	C-B	
		USD	USD	USD	USD	
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	4,000	(106,000)	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	4,000	(76,000)	
Compensation of Employees		80,000	80,000	4,000	(76,000)	
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services		24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets		5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	4,000	(106,000)	

Ministry of Religious and Endowments
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	2019				2018
	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	
Receipts / Inflows					
Consolidated Fund Appropriations	110,000	110,000	4,000	(106,000)	
Receipts / Inflows					
Payments / Outflows					
Compensation of Employees					
Wages and Salaries	80,000	80,000	4,000	(76,000)	
Compensation of Employees	80,000	80,000	4,000	(76,000)	
Use of Goods and Services					
Travel & Conferences	2,400	2,400		(2,400)	
Operating Expenses	22,100	22,100		(22,100)	
Use of Goods and Services	24,500	24,500		(24,500)	
Nonfinancial assets					
Fixed Assets	5,500	5,500		(5,500)	
Nonfinancial assets	5,500	5,500		(5,500)	
Payments / Outflows	110,000	110,000	4,000	(106,000)	

Ministry of Petroleum and mining
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	Notes	2019				2018
		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	
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	4,000	(106,000)	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	4,000	(76,000)	
Compensation of Employees		80,000	80,000	4,000	(76,000)	
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Use of Goods and Services		24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets		5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	4,000	(106,000)	

Ministry of Reconciliation and Resettlement
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2019
Government Uses a Treasury Single Account System to Manage Funds

	Notes	2019				2018
		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	
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	11,000	(99,000)	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	6,000	(74,000)	
Compensation of Employees		80,000	80,000	6,000	(74,000)	
Use of Goods and Services						
Travel & Conferences		2,400	2,400		(2,400)	
Operating Expenses		22,100	22,100	5,000	(17,100)	
Use of Goods and Services		24,500	24,500	5,000	(19,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets		5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000	11,000	(99,000)	

Note 1 Accounting Policies for All Budget Entities

1.1 Financial Statement

Unlike the two single purpose consolidated financial statements for the HSS Consolidated Fund, HSS has chosen to issue a financial statement for each budget entity that combines the *Statement of Receipts and Payments* with the *Statement of Comparison of Budget and Actual Amounts*, in accordance with 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 Hirshabelle State of Somalia's (HSS) has been prepared in accordance with the *Public Financial Management Act 2018* 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 *HSS Appropriation Act No. 1 of 2018*. All budget entities listed below are controlled by the HSS. All activities of budget entities are funded by the HSS Consolidated Budget or through 3rd Party external assistance.

The preceding financial statements are for the following public sector entities which were created by a preceding Presidential Decree on 20th February 2017 entitled *A Decree Establishing Ministries of Hirshabelle State of Somalia and Defining Roles and Functions of Ministries*. The Ministry of Finance & Economic Development and Revenue Collection Authority was Established by a Presidential Decree in March 2017. The Decree Establishing the Ministry of Finance & Economic Development (MoFED) was changed into an Act of Parliament on 06 Feb. 2018. The Auditor General's Office was created via Presidential Decree in 2018 and changed into Audit Act in 18 March 2019, however, the Office was not established during the 2018 financial year the Office of the Auditor General come onboard in 2019 and now functioning progressively.

A subsequent decree on establishing the Civil Service Commission (CSC) and its purpose entitled *A Decree for establishing the Civil Service Commission of the Hirshabelle State of Somalia dated December, 2017* 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 HSS constitution automatically

established the Hirshabelle Parliament. The Civil Service Commission (CSC) was changed in to act in October 2018. The respective statements of all the listed entities form part of the consolidated Financial statements as these entities were included as part of the *HSS Appropriation Act No. 1, 20198*.

NO	Budget Entities
1	Ministry of Justice & Religious Affairs
2	Ministry of Livestock, Forestry and Vegetation
3	Ministry of Ports and Maritime Transport
4	Ministry of Youth and Sports
5	Ministry of Postal, Communication and Modern Technology
6	Ministry of Education and Tertiary
7	Ministry of Environmental and Sea Protection
8	Ministry of Agriculture and Irrigation
9	Ministry of Health and Social Care
10	Ministry of Fishery & Marine Resources
11	Ministry of Public Works and Reconstruction
12	Ministry of Information and Culture
13	Ministry of Interior and Local Government
14	Ministry of Planning, Investment and International Cooperation
15	Ministry of Transport, Air and Land
16	Ministry of Security and Rehabilitation
17	Ministry of Labor and Employment
18	Ministry of Finance and Economic Development
19	Ministry of Constitution & Federal Affairs
20	Ministry of Commerce & Industry
21	Ministry of Women & Human Rights
22	Ministry of Water, Energy and Minerals
23	Ministry of Humanitarian and Disaster Management
24	Civil Service Commission
25	Hirshabelle Parliament
26	Auditor General's Office
27	Ministry of State Presidency
28	Ministry of Rehabilitation and Disbarment
29	Ministry of Religious and Endowments
30	Ministry of Petroleum and mining
31	Ministry of Reconciliation and Resettlement

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*.

1.7 Reporting Currency

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

Note 2 Receipts/ Inflows

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

Note 3 Consolidated Fund Appropriations

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

Amounts appropriated by the Hirshabelle 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* 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 are supporting not in relation to the nature of source of income and the expenses financed through general fund appropriations.

Note 4 Taxes

Taxes refer to revenue arising from taxes on goods and services, local government tax collections (Other taxes). For 2019, Major of taxes were Collected by the Ministry of Finance and Economic Development.

Note 5 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 project will fall under that particular entity even though the funds are deposited into the TSA.

Grant income of \$6,369,245 was budgeted during the reporting period of FY 2019 however \$5,183,740 received. The following is a breakdown of grant revenue received.

	2019				
	USD				
Budget Entity	RCRFII	FGS Budget Support	FGS Surge Support	PREMIS	Total
Ministry of Public Works and Reconstruction			894,600		894,600
Ministry of Finance and Economic Development	282,241	2,635,200		22,296	2,939,737
Civil Service Commission	48,799			29,733	78,532
Office of the Auditor General	25,881			12,615	38,496
State Presidency	83,855	315,000			398,855
Ministry of Security		685,000			685,000
Ministry of Education and Tertiary	148,520				148,520
	589,296	3,635,200	894,600	64,644	5,183,740

Note 6 Other Revenue

Sale of government goods and services and fines and penalties constitute other sources of revenue. A total of \$431,965 was budgeted in the year of 2019, however no revenue in this category was collected.

Note 7 Employee Compensation

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

Budget Entity	RCRFII	# of Staff paid
Ministry of Finance and Economic Development	173,475	24
Civil Service Commission	48,799	10
Office of the Auditor General	25,881	9
State Presidency	83,855	57
	332,010	100

Note 8 Use of Good and Services

HSS's ability to pay for its operating costs, goods and services and other miscellaneous expenses are determined by its ability to collect sufficient revenue for its budget execution. HSS does not have access to a credit facility and therefore due to this integral constraint HSS has prioritized the available funds in executing budgets across the entities.

Note 9 Grants to Other Government Units

Other government units refer to lower level governments such as Jowhar, Beledwayne and Balcad Municipalities. These are the only active local governments in HSS that operates both a revenue collection and expenditure process. The Municipalities collect revenue from the public transport system and other mobile businesses within HSS. In the agreement between the Ministry of Finance & Economic Development and the Municipalities, all revenue collections shall be deposited into the TSA and request for incurring expenditures is made by the local government entities using the standard authorizing procedures of the Ministry.

Note 10 Non-Financial Assets

Non-financial assets consist of assets acquired by entities in running their business operations and include assets such as computers, office equipment, furniture and fixtures, tools and specialised professional services and construction of ministerial offices/Roads and Cars.

During the reporting period, a total of \$832,300 was disbursed on non-financial assets which represented 52 % percent of the estimated budget. The variance was a result of cash availability for entities not being able to utilize the budget allocation. The non-financial asset purchases were distributed as follows:

Budget Entity	Information, computer, & telecom. (ICT) equipment	Office equipment	Furniture & Fixture	Road construction	Cars	Total
	Actual	Actual	Actual	Actual	Actual	
Ministry of Public Works and Reconstruction				550,000		550,000
Ministry of Security and Rehabilitation					200,000	200,000
Ministry of Finance and Economic Development	23,185	6,959			38,650	68,794
Civil Service Commission	4,293	1,774				6,067
Auditor General's Office	1,970	1,069	4,400			7,439
	<u>29,448</u>	<u>9,802</u>	<u>4,400</u>	<u>550,000</u>	<u>238,650</u>	<u>832,300</u>