



CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF THE HIRSHABELLE STATE OF SOMALIA

For the Year Ended 31 December 2022

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

**Prepared by the Ministry of Finance
& Economic Development**
Hirshabelle State of Somalia

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Jamhuuriyadda Federaalka Soomaaliya
Dowlad Goboleedka Hirshabelle
Wasaaradda Maaliyadda & Horumarinta
Dhaqaalaha



جمهورية الصومال الفيدرالية
ولاية هيرشبيلي
وزارة المالية والتنمية الاقتصادية

Federal Republic of Somalia
Hirshabelle State of Somalia
Ministry of Finance & Economic Development

Office of the Minister

DGSHS/XWM/029/2023

TR:26/02/2023

Statement of Certification - 2022 Financial Statements

The 2022 financial statements, together with the accompanying notes, have been prepared in accordance with the International Public Sector Accounting Standard, Financial Reporting under the Cash Basis of Accounting (2017).

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 2022.

For and on behalf of the Hirshabelle State of Somalia

HE. Ali Abdulle Nor



Minister for Finance & Economic Development - HSS

Hirshabelle State - +252618441124- Email: Ali.nur@hirshabellemof.so

Executive Summary

Overview of the Financial Statements

The Financial Statements of the Hirshabelle State of Somalia provide a record of the Government's financial performance over the financial year, 2022 as outlined in the Statement of Receipts and Payments and the Statement of Comparison of Budget and Actual Amounts. The Financial Statements further summarize all financial transactions for the year ended 31st December 2022 and the HSS financial cash position as of the 31st of December 2022. These statements have been prepared by the Treasury Department of the Ministry of Finance and Economic development of Hirshabelle State of Somalia and includes financial information related to all Hirshabelle State Ministries, Departments and Agencies (MDAs).

The 2022 financial statements focus on reporting, primarily budgeted activities of the HSS for which an Annual Budget Statement was prepared for and authorized by the Hirshabelle State's parliament for the 2022 fiscal year. The budget and annual financial statements are produced to support HSS strategic business and financial decisions critical to the fiscal and economic wellbeing of the state. The annual reports include the financial and budget activities of MDAs which directly and indirectly receive budget allocations from the State.

Disclosure has also been made on the extrabudgetary funds consolidating the financial information that MDAs have provided in respect of their extrabudgetary transactions.

Format of the Financial Statements and additional disclosures

Financial statements of the Hirshabelle State of Somalia have been prepared on a cash basis with activities and related transactions recognized when cash is received, and payments are made. The financial statements for the financial year have been compiled and presented to make a fair presentation of the FGS's financial information and have been prepared in compliance with Part 1 of the IPSAS Cash Basis of Accounting which requires the following mandatory information to be disclosed:

Statement of Cash Receipts and Payments

This is a statement of financial performance and measures the net surplus or deficit (the difference between total receipts and total payments) for the year. The statement provides information on the HSS sources of revenue and the cost of its activities.

Statement of Comparison of Budget and Actual Amounts by Economic Nature

The statement of comparison of budget and actual amounts presents a comparison of the budget amounts and the actual amounts for the year based on the GFS economic classification. The statements are prepared to provide information on the extent to which resources were obtained Accounting Policies

These are the specific principles, bases, conventions, rules, and practices adopted by the Hirshabelle State of Somalia in preparing and presenting the financial statements.

Explanatory Notes to the Financial Statements

The explanatory notes to the financial statements assist in understanding the information reported in the principal statements to provide full disclosure and are considered an integral part of the financial statements.

Additional Disclosures

In order to meet the requirements under Article 49 of the PFM Act (2018) and also to provide further information to the financial statements reported under IPSAS, Cash Basis of Accounting, the following additional disclosures have been provided so as to provide more information necessary for accountability and decision-making purposes.

Statement of Cash flow

The statement of cash flow presents the movements of cash during the year resulting from operating, investing, and financing activities. This statement provides information on how cash has been raised and used during the year, including borrowing and repayment of borrowing, and the acquisition and disposal of fixed assets. However HSS have never presented Statement of Cash flow same as the other Federal Member States.

Summary of Financial Results

Financial Statement Highlights and Analysis

Table 1: Summary of Financial Performance

	2022	2021
	USD	USD
Revenue	12,132,613	5,173,168
Expenditure	12,083,436	5,099,353
Surplus	49,176	73,816
% Change in Revenue	135%	
Original Budget	32,207,267	21,269,979
Revised Budget		
Actual Expenditure	12,083,436	5,099,353
Under spending/Budget saving	20,123,831	
% Change in Expenditure	137%	

Revenue Analysis

The Hirshabelle State of Somalia total revenue has increased significantly from \$5,713,168 million in 2021 to \$12,132,613 million in the 2022 financial year and increase of \$6,419,445 million (53%). The main sources of the HSS's 2022 own source revenues were taxes on payroll and workforce, taxes on property, taxes on goods and services, taxes on international trade and transactions, other revenues (sales of goods and services) as well as external assistance from international partners and Federal Government of Somalia. Revenue from own source (taxes and fees) was \$3,289,853 of total revenue which compared to the previous year was \$1,780,981 million HSS have made almost 53% increase of its domestic compared 2021.

Table 2: Summary of Receipts

Revenue Type	2022	2021	Difference
	USD	USD	USD
Taxes	2,483,668	1,780,981	702,687
Other revenue	806,186	0	806,186
Grants	8,842,759	3,392,187	5,450,572
Total revenue	12,132,613	5,173,168	6,959,444

The following chart further highlights the breakdown of revenue collections for the fiscal year 2022 which shows that external grants were 73% (66% in 2021) of the total receipts.

Chart 2: Sources of revenue 2022

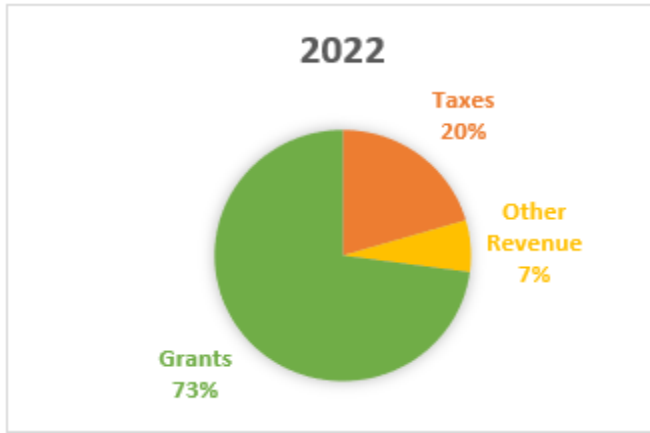


Chart 1: Sources of revenue 2021



Tax Receipts

The fiscal year 2022 saw revenue from taxes increase from \$1,780,981 last year to \$2,483,668 million. This increase has been mainly attributed to the taxes on payroll and workforce, taxes on property, taxes on international trade and transactions and other revenue. As depicted in Chart 1 above, revenue from taxes collected was 20%.

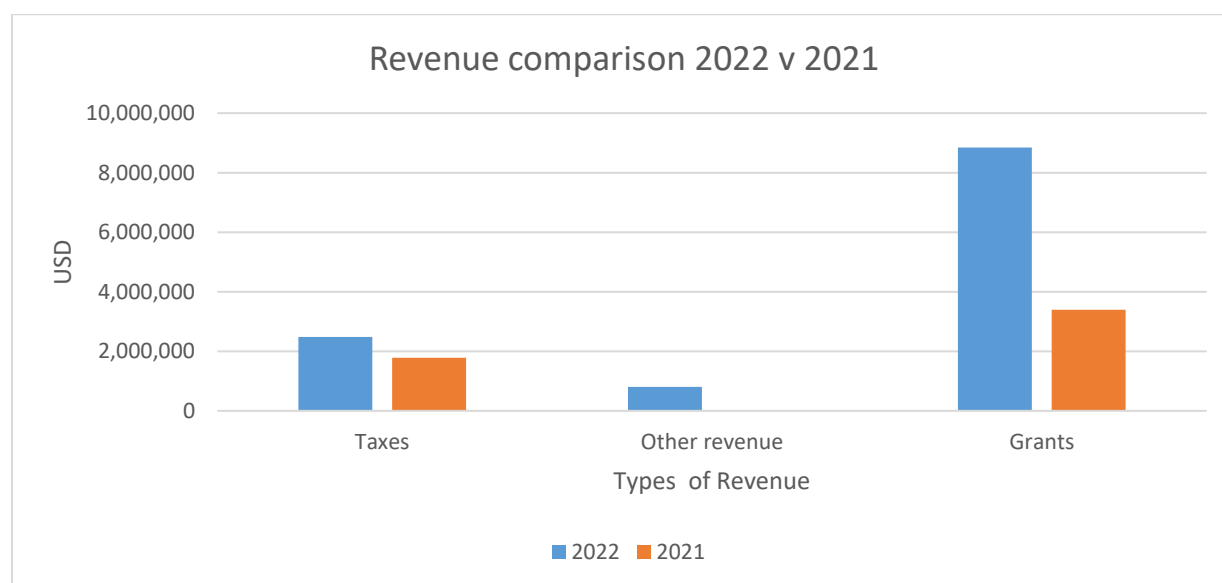
Other revenue

Financial year 2022 was the first-time other revenue was collected by HSS, it accounted for 7% of the total revenue for the year. Main sources from this revenue came from fees charged on the Sale of goods and services.

Grants

External assistance and grants from international partners and transfers from the Federal Government of Somalia were significant sources of funds accounting for \$8,842,759 (73%) of total revenue compared to \$3,392,187 in the previous year, an increase of \$5,450,572. This is mainly due to the introduction of new projects and the transfers from the Federal Government of Somalia.

Further illustration and comparisons between current year and previous year is highlighted in Chart 3

Chart 3: Revenue comparison 2022 v 2021

Expenditure Analysis

The HSS's payments fall into three distinct categories; recurrent, capital expenditure, and Grants paid to sub-national governments. The recurrent expenses or costs are primarily manpower related expenses and cost on goods and services for operations. The recurrent expenses also include interest and other charges. Chart 3 summarizes the major areas of expenditure incurred by HSS.

The total expenditure made during the fiscal year 2022 amounted to \$12,083,436 in comparison to \$5,099,353 million in 2021. Overall, the HSS has increased its expenditure by \$6,984,083 (137%) year on year, with the highest increases coming from compensation of employees and use of goods and services which amounts to 89% of total expenditure. Capital expenditure payment or other expenses incurred this year of \$128,791.

Table 3 below shows expenditure categories for the 2022 financial year in comparison to the 2021 financial year.

Table 3: Summary of expenditure for 2 years

Main Expenditure categories	2022	2021
Compensation of Employees	8,513,698	3,410,704
Use of Goods and Services	2,242,497	1,475,034
Grants	1,198,451	147,511
Nonfinancial assets	128,791	66,103
Total Expenditure	12,083,436	5,099,353

Chart 4: Summary of expenditure for 2 years

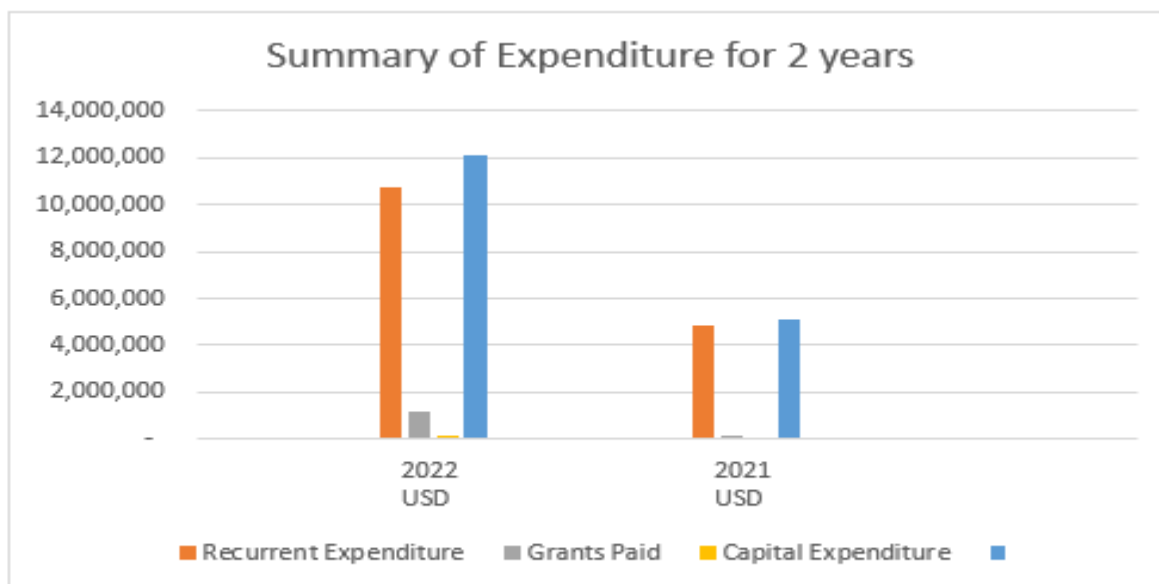


Chart 5: Expenditure paid in FY 2022

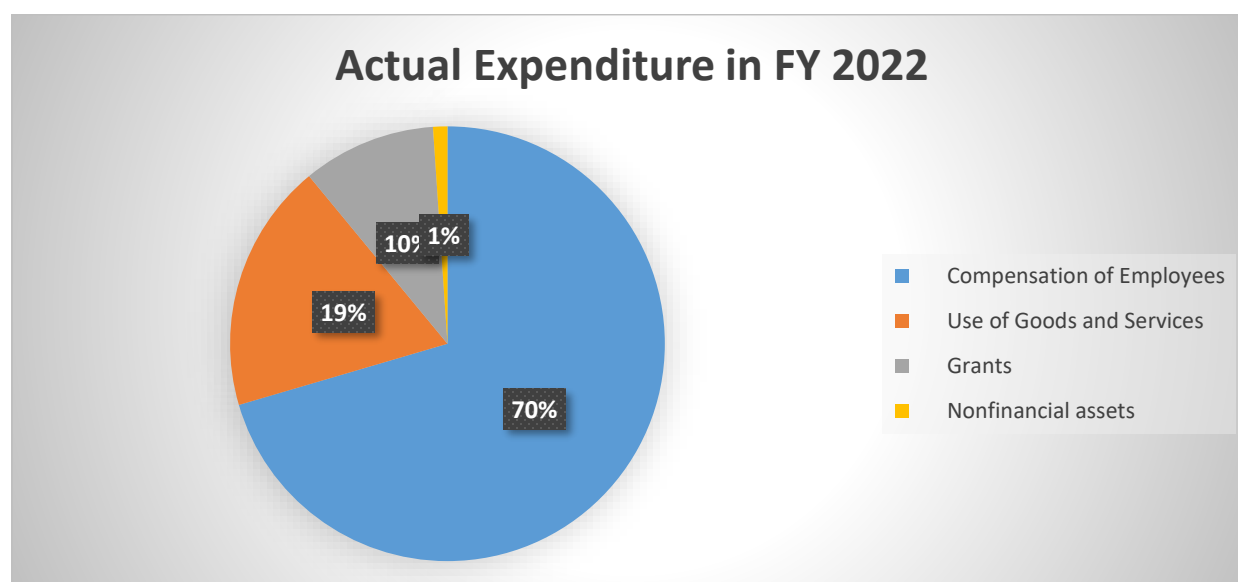
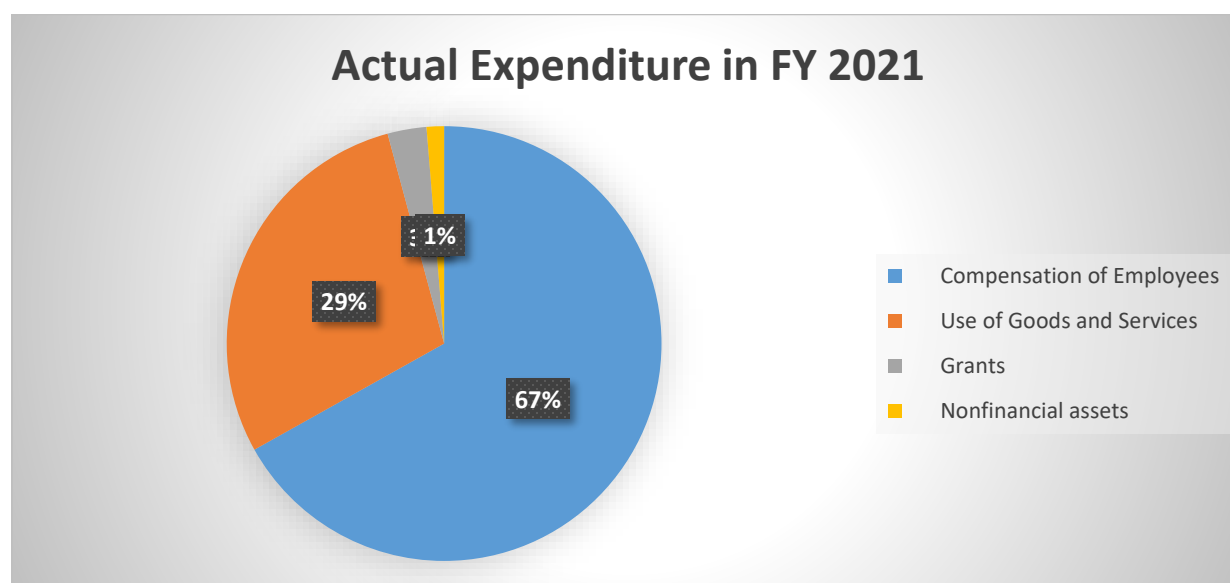


Chart 6: Actual expenditure 2021



Capital Expenditure Analysis (Non-Financial Assets)

The total expenditure made during the fiscal year 2022 amounted to \$12,083,436 in comparison to \$5,099,353 million in 2021. Overall, the HSS has increased its expenditure by \$6,984,083 (137%) year on year, with the highest increases coming from compensation of employees and use of goods and services which amounts to 89% of total expenditure.

Capital expenditure (non-financial assets) for the year was \$128,791 compared to \$66,103 for the previous year, an increase of \$62,688 (49%). The major areas of expenditure were other fixed assets followed by buildings. In accordance with reporting on a cash-basis and complying with IPSAS, cash basis of accounting, capital expenditure is expensed in the year of acquisition.

Table 4: Summary of capital expenditure for 2022 and 2021

Capital Expenditure	2022 USD	2021 USD
Buildings Other than dwellings	80,396	62,568
Information, computer and telecomm (ICT) equipment	35,395	3,535
Furniture & fixtures	13,000	-
Total Capital expenditure	128,791	66,103

Budget and Expenditure Analysis

The annual budget of the Hirshabelle State of Somalia is the principal document by which the Government sets out its financial plan for the year. The original budget or financial plan approved by the State Parliament for the budgeted. Expenditure for the year was \$12,083,436 million with no Supplementary Budget.

Budget execution rate for 2022 financial year was 38% leaving 62% of the budgeted expenditure unfulfilled while in FY 2021 was slightly higher than this year 76%.

The table below depicts the allocations and actual payments of each category of the expenditure.

Table 5: Expenditure - Budget v Actual

	2022			
	Budget	Actual	Budget undespended	% Budget not executed
Main expenditure categories	USD	USD	USD	USD
Recurrent expenditure	26,510,630	10,756,195	15,754,435	59%
Grants	4,800,400	1,198,451	3,601,949	75%
Social benefits	550,000	0	550,000	0%
Capital expenditure	346,237	128,791	217,447	63%
Total Expenditure	32,207,267	12,083,436	20,123,831	62%

Recurrent expenditure				
Compensation of employees	16,571,757	8,513,698	8,058,060	49%
Use of Goods and Services	9,938,873	2,242,497	7,696,376	77%
Total recurrent expenditure	26,510,630	10,756,195	15,754,435	59%

	2021			
	Budget USD	Actual USD	Budget underspend USD	% Budget not executed USD
Main expenditure categories				
Recurrent expenditure	16,415,536	4,885,738	11,529,798	70%
Grants	4,240,400	147,511	4,092,889	97%
Social benefits	0	0	0	
Capital expenditure	614,043	66,103	547,940	89%
Total Expenditure	21,269,979	5,099,353	16,170,626	76%

	2021			
	USD	USD	USD	% Budget executed
Recurrent expenditure				
Compensation of employees	11,628,015	3,410,704	8,217,311	71%
Use of Goods and Services	4,787,521	1,475,034	3,312,487	69%
Total recurrent expenditure	16,415,536	4,885,738	11,529,798	70%

Net financial worth

The Hirshabelle State of Somalia net financial worth increased by \$272,725 in 2022 from a net worth of \$223,549 at the end of 2021 to a positive net financial worth of \$49,176.

Consolidated Fund Statement of Cash Receipts and Payments

Hirshabelle State of Somalia
Consolidated Fund Statement of Cash Receipts and Payments
Treasury Single Account
for the Year Ended 31 December 2022

Account		<u>2022</u>	<u>2021</u>
	<u>Notes</u>	<u>Controlled by TSA USD</u>	<u>Controlled by TSA USD</u>
Receipts / Inflows			
Taxes			
Taxes on payroll and workforce	2	292,007	18,790
Taxes on property	3	24,364	
Taxes on goods and services	4	1,883,675	1,762,191
Taxes on international trade and transactions	5	190,000	
Other taxes	6	93,621	
Taxes		2,483,668	1,780,981
Grants			
From international organizations	7	127,636	203,281
From other general government units	8	8,715,123	3,188,906
Grants		8,842,759	3,392,187
Other Revenue			
Sale of goods and services	9	806,186	
Other Revenue		806,186	
Receipts / Inflows		12,132,613	5,173,168
Payments / Outflows			
Compensation of Employees			
Wages and Salaries	10	8,513,698	3,410,704
Compensation of Employees		8,513,698	3,410,704
Use of Goods and Services			
Travel & Conferences	11	582,633	388,041
Operating Expenses	12	789,314	466,209
Rent	13	51,250	58,080
Other Operating Expenses	14	519,300	562,704
Conflict Resolution Expenses		300,000	
Use of Goods and Services		2,242,497	1,475,034
Grants			
Grants To Other General Government Units	15	1,198,451	147,511
Grants		1,198,451	147,511
Nonfinancial assets			
Fixed Assets	16	128,791	66,103
Nonfinancial assets		128,791	66,103
Payments / Outflows		12,083,436	5,099,353
Increase Decrease in Cash		49,176	73,816
Cash at Beginning of Year		223,549	149,733
Cash at End of Year	1.3	272,725	223,549

Consolidated Fund Statement of Comparison of Budget and Actual Amounts

Hirshabelle State of Somalia
Consolidated Fund Statement of Comparison of Budget and Actual Amounts
Treasury Single Account
for the Year Ended 31 December 2022
Appropriation Budget Approved on Cash Basis
Classification of Payments By Economic Class

Account	Notes	2022			2021 Controlled by TSA
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	
		A	B	C	
		USD	USD	USD	USD
Grants					
From international organizations		7	7		(7)
Grants		7	7		(7)
Receipts / Inflows					
Taxes					
Taxes on payroll and workforce		2,020,000	2,020,000	292,007	(1,727,993)
Taxes on property		441,379	441,379	24,364	(417,015)
Taxes on goods and services		12,685,573	12,685,573	1,883,675	(10,801,898)
Taxes on international trade and transactions		699,316	699,316	190,000	(509,316)
Other taxes				93,621	93,621
Taxes	17	15,846,268	15,846,268	2,483,668	(13,362,600)
Grants					
From international organizations		2,007,905	2,007,905	127,636	(1,880,268)
From other general government units		13,894,437	13,894,437	8,715,123	(5,179,314)
Grants	18	15,902,342	15,902,342	8,842,759	(7,059,582)
Other Revenue					
Sale of goods and services		453,651	453,651	806,186	352,535
Fines, penalties and forfeits		5,000	5,000		(5,000)
Other Revenue	19	458,651	458,651	806,186	347,535
Receipts / Inflows		32,207,267	32,207,267	12,132,613	(20,074,655)
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		16,571,757	16,571,757	8,513,698	(8,058,060)
Compensation of Employees	20	16,571,757	16,571,757	8,513,698	(8,058,060)
Use of Goods and Services					
Travel & Conferences		1,252,068	1,252,068	582,633	(669,435)
Operating Expenses		5,835,574	5,835,574	789,314	(5,046,260)
Rent		482,316	482,316	51,250	(431,066)
Other Operating Expenses		1,380,106	1,380,106	519,300	(860,806)
Conflict Resolution Expenses		600,000	600,000	300,000	(300,000)
Contingency		388,809	388,809		(388,809)
Use of Goods and Services	21	9,938,873	9,938,873	2,242,497	(7,696,376)
Grants					
Grants To Other General Government Units		4,800,400	4,800,400	1,198,451	(3,601,949)
Grants	22	4,800,400	4,800,400	1,198,451	(3,601,949)
Social Benefits					
Employer social benefits		550,000	550,000		(550,000)
Social Benefits	23	550,000	550,000		(550,000)
Nonfinancial assets					
Fixed Assets		346,237	346,237	128,791	(217,447)
Nonfinancial assets	24	346,237	346,237	128,791	(217,447)
Payments / Outflows		32,207,267	32,207,267	12,083,436	(20,123,831)
Increase Decrease in Cash				49,176	49,176
					73,816

Hirshabelle State of Somalia
Statement of Government Operations
For the Year Ended 31 Decembe 2022

Name	2022	2021
Transactions Affecting Net Worth		
Change In Net Worth. Transactions (Assets)	49,176.28	73,815.61
Financial assets	49,176.28	73,815.61
Domestic	49,176.28	73,815.61
Liabilities	0.00	0.00
Liabilities	0.00	0.00
Liabilities	0.00	0.00
Revenue	12,132,612.50	5,173,168.15
Taxes	2,483,667.73	1,780,981.12
Taxes on payroll and workforce	292,007.09	18,789.84
Taxes on property	24,364.30	0.00
Taxes on goods and services	1,883,675.34	1,762,191.28
Taxes on international trade and transactions	190,000.00	0.00
Other taxes	93,621.00	0.00
Grants	8,842,759.27	3,392,187.03
From international organizations	127,636.44	203,281.08
From other general government units	8,715,122.83	3,188,905.95
Other Revenue	806,185.50	0.00
Sale of goods and services	806,185.50	0.00
Expense	11,954,645.55	5,033,249.10
Compensation of Employees	8,513,697.55	3,410,704.25
Wages and Salaries	8,513,697.55	3,410,704.25
Use of Goods and Services	2,242,497.10	1,475,033.85
Travel & Conferences	582,633.00	388,041.00
Operating Expenses	789,314.10	466,209.35
Rent	51,250.00	58,080.00
Other Operating Expenses	519,300.00	562,703.50
Conflict Resolution Expenses	300,000.00	0.00
Grants	1,198,450.90	147,511.00
Grants To Other General Government Units	1,198,450.90	147,511.00
Change In Net Worth. Transactions (Assets)	128,790.67	66,103.44
Nonfinancial assets	128,790.67	66,103.44
Fixed Assets	128,790.67	66,103.44
Overall Statistical Discrepancy	0.00	0.00

Notes to the Financial Statements

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.

1.2. Reporting Entity

The Financial statements are for the Hirshabelle State of Somalia. The Hirshabelle Government operates in Jowhar which is the capital city of State. The principal address of the Government is:

Jowhar Middle Shabelle region

The principal activities of the Government and its controlled entities include the provision of health, education, defense, security, and public services.

The financial statements encompass the reporting entities as specified in the *Appropriation Act No. 1 2022* 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 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
- 33 Ministry of Rural Development

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 to 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 Treasury Single Account (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 06th February 2018. The Auditor General's Office was also created via Presidential Decree in 2018 and changed to an Audit Act 18th 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 into an 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, 2020*.

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.

1.3. Treasury Single Account & Project Accounts

Ten bank accounts were operational during the 2022 financial year, the Treasury Single Account (TSA), and sub-accounts of the TSA: a Project account that relates to the RCRF II project account, the HSS GPE Project Account, Wasaaradda Arimaha Gudaha Hirshabelle. RCRFIII Project Account, HSS WB RCRF PBCS Budget Support, HSS SURPII Project Account Ministry of Public Work & Reconstruction HSS Local Development Fund (LDF) and Ministry of Education and Higher Education As of the end of the 2022 financial year, the balances of these accounts were as follows:

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Treasury Single Account - Main	344	1,624
Project Account - RCRF II	-	-
HSS GPE Project Account	4,885	135
Wasaaradda Arimaha Gudaha Hirshabelle	5,143	-
Project Account - RCRF III	61,241	9,168
HSS WB RCRF PBCS BUDGET SUPPORT PROJECT ACCOUNT	1	0.27
HSS SURPII PROJECT ACCOUNT	179,334	114,177
MINISTRY OF PUBLIC WORK AND RECONSTRUCTION	14	11,900
HSS LOCAL DEVELOPMENT FUND(LDF)	1,034	79,161
Ministry of Education and Higher Education	20,729	-
TOTAL	<u>272,725</u>	<u>216,164</u>

1.4. Cash & Cash Equivalents

Cash and Cash Equivalents means notes and coins held, and any deposits held at call with a bank or financial institution. Cash is recognized at its nominal amount. Somali banks do not pay interest.

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

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Cash on Hand		
Balances held with Banks	272,725	216,164
Total cash on Hand and bank balances	<u>272,725</u>	<u>216,164</u>

1.5. Reporting Currency

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

1.6. Borrowings

HSS did not receive any loans during the 2022 financial year and has no balances owing in respect of banks, and other commercial institutions.

1.7. Original and Final Approved Budget and Comparison of Actual and Budget Amount

The approved budget is developed on the same accounting basis (Cash basis), same classification basis and for the same period (From 1st January 2022 to 31st December 2022) as the financial statements. It encompasses the same entities as the consolidated financial statement (these are identified in Note 1.2)

The original budget was approved by the Hirshabelle Parliament on 31nd December 2021. No Supplementary Budget was passed in FY 2022.

1.8. Authorization Date

The financial statements were authorized to be issued on 26 April 2023 by HE Ali Abdulle Nor, Minister of Finance and Economic Development.

2 Tax on Property

In 2022 Hirshabelle State of Somalia has been exercising different tax including Property tax on first face in Middle Shabelle Jowhar which has Budgeted \$441,379.00 and Actual amount is \$24,364.30 those are important revenue streams to current budget of 2022.

3 Taxes on Payroll and Workforce

The tax is paid by the employers based on the total remuneration (salary/wage bill) paid to all the employees at a standard rate of 5%. In 2022 financial year \$292,007 (\$18,790 in 2021) was received from international organizations and business entities in Hirshabelle State of Somalia.

4 Taxes on Goods and Services

These are combined taxes charged for the use of services offered by HSS. During this financial year, HSS has collected \$1,883,675. different taxes on goods and services.

5 Taxes on international trade and transactions

Taxes on International Trade incorporate all taxes that are imposed on goods and services exported out of and imported into Hirshabelle State of Somalia. During this financial year, Custom duties levied on imports are the only tax collected under this class. During this Fiscal Year, \$190,000 was collected with Khat.

6 Other taxes

Other taxes encompass revenue collections from the local governments. During the year, Ministry of Finance (MoF) collected revenue on behalf of the Jowhar Municipality totaling \$93,621

Jowhar, Beledwayne and Balcad Municipalities are the only local government entities established in the State that raises revenue from sources such as taxing mobile shops and local public transport. Through an agreement drafted between the MoF and Local Governments, all collections by these Municipalities must be deposited with the TSA and subsequent payments made following the set standard procedures laid down by the MoF.

7 Grants from International Organizations

In the 2022 financial year, grants were received from international organizations totaling \$127,636 (\$203,281 in 2021). The Joint Programme on Local Governance (JPLG) project, funded by the United Nation Development Program (UN Agencies), provided \$11,4276 and \$13,360 from WFP.

	2022	2021
	USD	USD
UNDP	114,276	102,861
WFP	13,360	-
PREMIS	-	100,420
TOTAL	127,636	203,281

8 Grants from Other Government Units

During 2022 financial year the Federal Government of Somalia granted a total of 8,715,123 (3,237,373 in 2021) to the Hirshabelle State of Somalia. Funds were provided for budget support, HSS Drought projects, HSS COVID19 Emergency response, RCRFIII project administered by the World Bank and MOE GPE Project providing funding for specific expenditures solved by FGS.

	2022	2021
		USD
Unconditional Budget Support	466,576	450,000
Budget Support	4,830,000	-
HSS COVID19 Emergence Preparedness response		400,000
HSS Drought Allocation	400,000	-
MOE GPE Project	162,721	163,738
SURPII PROJECT	350,608	246,206
Health service deliver PBCS Project	457,667	517,520
RCRFIII	204,751	1,459,909
TOTAL	8,715,123	3,237,373

9 Sale of Goods and Services

Sale of goods and services consist of income generated from HSS providing necessary legal documents to its citizens. In 2022 financial year, the Ministries and Agencies collected a total of \$806,186 as sale of goods and service.

10 Wages and Salaries.

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

Remuneration to Ministers and statutory appointments encompasses salaries made to Ministers and Parliamentarians. Accommodation allowance relates to allowances such as house allowance and hotel accommodation allowances paid to Ministers, Parliamentarians, Commissioners, and the civil servants of HSS. Regular food provisions are in-kind payments to the Military forces of Hirshabelle that are made in the form of food and other related food supplies, whereas the daily meals relate to meals prepared for the different sectors of Security forces whose duties are providing security to Government Institutions.

	2022	2021
	USD	USD
Premanent employees/Regular staff	823,849	546,621
Contract employees	326,020	304,380
Wage workers	13,560	11,550
Security forces (Police, intel forces and prison)	4,240,498	936,632
Remuneration to minister & Statutory Appointments	1,447,000	921,495
Teacher salary	507,952	384,600
Accommodation Allowance	39,100	97,584
Professional allowance	38,770	35,545
Transportation allowance	32,300	-
Other allowances	4,050	1,050
Regular Food Provision	500,000	-
Daily Meals	540,599	162,055
DEO Salary	-	15,060
DQA officer	-	15,960
REO	-	4,818
RQA Officer	-	4,818
TOTAL	8,513,698	3,442,168

11 Travel and Conferences

Travel and Conferences amounting to \$582,633 (\$388,041 in 2021) is comprised of travel costs, conferences costs within and outside the country and conflict resolution expenses. The following provides a breakdown of the total costs:

	2022	2021	2020
	USD	USD	USD
Internal Travel	210,612	73,968	104,952
External Travel	32,856	12,772	
Local conferences	339,165	312,201	29,203
TOTAL	582,633	398,941	134,155

12 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.

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Water	23	-
Electricity	4,593	15,663
Mobile Phone Expenses	-	-
Internet	38,248	8,354
Gasoline	43,594	16,210
Telephone fees	-	-
Stationary	53,509	36,081
Meeting Supplies	4,559	11,988
Publications	-	-
Cleaning Supplies	993	-
Medical Supply	550,000	306,429
Maintenance of equipment	-	-
Maintenance of buildings and repairs	80,000	-
Maintenance of furniture & fittings	2,666	-
Maintenance of Vehicles	3,598	13,560
Maintenance contracts	7,532	7,924
Vehicle Hire / car rental	-	50,000
	<u>789,314</u>	<u>466,209</u>

13 Rent

Office rent expenses amounting to **\$46,350** (\$37,080 in 2021) was funded through a grant from to RCRFIII project account with the purpose of paying the Office Rent for the Civil Service Commission and the Auditor General's Office.

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Auditor General's Office.	23,100	18,480
Civil Service Commission	23,250	18,600
TOTAL	<u>46,350</u>	<u>37,080</u>

14 Other Operating Expenses

Other operating expenses comprise of bank charges, staff training advertising and marketing costs and consultation and non-consultancy service.

	2022	2021
	USD	USD
Consultation Fees	393,325	260,974
Staff training and Development	68,502	248,610
Fee for Service Provided (non Consultancy Service)	52,333	37,853
Bank Charges	140	67
Television and Newspaper Advertisement	5,000	15,200
TOTAL	519,300	547,437

Conflict Resolution Expenses

In FY2022, a sum of \$ 300,000 was spent on conflict resolution. Conflict resolution expenses refer to costs that were incurred in solving conflicts and underpinning peaceful resolutions in Hirshabelle. The Conflict resolution expenses were predominantly incurred by the Ministry of Reconciliation and Resettlement in solving impromptu conflicts within the Hirshabelle State.

	2022	2021
	USD	USD
Conflict Resolution Expenses	300,000	-
TOTAL	300,000	-

15 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 collect 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. In the fiscal year 2022 a sum of \$1,198,451(147,511 in 2021) were transferred to the Municipalities. The offices of the local government operate their own standard procedures in managing this fund as stipulated in an agreement with the MoFED.

16 Non-Financial Assets

Non-Financial Assets consist of costs that were incurred for building other than dwellings, machinery and equipment not elsewhere classified, and Information, computer, and telecom (ICT) equipment. Following are the details:

	2022	2021
	USD	USD
Buildings other than dwellings	80,396	62,568
Machinery and Equipment not elsewhere classified		-
Information, Computer and telecom (ICT) equipment	35,395	3,535
Office equipment, Furniture & fixtures	13,000	-
	128,791	66,103

17 Taxes

A total of 15,846,268, tax collections were estimated to be raised in the 2022 financial year, however, the Actual revenue collected was 2,483,668, due to the revenue checkpoints controlled by other agencies (Municipalities, Ministry of Interior, Ministry of Trade, Ministry of Public Works and across MDAs). Lack of political will and very weak revenue collection controls are also attributed to the Shortage of revenue collection of own-source revenue for the year. There was a share of fishing fees paid to Hirshabelle State by the Federal Government of Somalia (\$221,900). This was across the Federal member State as per Seychelles agreement which was that States share in the fishing revenue collected across the country.

	2022			2021		
	USD			USD		
	Estimate	Actual	Variance	Estimate	Actual	Variance
Payroll Tax - Government	100,000	68,611				
Payroll Tax - Non-Government	1,920,000	223,396	1,696,604		18,790	(18,790)
Livestock Fees	1,967,796	130,000	1,837,796	2,087,796	250,000	1,837,796
Agricultural Fees	200,000	15,000				
Fishing Fees	329,270	27,000	302,270	35,270	30,000	5,270
Business & Professional Licenses	200,100	120,000	80,100	200,100	-	200,100
International NGO's registration	9,864	-	9,864	9,864	-	9,864
Local NGO's Registraton	9,450	11,400	(1,950)	9,450	-	9,450
Local Companies Registration	7,890	-	7,890	7,890	-	7,890
Local Passenger Fees		1,260				
Work Permit Licenses	9,856	-	9,856	9,856	-	9,856
Vehicle & Drivers Licences	19,450	-	19,450	19,450	-	19,450
Landing Fees	238,491	20,000	218,491	238,491	90,000	148,491
International Departure Tax	145,509	-	145,509	145,509	-	145,509
Property Tax	441,379	24,364	417,015	441,379	-	441,379
Turnover Tax	503,890	99,808	404,082	603,890	740,205	(136,315)
Fuel Tax	115,200	-	115,200	115,200	-	115,200
Electricity Tax	59,870	-	59,870	59,870	-	59,870
Road User Tax	8,868,937	1,459,207	7,409,730	9,068,937	651,986	8,416,951
Customs duties - Tobacco	144,120	-	144,120	144,120	-	144,120
Customs duties - KHAT	482,855	190,000	292,855	482,855	-	482,855
Customs duties - Cigarettes	72,341	-	72,341	72,341	-	72,341
Revenue Collections from local Governmen	-	93,621	(93,621)	0	-	-
TOTAL	15,846,268	2,483,668	13,147,472	13,752,268	1,780,981	11,971,287

18 Grants

Total grants of \$ 8,842,759 were received against an annual estimate of \$ 15,902,342. These grants comprised grants from the Federal Government and grants from the international organization. Grants from Federal Government and International organizations were not received as estimated with the difference mainly due to an over optimistic estimate. Below is details of grants:

Budget Entity	2022								
	USD								
	RCRFIII	Budget Support	Budget Support	HSS	MOE	SURPII	JPLG	WFP	Total
				Drought Allocation	GPE Project	PROJEC T			
Ministry of Public Works and			-				49,980		49,980
Ministry of Finance and Economic Develop	2,505,218	466,576	4,830,000	400,000					8,201,794
Civil Service Commission	-							-	-
Office of the Auditor General	-							-	-
State Presidency	-	-						-	-
Ministry of Interior				-		350,608	64,296		414,905
Ministry of Healthy	-								-
Ministry of Security		-							-
Ministry of Education and Tertiary	-				162,721			13,360	176,081
	<u>2,505,218</u>	<u>466,576</u>	<u>4,830,000</u>	<u>400,000</u>	<u>162,721</u>	<u>350,608</u>	<u>114,276</u>	<u>13,360</u>	<u>8,842,759</u>

18.1 Grants from Federal Government

A total grant of \$ 13,875,637 from the Federal Government of Somalia was estimated; however, the actual grant received was \$8,751,123. The variance was mainly attributed to delayed disbursement of donor fund Somalia urban resilience project and RCRF II/III support respectively as well as transfers from the federal government (Budget support).

19 Other Revenue

Other revenue collections consist of sale of goods and services and other taxes. A total of \$458,651 was budgeted in the year of 2022 and was collected a sum of 806,186; however, the low collection in this category was due to state's fragility, political unwillingness and capacity to collect the revenue.

20 Employee Compensation

A total of \$6,203,103 was spent on employee compensation against a final budget of \$11,661,303. The under spend of \$5,458,200 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 of staff as planned. The COVID 19 also affected the State paid staff due to weak revenue collection and grants reduction due to this worldwide affected pandemic.

	2022			2021		
	USD			USD		
	Budget	Actual	Variance	Budget	Actual	Variance
Permanent employees/Regular staff	1,366,458	823,849	542,609	1,147,146	546,621	600,525
Contract employees	469,380	326,020	143,360	318,780	304,380	14,400
Wage workers	232,679	13,560	219,119	221,509	11,550	209,959
Security forces (Police, intel forces and prison)	7,268,135	4,240,498	3,027,637	4,437,835	936,632	3,501,203
Remuneration to minister & Statutory Appointments	4,869,600	1,447,000	3,422,600	4,303,000	921,495	3,381,505
Teacher salary	564,352	507,952	56,400	496,800	384,600	112,200
Accommodation Allowance	39,100	39,100	-	97,584	97,584	0
Professional allowance	101,170	38,770	62,400	39,145	35,545	3,600
Transportation allowance	32,300	32,300	-	-	-	-
Other allowances	13,900	4,050	9,850	13,900	1,050	12,850
Regular Food Provision	650,000	500,000	150,000			
Daily Meals	964,683	540,599	424,084	388,683	162,055	226,628
DEO Salary	-	-	-	60,240	15,060	45,180
DQA officer	-	-	-	64,848	15,960	48,888
REO	-	-	-	19,272	4,818	14,454
RQA Officer	-	-	-	19,272	4,818	14,454
Grand Total	16,571,757	8,513,698	8,058,059	11,464,383	3,442,168	8,062,870

21 Use of Good and Services

The ability to spend is limited to the amount of revenue that was collected. In the case of goods and services, a total of \$ 2,242,497 was spent against a budget of \$ 9,938,873, representing 23% of the final budget. The variance distributed across the entities is mainly attributed to constraints in funds availability.

	2022			2021		
	USD			USD		
	Budget	Actual	Variance	Budget	Actual	Variance
Internal Travel	538,240	210,612	327,628	412,766	73,968	338,798
External Travel	294,817	32,856	261,961	280,721	12,772	267,949
Local conferences	392,011	339,165	52,846	354,123	312,201	41,922
Overseas Conferences	27,000	-	27,000	27,000	-	27,000
Water	56,204	23	56,181	48,900	-	48,900
Electricity	80,900	4,593	76,307	82,300	15,663	66,637
Telephone fees	5,550	-	5,550	5,550	-	5,550
Mobile Phone Expenses	12,600	-	12,600	9,480	-	9,480
Internet	101,574	38,248	63,326	69,906	8,354	61,552
Gasoline	335,000	43,594	291,406	341,800	16,210	325,590
Stationary	138,387	53,509	84,878	129,923	36,081	93,842
Books	9,406	-	9,406	9,406	-	9,406
Meeting Supplies	2,431,293	4,559	2,426,734	739,600	11,988	727,612
Publications	1,500	-	1,500	1,500	-	1,500
Cleaning Supplies	53,900	993	52,907	54,100	-	54,100
Cleaning Services	101,200	-	-	-	-	-
Medical Supply	1,850,000	550,000	1,300,000	306,429	306,429	-
Maintenance of equipment	107,500	-	107,500	107,500	-	107,500
Maintenance of furniture & fittings	8,926	2,666	6,260	2,500	-	2,500
Maintenance of Vehicles	443,600	3,598	440,002	13,560	13,560	-
Maintenance of buildings and repairs	80,000	80,000	-	60,000	-	60,000
Maintenance contracts	8,034	7,532	502	8,398	7,924	474
Vehicle Hire/car rental	10,000	-	10,000	89,646	50,000	39,646
Office Rent	182,316	51,250	131,066	156,150	58,080	98,070
Other Rent	300,000	-	300,000	-	-	-
Consultation Fees	526,750	393,325	133,425	602,500	260,974	341,526
Audit Fees	20,000	-	20,000	20,000	-	20,000
Staff training and Development	581,470	68,502	512,968	317,598	248,610	68,988
Fee for Service Provided (non Consultancy Service)	199,916	52,333	147,583	64,273	37,853	26,420
Bank charges	24,770	140	24,630	24,750	67	24,683
Television and Newspaper Advertisements	27,200	5,000	22,200	58,334	15,200	43,134
Conflict Resolution Expenses	600,000	300,000	300,000			
Contingency	388,809	-	388,809	388,809	-	388,809
TOTAL	9,938,873	2,242,498	7,595,174	4,787,521	1,485,934	3,301,587

22 Grants to Other General Government Units

Grants to other General Government Units relates to transfers made to lower levels of Government of HSS. An amount of \$ 4,800,400 was budgeted for the Lower-level Governments of HSS and \$1,198,451 was actually transferred to the Middle Shabelle and Hiran Regions to facilitate their operations as well as provide key services to the Region. While in 2021 a total of \$4,240,400 was budgeted and actual was \$147,511. The lower-level municipalities of the Middle Shabelle and Hiran Regions operating under an informal agreement between the MoFED and HSS Municipalities (see Note 10), operate their own standard procedures in managing funds as stipulated in the informal agreement with the MoFED

23 Social Benefits

24 Non-Financial Assets

During the year, 37% of the non-financial assets budget was spent. Costs were mainly associated with the rehabilitation of Government institutions and equipment which was funded by the Federal Government.

	2022			2021		
	USD			USD		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
Information, computer, & telecom. (ICT) equipment	74,790	35,395	39,395	54,725	3,535	51,190
Machinery and Equipment not elsewhere classified	59,550	-	59,550	59,550	-	59,550
Buildings other than dwellings	80,396	80,396	0.01	362,668	62,568	300,100
Cars	50,000	-	50,000	50,000	-	50,000
Furniture & Fixture	81,502	13,000	68,502	87,100	-	87,100
Total	346,237	128,791	217,447	614,043	66,103	547,940

25 Undrawn External Assistance

During the 2018 financial year, HSS became eligible to participate in the Recurrent Cost and Reform Financing (RCRF III) project. This project runs through to 30 June 2024 and is reviewable on an annual basis. The RCRF III 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 2024.

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 2022, HSS had accessed a total of \$ 2,047,551 (\$1,459,909 in 2021) of the RCRF III project funds since becoming eligible. The variance resulted from a number of Civil Servants not being recruited as originally planned and some staff turnover during 2022 and 2021 fiscal years.

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.

	Year									
	2022		2021		2020		2019		2018	
	Original		Original		Original		Original		Original	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
External Assistance	5,447,994	2,047,551	3,225,785	1,459,909	1,707,180	972,834	1,254,254	589,302	45,067	198,423

26 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 2020
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, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
Notes		USD	USD	USD	USD	USD
Receipts / Inflows						
	Consolidated Fund Appropriations	110,000	110,000		(110,000)	
Grants						
	From other general government units	15,420	15,420		(15,420)	
	Grants	15,420	15,420		(15,420)	
Receipts / Inflows	3	125,420	125,420		(125,420)	
Payments / Outflows						
Compensation of Employees						
	Wages and Salaries	80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
	Fixed Assets	5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		15,420	15,420		(15,420)	

Ministry of Livestock, Forestry and Vegetation

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

		2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Taxes						
Taxes on goods and services		1,967,796	1,967,796	130,000	(1,837,796)	250,000
Taxes	2	1,967,796	1,967,796	130,000	(1,837,796)	250,000
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants	3	15,420	15,420		(15,420)	
Receipts / Inflows		2,093,216	2,093,216	130,000	(1,963,216)	250,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		1,983,216	1,983,216	130,000	(1,853,216)	250,000

Ministry of Ports and Maritime Transport

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA Difference Between Final Budget and Actual	
		USD	USD	USD	USD
Receipts / Inflows					
Consolidated Fund Appropriations		110,000	110,000	(110,000)	
Grants					
From other general government units		15,420	15,420	(15,420)	
Grants	3	15,420	15,420	(15,420)	
Receipts / Inflows		125,420	125,420	(125,420)	
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	(80,000)	
Compensation of Employees	5	80,000	80,000	(80,000)	
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	6	24,500	24,500	(24,500)	
Nonfinancial assets					
Fixed Assets		5,500	5,500	(5,500)	
Nonfinancial assets	8	5,500	5,500	(5,500)	
Payments / Outflows		110,000	110,000	(110,000)	
Increase Decrease in Cash		15,420	15,420	(15,420)	

Ministry of Youth and Sports

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021	
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000.00	110,000.00		-110,000.00	
Grants						
From other general government units		15,420.00	15,420.00		-15,420.00	
Grants	3	15,420.00	15,420.00		-15,420.00	
Receipts / Inflows		125,420.00	125,420.00		-125,420.00	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000.00	80,000.00		-80,000.00	
Compensation of Employees	5	80,000.00	80,000.00		-80,000.00	
Use of Goods and Services						
Travel & Conferences		2,400.00	2,400.00		-2,400.00	
Operating Expenses		22,100.00	22,100.00		-22,100.00	
Use of Goods and Services	6	24,500.00	24,500.00		-24,500.00	
Nonfinancial assets						
Fixed Assets		5,500.00	5,500.00		-5,500.00	
Nonfinancial assets	8	5,500.00	5,500.00		-5,500.00	
Payments / Outflows		110,000.00	110,000.00		-110,000.00	
Increase Decrease in Cash		15,420.00	15,420.00		-15,420.00	

Ministry of Postal, Communication and Modern Technology
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021
		Original Estimate	Final Estimate	Difference Between	
		Appropriation	Appropriation	Final Budget and Actual	
		USD	USD	USD	USD
Receipts / Inflows					
Consolidated Fund Appropriations		110,000	110,000	(110,000)	
Grants					
From other general government units		15,420	15,420	(15,420)	
Grants	3	15,420	15,420	(15,420)	
Receipts / Inflows		125,420	125,420	(125,420)	
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	(80,000)	
Compensation of Employees	5	80,000	80,000	(80,000)	
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	6	24,500	24,500	(24,500)	
Nonfinancial assets					
Fixed Assets		5,500	5,500	(5,500)	
Nonfinancial assets	8	5,500	5,500	(5,500)	
Payments / Outflows		110,000	110,000	(110,000)	
Increase Decrease in Cash		15,420	15,420	(15,420)	

Ministry of Education and Tertiary

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		2,133,813	2,133,813	946,188	(1,187,625)	687,041
Grants						
From international organizations		15,360	15,360	13,360	(2,000)	
From other general government units		1,992,687	1,992,687	214,187	(1,778,500)	559,587
Grants	3	2,008,047	2,008,047	227,547	(1,780,500)	559,587
Other Revenue						
Sale of goods and services		31,186	31,186	31,186		
Other Revenue	4	31,186	31,186	31,186		
Receipts / Inflows		4,173,045	4,173,045	1,204,921	(2,968,125)	1,246,627
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		984,602	984,602	821,152	(163,450)	518,257
Compensation of Employees	5	984,602	984,602	821,152	(163,450)	518,257
Use of Goods and Services						
Travel & Conferences		48,220	48,220	38,784	(9,436)	69,208
Operating Expenses		900,659	900,659	31,281	(869,378)	28,885
Rent		14,400	14,400	4,900	(9,500)	
Other Operating Expenses		171,730	171,730	43,971	(127,759)	68,821
Use of Goods and Services	6	1,135,009	1,135,009	118,936	(1,016,073)	166,914
Nonfinancial assets						
Fixed Assets		14,202	14,202	6,100	(8,102)	1,870
Nonfinancial assets	8	14,202	14,202	6,100	(8,102)	1,870
Payments / Outflows		2,133,813	2,133,813	946,188	(1,187,625)	687,041
Increase Decrease in Cash		2,039,233	2,039,233	258,733	(1,780,500)	559,587

Ministry of Environmental and Sea Protection

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			Difference Between Final Budget and Actual	2021 Controlled by TSA
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA		
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000.00	110,000.00		-110,000.00	
Grants						
From other general government units		15,420.00	15,420.00		-15,420.00	
Grants	3	15,420.00	15,420.00		-15,420.00	
Receipts / Inflows		125,420.00	125,420.00		-125,420.00	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000.00	80,000.00		-80,000.00	
Compensation of Employees	5	80,000.00	80,000.00		-80,000.00	
Use of Goods and Services						
Travel & Conferences		2,400.00	2,400.00		-2,400.00	
Operating Expenses		22,100.00	22,100.00		-22,100.00	
Use of Goods and Services	6	24,500.00	24,500.00		-24,500.00	
Nonfinancial assets						
Fixed Assets		5,500.00	5,500.00		-5,500.00	
Nonfinancial assets	8	5,500.00	5,500.00		-5,500.00	
Payments / Outflows		110,000.00	110,000.00		-110,000.00	
Increase Decrease in Cash		15,420.00	15,420.00		-15,420.00	

Ministry of Agriculture and Irrigation

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			Difference Between Final Budget and Actual	2021 Controlled by TSA
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA		
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Taxes						
Taxes on goods and services		200,000	200,000	15,000	(185,000)	
Taxes	2	200,000	200,000	15,000	(185,000)	
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants	3	15,420	15,420		(15,420)	
Receipts / Inflows		325,420	325,420	15,000	(310,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		215,420	215,420	15,000	(200,420)	

Ministry of Health and Social Care

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		5,595,174	5,595,174	1,441,023	(4,154,151)	1,223,280
Grants						
From other general government units		5,500,594	5,500,594	1,007,667	(4,492,927)	1,237,370
Grants	3	5,500,594	5,500,594	1,007,667	(4,492,927)	1,237,370
Receipts / Inflows		11,095,768	11,095,768	2,448,690	(8,647,078)	2,460,650
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		631,128	631,128	339,008	(292,120)	347,012
Compensation of Employees	5	631,128	631,128	339,008	(292,120)	347,012
Use of Goods and Services						
Travel & Conferences		391,481	391,481	310,402	(81,079)	285,413
Operating Expenses		3,257,409	3,257,409	662,462	(2,594,947)	370,175
Rent		13,566	13,566		(13,566)	
Other Operating Expenses		727,950	727,950	111,011	(616,939)	220,680
Use of Goods and Services	6	4,390,406	4,390,406	1,083,875	(3,306,531)	876,268
Social Benefits						
Employer social benefits		550,000	550,000		(550,000)	
Social Benefits		550,000	550,000		(550,000)	
Nonfinancial assets						
Fixed Assets		23,640	23,640	18,140	(5,500)	
Nonfinancial assets	8	23,640	23,640	18,140	(5,500)	
Payments / Outflows		5,595,174	5,595,174	1,441,023	(4,154,151)	1,223,280
Increase Decrease in Cash		5,500,594	5,500,594	1,007,667	(4,492,927)	1,237,370

Ministry of Fishery & Marine Resources

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Taxes						
Taxes on goods and services		329,270	329,270	27,000	(302,270)	30,000
Taxes	2	329,270	329,270	27,000	(302,270)	30,000
Grants						
From other general government units		15,420	15,420	166,576	151,156	
Grants	3	15,420	15,420	166,576	151,156	
Receipts / Inflows		454,690	454,690	193,576	(261,114)	30,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		344,690	344,690	193,576	(151,114)	30,000

Ministry of Public Works and Reconstruction

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		186,072	186,072	76,066	(110,006)	
Grants						
From international organizations		69,772	69,772	49,980	(19,792)	26,100
From other general government units		21,720	21,720		(21,720)	
Grants	3	91,492	91,492	49,980	(41,512)	26,100
Receipts / Inflows		277,564	277,564	126,046	(151,518)	26,100
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		83,560	83,560	3,560	(80,000)	
Compensation of Employees	5	83,560	83,560	3,560	(80,000)	
Use of Goods and Services						
Travel & Conferences		45,638	45,638	43,232	(2,406)	
Operating Expenses		27,900	27,900	5,800	(22,100)	
Other Operating Expenses		23,474	23,474	23,474		
Use of Goods and Services	6	97,012	97,012	72,506	(24,506)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		186,072	186,072	76,066	(110,006)	
Increase Decrease in Cash		91,492	91,492	49,980	(41,512)	26,100

Ministry of Information and Culture

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021
		Original Estimate	Final Estimate	Difference Between	
		Appropriation	Appropriation	Final Budget and	
				Actual	
		USD	USD	USD	USD
Receipts / Inflows					
Consolidated Fund Appropriations		110,000	110,000	(110,000)	
Grants					
From other general government units		15,420	15,420	(15,420)	
Grants	3	15,420	15,420	(15,420)	
Receipts / Inflows		125,420	125,420	(125,420)	
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	(80,000)	
Compensation of Employees	5	80,000	80,000	(80,000)	
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	6	24,500	24,500	(24,500)	
Nonfinancial assets					
Fixed Assets		5,500	5,500	(5,500)	
Nonfinancial assets	8	5,500	5,500	(5,500)	
Payments / Outflows		110,000	110,000	(110,000)	
Increase Decrease in Cash		15,420	15,420	(15,420)	

Ministry of Interior and Local Government
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Grants						
Consolidated Fund Appropriations		5,452,002	5,452,002	1,621,182	(3,830,820)	285,140
From international organizations		7	7		(7)	
Grants		7	7		(7)	
Receipts / Inflows						
Taxes						
Taxes on payroll and workforce				200	200	
Taxes on goods and services		237,160	237,160	57,400	(179,760)	
Taxes	2	237,160	237,160	57,600	(179,560)	
Grants						
From international organizations		122,773	122,773	64,296	(58,476)	76,761
From other general government units		414,842	414,842	350,608	(64,234)	246,206
Grants	3	537,615	537,615	414,905	(122,710)	322,966
Other Revenue						
Sale of goods and services		222,465	222,465		(222,465)	
Other Revenue	4	222,465	222,465		(222,465)	
Receipts / Inflows		6,449,248	6,449,248	2,093,686	(4,355,562)	608,106
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		99,500	99,500	15,900	(83,600)	5,000
Compensation of Employees	5	99,500	99,500	15,900	(83,600)	5,000
Use of Goods and Services						
Travel & Conferences		53,408	53,408	33,744	(19,664)	748
Operating Expenses		73,356	73,356	7,368	(65,988)	600
Rent		18,000	18,000		(18,000)	
Other Operating Expenses		290,692	290,692	265,513	(25,179)	131,281
Use of Goods and Services	6	435,456	435,456	306,625	(128,831)	132,629
Grants						
Grants To Other General Government Units		4,800,400	4,800,400	1,198,451	(3,601,949)	147,511
Grants	7	4,800,400	4,800,400	1,198,451	(3,601,949)	147,511
Nonfinancial assets						
Fixed Assets		116,646	116,646	100,206	(16,440)	
Nonfinancial assets	8	116,646	116,646	100,206	(16,440)	
Payments / Outflows		5,452,002	5,452,002	1,621,182	(3,830,820)	285,140
Increase Decrease in Cash		997,247	997,247	472,505	(524,742)	322,966

Ministry of Planning, Investment and International Cooperation
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants	3	15,420	15,420		(15,420)	
Receipts / Inflows		125,420	125,420		(125,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		15,420	15,420		(15,420)	

Ministry of Transport, Air and Land

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Taxes						
Taxes on goods and services		403,450	403,450	20,000	(383,450)	90,000
Taxes	2	403,450	403,450	20,000	(383,450)	90,000
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants	3	15,420	15,420		(15,420)	
Other Revenue						
Sale of goods and services		150,000	150,000		(150,000)	
Other Revenue	4	150,000	150,000		(150,000)	
Receipts / Inflows		678,870	678,870	20,000	(658,870)	90,000
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		568,870	568,870	20,000	(548,870)	90,000

Ministry of Security and Rehabilitation

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		8,479,901	8,479,901	4,731,132	(3,748,769)	936,632
Grants						
From other general government units		3,594,420	3,594,420	3,579,000	(15,420)	
Grants	3	3,594,420	3,594,420	3,579,000	(15,420)	
Receipts / Inflows		12,074,321	12,074,321	8,310,132	(3,764,189)	936,632
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		7,899,001	7,899,001	4,731,132	(3,167,869)	936,632
Compensation of Employees	5	7,899,001	7,899,001	4,731,132	(3,167,869)	936,632
Use of Goods and Services						
Travel & Conferences		3,000	3,000		(3,000)	
Operating Expenses		567,900	567,900		(567,900)	
Rent		6,000	6,000		(6,000)	
Use of Goods and Services	6	576,900	576,900		(576,900)	
Nonfinancial assets						
Fixed Assets		4,000	4,000		(4,000)	
Nonfinancial assets	8	4,000	4,000		(4,000)	
Payments / Outflows		8,479,901	8,479,901	4,731,132	(3,748,769)	936,632
Increase Decrease in Cash		3,594,420	3,594,420	3,579,000	(15,420)	

Ministry of Labor and Employment

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		Appropriation	Appropriation			
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	(110,000)		
Grants						
From other general government units		15,420	15,420	(15,420)		
Grants	3	15,420	15,420	(15,420)		
Receipts / Inflows		125,420	125,420	(125,420)		
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	(80,000)		
Compensation of Employees	5	80,000	80,000	(80,000)		
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	6	24,500	24,500	(24,500)		
Nonfinancial assets						
Fixed Assets		5,500	5,500	(5,500)		
Nonfinancial assets	8	5,500	5,500	(5,500)		
Payments / Outflows		110,000	110,000	(110,000)		
Increase Decrease in Cash		15,420	15,420	(15,420)		

Ministry of Finance and Economic Development
Combined Statement of Cash receipts and Payment & comparison to Budget
For the year Ended 31 December, 2022
Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		1,180,717	1,180,717	421,799	(758,918)	442,257
Taxes						
Taxes on payroll and workforce		2,020,000	2,020,000	291,807	(1,728,193)	18,790
Taxes on property		441,379	441,379	24,364	(417,015)	
Taxes on goods and services		9,547,897	9,547,897	1,634,275	(7,913,622)	1,392,191
Taxes on international trade and transactions		699,316	699,316	190,000	(509,316)	
Other taxes				93,621	93,621	
Taxes	2	12,708,592	12,708,592	2,234,068	(10,474,524)	1,410,981
Grants						
From international organizations		1,800,000	1,800,000		(1,800,000)	100,420
From other general government units		547,620	547,620	2,696,084	2,148,464	773,221
Grants	3	2,347,620	2,347,620	2,696,084	348,464	873,641
Other Revenue						
Sale of goods and services				775,000	775,000	
Fines, penalties and forfeits		5,000	5,000		(5,000)	
Other Revenue	4	5,000	5,000	775,000	770,000	
Receipts / Inflows		16,241,929	16,241,929	6,126,951	(10,114,978)	2,726,879
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		409,098	409,098	263,245	(145,853)	199,080
Compensation of Employees	5	409,098	409,098	263,245	(145,853)	199,080
Use of Goods and Services						
Travel & Conferences		91,300	91,300	36,471	(54,829)	22,672
Operating Expenses		113,500	113,500	42,407	(71,093)	27,350
Other Operating Expenses		141,260	141,260	75,331	(65,929)	128,922
Contingency		388,809	388,809		(388,809)	
Use of Goods and Services	6	734,869	734,869	154,209	(580,660)	178,944
Nonfinancial assets						
Fixed Assets		36,750	36,750	4,345	(32,405)	64,233
Nonfinancial assets	8	36,750	36,750	4,345	(32,405)	64,233
Payments / Outflows		1,180,717	1,180,717	421,799	(758,918)	442,257
Increase Decrease in Cash		15,061,212	15,061,212	5,705,152	(9,356,060)	2,284,622

Ministry of Constitution & Federal Affairs

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			Difference Between Final Budget and Actual	2021 Controlled by TSA
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA		
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants		15,420	15,420		(15,420)	
Receipts / Inflows	3	125,420	125,420		(125,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		15,420	15,420		(15,420)	

Ministry of Commerce & Industry

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021
		Original Estimate	Final Estimate	Difference Between	
		Appropriation	Appropriation	Final Budget and	
				Actual	
		USD	USD	USD	USD
Receipts / Inflows					
Consolidated Fund Appropriations		110,000	110,000	(110,000)	
Grants					
From other general government units		15,420	15,420	(15,420)	
Grants	3	15,420	15,420	(15,420)	
Receipts / Inflows		125,420	125,420	(125,420)	
Payments / Outflows					
Compensation of Employees					
Wages and Salaries		80,000	80,000	(80,000)	
Compensation of Employees	5	80,000	80,000	(80,000)	
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	6	24,500	24,500	(24,500)	
Nonfinancial assets					
Fixed Assets		5,500	5,500	(5,500)	
Nonfinancial assets	8	5,500	5,500	(5,500)	
Payments / Outflows		110,000	110,000	(110,000)	
Increase Decrease in Cash		15,420	15,420	(15,420)	

Ministry of Women & Human Rights

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants	3	15,420	15,420		(15,420)	
Receipts / Inflows		125,420	125,420		(125,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		15,420	15,420		(15,420)	

Ministry of Water, Energy and Minerals

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		Appropriation	Appropriation			
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	(110,000)		
Grants						
From other general government units		15,420	15,420	(15,420)		
Grants	3	15,420	15,420	(15,420)		
Receipts / Inflows		125,420	125,420	(125,420)		
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	(80,000)		
Compensation of Employees	5	80,000	80,000	(80,000)		
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	6	24,500	24,500	(24,500)		
Nonfinancial assets						
Fixed Assets		5,500	5,500	(5,500)		
Nonfinancial assets	8	5,500	5,500	(5,500)		
Payments / Outflows		110,000	110,000	(110,000)		
Increase Decrease in Cash		15,420	15,420	(15,420)		

Ministry of Humanitarian and Disaster Management

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		510,000	510,000	400,000	(110,000)	
Grants						
From other general government units		415,420	415,420		(415,420)	
Grants	3	415,420	415,420		(415,420)	
Receipts / Inflows		925,420	925,420	400,000	(525,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		480,000	480,000	400,000	(80,000)	
Compensation of Employees	5	480,000	480,000	400,000	(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		510,000	510,000	400,000	(110,000)	
Increase Decrease in Cash		415,420	415,420		(415,420)	

Civil Service Commission**Combined Statement of Cash receipts and Payment & comparison to Budget****For the year Ended 31 December, 2022****Government Uses a Treasury Single Account System to Manage Funds**

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations	3	144,614	144,614	83,214	(61,400)	78,564
Grants						
From other general government units		83,214	83,214		(83,214)	83,184
Grants		83,214	83,214		(83,214)	83,184
Other Revenue						
Sale of goods and services		50,000	50,000		(50,000)	
Other Revenue	4	50,000	50,000		(50,000)	
Receipts / Inflows		277,828	277,828	83,214	(194,614)	161,748
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		111,864	111,864	59,964	(51,900)	59,964
Compensation of Employees	5	111,864	111,864	59,964	(51,900)	59,964
Use of Goods and Services						
Operating Expenses		4,500	4,500		(4,500)	
Rent		23,250	23,250	23,250		18,600
Other Operating Expenses		5,000	5,000		(5,000)	
Use of Goods and Services	6	32,750	32,750	23,250	(9,500)	18,600
Payments / Outflows		144,614	144,614	83,214	(61,400)	78,564
Increase Decrease in Cash		133,214	133,214		(133,214)	83,184

Hirshabelle Parliament

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		3,677,790	3,677,790	1,281,000	(2,396,790)	937,495
Grants						
From other general government units		468,000	468,000	468,000		
Grants	3	468,000	468,000	468,000		
Receipts / Inflows		4,145,790	4,145,790	1,749,000	(2,396,790)	937,495
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		3,100,340	3,100,340	1,281,000	(1,819,340)	916,495
Compensation of Employees	5	3,100,340	3,100,340	1,281,000	(1,819,340)	916,495
Use of Goods and Services						
Travel & Conferences		261,000	261,000		(261,000)	
Operating Expenses		202,450	202,450		(202,450)	
Rent		84,000	84,000		(84,000)	21,000
Use of Goods and Services	6	547,450	547,450		(547,450)	21,000
Nonfinancial assets						
Fixed Assets		30,000	30,000		(30,000)	
Nonfinancial assets	8	30,000	30,000		(30,000)	
Payments / Outflows		3,677,790	3,677,790	1,281,000	(2,396,790)	937,495
Increase Decrease in Cash		468,000	468,000	468,000		

Ministry of State Presidency

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		1,882,549	1,882,549	661,805	(1,220,744)	441,828
Grants						
From other general government units		340,904	340,904	83,000	(257,904)	217,573
Grants	3	340,904	340,904	83,000	(257,904)	217,573
Receipts / Inflows		2,223,453	2,223,453	744,805	(1,478,648)	659,401
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,109,328	1,109,328	551,809	(557,519)	379,628
Compensation of Employees	5	1,109,328	1,109,328	551,809	(557,519)	379,628
Use of Goods and Services						
Travel & Conferences		256,921	256,921	70,000	(186,921)	10,000
Operating Expenses		216,300	216,300	39,996	(176,304)	39,200
Rent		300,000	300,000		(300,000)	
Other Operating Expenses						13,000
Use of Goods and Services	6	773,221	773,221	109,996	(663,225)	62,200
Payments / Outflows		1,882,549	1,882,549	661,805	(1,220,744)	441,828
Increase Decrease in Cash		340,904	340,904	83,000	(257,904)	217,573

Auditor General's Office**Combined Statement of Cash receipts and Payment & comparison to Budget****For the year Ended 31 December, 2022****Government Uses a Treasury Single Account System to Manage Funds**

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		114,636	114,636	70,028	(44,608)	67,116
Grants						
From other general government units		72,036	72,036		(72,036)	71,766
Grants	3	72,036	72,036		(72,036)	71,766
Receipts / Inflows		186,672	186,672	70,028	(116,644)	138,882
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		63,336	63,336	46,928	(16,408)	48,636
Compensation of Employees	5	63,336	63,336	46,928	(16,408)	48,636
Use of Goods and Services						
Travel & Conferences		700	700		(700)	
Operating Expenses		7,500	7,500		(7,500)	
Rent		23,100	23,100	23,100		18,480
Other Operating Expenses		20,000	20,000		(20,000)	
Use of Goods and Services	6	51,300	51,300	23,100	(28,200)	18,480
Payments / Outflows		114,636	114,636	70,028	(44,608)	67,116
Increase Decrease in Cash		72,036	72,036		(72,036)	71,766

Ministry of Rehabilitation and Disarmament

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		Appropriation	Appropriation			
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	(110,000)		
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	(80,000)		
Compensation of Employees	5	80,000	80,000	(80,000)		
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	6	24,500	24,500	(24,500)		
Nonfinancial assets						
Fixed Assets		5,500	5,500	(5,500)		
Nonfinancial assets	8	5,500	5,500	(5,500)		
Payments / Outflows		110,000	110,000	(110,000)		
Increase Decrease in Cash		-110,000	-110,000	110,000		

Ministry of Religious and Endowments

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			2021	
		Original Estimate	Final Estimate	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		Appropriation	Appropriation			
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000	(110,000)		
Grants						
From other general government units		15,420	15,420	(15,420)		
Grants	3	15,420	15,420	(15,420)		
Receipts / Inflows		125,420	125,420	(125,420)		
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000	(80,000)		
Compensation of Employees	5	80,000	80,000	(80,000)		
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	6	24,500	24,500	(24,500)		
Nonfinancial assets						
Fixed Assets		5,500	5,500	(5,500)		
Nonfinancial assets	8	5,500	5,500	(5,500)		
Payments / Outflows		110,000	110,000	(110,000)		
Increase Decrease in Cash		15,420	15,420	(15,420)		

Ministry of Petroleum and mining

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022			Difference Between Final Budget and Actual	2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA		Controlled by TSA
		USD	USD	USD		USD
Receipts / Inflows						
Consolidated Fund Appropriations		110,000	110,000		(110,000)	
Grants						
From other general government units		15,420	15,420		(15,420)	
Grants	3	15,420	15,420		(15,420)	
Receipts / Inflows		125,420	125,420		(125,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
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	6	24,500	24,500		(24,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		110,000	110,000		(110,000)	
Increase Decrease in Cash		15,420	15,420		(15,420)	

Ministry of Reconciliation and Resettlement

Combined Statement of Cash receipts and Payment & comparison to Budget

For the year Ended 31 December, 2022

Government Uses a Treasury Single Account System to Manage Funds

Account	Notes	2022				2021
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		760,000	760,000	350,000	(410,000)	
Grants						
From other general government units		165,420	165,420	150,000	(15,420)	
Grants	3	165,420	165,420	150,000	(15,420)	
Receipts / Inflows		925,420	925,420	500,000	(425,420)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,000	80,000		(80,000)	
Compensation of Employees	5	80,000	80,000		(80,000)	
Use of Goods and Services						
Travel & Conferences		52,400	52,400	50,000	(2,400)	
Operating Expenses		22,100	22,100		(22,100)	
Conflict Resolution Expenses		600,000	600,000	300,000	(300,000)	
Use of Goods and Services	6	674,500	674,500	350,000	(324,500)	
Nonfinancial assets						
Fixed Assets		5,500	5,500		(5,500)	
Nonfinancial assets	8	5,500	5,500		(5,500)	
Payments / Outflows		760,000	760,000	350,000	(410,000)	
Increase Decrease in Cash		165,420	165,420	150,000	(15,420)	

Notes to the Financial Statements of All Budget Entities

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* and 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 (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 of 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 2022*. 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 on 18 March 2019, however, the Office was not established during the 2018 financial year the Office of the Auditor General came on board 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 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, 2022*.

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
- 33 Ministry of Rural Development

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 (\$) rounded to the nearest dollar (\$)

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.

3 Consolidated Fund Appropriations

This represents the cumulative amount of expenditure that was 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.

4 Taxes

Taxes refer to revenue arising from taxes on goods and services, local government tax collections (Other taxes). For 2022, a sum of \$1,780,981 taxes were Collected by the Ministry of Finance and Economic Development due to the State’s fragility and disputes among the two regions which led each region to collect their own and expense their own caused not to achieve the fiscal year target which was \$13,752,268. There is a positive hope for the 2023 since massive liberation is going in HSS and Hiran region is expected to channel their revenue to the TSA

5 Grants

Grants from international organizations and the Federal Government of Somalia are remitted through the TSA and therefore recorded under the MoFED and other MDAs directed to the grants while the MoFED manages all grants received by the HSS. 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 or sub accounts under the TSA. Grant income of \$ 15,902,342 was budgeted during the reporting period of FY2022 however \$8,842,759 received.

6 Other Revenue

Sale of goods and services consist of income and other taxes on Fines, penalties and forfeits generated from HSS providing necessary legal documents to its citizens. In 2022 financial year, the Ministries and Agencies collected a total of \$ 806,186. HSS provides certain services to the residents at a fee.

7 Employee Compensation

Employee Compensation entails all salaries and wages including in-kind payments. Salaries to civil servants and the security forces make up the prime part of employee compensation. The Recurrent Cost and Reform Financing (RCRF III) 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 III project has reimbursed salaries to the following Entities.

Other salaries totaling \$ 548,800 were paid by RCRF for teacher salaries as separate from the civil servants for the Ministry of education. The total number of teachers is 274 teachers across the State.

Budget Entity	2022		2021	
	RCRFIII	# of Staff paid	RCRFIII	# of Staff paid
Ministry of Finance and Economic Development	206,064	30	186,480	30
Civil Service Commission	59,964	10	59,964	10
Office of the Auditor General	46,928	8	48,636	8
State Presidency	235,844	65	217,573	65
Ministry of Helthy	43,368	6	18,794	6
Ministry of Education	43,368	32	15,000	32
Total	548,800	151	512,653	151

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

8 Use of Goods and Services

HSS's ability to pay for its operating costs, goods and services and other miscellaneous expenses are determined by the ability to raise or receive sufficient revenue for its budget execution. HSS does not have access to a credit facility and therefore due to this integral constraint HSS has prioritized and spent 21% percent of the available revenue in executing budgets across the entities. The following is a summary of the HSS operational budget execution level.

	<u>Final Budget 2022</u>	<u>Execution</u>	<u>Execution %</u>
Ministry of Education and Tertiary	125766	10457	8
Ministry of Interior and Local Government	4914380	1198451	24
Ministry of Security and Rehabilitation	4885481	1152132	24
Ministry of Finance and Economic Development	633097	22266	4
Hirshabelle Parliament	3209790	813000	25
Ministry of State Presidency	1541645	342961	22
Ministry of Reconciliation and Resettlement	594580	200000	34
	<u>18104919</u>	<u>3739267</u>	<u>21</u>

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 a revenue collection center and incurs expenditure. The Municipalities collect revenue from the public transport system and other mobile businesses within HSS. In the agreement between the Ministry of Finance and the Kismayo Municipality, all revenue collections of the lower-level government shall be deposited in to the TSA and request for incurring expenditures is made by the local government entity using the standard authorizing procedures of the Ministry.

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

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 specialized professional services, and construction of ministerial offices. During the reporting period, a total of \$ 128,791 was disbursed on non-financial assets which represented 37% of the estimated budget. The variance was a result of cash availability for entities not being unable to utilize the budget allocation. The non-financial asset purchases were distributed as follows:

	2022			2021		
	USD			USD		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
Information, computer, & telecom. (ICT) equipment	74,790	35,395	39,395	54,725	3,535	51,190
Machinery and Equipment not elsewhere classified	59,550	-	59,550	59,550	-	59,550
Buildings other than dwellings	80,396	80,396	0.01	362,668	62,568	300,100
Cars	50,000	-	50,000	50,000	-	50,000
Furniture & Fixture	81,502	13,000	68,502	87,100	-	87,100
Total	346,237	128,791	217,447	614,043	66,103	547,940