



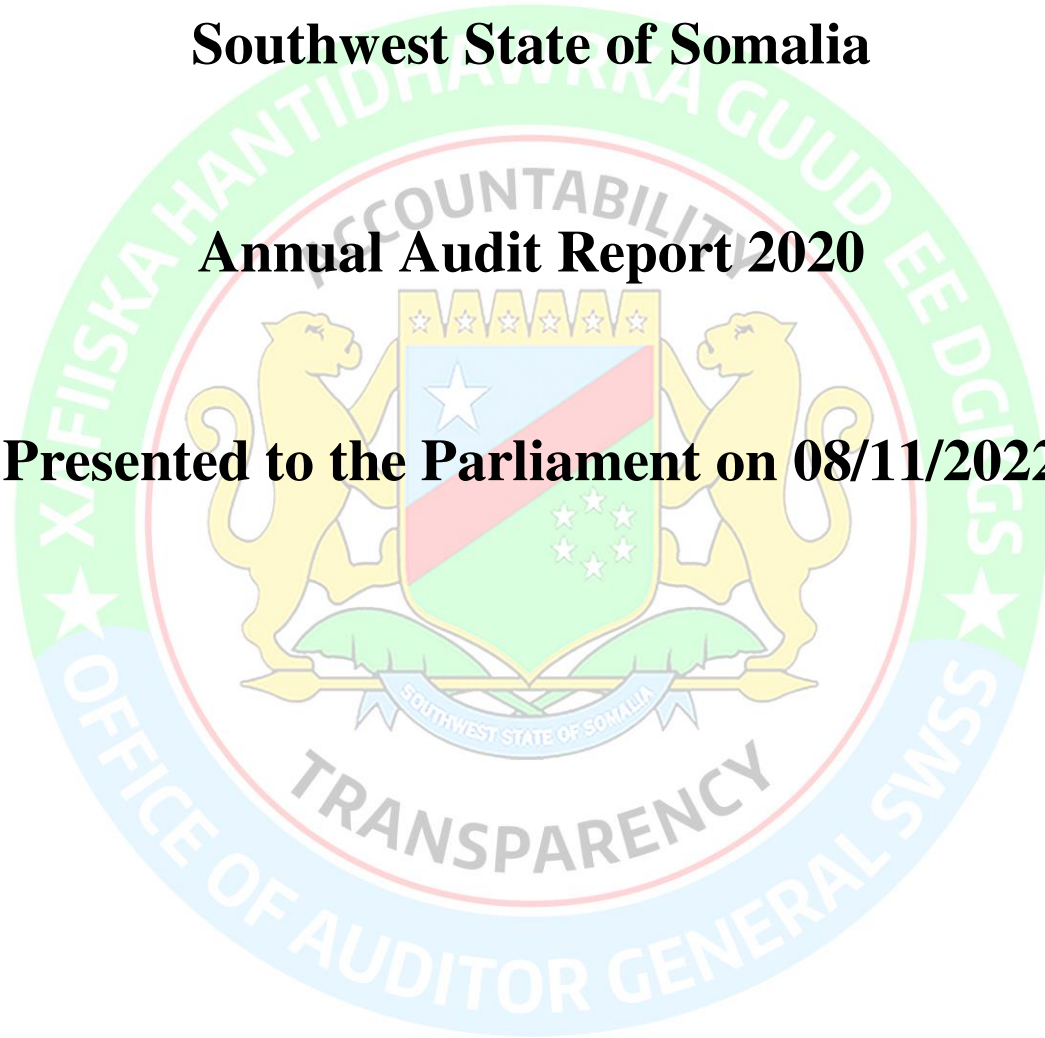
Office of Auditor General

Office of the Auditor General

Southwest State of Somalia

Annual Audit Report 2020

Presented to the Parliament on 08/11/2022





Office of Auditor General

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Office of Auditor General

Transmittal Letter

08th November 2022

Honourable Mohamed Nur Mo'allim Mohamed
Deputy Speaker & Acting Speaker of Parliament
Southwest State of Somalia
Baidoa, Somalia.

Dear Sir,

In accordance with the provisions of section 32(3) of the 2018 PFM Act, And Sections 30, 32 and 33 of the Audit Act 2021 of South West State of Somalia (SWSS), I have the honour to submit to you the 2020 Annual Audit Report of the Office of the Auditor General (OAG) for tabling in the State Parliament.

This report provides a summary of the major issues identified while much more detail in relation to these issues can be found in the annexes attached. These are:

1. The 2020 Financial Statements of SWSS and accompanying Audit Opinion (Annex 1).
2. The Audit Management Letter for 2020 including the detailed findings, recommendations for improvement and formal responses from Ministry of Finance (Annex 2).

Yours Faithfully,

Muhiyadin Ali Abdinoor
Audit Manager and Acting Auditor General
Southwest State of Somalia

- CC:
1. President South West State of Somalia
 2. Minister of Finance South West State of Somalia



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1. Executive Summary

The Office of the Auditor General (OAG) is an independent institution whose main function is to be the external Auditor of the State as per Section 58 of the Constitution of South West State of Somalia (SWSS).

Section 32(3) of the PFM Act 2018 and Section 30(4) of the Audit Act 2021 require the Auditor General to examine, at least annually, the consolidated financial statement of the South West State of Somalia and report to Parliament. The law requires the Auditor General to express an opinion on the truth and fairness of the consolidated financial statements, report on significant findings and recommendations on the usage of public funds and also report on internal control deficiencies.

Since the Auditor General (AG) was appointed, the OAG was operationalized with the recruitment of three staff. There is a lack of budget to train staff and execute the office mandate, and a lack of other essential facilities such as proper working space and support from the political leadership. The UK Government and the European Union have provided some technical assistance over the last four years and have also provided limited support in terms of infrastructure.

Prior to this audit, OAG staff did not yet have the requisite experience to conduct a full financial statement without support. Baker Tilly and Risk Bridge, a private sector audit firms, had taken the lead and conducted the financial year audit over the last three years respectively. OAG staff gradually took on more responsibilities during these audits and gained experience and knowledge in the audit field. It is with pride that SWSS-OAG conducted and completed 2020 audit without the need for private sector audit support to audit of the consolidated financial statement for the period ending 31st December 2020 in accordance with the audit legislation. These financial statements and audit opinion, are included as **Annex 1** of this report.

This report gives a summary of the Opinion, significant findings and recommendations and internal control deficiencies for the financial year ending 31st December 2020. More detail on these findings is presented in **Annex 2** to this report along with responses from the Ministry of Finance.

The overall audit opinion is a Qualified Opinion — this means that the Auditor General considers that the financial statements are a true and fair representation of the financial activities during the 2020 financial year except in two key areas.

- Receipts amounting to USD 2,368,614, representing 100% of total local revenue collections reported under note 2 of the financial statements lacked supporting documents (The original receipt books, copies of which should have been issued to the tax payers). Therefore, we are unable to ascertain whether these transactions are fully and correctly presented in the financial statements.



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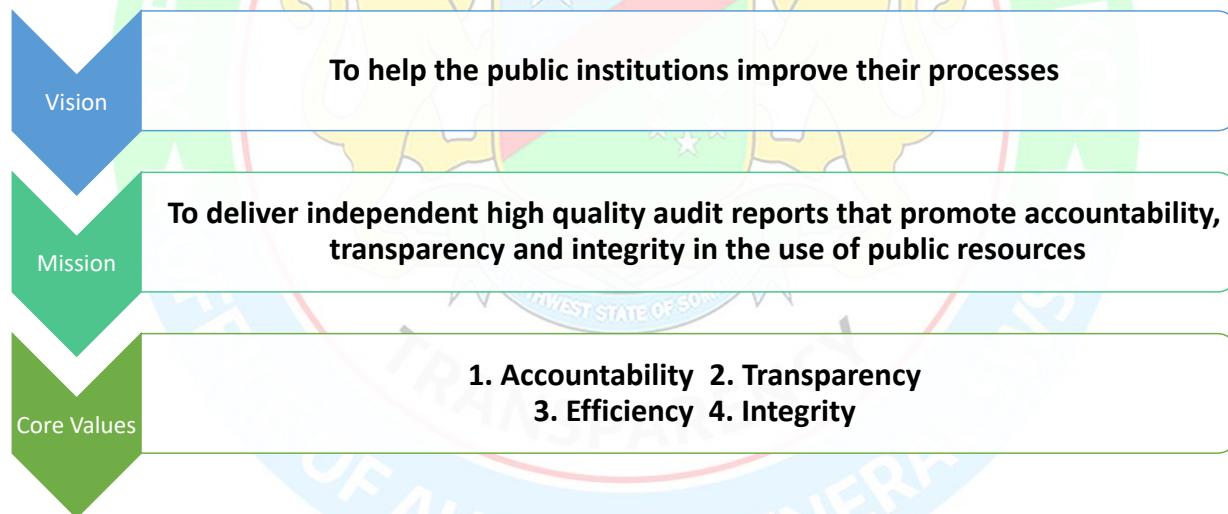
- Payments totalling USD 2,105,697, representing 44.86% of the total payments were only supported with internally generated documents, lacked any evidence of occurrence and were hence deemed unsupported. In addition, payments totalling USD \$450,304 representing 9.6% of the total payments were inadequately supported. Without such supporting evidence it is not possible to confirm these payments have been disclosed correctly in the financial statements.

The performance of the state in terms of accountability is the same compared with the previous year in which an audit opinion was Qualified Opinion too.

The main body of this report summarises the main findings identified during the audit. Greater detail on all audit issues identified is included in the Audit Management Letter attached at Annex 2.

2. About the OAG

2.1 Vision, Mission and Core Values



2.2 Functions of the OAG as per Audit Law

As per Sections 6 and 7 of the Audit Act 2021, functions of the OAG are:

1. To perform financial, compliance, performance and other audits on all public bodies of SWSS and report to the State Assembly with copies to the President, and the Minister responsible for finance.
2. Conduct special investigations for the purpose of ascertaining dishonesty, fraud or corruption.
3. If it is determined that sufficient evidence exists to warrant criminal investigation and prosecution, the OAG should refer the case to the Police and appropriate judicial authorities.



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4. The OAG shall report at least annually, but no later than four months after receipt of the public accounts from the Minister of Finance and from Heads of Spending Agencies, on the results of the audit work of his/her office to parliament through the speaker.
5. The OAG may choose to conduct special audits and at his/her discretion prepares special reports for submission to parliament or for inclusion into annual reports.
6. The OAG to make reports public through print and electronic media, publishing through the official gazette, through comments and interviews to the press or other media on the subject of any published audit reports.

2.3 Current Status of the OAG

The OAG was established in 2015 but was not fully operational until January 2018 and the Audit Act was passed by parliament on 7th January 2021. Since then, with the support of the UK/EU funded PREMIS project, staff and institutional capacity have steadily improved. Although the PREMIS project have become an ended. The Office currently has an Auditor General (AG) and three other staff that were recruited through the Civil Service Commission (CSC).

2.4 OAG Challenges

The SWSS OAG is relatively new and so, not surprisingly, the office faces a number of challenges. Key amongst these are;

- Lack of resources in terms of operational budget.
- Inadequate staff resources and difficulty in retaining trained staff.
- Inadequate, but developing, staff capacity.
- Lack of awareness from other public bodies on the roles and mandate of the OAG.

2.5 Responsibilities of Other Parties in the Audit process

Ministry of Finance

As per section 32(1) and (2) of the PFM Act 2018, the Minister shall prepare the unaudited Final Account of the Consolidated Budget and submit it to the Auditor General no later than four months after the end of the fiscal year. The unaudited Final Account of the Consolidated Budget shall be in accordance with the content and classifications of the budget.

The independence of the Auditor General is important. As such, he has no role in the preparation of the financial statements and plays no part in controlling the underlying transactions that are reported in the financial statements.



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3. Key Terminologies

3.1 Audit Opinion

This is the auditor's judgment on the financial statements prepared by management. An audit opinion is a professional view offered by a qualified accountant at the completion of an audit of financial records. In addition to an overall conclusion, the opinion describes the processes used during auditing, the standards used by the auditor, and other relevant information.

Types of Audit Opinions

Unqualified opinion—no reservations concerning the financial statement. This is also known as a clean opinion meaning that the financial statements appear to be ***presented fairly in all material respects***.

Qualified opinion — this means that the auditor has taken exception to certain current-period accounting applications or is unable to establish the potential outcome of a material uncertainty. Also known as “***except for...***” opinion.

Disclaimer opinion — this is an audit opinion whereby the auditor is ***unable to state his/her view*** as to whether the financial statements are free from material misstatements due to a material limitation of scope. The auditor is therefore unable to express his opinion.

Adverse opinion — this is a type of audit opinion which states that the financial statements ***do not*** fairly present the financial position, results of operations, and changes in financial position, in conformity with the relevant financial reporting framework.

3.2 Consolidated Financial Statements

These are the financial statements of the various Ministries, Departments and Agencies of the state that are presented as one combined statement for a given financial period.

3.3 Materiality

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



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4. Key Audit Results and Recommendations

4.1 Report of the Independent Auditor

Qualified of Opinion

I have audited the financial statements of the South West State of Somalia which comprise the Consolidated Fund Statement of Receipts and Payments, the Consolidated Fund Statement of Comparison of Budget and Actual amounts, and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for qualified Opinion paragraph, The financial statements presents fairly, in all material respects, the financial position of the South West State of Somalia as at 31 December 2020 and its financial performance for the period then ended in accordance with the Public Financial Management Act, 2018 and the International Public-Sector Accounting Standards (IPSAS) - Financial Reporting Under the Cash Basis of Accounting, 2017.

The full Audit Opinion is included (with the Financial Statements) in Annex 1

The audit opinion on the financial statements for the year 2019 was the same.

The main reasons for the Qualified opinion:

Basis for Qualified opinion

- A. Receipts amounting to USD 2,368,614, representing 100% of total local revenue collections reported under note 2 of the financial statements lacked supporting documents (The original receipt books, copies of which should have been issued to the tax payers). Therefore, we are unable to ascertain whether these transactions are fully and correctly presented in the financial statements.
- B. Payments totalling USD 2,105,697, representing 44.86% of the total payments were only supported with internally generated documents, lacked any evidence of occurrence and were hence deemed unsupported. In addition, payments totalling USD \$450,304 representing 9.6% of the total payments were inadequately supported. Without such supporting evidence it is not possible to confirm these payments have been disclosed correctly in the financial statements.



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We conducted our audit in accordance with International Standards on Auditing (ISSAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Fund Statement of Receipt and Payments section of our report. We are independent of the South West State of Somalia in accordance with the approved SWSS OAG code of ethics document.





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4.2 Revenue

In our assessment we found the following weaknesses in the revenue collection process during the audit.

Weaknesses in revenue collection and recording process.

- a) Recorded under note 2 of the financial statements is an amount of \$2,368,614 relating to local revenue collections for the period under audit. During our review of the supporting documentations, we found out that the only documents available to support these transactions were revenue vouchers produced at the time of recording the transactions in the Financial Management Information System and the revenue management system. The original receipt books, copies of which should have been issued to the tax payers, were not available for review.
- b) The revenue vouchers did not have the tax base documented as well as the total income being taxed to counter check with what has been paid, hence making it impossible to verify the completeness and accuracy of the taxes being paid by the taxpayers to MoF.
- c) The foreign exchange rate used for conversion from Somalia Shilling to US\$ by both the Treasury and the Revenue Collectors is not clearly documented and this is based on knowledge by different tax revenue officers which may lead to misstatement in translation of revenue from taxes.
- d) The different Revenue Vouchers provided as supporting documents for Turnover tax, Customs Duty on Khat and Road User Tax did not show the Taxpayer Identification Number (TIN) making it impossible to know who paid the taxes and for what purpose

Recommendation:

- We recommend that all local revenue collections be supported by original receipt books and any other original documents in which the amount collected/recorded was based on.
- To implement daily or weekly reconciliation of cash collections receipts to the daily banking
- Non-cash methods for revenue collections, such as Electronic Voucher Cash, or Bank Transfer for large payments – digitization of the tax payment process. The tax collectors should be able to issue printed out receipts after confirming payments done via digital channels.
- Create a field in RMS to record the physical receipt number for ease of tracking supporting documents during revenue assurance reviews.

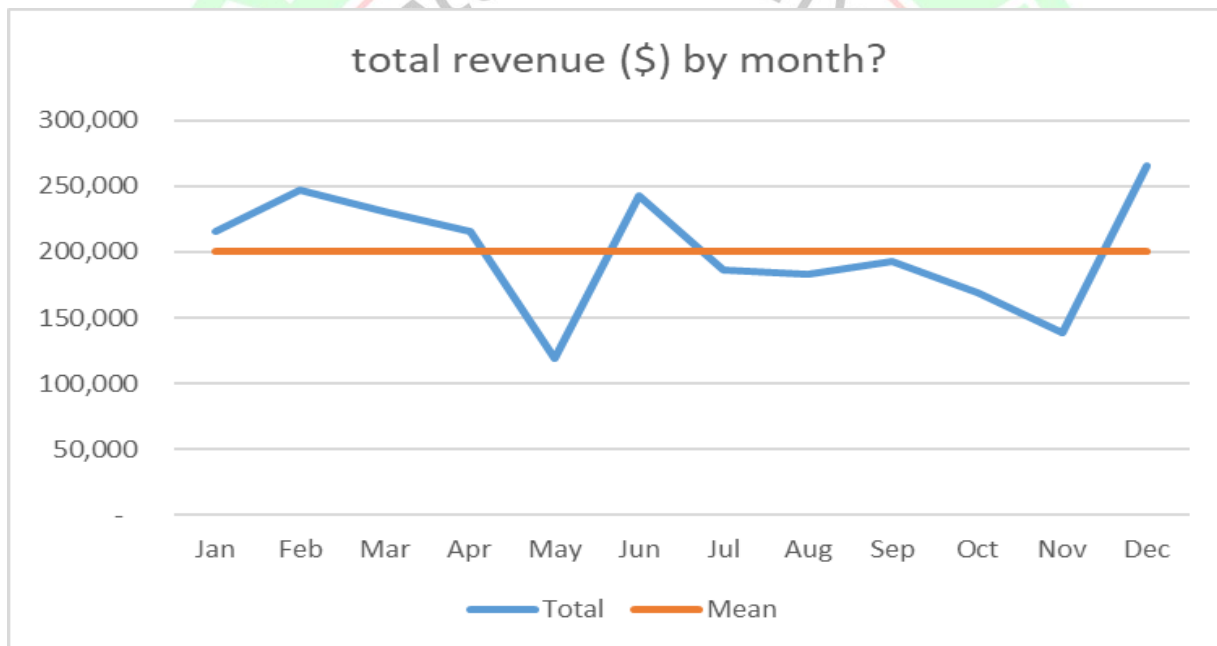


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- The Government should ensure that exchange rate used for conversion of Somali Shilling to US\$ is adequately documented and reasonable.
- To implement a receipting system and interface it with RMS to enable posting of the cash received directly to RMS.

An explained fluctuations and gaps in revenues collected during the period of audit

- a) For domestic Revenue we noted unexplainable fluctuations of revenue collection in certain months such as May (\$ 119,099), November (\$ 138,297), and December (\$ 265,827). It was noted that revenue collection trend of these specific months were over 30% off the average monthly revenue of \$200,454. No plausible explanation was made available for these fluctuations in revenue. See below.



- b) We also noted gaps in revenue recorded under domestic revenue streams where some months did not have any taxes recorded. The significant gaps may be a representation of collected revenue which may not have been recorded and banked

Recommendation:

- The ministry should undertake periodic analytical review of the revenue accounts to check on completeness and accuracy of revenue collected and recorded.
- When major fluctuations are noted, management should also undertake audits and investigations to know the reason for the same and this process should be documented for future reference.



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Weakness related to the management of Grants from Donors and Federal Government of Somalia

When we reviewed the grants from donors, we noted differences between the recorded amount under FMIS and the confirmed amounts from donors and there were no explanations or reconciliations provided. Amounts received from donors were not regularly reconciled by MOF.

We also found out that proper filing system and contract management focal points were lacking. There were also missing contract documents that were not availed for audit. Some of the grant agreements did not disclose vital information such as detailed budget and contract conditions.

In addition to that some funds are not transferred from bank to bank but rather deposited by individual's in the government bank accounts

Recommendation:

- All donor grants to be centralized within a section of the EAFS that monitors the contracts for expiration and compliance.
- Improvement of the filing system to ease the retrieval and archival of donor agreements and other support documents.
- Fund has to be transferred from bank to bank and show the donor's name on the bank statement to avoid leakage of money in the hands of the individuals depositing the funds received.

4.3 Expenditure

Lack of proper supporting documents

- a. During our review we noted that payments totalling USD 2,105,697, representing 44.86% of the total payments were only supported with internally generated documents, lacked any evidence of occurrence and were hence deemed unsupported. In addition, payments totalling USD \$450,304 representing 9.6% of the total payments were inadequately supported. Without such supporting evidence it is not possible to confirm these payments have been disclosed correctly in the financial statements.
- b. Some Payments, physical vouchers were not provided for audit. The vouchers were deemed missing or non –existent –more details are the management latter attached.
- c. Procurement and cash expenditure lacked documentation to show evidence of goods delivered or services rendered such as delivery notes, GRN, motor vehicle log sheets, timesheets and certificate of work completion.



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Recommendation:

SWSS should ensure compliance with PFM and Treasury Regulations. Appropriate supporting documents must be obtained/retained to support all payments.

Weaknesses in procurement

- Lack of competitive bidding / single sourcing of suppliers;

During our review of the paying documents, we found out that suppliers of goods and services and major contractors were not subjected to any procurement process as and when engaged by the state. It is clear from the evidence reviewed that the whole procurement process has been set aside in complete disregard of the law. And no justifications were provided for single sourcing

- Lack of procurement committee

During the audit, we noted that SWSS have not formed a procurement committee. And that can Cause loss of value for money and Inadequate scrutiny and control over state procurements

Recommendation:

- Conformity to the law on matters procurement is recommended. Value for money, fairness, equity and transparency in the states procurement process can only be achieved when procurement law is fully implemented.
- The State should establish a Procurement Committee to review the procurement procedures, documents, bid evaluations, award recommendations

Expenditure documents not stamped as “PAID.”

Expenditure support documents were not stamped “PAID” to avoid use of same set of documentation for multiple payments.

Recommendations:

- To Invalidate paid documents by cancelling through PAID mark, including budget code, donor and project references
- For own source use of funds at the treasury, all invoices, receipts, attendance sheets, request letters, tickets and boarding passes bear government stamp-MoF PAID



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4.4 Weaknesses in human resource and payroll process

- a. From the review of the state's payroll for civil servants we have found out that monthly payroll reconciliations were not done. We have further noted that the monthly permanent employees' payroll was sporadic and unpredictable
- b. Neither the Civil Service Commission (CSC) nor the respective Ministry's HR departments maintain and monitor a record of employee leave days.
- c. We also noted that there was no documentation relating to Performance Management and Performance Appraisals under the employee personnel files
- d. The government does not prepare payslips/pay advices to individual employees on a monthly basis that are signed off by the employee as proof of payment.

Recommendations:

- A leave monitoring system be set up using the newly acquired HRMIS at the Civil Service Commission.
- Performance management and appraisal be incorporated in the newly acquired HRMIS.
- Staff should be able to access an itemised monthly payslip

Weaknesses in payments to Security Forces were as follows

- a) During our review of the security payments we have noted that an amount of \$6,545,336 was spent on security payments.
- b) We have found out that there was no master roll showing all the details and current payroll establishment for the state.
- c) The payments were only supported with lists showing the name of an officer, position and his mother's name. No evidence of signatures or thumbprints was appended to the lists
- d) The payment list of security personnel sent from the Ministry of Internal Security did not have the amounts paid to each individual officer. Thus, it was impossible to ascertain the payments per individual.
- e) the amounts were withdrawn in cash in the name of the ministry of security and there was no evidence provided to show that the amount reached the intended beneficiaries which is inherently risky.

Recommendation:

- Automate and base the security's payroll expenses on biometric identity of recipients



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- MOF to obtain monthly security officers head count and status prior to release of lump sum required amounts
- Payment of officers through Electronic Voucher Card (EVC).

We noted the following weaknesses in payments relating to wage workers.

- a) Lack of evidence of competitive hiring of the wage workers
- b) No Contracts for the wage workers
- c) No Timesheets or attendance sheets

Recommendations:

The state should ensure that the payroll system is automated and payroll payments should be based on biometric identification of recipients. Periodic personnel head count should be carried out prior to release of lump sum required amounts. Mechanisms for managing leave and performance should be established. Background checks are important and should be done before issuing offer letters.

Weaknesses in payments of Remuneration to ministers, politicians and teachers

- a. During our review of these payments we have found out that there were no individual's files for all these categories of payroll payments.
- b. There was no documentary evidence to show the rates payable to ministers, their deputies and state ministers.
- c. Unexplained inconsistencies were noted in the rates paid to different ministers, deputies and state ministers.
- d. As with Parliament there was no documentary evidence to show the basis for the rates payable to the speaker, his deputies and the members of Parliament.
- e. Teachers' payments had the following gaps; no complete list of all teachers that are supposed to receive salaries from the state. The list fluctuates from month to month, it is not clear how many teachers were paid per region per school etc., It is not also clear how many months' teachers were paid and how many months they were not paid, and no files for sampled teachers and their recruitment process.
- f. Unlike other state officers no taxes were deducted from the salaries of ministers and politicians.

Recommendations:

- Automate and base the payroll expenses on biometric identity of recipients
- The Ministry of Finance to obtain monthly personnel head count and status prior to release of lump sum required amounts
- Deduction of taxes be done consistently for all state officers
- There should be a documented basis for compensating ministers and politicians.



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4.5 Weaknesses in Fixed asset / management of fixed assets

We noted the following weaknesses in the fixed assets and management of assets by the state;

- a. We were unable to verify assets selected and sampled to check their existence.
- b. Asset ownership documents, certificate of inspection, installation Were not availed for audit.
- c. Furthermore, assets were not added to a centralized state's fixed assets register as required by the regulations.
- d. Despite there been sound legal basis in the management of fixed assets specifically regulation 9, the state failed to establish a centralised fixed asset register to be maintained by the Director General Ministry of finance.
- e. Fixed assets are not tagged.
- f. No evidence for periodic assets verification procedures

More detail on these findings is presented in **Annex 2** to this report.

Recommendations:

- All assets acquired should be verifiable with ownership documents kept safely.
- Centralized assets register should be established and updated This should include all government property both movable and immovable.
- The SWSS should ensure that all assets are tagged with a unique identification code.
- An asset maintenance schedule be maintained and followed and all broken but useful pieces of assets be regularly repaired and put into good use.
- There should be regular physical verification exercise on the assets, the results of which should be updated in the Centralized assets register.

4.6 Bank and Cash

- We noted that the bank reconciliations for some months were not signed by either the preparer or reviewer or both. For all reconciliation, Bank reconciliations are done monthly instead of weekly
- We also noted that the date of preparation and review were not indicated in the bank reconciliation statements Specially Treasury Single account
- Unreconciled variance in the following bank accounts as at 31st Dec Reconciliations. (Treasury Single Account Main and Ministry of Health).

More detail on these findings is presented in **Annex 2**

Recommendation:

Bank reconciliations should be timely and consistently prepared, reviewed and approved by management. And all variances must be properly investigated and correcting adjustments made.



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4.7 Weaknesses in the budgeting and financial reporting process

We noted a huge variance amounting to US \$9,257,443 (38%) between the budget revenue for the period and the actual financial performance. Similar huge variance was noted on the expenditures, as follows:

Details	Budget Amount (US\$)	Actual Amount (US\$)	Variance (US\$)	Variance (%)
Revenue	24,503,784	15,246,340	(9,257,443)	-38%
Expenditure	24,503,784	14,657,299	(9,846,485)	-40%

Recommendation:

The state should ensure that the annual budget is subject to review and any over or under forecast of the financial performance adjusted in subsequent supplementary reviews.

4.8 Failure to Implement Prior Year Audit Recommendations

We noted that, most of the audit recommendations made for the audit year of 2019 have not yet been implemented.

The following table shows that the implementation status of OAG recommendations made in the Annual Report 2019.

Total No. of Prior Year Recommendations	Implemented	Partially Implemented	Not Implemented
12	1	1	10

The OAG regularly gives recommendations to the Government to address the various issues identified during audit. These recommendations key tools to support effective governance and to improve financial management.

Recommendations:

- The Ministry should develop an action plan to implement for the OAG audit recommendations with timelines and responsible officers clearly identified.
- Progress against this action plan should be reported regularly to the Minister of Finance.



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5 Acknowledgement

We take this opportunity to acknowledge the cordial corporation accorded to us by the officials of the Ministry of Finance headed by the Ministry of Finance.

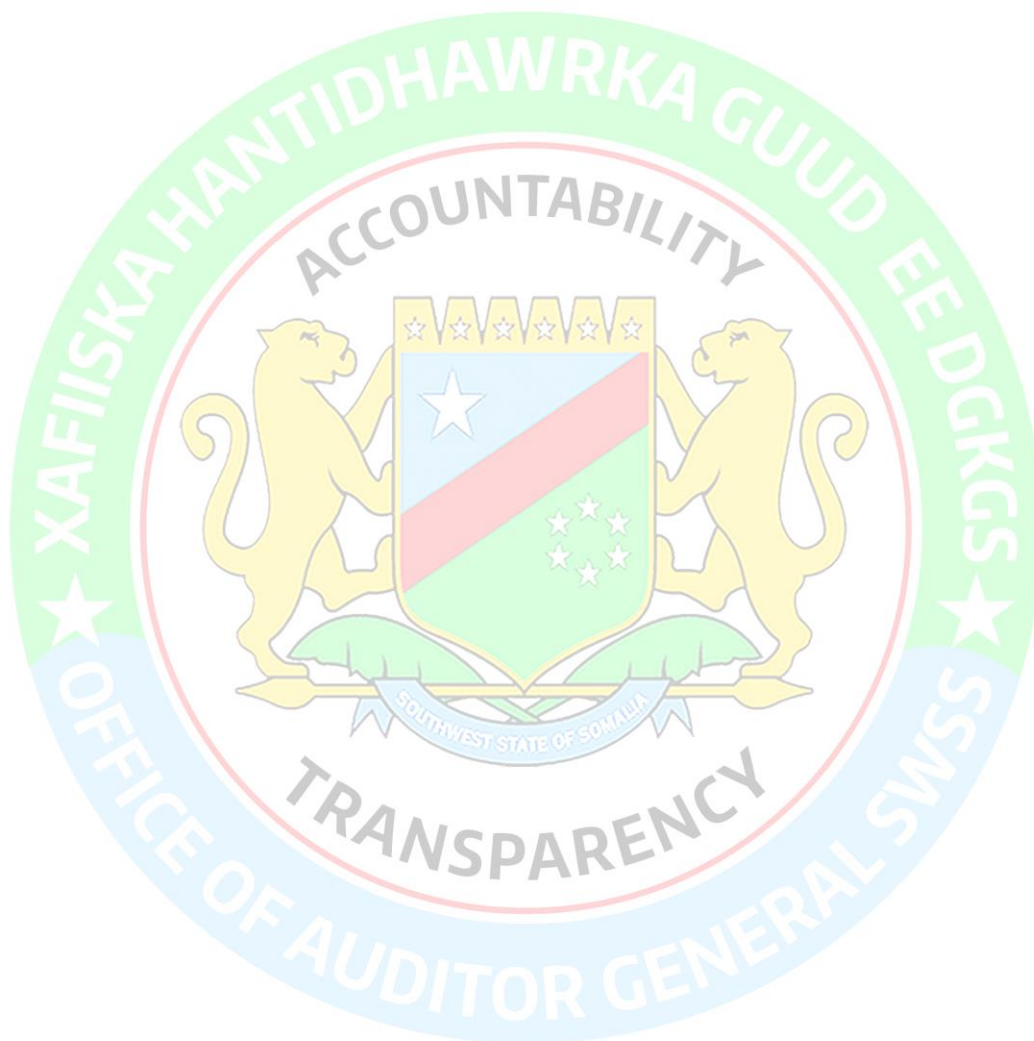
We highly thank our donor partners for heavily investing in the establishment and development of our office. And any other party that has in one way or the other contributed to making the audit process a success.





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Annex 1 – South West State of Somalia (SWSS) Audited Consolidated Financial Statements for the Period Ended 31 December 2020 With Audit Opinion





Office of Auditor General

REF/SWSS/AG/61/2022

**Audit of South West State of Somalia Performed by the Auditor General
Final Audit Report**

Ahmed Mohamed Hussein,
Minister of Finance,
South West State of Somalia,
Baidoa-Somalia.

Date: June, 21st 2022.

Dear Sir,

Qualified of Opinion

I have audited the financial statements of the South West State of Somalia which comprise the Consolidated Fund Statement of Receipts and Payments, the Consolidated Fund Statement of Comparison of Budget and Actual amounts, and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information. In our opinion, except for the effects of the matters described in the Basis for qualified Opinion paragraph, The financial statements presents fairly, in all material respects, the financial position of the South West State of Somalia as at 31 December 2020 and its financial performance for the period then ended in accordance with the Public Financial Management Act, 2018 and the International Public-Sector Accounting Standards (IPSAS) - Financial Reporting Under the Cash Basis of Accounting, 2017.



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Basis for Qualified opinion

- A. Receipts amounting to USD 2,368,614, representing 100% of total local revenue collections reported under note 2 of the financial statements lacked supporting documents (The original receipt books, copies of which should have been issued to the tax payers). Therefore, we are unable to ascertain whether these transactions are fully and correctly presented in the financial statements.
- B. Payments totalling USD 2,105,697, representing 44.86% of the total payments were only supported with internally generated documents, lacked any evidence of occurrence and were hence deemed unsupported. In addition, payments totalling USD \$450,304 representing 9.6% of the total payments were inadequately supported. Without such supporting evidence it is not possible to confirm these payments have been disclosed correctly in the financial statements.

I consider the impact of the above items to be material and pervasive to the overall Financial Statements.

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my Annual Report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in at Section 7 and 6 of the Audit Act 2021, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Office of the Auditor General Code of Ethics.

Emphasis of Matter

I draw the attention to grants from International organisation and that of Federal Government of Somalia in the financial statements.

We noted that there was a difference between amounts recorded by management in FMIS as income received from Food and Agriculture Organization (FAO) and amounts confirmed as having been transferred to the state by the same organization. While the state recorded \$10,640 in its books, FAO confirmed \$13,300 resulting into a variance of \$ 2,660. Additionally, the Federal Government of Somalia has reported in its audited accounts that it has transferred a total of \$10,602,600 to the South West State of Somalia (SWSS) while the state has recorded a total of \$10,900,114 as receipts from the Federal Government of Somalia in its books resulting into a difference of \$297,514. In future, SWSS should ensure that all monies received are reconciled with 3rd parties to ensure that all money is correctly received and accounted for.



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Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

(a) Weakness in Revenue Collection Controls

To detect revenue leakage and misappropriation of the financial statement, the revenue controls that the SWSS working are not sufficient. Weaknesses identified include:

- The revenue vouchers did not have the tax base documented as well as the total income being taxed to counter check with what has been paid, hence making it impossible to verify the completeness and accuracy of the taxes being paid by the taxpayers to MoF.
- The foreign exchange rate used for conversion from Somalia Shilling to US\$ by both the Treasury and the Revenue Collectors is not clearly documented and this is based on knowledge by different tax revenue officers which may lead to misstatement in translation of revenue from taxes.
- The different Revenue Vouchers provided as supporting documents for Turnover tax, Customs Duty on Khat and Road User Tax did not show the Taxpayer Identification Number (TIN) making it impossible to know who paid the taxes and for what purpose.

(b) Grants from international organisation and FGS

- The grant agreements provided either did not have the agreed budget and detailed contract conditions on eligible spending with the donor, or the budget provided on the agreement was not broken down into allowable budget lines of each for monitoring.
- A total of 20 donor agreements were not received.
- Inadequate filing system and lack of contract management focal point.
- UNICEF funds are not transferred from bank to bank but rather deposited by individuals in the government bank accounts.

(c) Weaknesses in Payroll for Security

- During our review of the security payments we noted that an amount of \$6,545,336 was spent on security payments without adequate support.
- There was no master roll showing all the details and current payroll establishment for the state.
- The numbers of security forces paid in January were 542 officers while their numbers rose to 20,776 officers in October.



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- There was no data to show how many officers exist in total, who was paid, how many months and how many months pay was pending for others.
- The payments were only supported with lists showing the name of an officer, position and his mother's name.
- No evidence of signatures or thumbprints was appended to the lists.
- The amounts were withdrawn in cash in the name of the Ministry of Security and there was no evidence provided to show that the amount reached the intended beneficiaries.
- There were hardly any security officers Human Resource files available for review

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standard (IPSAS)-Financial Reporting Under the Cash Basis of Accounting and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the state's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

For Ministry of Finance	
Name:	
Title:	
Date:	
Signature:	



Office of Auditor General

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the AFROSAI-E Financial Audit Manual, which is consistent with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the state's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the state to cease to continue as a going concern.



Office of Auditor General


- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Office of the Auditor General	
Name:	Muhyadin Ali Abdinoor
Title:	Audit Manager
Date:	01/07/2022
Signature:	



CONSOLIDATED &
MINISTERIAL
FINANCIAL
STATEMENTS OF THE
SOUTH WEST STATE
OF SOMALIA

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)*

**Prepared by the
Ministry of Finance
Southwest State of
Somalia**

Statement of Certification-2020 Financial Statement

The 2020 financial statements together with the accompanying notes have been prepared in accordance with the International Public Sector Accounting Standards, cash basis of accounting (2017).

In the opinion of the Ministry of Finance, the financial statements of the South West State of Somalia as submitted to audit in accordance with *Section 32 of the Public Finance Management Act 2018* are materially accurate and present a true and fair view of the Government's financial position for the year ended 31 December 2020.

For and on behalf of the South West State of Somalia



April 19, 2021

Minister for Finance

Date

Southwest State of Somalia
Consolidated Financial Statement of Receipts and Payments
Treasury Single Account
For the Year Ended 31 December 2020

	Note	2020	2019
		USD	USD
Receipts / Inflows			
Taxes	2		
Taxes on income, profits, and capital gains		30,775	10,018
Taxes on payroll and workforce		711,271	487,784
Taxes on goods and services		1,478,335	952,700
Taxes on international trade and transactions		148,234	452,283
Taxes		2,368,614	1,902,785
Grants	3		
From international organizations		1,940,782	1,713,636
From other general government units		10,900,670	5,802,666
Grants		12,841,452	7,516,301
Other Revenue	4		
Property income		13,133	5,192
Sale of goods and services		23,142	9,680
Fines, penalties and forfeits		-	13,635
Other Revenue		36,275	28,507
Receipts / Inflows		15,246,340	9,447,593
Payments / Outflows			
Compensation of Employees	5		
Wages and Salaries		10,845,345	6,317,051
Compensation of Employees		10,845,345	6,317,051
Use of Goods and Services	6		
Travel & Conferences		148,890	43,575
Operating Expenses		1,029,628	310,526
Rent		107,885	10,800
Other Operating Expenses		759,927	232,686
Conflict Resolution Expenses		219,654	300,000
Contingency		-	387,784
Use of Goods and Services		2,265,983	1,285,371
Grants	7		
Grants To Other General Government Units		102,000	21,000
Grants		102,000	21,000
Other Expenses	8		
Transfers not elsewhere classified		144,009	45,773
Other Expenses		144,009	45,773
Nonfinancial assets	9		
Fixed Assets		1,279,998	1,602,971
Inventories		19,964	12,500
Nonfinancial assets		1,299,962	1,615,471
Payments / Outflows		14,657,299	9,284,666
Increase Decrease in Cash		589,042	162,928
Cash at Beginning of Year		490,348	327,421
Cash at End of Year	1.3	1,079,390	490,348

South West State of Somalia
Consolidated Fund Statement of Comparison of Budget and Actual Amounts
For the Year Ended 31 December 2020
(Classification of Payments and Receipts by Economic Class)

	Note	2020				2019
		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						
Taxes	13					
Taxes on income, profits, and capital gains		37,705	30,491	30,775	284	10,018
Taxes on payroll and workforce		679,126	630,905	711,271	80,365	487,784
Taxes on goods and services		4,572,033	2,923,903	1,478,335	(1,445,569)	952,700
Taxes on international trade and transactions		979,001	453,714	148,234	(305,481)	452,283
Taxes		6,267,866	4,039,014	2,368,614	(1,670,400)	1,902,785
Grants	14					
From foreign governments						
From international organizations		787,129	2,648,776	1,940,782	(707,994)	1,713,636
From other general government units		13,773,130	17,752,777	10,900,670	(6,852,107)	5,802,666
Grants		14,560,259	20,401,553	12,841,452	(7,560,101)	7,516,301
Other Revenue	15					
Property income		24,389	7,293	13,133	5,839	5,192
Sale of goods and services		59,517	48,241	23,142	(25,099)	9,680
Fines, penalties and forfeits		13,170	7,683		(7,683)	13,635
Other Revenue		97,076	63,217	36,275	(26,942)	28,507
Receipts / Inflows		20,925,201	24,503,784	15,246,340	(9,257,443)	9,447,593
Payments / Outflows						
Compensation of Employees	16					
Wages and Salaries		11,078,999	13,706,220	10,845,345	(2,860,875)	6,317,051
Compensation of Employees		11,078,999	13,706,220	10,845,345	(2,860,875)	6,317,051
Use of Goods and Services	17					
Travel & Conferences		617,532	377,266	148,890	(228,376)	43,575
Operating Expenses		1,211,544	1,768,997	1,029,628	(739,369)	310,526
Rent		44,900	151,835	107,885	(43,950)	10,800
Other Operating Expenses		1,573,214	1,844,958	759,927	(1,085,031)	232,686
Conflict Resolution Expenses		219,654	219,654	219,654	-	300,000
Contingency		903,476	207,924	-	(207,924)	387,784
Use of Goods and Services		4,570,320	4,570,633	2,265,983	(2,304,650)	1,285,371
Subsidies						
Subsidies to other sectors		-	6,000	-	(6,000)	-
Subsidies		-	6,000	-	(6,000)	-
Grants	18					
Grants To Other General Government Units		44,000	102,870	102,000	(870)	21,000
Grants		44,000	102,870	102,000	(870)	21,000
Social Benefits						
Employment-related social benefits		50,000	-	-	-	-
Social Benefits		50,000	-	-	-	-
Other Expenses	19					
Transfers not elsewhere classified		157,200	207,059	144,009	(63,051)	45,773
Other Expenses		157,200	207,059	144,009	(63,051)	45,773
Nonfinancial assets	20					
Fixed Assets		4,984,182	5,881,002	1,279,998	(4,601,004)	1,602,971
Inventories		40,500	30,000	19,964	(10,036)	12,500
Nonfinancial assets		5,024,682	5,911,002	1,299,962	(4,611,040)	1,615,471
Payments / Outflows		20,925,201	24,503,784	14,657,299	(9,846,485)	9,284,666

South West State of Somalia
Statement of Operations
For the Year Ended 31 December 2020

	2020	2019
	USD	USD
Transactions Affecting Net Worth		
Revenue	15,246,340	9,447,593
Taxes	2,368,614	1,902,785
Taxes on income, profits, and capital gains	30,775	10,018
Taxes on payroll and workforce	711,271	487,784
Taxes on goods and services	1,478,335	952,700
Taxes on international trade and transactions	148,234	452,283
Grants	12,841,452	7,516,301
From foreign governments	-	-
From international organizations	1,940,782	1,713,636
From other general government units	10,900,670	5,802,666
Other Revenue	36,275	28,507
Property income	13,133	5,192
Sale of goods and services	23,142	9,680
Fines, penalties and forfeits	-	13,635
Expense	13,357,336	7,669,194
Compensation of Employees	10,845,345	6,317,051
Wages and Salaries	10,845,345	6,317,051
Use of Goods and Services	2,265,983	1,285,371
Travel & Conferences	148,890	43,575
Operating Expenses	1,029,628	310,526
Rent	107,885	10,800
Other Operating Expenses	759,927	232,686
Conflict Resolution Expenses	219,654	300,000
Contingency	-	387,784
Grants	102,000	21,000
Grants To Other General Government Units	102,000	21,000
Other Expenses	144,009	45,773
Transfers not elsewhere classified	144,009	45,773
Gross Operating Balance	1,889,004	1,778,399
Transactions In Non Financial Assets	-	-
Net worth and its changes	1,299,962	1,615,471
Nonfinancial assets	1,299,962	1,615,471
Fixed Assets	1,279,998	1,602,971
Inventories	19,964	12,500
Transactions in Financial Assets & Liabilities	-	-
Change In Net Worth. Transactions (Assets)	589,042	162,928
Financial assets	589,042	162,928
Domestic	589,042	162,928
Liabilities	-	-
Liabilities	-	-
Liabilities	-	-
Overall Statistical Discrepancy	-	-

Note 1 Summary of Significant Accounting Policies

1.1. Basis of Preparation

The South West State of Somalia's (SWSS) Consolidated Financial Statements have been prepared in accordance with the *Public Financial Management Act of 2018* and the International Public Sector Accounting Standard (IPSAS) which had been applied in all material aspects - *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 Southwest State of Somalia. The designed capital of South West State is Baraawe, located on the coast in Lower Shabelle Region, half way between Mogadishu and Kismayo. However, the South West State Administration is located as an interim in Baidoa currently. The principal address is the Ministry of Finance Building, Ali Salaamey Street, Wadajir Village, Villa Southwest State of Somalia- Baidoa.

The principal activities of the Government and its controlled entities include the provision of health, education, defense, security, and general public services. The Financial statements are for the Southwest State of Somalia (SWSS) and covers the period 1 January to the 31 December 2020. The financial statements encompass the reporting entities as specified in the SWSS Appropriation Act No.1 and 2 of 2020 and are comprised of:

- 1 State Ministry of President
- 2 Ministry of Justice & Judiciary
- 3 Ministry of Finance
- 4 Ministry of Interior & Local Governments
- 5 Ministry of Agriculture & Irrigation
- 6 Ministry of Internal Security
- 7 Ministry of Petroleum and Mineral Resource
- 8 Ministry of Seaports & Sea Transportation
- 9 Ministry of Planning and International Cooperation
- 10 Ministry of Health
- 11 Ministry of Education
- 12 Ministry of Information
- 13 Ministry of Posts & Communications
- 14 Ministry of Youth & Sports
- 15 Ministry of Water & Energy
- 16 Ministry of Industry & Commerce
- 17 Ministry of Reconciliation & Constitutional Affairs
- 18 Ministry of Aid & Disaster Management
- 19 Ministry of Environment & Wildlife
- 20 Ministry of Islamic Affairs & Endowments
- 21 Ministry of Labour & Employment
- 22 Ministry of Women & Human Rights
- 23 Ministry of Transportation & Airports
- 24 Ministry of Livestock & Veterinary
- 25 Ministry of Fisheries & Sea Minerals
- 26 Ministry of Public Works & Reconstruction
- 27 Civil Service Commission
- 28 Parliament
- 29 Office for Auditor General
- 30 Accountant General Office
- 31 High Court

All ministries were created by Presidential Decree SWSS-0001/03/01/15 entitled A Decree Establishing Ministries of South West State of Somalia and Defining Roles and Functions of Ministries dated 03 January 2015 and a separate Act creating the Ministry of Finance and the Revenue Collection Authority entitled An Act Establishing the Ministry of Finance and Revenue Collection Authority and Other Related Matters 2018. An Act establishing the Civil Service Commission (CSC) and its purpose entitled An Act establishing the Civil Service Commission of the South West State of Somalia dated 22 January 2018 established the office of the Civil Service Commission. A companion Act also established the Civil Service and the Civil

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

1.3. Treasury Single Account & Project Accounts

In addition to Treasury Single Account and Project Account bank accounts, twenty bank accounts were opened during the year under a written authorization of the Minister for Finance. These bank accounts were opened as sub-accounts of the TSA as a requirement of the donors. As at the end of 2020 financial year, balances of these bank accounts were as follows:

	2020	2019
	USD	USD
Treasury Single Account - Main	4,598	425,707
Project Account - RCRF II	-	60,791
Support to Stabilization(S2S)	-	-
Local Development Fund(MoI)	-	3,767
SUIPP-Baidoa Municipality	427	83
Ministry of Livestock & Veterinary	-	-
Ministry of Health	37,150	-
Ministry of Planning Investment	161	-
Rehabilitation of football stadium	4,000	-
Ministry of Information	-	-
Ministry of Education	80	-
Ministry of Women & Human Rights	32,100	-
Ministry of Interior, Local Government & Reconcili	900	-
Ministry of Aid & Disaster Management	-	-
Treasury Single Account - Main	4,166	-
Project Account RCRFII	98,510	-
Biyoole Project	37,244	-
Ministry of Justice & Judiciary	-	-
Ministry of Labour & Employment	390	-
Ministry of Education	157	-
Global Partnership for Education	123,976	-
MoJ SWSS Women Project	3,600	-
Ministry of Planning Investment & Economic Develop	7,200	-
Ministry of Water & Energy	-	-
Ministry of Public Workers Reconstruction & Housin	29,220	-
Treasury Single Account	688,480	-
Explosive Ordnance Disposal	3,531	-
Ministry of youth & sports SWSS	3,500	-
Total	1,079,390	490,348

1.4. Cash & Cash Equivalents

Cash and Cash Equivalents means notes held and any deposits held at call with a bank or financial institution. Cash is recognized at its nominal amount.

1.5. Reporting Currency

The financial statements are presented in United States Dollar (USD), which is the reporting currency of the State, rounded to the nearest dollar (\$).

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

The approved budget is developed on the same accounting basis (Cash basis) and same classification basis 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 Parliaments on the 4th April 2020 and a supplemental budget was approved on the 23rd July 2020. The reason for Supplementary Budget was due to a shortfall in some main budget items namely Security Police Forces, Daily Meals, Electricity, Office Rent, Wage Workers and Publications.

1.7. Authorization Date

The financial statements were authorized for issue on 19 April 2021 by H.E; Ahmed Mohamed Hussein, Minister for Finance.

Note 2 Taxes

A total of taxes for year amounted to USD\$2,368,614 which represents an increase of 19.7% from USD\$1,902,785 for 2019. It was collected under the category of taxes on income, taxes on payroll, taxes on goods and service and taxes on international trade and transactions. Southwest Revenue Authority introduced taxes on income, profits and capital gains in line with the Revenue Act for the last quarter of 2019. The increase on taxes for this financial year was attributed due to an increase in collection from taxes on goods and services by 35.6%

A total of USD\$30,775 of Personal Income Tax was collected by the Revenue Collection Authority from the State Civil Servants and project-based staff. This is a new source of income which was introduced last year and has increased 64% due to the amendments made on personal income tax from 3% to 5% during the 2020 financial year. A total of Taxes on International Trade and Transactions for year amounted to USD\$148,234, a decrease of 67% from 2019 (USD\$452,283). This reduction is predominantly

attributed to COVID-19 pandemic lockdown which significantly impacted the State's major income generation sources such as: custom duties khat, local passenger Fees, Landing fees and custom duties cigarette respectively.

Description	2020	2019
	USD	USD
Taxes on income, profits, and capital gains		
Personal Income tax	30,775	10,018
Taxes on payroll and workforce		
Payroll Tax - Non-Government	711,271	487,784
Taxes on goods and services		
Turnover Tax	160,308	86,213
Fuel Tax	8,563	-
Business & Professional Licenses	26,800	19,500
Landing Fees	32,120	89,500
Local Passenger Fees	60,455	111,536
Road User Tax	876,361	502,607
Urban Road User Tax	105,000	53,900
International NGOs registration	26,500	20,000
Local NGO's Registration	29,050	26,594
Local Companies Registration	-	2,500
Work Permit Licenses	13,003	19,310
Livestock Fees	58,645	12,887
Passport Service	6,944	8,154
Roll Number Fees-Schools	74,587	-
Taxes on goods and services	1,478,335	952,700
Taxes on international trade and transactions		
Customs duties - KHAT	140,449	440,785
Customs duties - Cigarettes	7,785	11,498
Taxes on international trade and transactions	148,234	452,283
Total	2,368,614	1,902,785

The following represents Taxes on Goods and Services received into the TSA from the relevant Ministries

	2020						2019	
	Total	Ministry of Finance USD	Ministry of Interior and Local Government USD	Ministry of Education USD	Ministry of Commerce USD	Ministry of Labour & Employment USD	Ministry of Transportation & Airports USD	USD
Personal Income tax	30,775	30,775						10,018
Payroll Tax - Non-Government	711,271	711,271						487,784
Turnover Tax	160,308	160,308						86,213
Fuel Tax	8,563	8,563						-
Business & Professional Licenses	26,800	-			26,800			19,500
Landing Fees	32,120	-					32,120	89,500
Local Passenger Fees	60,455	60,455						111,536
Road User Tax	876,361	831,361	45,000					502,607
Urban Road User Tax	105,000	105,000						53,900
International NGOs registration	26,500	26,500						20,000
Local NGO's Registration	29,050	29,050						26,594
Local Companies Registration	-	-						2,500
Work Permit Licenses	13,003	-				13,003		19,310
Livestock Fees	58,645	-	58,645					12,887
Passport Service	6,944	-					6,944	8,154
Roll Number Fees-Schools	74,587	-		74,587				-
Customs duties - KHAT	140,449	140,449						440,785
Customs duties - Cigarettes	7,785	7,785						11,498
	2,368,614	2,111,515	103,645	74,587	26,800	13,003	39,064	1,902,785

Note 3 Grants

Grants from International Organizations and the Federal Government of Somalia amounted to USD\$12,841,452, an increase of approximately 41.5% from 2019 (USD\$7,516,301).

	2020 USD	2019 USD
Current Grants From International Organizations	1,940,782	1,713,636
Grants from Federal Government of Somalia	10,900,114	5,786,435
Grants from local Government-South West State	556	16,231
	12,841,452	7,516,301

3. 1 Grants from International Organizations

In FY2020 a grant totaling USD\$40,734 was received from the Somalia Multi-partner fund (SMPF) administered by the Public Resource Management in Somalia (PREMIS). The purpose of these grants was to assist the offices for Civil Service Commission and Auditor General with the procurement of ICT Equipment and rent for their respective office's operation. The Local Development Fund (LDF) administered by the UNCDF, provided a grant totaling USD\$390,866. The purpose of this grant was to improve public service delivery and increasing local government access to financing infrastructure so that the civil servants can run their daily operation smoothly. A total of USD\$17,582 was received from the Norwegian Refugee Council administered by the Ministry of Planning and International Cooperation, Ministry of Internal Security and Ministry of Water & Energy. The purpose of these grants was to assist in developing South West State Development Plan, help special forces working at the grassroots on explosive ordinance disposal, facilitating the subject matter related Pandemic covid-19 sanitation and hygiene and implementation of the pump and water quality testing under the ministry of water and energy.

The Ministry of Health received an amount of USD\$1,037 from Medair for the purpose of Emergency Response for Covid-19 pandemic. The world breastfeeding contribution support from of USD\$350 was provided to the Ministry of Health. Islamic Relief also donated an amount of USD\$3,320 through the Ministry of Aid and Disaster Management for the DDR Committee formation and Training in Baidoa district. In the event of celebrating Somalia Teacher's day, Concern World Wide supported the event with an amount of USD\$3,500 through the Ministry of Education. In fact, the Ministry of Youth & Sports received USD\$3,500 from Care International purposing Every Voice Counts (EVC) while the Ministry of Health and Ministry of Livestock & Veterinary received USD\$8,140 from Save the Children International in Somalia for the purpose of office foreign disaster assistant and integrated live saving for drought respectively.

In addition to that, Ministry of Health and Ministry of Woman & Human Rights received USD\$102,000 for the purpose of Qansaxdheere Nutrition Response and Campaign Activism Against Gender Based Violence respectively. Ministry of Education and Ministry of Water & Energy received USD\$4,540 from ADRA purposing Strengthening Education and Training in Somalia and facilitating the event of Global Hand Washing Day. Likewise, USD\$81,874 was received by the Ministry of Health from IOM for the purpose of rapid stabilization support whereas the Ministry of Interior and Local Government received USD\$15,911 from Diakonia for the purpose of Somali Democracy and Human Right Program. Another USD\$700 was received by Ministry of Information from GEEL for the purpose of Media service TV and Radio.

Ministry of Planning and International Cooperation received the amount USD\$6,990 from Norwegian Refugee Council purposing southwest Strategic Development Plan. The Ministry also received an amount of USD\$94,671 together with the Ministry of Livestock for the Public Health & Massaging Activities for COVID-19 and the Supervision of CCPP v of CCPP vaccination in SWSS respectively. An amount of USD\$98,591 for the purpose of joint program on local governance (JPLG) was received by Ministry of Interior and Local Government and the Ministry of Public Works. On the other hand, UNDP donated USD\$ 89,474 to the Ministry of Justice and Judiciary for the purpose of improving the Rule of Law in Southwest State of Somalia.

Ministry of Health, Ministry of Water and Energy, Ministry of Aid and Disaster Management and Ministry of Woman and Human Rights received collectively this amount USD\$808,512 form UNICEF for the purpose of Rolling Work Plan, Effective and Efficient Program Implementation, Emergency Preparedness and Improving the Protective Environment and Child Protection whereas the Unhabitat provided the amount of USD\$65,839 for strengthening the capacity of local government leaders to the Ministry of Interior and local government. WFP also provided the amount of USD\$70,675 to the Ministry of Aid & Disaster Management Ministry and the Ministry of Labor & Employment for the purpose of Humanitarian Response and Somali Interior Country Strategic Planning respectively.

Moreover, UN WOMEN provided USD\$12,700 to the Ministry of Justice and Judiciary for the purpose of Augment capacity of customary judicial system. UNCDF also provided USD\$390,866 to the Ministry of Interior and Local Government for the purpose of Joint Program Local Government and Strengthening LG Actions to Prevent COVID-19. UNSOM also provided the amount of USD\$18,865 to the Ministry of Information and the Ministry of Woman and Human Rights for the purpose of training Southwest State journalists and Capacity Building for the Newly Appointed Members respectively. Lastly but not least, Premise provided the amount of USD\$40,734 to the Ministry department agencies of Finance, Internal security, Transportation & Airport and Civil Service Commission for the purpose of Provision of MIFI Modem units and GB Replenishment, Office Furniture and Equipment and Provision of Furniture, Equipment & Rent 4 CSC/AG.

3.2 Grants from Federal Government of Somalia

Support to the Stabilization (S2S) project commenced in 2020 with the aim of improving and supporting stabilization and also creating employment opportunities received with an amount of USD\$89,000. During this financial year a total cost of USD\$200,000 was received form the Federal Government of Somalia to complete the Construction of Hudur District Guest House in Bakol Region. A total amount USD\$47,460

was also received for the development of Southwest State Strategic Plan for the upcoming five years from 2020 to 2025 to roadmap the direction the State. During 2020, the amount of USD\$500,000 was received as an Emergency Response for pandemic COVID-19 in Southwest State of Somalia. Education Sector Program Implementation Grants transfers amounting USD\$177,286 was received along with Budget support for the Ministry of Education totaling of USD\$12,206. A fund for Rehabilitation of the Football Stadium in Baidoa was also transferred to Southwest State of Somalia amounting to USD\$49,000. Somali Urban Investment Planning received an amount of USD\$331,859 for road construction of Baidoa District. The Recurrent Cost and Reform Financing (RCRFII) and Biyoole Projects received the total amount of USD\$2,317,649 during the year.

Funding for budget support was received to support the federalism in Somalia through increased and improved intergovernmental fiscal transfer from federal government to its member states. The grant is funded via the European union fund (Budget Support) administrated by the FGS and Southwest State of Somalia received USD\$7,175,654 during the 2020 Financial Year. The state contributed budget support of USD\$556 to Baidoa district for financing UNCDF project

Note 4 Other Revenue

Other Revenues for FY 2020 amounted to USD\$36,275 and increase of approximately 27% from USD\$28,507 for 2019. It was collected under the category of property income and sales of goods and services and fines, penalties, and Vehicle Hire/Rent. The increase is due to Vehicle Hire/Rent which is a new source of revenue or taxes collected from vehicle's rent of both international organization and local organization and clearance letter fees.

	2020	2019
	USD	USD
Rental income from Organizational Offices	2,512	5,192
Vehicle Hire/car rental Tax	10,621	-
Visa Fees	-	1,800
Number Plate Registration	10,000	7,700
Clearance Letter Fee	10,342	180
Bidding Documentation fees	2,800	-
Fines/Penalties	-	13,635
	36,275	28,507

Note 5 Compensation of Employees

Wages and salaries are a combination of all salaries, allowances and in-kind payments to staff which includes both the civil servants and political positions. In addition to salaries for permanent employees, compensation of employees includes wage workers whereby wages were paid for seven (7) Ministries, as for 2020 financial year. This increase of 71.2% was attributed to the number of civil servants, teacher salaries hired during 2020 and daily meals for South West State Security Forces. A comprehensive summary breakdown of wages and salaries is provided below:

	<u>2020</u>	<u>2019</u>
	<u>USD</u>	<u>USD</u>
Permanent Employees/Regular staff	1,221,162	848,903
Contract Employees	653,739	-
Wage workers	350,161	1,015,740
Stipend	9,000	-
Security Forces (Police, Intel Forces and Prison)	6,545,336	1,603,440
Remuneration to Ministers and Statutory	314,600	171,100
Remuneration to Politicians	558,600	1,346,400
Teacher Salary	319,800	125,500
Accommodation Allowance	24,640	1,950
Transportation allowance	20,216	-
Other allowances	1,825	-
Per diem and DSA	121,209	-
Daily meals	705,056	1,204,018
Total Employee	<u>10,845,345</u>	<u>6,317,051</u>

Note 6 Use of Goods and Services

Use of goods and services spending for the year related to amounted to USD\$2,265,983 in comparison to USD\$1,285,371 for 2019. The increment of use of goods and services is due to construction of State guest house in Bakol region- Hudur, publicity awareness against Covid-19, School supervision, Vehicle rent incorporated in the government budget of 2020 and installation of property numbering.

	2020	2019
	USD	USD
Internal Travel	118,864	34,425
External Travel	6,666	9,150
Local conferences	23,360	-
Water	15,999	15,533
Electricity	19,671	6,940
Construction Material	176,600	-
Telephone fees	7,194	-
Internet	46,886	33,780
Satellite fee	68,250	63,000
G-suite Fees	920	-
Gasoline	55,375	75,023
Stationary	77,901	33,735
Published fees	32,100	-
Publications	40,345	2,620
Office Refreshment	12,517	810
Refreshment	36,431	-
School Supervision	51,429	-
Supervision	29,738	-
Cleaning Supplies	23,380	2,318
Material Transportation	16,720	16,500
Maintenance of equipment	1,578	18,750
Maintenance of Vehicles	5,766	10,268
Maintenance contracts	4,980	-
Vehicle Hire/car rental	279,335	30,750
Cleaning Services	9	200
Security Services	515	300
Installation of Property Numbering	26,000	-
Office Rent	77,700	10,800
Venue Rent	30,185	-
Consultation Fees	462,917	224,928
Staff Training and Development	100,485	3,250
University & School Fees	12,000	-
Bank charges	23,321	3,808
Technical Assistance	3,900	-
Television and Newspaper Advertisements	157,304	700
Conflict Resolution Expenses	219,654	300,000
Contingency	-	387,784
Total	2,265,983	1,285,371

6.1 Travel & Conferences

Travel and Conferences relates to internal/external travels spent by the State in the course of carrying out government functions. This increase was attributed that all Bank Projects was channeled through the TSA rather than payment in cash from the World Bank as previously done. Below is the breakdown of travel and conferences:

	2020	2019
	USD	USD
Internal Travel	118,864	34,425
External Travel	6,666	9,150
Local conferences	23,360	-
Total	148,890	43,575

6.2 Operating Expense

These payments consist of operations costs incurred by State. The table below presents the summary breakdown of operating items.

	2020	2019
	USD	USD
Water	15,999	15,533
Electricity	19,671	6,940
Construction Material	176,600	-
Telephone fees	7,194	-
Internet	46,886	33,780
Satellite fee	68,250	63,000
G-suite Fees	920	-
Gasoline	55,375	75,023
Stationary	77,901	33,735
Published fees	32,100	-
Publications	40,345	2,620
Office Refreshment	12,517	810
Refreshment	36,431	-
School Supervision	51,429	-
Supervision	29,738	-
Cleaning Supplies	23,380	2,318
Material Transportation	16,720	16,500
Maintenance of equipment	1,578	18,750
Maintenance of Vehicles	5,766	10,268
Maintenance contracts	4,980	-
Vehicle Hire/car rental	279,335	30,750
Cleaning Services	-	200
Security Services	515	300
Installation of Property Numbering	26,000	-
Total	1,029,628	310,526

6.3 Rent

Office rent incurred by State related to the Civil Service Commission and the Office of the Auditor General rent funded by PREMIS through Specific Purpose Grant Agreement. There was also venue rent relating to venue hire for events conducted by the line ministries of increasing awareness of the COVID-10 pandemic and other related functions. The table below presents the summary breakdown of operating expense item.

	2020	2019
	USD	USD
Office Rent	77,700	10,800
Venue Rent	30,185	-
Total	107,885	10,800

6.4 Other Operating Expenses

Other operating costs incurred by State during the year amounted to USD\$759,927 in comparison to USD\$232,686 for the previous year. The increase in spending was mainly as a result of the increase in Consultation fees relating to Afgoe Road Rehabilitation and other projects and pandemic covid-19 awareness through social media platforms.

	2020	2019
	USD	USD
Consultation Fees	462,917	224,928
Staff Training and Development	100,485	3,250
University & School Fees	12,000	-
Bank charges	23,321	3,808
Technical Assistance	3,900	-
Television and Newspaper Advertisement	157,304	700
Total	759,927	232,686

6.5 Conflict Resolution Expenses

Conflict resolution expenses are only incurred when conflicts arise and are unpredictable and undetermined. During the year USD\$219,654 was paid in relation to mediation between two brotherly sub-clans in Southwest State of Somalia.

	2020	2019
	USD	USD
Conflict Resolution Expenses	219,654	300,000
Total	219,654	300,000

Note 7 Grants to Other Government Units

These comprise of transfers from the Federal Government of Somalia to lower-level government in South West State of Somalia through Ministry of Interior and Local governments. The transfer was mainly to four districts of South West State of Somalia namely Baidoa, Hudur, Barawe and Berdalle as well the Ministry of Interior's Office operation costs to run office and their tasks smoothly. The collection of roll number school fees from Southwest State of Somalia during the Grade 8 exam has been partially transferred to the Federal Government of Somalia which amounted to USD\$34,000.

	2020	2019
	USD	USD
Transfers to Lower Level Government	68,000	21,000
Transfers to Federal Government Somal	34,000	-
	102,000	21,000
Total	204,000	42,000

Note 8 Other Expenses

These include all other expenditure transactions not elsewhere classified and consist of miscellaneous expenses. As the financial year of 2020 was impacted by the COVID-19 pandemic, expenses incurred on health and hygiene kits were additional costs that were not incurred in the previous year

	2020	2019
	USD	USD
Miscellaneous Expense	15,809	45,773
Health & Hygiene Kits	10,500	-
Health & Hygiene Material	117,700	-
Total	144,009	45,773

Note 9 Non-Financial Assets

Non-Financial Asset of USD\$1,299,962 acquired during the included cars, ICT equipment, machinery & equipment and office furniture. There is a decrease in comparison to the previous which was mainly attributed to the payment made for road Afgoe Road construction funded by UNCDF, and non-residential buildings in the prior year.

	2020	2019
	USD	USD
Non-residential Buildings	-	250,934
Road Construction	-	697,131
Construction	76,945	-
School Rehabilitation	-	44,938
Rehabilitation	571,999	260,380
Cars	174,500	39,650
Motorbikes	5,000	-
Information, computer and telecommuni	26,904	37,500
Machinery and Equipment not elsewhere	405,851	86,356
Furniture & fixtures	1,750	186,081
Furniture	1,850	-
Other Supplies	3,200	-
Land Improvement	3,000	-
Computer software and databases	9,000	-
Office Furniture	19,964	12,500
Total Non-Financial Assest	1,299,962	1,615,471

Note 10 Statement of Operations

The Statement of Operations report is prepared 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 (2017), which is the standard adopted in preparing these financial statements.

Note 11 Undrawn External Assistance

During the 2015 financial year, a new project called the Recurrent Cost and Reform Financing (RCRF II) was introduced. The project will run up to 20 June 2022 and is reviewable on a yearly basis. The RCRF II project is a multi-partner fund administered by the International Development Association (IDA). The objective of the project is to support the recipient to provide a credible and sustainable payroll, and to establish the foundation for efficient budget execution and payment systems for the non-security sectors in the Federal Government, eligible Federal Member states and Interim and Emerging Administration.

As specified in a binding agreement Number TFA0534 Dated 07 November 2016 between the Federal Government of Somalia (FGS), acting on behalf of all other existing & emerging states, and the International Development Association (IDA), the South West State of Somalia by virtue of a sub-agreement with FGS has a running project with IDA which will last to 20 June 2022. Undrawn External assistance in respect to the RCRF II project is contingent upon SWSS 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 SWSS in particular. The grant amount is subject to annual review and approval by the IDA. For the fiscal year ending 31st December 2020, SWSS had received funds from the RCRFII Project totaling USD\$1,715,810 in 2020.

	2020
	USD
Beginning Balance	60,791
RCRF II Inflow	1,715,810
RCRF II Outflow	1,678,091
Funds Held in the Project Account @ 31 Dec 2020	98,510

Note 13 Taxes

A total of USD\$4,039,014 in taxes was estimated to be collected during the year, however an actual collection of USD \$2,368,614 was achieved, a shortfall of USD\$1,670,400 (41.4%). The shortfall was mainly due to the inability to implement some tax streams. Following is a breakdown of taxes collected during the year.

Description	Estimate	2020	Variance	2019
		USD		USD
		Actual		Actual
Taxes on income, profits, and capital gains				
Personal Income tax	30,491	30,775	(284)	10,018
Taxes on payroll and workforce			-	
Payroll Tax - Non-Government	630,905	711,271	(80,365)	487,784
Taxes on goods and services				
Turnover Tax	227,256	160,308	66,948	86,213
Fuel Tax	14,379	8,563	5,816	-
Property Tax	1,150,000	-	1,150,000	-
Business & Professional Licenses	41,819	26,800	15,019	19,500
Landing Fees	10,879	32,120	(21,241)	89,500
Local Passenger Fees	72,447	60,455	11,992	111,536
Road User Tax	1,042,675	876,361	166,315	502,607
Urban Road User Tax	110,000	105,000	5,000	53,900
International NGOs registration	26,000	26,500	(500)	20,000
Local NGO's Registration	25,594	29,050	(3,456)	26,594
Local Companies Registration	12,800	-	12,800	2,500
Customs duties - Tobacco	2,413	-	2,413	-
Work Permit Licenses	8,360	13,003	(4,643)	19,310
Livestock Fees	38,804	58,645	(19,840)	12,887
Passport Service	58,260	6,944	51,316	8,154
Roll Number Fees-Schools	84,630	74,587	10,043	-
Sub-total	2,926,317	2,220,380	1,367,332	1,450,502
Taxes on international trade and transactions				
Customs duties - KHAT	441,841	140,449	301,393	440,785
Customs duties - Cigarettes	9,460	7,785	1,675	11,498
Sub-total	451,301	148,234	303,068	452,283
Total	4,039,014	2,368,614	1,670,400	1,902,785

Note 14 Grants

Total grants of USD\$12,841,452 was received against an estimate of USD\$20,401,553. Grants from International organizations and other general government units were not received as per estimated in the budget with the SUIP project carrying over to 2021 financial year and with COVID-19 having a greater impact on the donors themselves. The following table presents a detailed breakdown of the grant. The USD\$556 is a 3% contribution of local development fund provided by Southwest to the repairment of the district commissioner office.

	2020			2019
	USD			USD
	Estimate	Actual	Variance	Actual
Current Grants From International Organizations	2,648,776	1,940,782	707,994	1,713,636
Grants from Federal Government of Somalia	17,752,221	10,900,114	6,852,107	5,786,435
Grants from local Government-Southwest State	556	556	-	16,231
Grant Total	20,401,553	12,841,452	7,560,101	7,516,301

Note 15 Other Revenue

Other revenue collections consist of revenue streams other than grants and sale of goods and services which includes fees, fines and penalties. A total of USD\$ 36,275 of other revenue collections was collected during the reporting period against an estimate of \$63,217, a shortfall of \$26,942 (42%). In terms of visa fees, direct flights from Kenya to Baidoa used to run every Tuesday, but they have since been suspended due to a lack of passengers. Fines and fines have never been a consistent source of revenue, but rather a seasonal one, making it difficult to forecast accurately every year.

	2020			2019
	USD			USD
	Estimate	Actual	Variance	Actual
Rental income from Organizational Offices	3,381	2,512	869	5,192
Vehicle Hire/car rental Tax	3,912	10,621	(6,709)	-
Visa Fees	5,235	-	5,235	1,800
Number Plate Registration	14,030	10,000	4,030	7,700
Clearance Letter Fee	8,976	10,342	(1,366)	180
Bidding Documentation fees	20,000	2,800	17,200	-
Fines/Penalties	7,683	-	7,683	13,635
Total Other Revenue	63,217	36,275	26,942	28,507

Note 16 Employee Compensation

A total of USD\$10,845,345 was spent on employee compensation against a final budget of USD\$13,706,219. The under spend of USD\$2,860,874 was due to inability of the State to fund compensation expenses from domestic revenue.

	2020			2019
	USD			USD
	Final Budget	Actual	Variance	Actual
Permanent employees/Regular staff	1,739,000	1,221,162	517,838	848,903
Contract employees	904,786	653,739	251,047	-
Wage workers	475,452	350,161	125,291	1,015,740
Stipend	9,000	9,000	-	-
Security Forces (Police, Intel Forces and Prison)	6,819,600	6,545,336	274,264	1,603,440
Remuneration to Ministers and Statutory	603,600	314,600	289,000	171,100
Remuneration to Politicians	1,147,200	558,600	588,600	1,346,400
Teacher Salary	576,000	319,800	256,200	125,500
Accommodation Allowance	72,790	24,640	48,150	1,950
Transportation allowance	20,516	20,216	300	-
Other allowances	5,475	1,825	3,650	-
Per diem and DSA	129,289	121,209	8,080	-
Daily meals	1,203,511	705,056	498,455	1,204,018
Total Compensation of Employees	13,706,219	10,845,345	2,860,874	6,317,051

Note 17 Use of Good and Services

The ability to incur expenditure is limited to funds available from revenue collection and grants from donors. In the case of goods and services, a total of USD\$2,265,983 which represents 50% of the final budget of USD\$4,570,633

	2020			2019
	Final Budget	Actual	Variance	Actual
	USD			USD
Internal Travel	231,356	118,864	(112,492)	34,425
External Travel	118,050	6,666	(111,384)	9,150
Local conferences	27,860	23,360	(4,500)	-
Water	30,913	15,999	(14,914)	15,533
Electricity	35,934	19,671	(16,263)	6,940
Construction Material	176,600	176,600	-	-
Telephone fees	8,619	7,194	(1,425)	-
Internet	98,127	46,886	(51,241)	33,780
Satellite fee	68,250	68,250	-	63,000
G-suite Fees	7,200	920	(6,280)	-
Gasoline	84,385	55,375	(29,010)	75,023
Stationary	124,640	77,901	(46,739)	33,735
Published fees	32,100	32,100	-	-
Publications	53,555	40,345	(13,210)	2,620
Office Refreshment	16,920	12,517	(4,404)	810
Meeting Supplies	2,360	-	(2,360)	-
Refreshment	65,687	36,431	(29,256)	-
School Supervision	123,326	51,429	(71,897)	-
Supervision	329,738	29,738	(300,000)	-
Cleaning Supplies	30,790	23,380	(7,410)	2,318
Material Transportation	22,660	16,720	(5,940)	16,500
Maintenance of equipment	9,778	1,578	(8,200)	18,750
Maintenance of Vehicles	14,166	5,766	(8,400)	10,268
Maintenance contracts	5,000	4,980	(20)	-
Vehicle Hire/car rental	352,735	279,335	(73,400)	30,750
Cleaning Services	-	-	-	200
Security Services	515	515	-	300
Installation of Property Numbering	75,000	26,000	(49,000)	-
Office Rent	113,900	77,700	(36,200)	10,800
Venue Rent	37,935	30,185	(7,750)	-
Consultation Fees	1,085,917	462,917	(623,000)	224,928
Preparation of Manuals/Guidelines	35,874	-	(35,874)	-
Staff Training and Development	299,415	100,485	(198,930)	3,250
University & School Fees	12,000	12,000	-	-
Audit Fees	31,494	-	(31,494)	-
Bank charges	63,766	23,321	(40,445)	3,808
Technical Assistance	49,327	3,900	(45,427)	-
Television and Newspaper Advertisements	267,166	157,304	(109,862)	700
Conflict Resolution Expenses	219,654	219,654	-	300,000
Contingency	207,924	-	(207,924)	387,784
Total	4,570,633	2,265,983	(2,304,650)	1,285,371

Note 18 Grants

A total of USD\$ 102,870 was budgeted for grants and USD \$102,000 was received of which 0.85% of the final budget was spent during the reporting period.

Note 19 Other Expense

A total of USD \$ 207,059 was budgeted for Miscellaneous other expenses however USD\$ 144,009 (30.5%) was spent in relation to printing tax receipts.

Note 20 Non-Financial Assets

Non-financial assets amounting to USD\$1,299,962 was acquired during the year against a budgeted amount of USD\$5,911,002 related to the purchase of office equipment and furniture, ICT equipment and non-residential buildings.

	2020			2019
	USD			USD
	Final Budget	Actual	Variance	Actual
	-	-	-	-
Non-residential Buildings	-	-	-	250,934
Road Construction	2,700,000	-	(2,700,000)	697,131
Construction	543,193	76,945	(466,248)	-
School Rehabilitation		-	-	44,938
Rehabilitation	1,181,288	571,999	(609,290)	260,380
Site Selection	42,000	-	(42,000)	-
Site Supervision	28,000	-	(28,000)	-
Cars	228,500	174,500	(54,000)	39,650
Motorbikes	5,000	5,000	-	-
Information, computer and telecommunications	54,581	26,904	(27,677)	37,500
Machinery and Equipment not elsewhere classifi	939,669	405,851	(533,818)	86,356
Furniture & fixtures	49,083	1,750	(47,333)	186,081
Furniture	1,880	1,850	(30)	-
Printing Machine	9,700	-	(9,700)	-
Land Improvement	3,000	3000	-	-
Other Supplies	3,200	3,200	-	-
Research and development	-35,998	-	35,998	-
Computer software and databases	41,000	9,000	(32,000)	-
Surveys	86,906	-	(86,906)	-
Office Furniture	30,000	19,964	(10,036)	12,500
TOTAL	5,911,002	1,299,962	(4,611,040)	1,615,471

Note 21 Third Party Costs

During 2019, the PREMIS project, funded by the UK Department for International Development (DFID) and European Union (EU), provided support for machinery of government in the South West State of Somalia (SWS), centered on the introduction and enhancement of a Financial Management Information System (FMIS) and associated public financial management (PFM) processes and systems, in addition to support for revenue administration, planning, procurement and civil service management (Public Administration or PA). In 2019, support to the Office of the Auditor General was added.

The project specifically focused on the Ministry of Finance, Civil Service Commission and Office of the Auditor General, however some support has been provided to the Parliamentary Finance Committee, in direct support of the Parliament's involvement in the PFM system, as specified in the PFM Act. The project's overall goal is to contribute to the Public Resource Management in Somalia (PREMIS), particularly, this project has four main outputs, which are as follows:

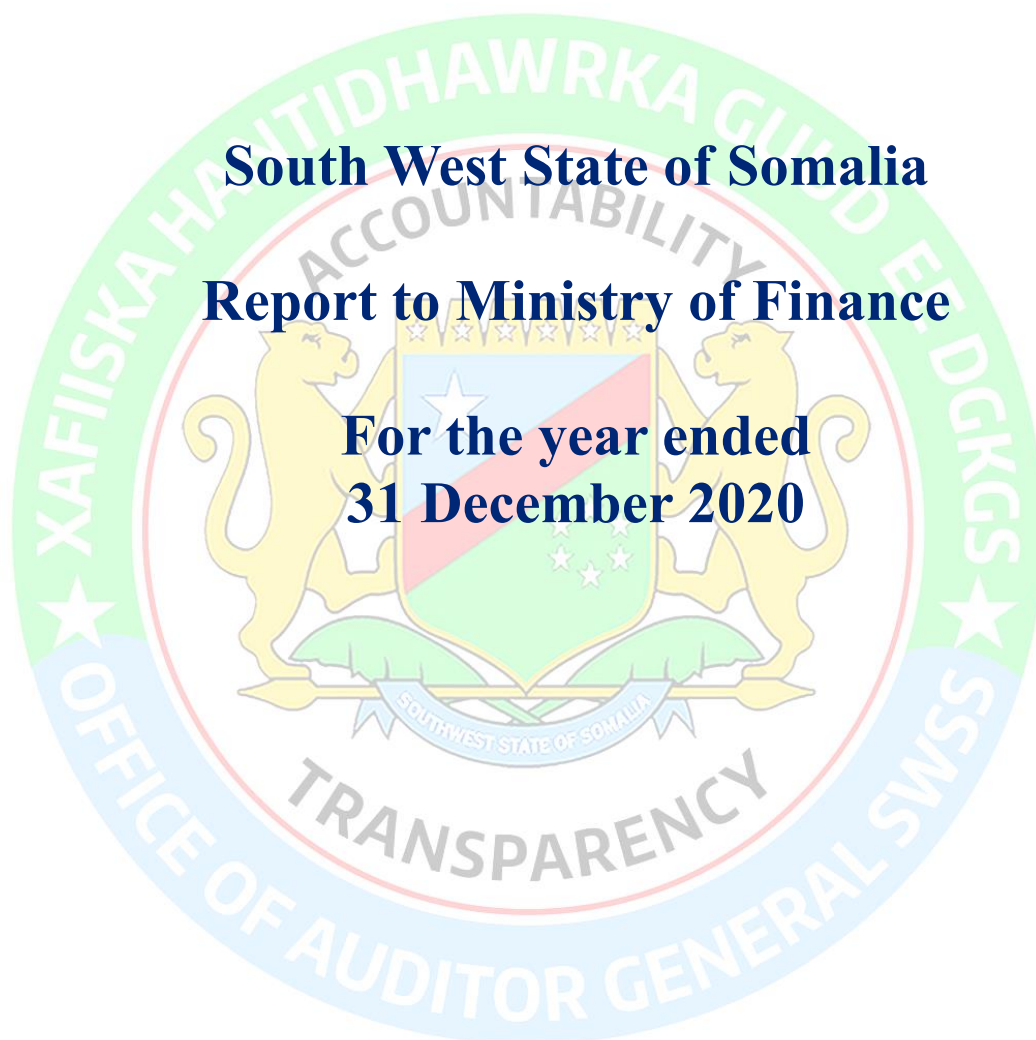
- 1) Federal member states have systems in place for managing and accounting for their expenditures.
- 2) Federal member states can demonstrate PFM compliance in line with international best practices.
- 3) Federal States are able to effectively raise revenue on a local level and
- 4) Federal States' MoF have the requisite capacity to carry out their functions effectively.

Apart from funding some projects directly through the Treasury Single Account (TSA) via the Specific Purpose Grant (SPG) mechanism, which form part of the normal SWS accounts, PREMIS also provides significant 3rd party support in the form of Technical Assistance, Training and support of ICT systems. SWS benefits from these goods and services purchased on its behalf through cash payments made by PREMIS directly to the supplier during the period.

	<u>MoF</u>	<u>CSC</u>	<u>OAG</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Technical Assistance and Capacity Building	248,582	92,913	73,707	415,201
ICT Support	118,665	16,230		134,894
Training	79,988	21,739	19,466	121,193
Total	447,235	130,882	93,173	671,288



Office of Auditor General



South West State of Somalia

Report to Ministry of Finance

**For the year ended
31 December 2020**



Office of Auditor General

29th December 2021

Minister,
Ministry of Finance,
Baidoa, South West State,
Somalia.

Dear Sir,

Report to the Minister for the year ended 31 December 2020

We have recently completed our audit of the Consolidated & Ministerial Financial Statements of the South West State of Somalia for the year ended 31 December 2020 which we conducted in accordance with International Standards of Supreme Audit Institutions (“ISSAI”). Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatements but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit is conducted to enable us to form and express an opinion on the financial statements that have been prepared by management with the oversight of the Minister of Finance. The audit of the financial statements does not relieve the Ministries of their responsibilities. However, in accordance with our normal practice, we write to draw your attention to certain matters which we identified during our audit. Those issues are set out in the attached report.

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

Management responses should be provided through the co-ordination by the Ministry of Finance. We would like to thank the management and staff for their assistance and co-operation during the audit and would be pleased to provide any clarification that you may require on the issues raised in this report. We will also contact the Ministry to arrange a meeting during which all issues raised in this report can be fully discussed and understood by all parties.

Yours faithfully,

Muhiyadin Ali Abdinoor

Audit Manager & Acting Auditor General, South West
State of Somalia

Baidoa, Somalia.



Office of Auditor General

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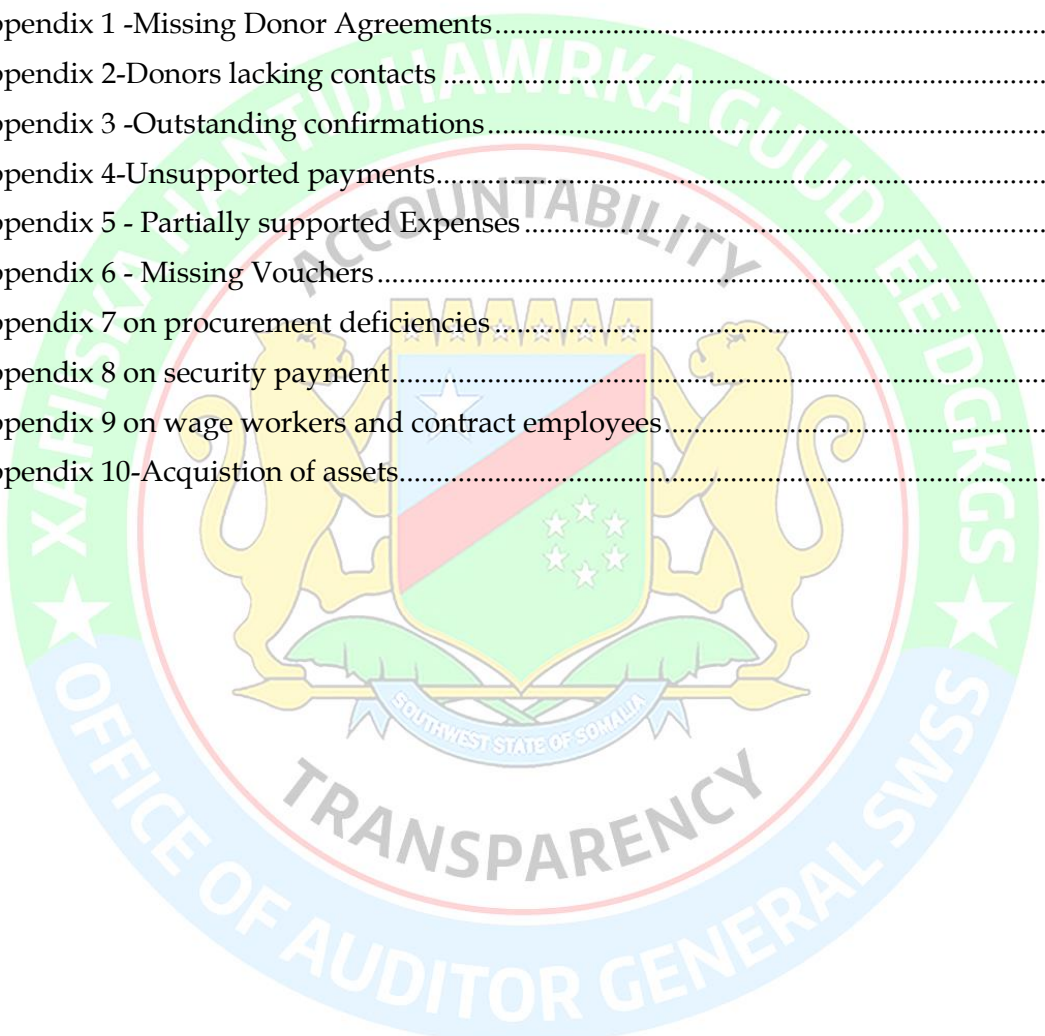
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1 Summary performance ratings on areas reviewed.

For ease of follow up and to enable your management to focus effectively in addressing the issues in our report, we have classified the issues arising from our audit in order of significance: “High”, “Medium” and “Low”. In ranking the issues between “High”, “Medium” and “Low” ISSAIs require us to consider the relative importance of a matter, taken in context.

Key to Summary

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

Current Year Summary of findings

Control area	Risk key	Control weakness noted
2. Revenue		2.1 Unsupported receipts
		2.2 An explained fluctuations and gaps in revenues collected during the period of audit
		2.3 Lack of procedures for reconciling revenues, banking and amounts recorded
		2.4 Lack of sufficient details on the revenue vouchers and the unreliability of the exchange rates used
		2.5 Instances where donor confirmed amounts were different from recorded amounts/Absence of periodic donor funds reconciliations
		2.6 Other weakness related to the management of Grants from Donors and Federal Government of Somalia
3. Expenditure excluding payroll costs		3.1 Unsupported Expenses
		3.2 Partially supported Expenses
		3.3 Missing vouchers
		3.4 Expenditure documents not stamped as “PAID”
		3.5 Failure to follow procurement procedures in sourcing for Goods and Services
		3.6 Lack of procurement committee



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Control area	Risk key	Control weakness noted
4. Payroll		4.1 Lack of payroll reconciliations
		4.2 Weaknesses in payroll for security personnel
		4.3 weaknesses noted in wages and payment to contract employees
		4.4 Weaknesses in payrolls for ministers, politicians and teachers
		4.5 No records for tracking leave, No performance appraisals
5. Fixed assets		5.1 Acquired assets could not be verified and no ownership documents
		5.2 No centralised assets register, no periodic counts and assets are not tagged
6. Bank and Cash		6.1 Weaknesses in bank reconciliations
		6.2 Bank register not maintained and updated annually
		6.3 Bank reconciliations prepared monthly instead of daily or weekly as required by regulations
7. Budgeting and Financial Reporting		7.1 Weaknesses in the budgeting and financial reporting process



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2 Revenue

2.1 Unsupported receipts





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Observation

Condition

Recorded under note 2 of the financial statements is an amount of \$2,368,614 relating to local revenue collections for the period under audit. During our review of the supporting documentations, we found out that the only documents available to support these transactions were revenue vouchers produced at the time of recording the transactions in the Financial Management Information System and the revenue management system. The original receipt books, copies of which should have been issued to the tax payers, were not available for review.

Additionally, we were not able to review the base amounts in which payroll deductions were based on.

The amounts were only traced to the revenue vouchers and the bank statement. Although the transactions may have occurred we are unable to confirm as to whether they were recorded in the correct account code.

Criteria

Section 30(7) of the PFM Act 2018 states that each minister or head of a budgetary institution or agency is responsible for the filing, maintenance and safekeeping of all documents related to public finance transactions, in a manner and for the length of time prescribed in *accounting regulations* under the Act.

Further, section 3.2.1 of regulation 10 on Financial Record Filing, Safekeeping & Retention Policy states that financial record filing must be well organized and classified in a systematic, logical, consistent and scalable manner to facilitate accurate and complete documentation retention and retrieval. It further provides that all revenue documentations should be retained for a minimum period of seven years.

Cause

Possible cover up by management

Effect

This may lead to misstatements of revenue. It may further lead to misclassification of revenue.

Recommendation

We recommend that all local revenue collections be supported by original receipt books and any other original documents in which the amount collected/recorded was based on.

Significance

High

Management response

All revenue transaction was recorded in the correct account code, Ministry of Finance is implementing reforms with the Local government for supporting documentations, however the current supporting documents are sufficient for the collection of these revenues, the original documents which recorded are available in the office.



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Further Comments of Auditors;

During the course of our audit, the blocks were not available for review and we made several inquiries as to whether these documents can be found. There was no satisfactory explanation or feedback to our flow up.

2.2 An explained fluctuations and gaps in revenues collected during the period of audit

Observation

Condition

From analytical review performed on revenue, we noted fluctuations and gaps as explained below:

- a) Domestic Revenue we noted unexplainable fluctuations of revenue collection in certain months such as May (\$ 119,099), November (\$ 138,297), and December (\$ 265,827). It was noted that revenue collection trend of these specific months were over 30% off the average monthly revenue of \$200,454. No plausible explanation was made available for these fluctuations in revenue. See below.

Month	Total Revenue (\$)	Mean (\$)
Jan	215,000	200,454
Feb	245,000	200,454
Mar	225,000	200,454
Apr	215,000	200,454
May	120,000	200,454
Jun	240,000	200,454
Jul	185,000	200,454
Aug	180,000	200,454
Sep	190,000	200,454
Oct	170,000	200,454
Nov	140,000	200,454
Dec	265,827	200,454

- b) We noted gaps in revenue recorded under domestic revenue streams where some months did not have any taxes recorded. The significant gaps may be a representation of collected revenue which may not have been recorded and banked



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Account Name	Grand Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Personal Income tax	30,775	-	-	5,582	2,794	2,778	2,706	5,382	-	2,691	2,832	3,104	2,907
Payroll Tax - Non-Government	711,271	53,854	45,482	69,480	46,746	56,740	59,366	68,560	49,959	49,301	77,495	64,698	69,591
Turnover Tax	160,308	6,000	24,000	2,240	36,912	9,746	24,000	144	11,053	6,108	24,240	13,556	2,308
Fuel Tax	8,563	-	1,356	2,290	-	2,090	1,500	792	435	-	-	-	100
Business & Professional Licenses	26,800	1,500	1,800	2,000	900	5,000	5,100	600	1,100	2,800	1,500	1,500	3,000
Landing Fees	32,120	7,200	7,020	5,200	-	-	-	-	-	1,800	3,200	3,700	4,000
Local Passenger Fees	60,455	7,958	8,663	7,230	-	95	613	2,859	5,772	8,026	6,698	3,968	8,573
Road User Tax	876,361	94,746	76,348	91,882	74,158	33,111	84,905	64,242	77,454	113,211	40,985	2,400	122,920
Urban Road User Tax	105,000	-	30,000	-	20,000	-	-	-	29,000	-	-	26,000	-
International NGOs registration	26,500	1,000	2,000	3,000	3,000	4,000	1,000	4,000	2,000	-	-	2,500	4,000
Local NGO's Registration	29,050	500	3,000	1,000	1,500	3,500	4,500	3,000	1,500	3,500	1,500	3,500	2,050
Work Permit Licenses	13,003	500	1,390	-	1,000	-	1,300	-	-	-	2,000	2,000	4,813
Livestock Fees	58,645	933	2,853	4,058	26,451	-	1,653	377	-	-	803	1,517	20,000
Passport fees	6,944	-	-	-	-	-	-	580	1,322	1,140	1,340	1,062	1,500
Roll Number Fees-Schools	74,587	-	80	-	-	-	42,268	32,239	-	-	-	-	-
Customs duties - KHAT	140,449	39,723	40,886	32,463	200	100	550	1,380	-	-	3,647	5,504	15,996
Customs duties - Cigarettes	7,785	1,400	240	1,380	-	-	1,420	-	275	642	290	698	1,440
Grants from South West State	556	-	-	-	-	-	-	-	-	-	-	-	556
Rental income from Organizational	2,512	73	1,032	90	90	252	-	-	54	615	24	162	120
Vehicle Hire/car rental Tax	10,621	377	1,364	933	1,364	588	1,139	527	1,494	728	582	665	860
Number Plate Registration	10,000	-	-	-	-	-	10,000	-	-	-	-	-	-
Clearance Letter Fee	10,342	-	-	2,178	66	-	-	748	1,472	1,548	1,474	1,206	1,650
Bidding Documentation fees	2,800	-	-	-	-	1,100	700	400	200	400	-	-	-
Totals	2,405,445	215,763	247,513	231,006	215,180	119,099	242,720	185,830	183,090	192,510	168,610	138,297	265,827

Criteria

The PFM Act of 2018 provides for the clear authorisation, collection of taxes, levies and charges and standards to be followed in the assessment and collection of taxes and other revenue as well as the roles, rights and obligations of the taxpayers and collecting authority.

Cause

Fluctuation of revenue in the period under review that cannot be explained. Collected revenues may have been misappropriated.

Effect

The revenue fluctuations in the period may be an indication of the revenue collected not being accurately and completely accounted for and recorded in the draft financial statements.

Recommendation

Management should ensure they undertake periodic analytical review of the revenue accounts to check on completeness and accuracy of revenue collected and recorded. Where major fluctuations are noted, management should undertake audits and investigations to know the reason for the same and this process should be documented for future reference.

Significance

High

Management response



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Covid pandemic disrupted the pattern of collection during the year 2020 with all the uncertainties auditors were informed the trend analysis was not possible during that year. Also most of the Ministry of finance team were working from home during the period of audit.

2.3 Lack of procedures for reconciling revenues, banking and recording

Observation

Condition

From the review of the revenue process and the supporting documents, we noted that no reconciliations are made between receipt books, daily collection registers, deposit slips, FMIS and RMS. Additionally, the Revenue Clerks collect taxes in cash, and the banking is either done on the same day or the following day after collection. Cash is inherently risky and there is a risk of Revenue Collection Clerks not receipting all revenues collected. We noted there exists other less risky modes of tax collection within the state e.g. Electronic Voucher Cash.

These affect the accuracy, completeness and classification of the revenues collected from different form of taxes.

Criteria

The PFM Act of 2018 provides for the clear authorisation, collection of taxes, levies and charges and standards to be followed in the assessment and collection of taxes and other revenue as well as the roles, rights and obligations of the taxpayers and collecting authority. Receipts should be checked by MoF to ensure there was no irregularities and fraud and make correction in case of any improper transactions.

In addition, best practice in Revenue Collection is to use non-cash methods which are less risky in terms of pilferage and mishandling.

Cause

The process of collection of taxes by the Revenue Clerks and final accountability to the Revenue Collection Centre (RCC) is manual dependent and is susceptible to error and manipulation. In addition, lack of reconciliation of collections and banking leads to the inability to confirm the accuracy and completeness of revenue.

Effect

The gaps in the revenue collection and recording process may lead to revenue to be misstated. The manual process leads to revenue be susceptible to fraud and errors.

Recommendation

We recommend:

- Daily or weekly reconciliation of cash collections receipts to the daily banking.
- Non-cash methods for revenue collections, such as Electronic Voucher Cash, or Bank Transfer for large payments – digitization of the tax payment process. The tax collectors should be able to issue printed out receipts after confirming payments done via digital channels.

Significance



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High

Management response

Daily revenue reconciliations are done, most of the taxpayers prefer to pay the tax in cash which made difficult for electronic payments. The Ministry will improve controls around review of daily reconciliation and ensure documentation is done and file on the same for audit purpose.

2.4 Lack of sufficient details on the revenue vouchers and the unreliability of the exchange rates used

Observation

Condition

From the review of the revenue process and the supporting documents, we noted that the different Revenue Vouchers provided as support document for Turnover tax, Customs Duty on Khat, Road User tax did not show the Taxpayer Identification Number (TIN) making it impossible to know who paid the taxes and for what purpose. It was also noted that the revenue vouchers did not have the tax base documented as well as the total income being taxed to counter check with what has been paid, hence making it impossible to verify the completeness and accuracy of the taxes being paid by the taxpayers to MoF.

In addition, we noted that the foreign exchange rate used for conversion from Somalia Shilling to US\$ by both the Treasury and the RCC is not clearly documented and this is based on knowledge by different tax revenue officers which may lead to misstatement in translation of revenue from taxes.

Criteria

The PFM Act of 2018 provides for the clear authorisation, collection of taxes, levies and charges and standards to be followed in the assessment and collection of taxes and other revenue as well as the roles, rights and obligations of the taxpayers and collecting authority. The Act provides that an official receipt to be provided by tax officials containing the date of payment, name and number of the official receiving the payments, place at which payment is made, name and identifying number of taxpayer, amount paid and liability in respect of which payment is made.

Cause

The process of collection of taxes by the Revenue Clerks and final accountability to the Revenue Collection Centre (RCC) is manual dependent and is susceptible to error and manipulation. In addition, lack of reconciliation of collections and banking leads to the inability to confirm the accuracy and completeness of revenue.

Effect

The gaps in the revenue collection and recording process may lead to revenue to be misstated. The manual process leads to revenue be susceptible to fraud and errors.

Recommendation

We recommend:

- The different support vouchers to include TIN, the tax base and total income being taxed.



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<ul style="list-style-type: none"> • Redesign of tax collection forms and receipts in order to allow for documentation of sufficient details to allow for re-computation of taxes. This will encourage accountability, and fairness and reduce revenue leakage that could arise due to erroneous tax computation. • State to ensure that exchange rate used for conversion of Somali Shilling to USD is adequately documented and reasonable
Significance
High
Management response
<p>Turnover tax has categories (A, B, C and D) thus the tax based for the taxpayer is known and its documented under Regulation 9 tariff rates. The tax collectors are given printed list of the taxpayer's category during collections of turnover tax.</p> <p>Exchange rate is determined by the South West commercial banks and rate of exchange is communicated to the Ministry at any given time.</p>

2.5 Instances where donor confirmed amounts were different from Recorded amounts/ Absence of periodic donor funds reconciliations

Observation
<p>Condition</p> <p>From our review of grants from donors, we noted that there was a difference between amounts recorded by management in FMIS as income received from Food and Agriculture Organization (FAO) and amounts confirmed as having been transferred to the state by the same organization. While the state recorded \$10,640 in its books, FAO confirmed \$13,300 resulting into a variance of \$ 2,660. Additionally, the Federal Government of Somalia has reported in its audited accounts that it has transferred a total of \$10,602,600 to the South West State of Somalia (SWSS) while the state has recorded a total of \$10,900,114 as receipts from the Federal Government of Somalia in its books resulting into a difference of \$297,514.</p> <p>No plausible explanation or reconciliation was provided for the differences between the amounts</p> <p>Criteria</p> <p>Grants from donors and transfers from the Federal Government should correspond to amount recorded by MoF in the FMIS and recorded in the financial statements.</p> <p>Cause</p> <p>Lack of donor reconciliations, poor contract management, absence of uninterrupted correspondence with partners and related parties</p> <p>Effect</p> <p>There is a risk of grant revenue being misstated and the non-compliance of contractual terms as per donor agreements.</p>



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Recommendation

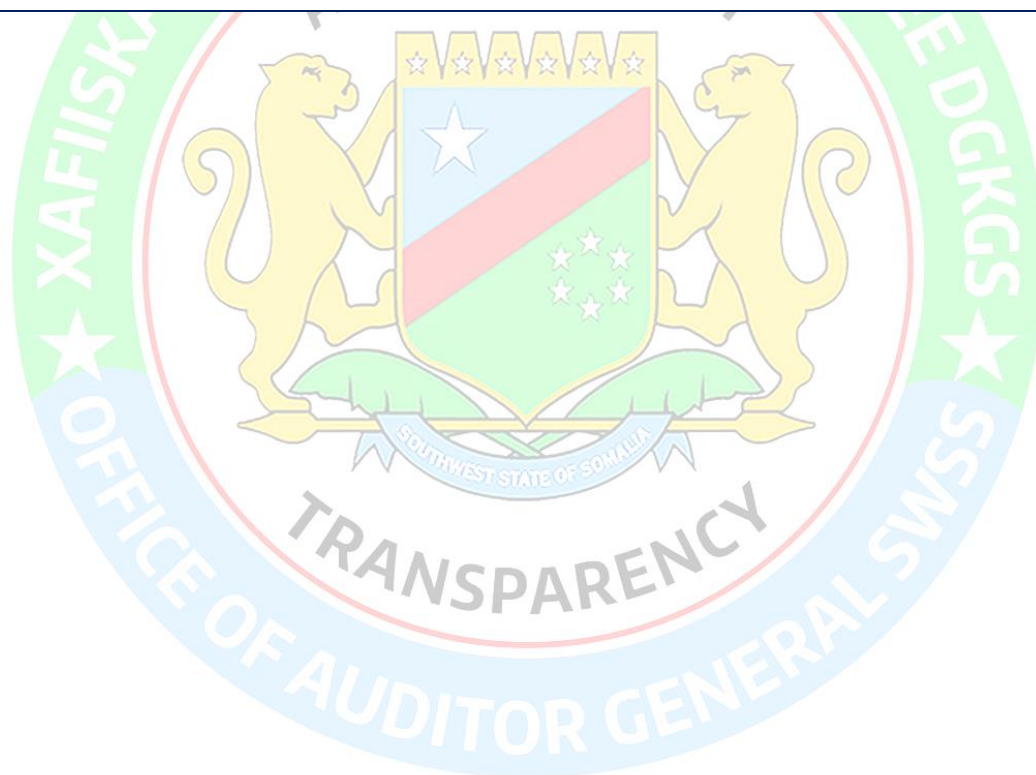
We recommend: Periodic individual donor funds reconciliation preferably on monthly basis. Contract amount, amount received and amounts transferred as stated in donor books should regularly be reconciled. Additionally, there should be regular reconciliation with Federal MoF FGS.

Significance

High

Management response

Ministry of Finance have done follow ups with both FGS and FAO however no response were given for the differences at the time of Financial statements preparation. Further follow up has confirmed that the differences is third party payments which it's not compulsory to report under IPSAS 2019





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2.6 Other weakness related to the management of Grants from Donors and Federal Government of Somalia

Observation
<p>Condition</p> <p>The following other gaps were identified during our review of Grants from Donors and FGS</p> <ul style="list-style-type: none">➤ A total of 20 donor agreements were not received from the client (outstanding donor agreements appendix 1)➤ Few donors were not circularized due to lack of contacts addresses of donors (Donors lacking contacts appendix 2)➤ We have received confirmations only from FGS-Biyoole project, PREMIS, DRC , FAO(for one project) project and UNWOMEN(for one project) (outstanding donor confirmations appendix 3)➤ UNICEF funds are not transferred from bank to bank but rather deposited by individual's in the government bank accounts➤ The grant agreements provided either did not have the agreed budget and detailed contract conditions on eligible spending with the donor, or the budget provided on the agreement was not broken down into allowable budget lines of each for monitoring.➤ Inadequate filing system and lack of contract management focal point. <p>Criteria</p> <p>There should be a robust system for managing Grants from International donors and FGS.</p> <p>Cause</p> <p>Absence of a robust grant management process and systems</p> <p>Effect</p> <p>There is a risk of grant revenue being misstated and the non-compliance of contractual terms as per donor agreements.</p>
Recommendation
<p>We recommend:</p> <ul style="list-style-type: none">• All donor grants to be centralized within a section of the EAFS that monitors the contracts for expiration and compliance.• Improvement of the filing system to ease the retrieval and archival of donor agreements and other support documents.• Fund has to be transferred from bank to bank and show the donor's name on the bank statement to avoid leakage of money in the hands of the individuals depositing the funds received.
Significance
High



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Management response

Ministry of finance will ensure to address gaps in donor grants with the on - going PFM reforms with the donors. PFM legislative compliance and monitoring will ensure all the gaps to be resolved.

3 Expenditure

3.1 Unsupported Expenses

Observation

Condition

Disclosed in the financial statement is an aggregate non payroll costs amounting to \$ 4,693,904 spent by the state to finance various operations such as operating costs, staff training and development, health and hygiene materials, machinery and equipment, transfers to lower level government, conflict resolution, rehabilitation of stadiums etc. We have sampled \$2,719,758 of these expenses representing 58% of the aggregate non payroll costs.

During our review we found out that \$1,823,045 representing 67% of sampled expenses were only supported with internally generated documents. These expenses were only supported with commitment payment order, payment request form and the paying cheques (Bisan and bank cheque), these are all internal documents. These expenses lacked any evidence of occurrence and were hence deemed unsupported.

In some cases, these funds were withdrawn in the name of a ministry and we could not confirm whether it has reached the intended beneficiaries. **Details are found in appendix 4.**

During our review we found out that \$ 450,304 representing 17% of sampled expenses were partially supported with third party documentations but lacked evidence of delivery or work done. These expenses lacked evidence that goods were delivered or services were rendered. There were no goods received note or delivery notes neither were certificates of work done or certifications by professional such as engineers provided. In the circumstances, the expenses were deemed partially supported.

Details are found under appendix 5

During our review we found out that \$ 282,652 representing 10% of sampled expenses were not availed for audit. The physical vouchers were not provided for audit. The vouchers were deemed missing or non -existent. Although the management promised to provide these vouchers they were not received to date. Details are found **under appendix 6**

Criteria

Section 30 (7) of the Public Financial Management Act of 2018 requires maintenance and safekeeping of all documents relating to public finance transactions in a manner and for the length of time prescribed in accounting regulations under this Act. Section 4.1.2.10 of the budget execution regulation issued on 1 January 2018 requires that all transaction documents relating to the purchase of goods and services will be presented to the certifying officer prior to payment processing.

Cause

Lack of adequate expenditure verification prior to the payment process. Also, requests made by some agencies using telephone conversation or inquiry through a walk in by the messengers.



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Effect

Weaknesses at one stage of the expenditure control cycle can undermine the integrity and credibility of the system as a whole e.g. where payments are made for goods and services not received. Expenditures that do not have supporting documentation; can be termed ineligible by the Parliament or the donors.

Recommendation

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

Significance

High

Management response

Most of the transactions mentioned have necessary documents for proof of payments. Ministry of Finance will ensure pre audit preparation is done well and all supporting documentation is provided to support payments and place file for audit.

3.2 Expenditure documents not stamped as "PAID."

Observation

Condition

Failure to invalidate support documents by stamping "PAID" to prevent resubmission of these documents to another donor or to MoF.

Criteria

In line with

the best practices in expenditure management, to strengthen financial processes control and prevention of double payments to suppliers and services providers, financial and payment support documents ought to be invalidated to prevent re-use and resubmission.

Cause

As per discussions with the MoF team, the processed documentation were not stamped paid due to oversight from the finance team.

Effect

Risk of resubmission/reuse of invoices and bills in a different donor or budget line. Failure to indicate documentation as "PAID" increases the likelihood of multiple payments based on the same set of documentation.

Recommendation



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1. Invalidate paid documents by cancelling through PAID mark, including budget code, donor and project references
2. For own source use of funds at the treasury, all invoices, receipts, attendance sheets, request letters, tickets and boarding passes bear government stamp-MoF PAID.

Significance

Low

Management response

Ministry for finance will ensure paid stamp is used all payment documents and recommendation is taken

3.3 Failure to follow procurement procedures in sourcing for Goods and Services

Observation

Condition

Lack of competitive bidding / single sourcing of suppliers

During our review of the paying documents, we found out that suppliers of goods and services and major contractors were not subjected to any procurement process as and when engaged by the state. It is clear from the evidence reviewed that the whole procurement process has been set aside in complete disregard of the law.

No justifications were provided for single sourcing. Details of these procurements are found under **appendix 7**

Criteria

Section 4.8.1 of the procurement procedures manual of South West State states that all eligible prospective bidders with timely and adequate notification of the SWSS's requirements and an equal opportunity to bid for the required goods, works, and non-consultant services. Section 4.2.3 states that open competition is the basis for efficient public procurement. In most cases therefore, the SWSS requires that where possible goods, works, and non-consultant services be obtained through a competitive bidding process ("Competitive Bidding") open to eligible suppliers and contractors.

Section 4.25.4 states that sole and single sourcing is contracting without competition and may be an appropriate method under exceptional circumstances. Therefore, single sourcing should be exceptional rather than the norm.

Cause

Non-compliance with the law

Effect

Loss of value for money and competitive pricing of goods and services, lack of fairness in awarding government contracts.

Recommendation



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Conformity to the law on matters procurement is recommended. Value for money, fairness, equity and transparency in the states procurement process can only be achieved when procurement law is fully implemented.
Significance
High
Management response
Ministry for finance will ensure that Procurement procedures will be followed as per the policy and guideline to achieve fairness, value for money and competitive process when procuring goods and services.

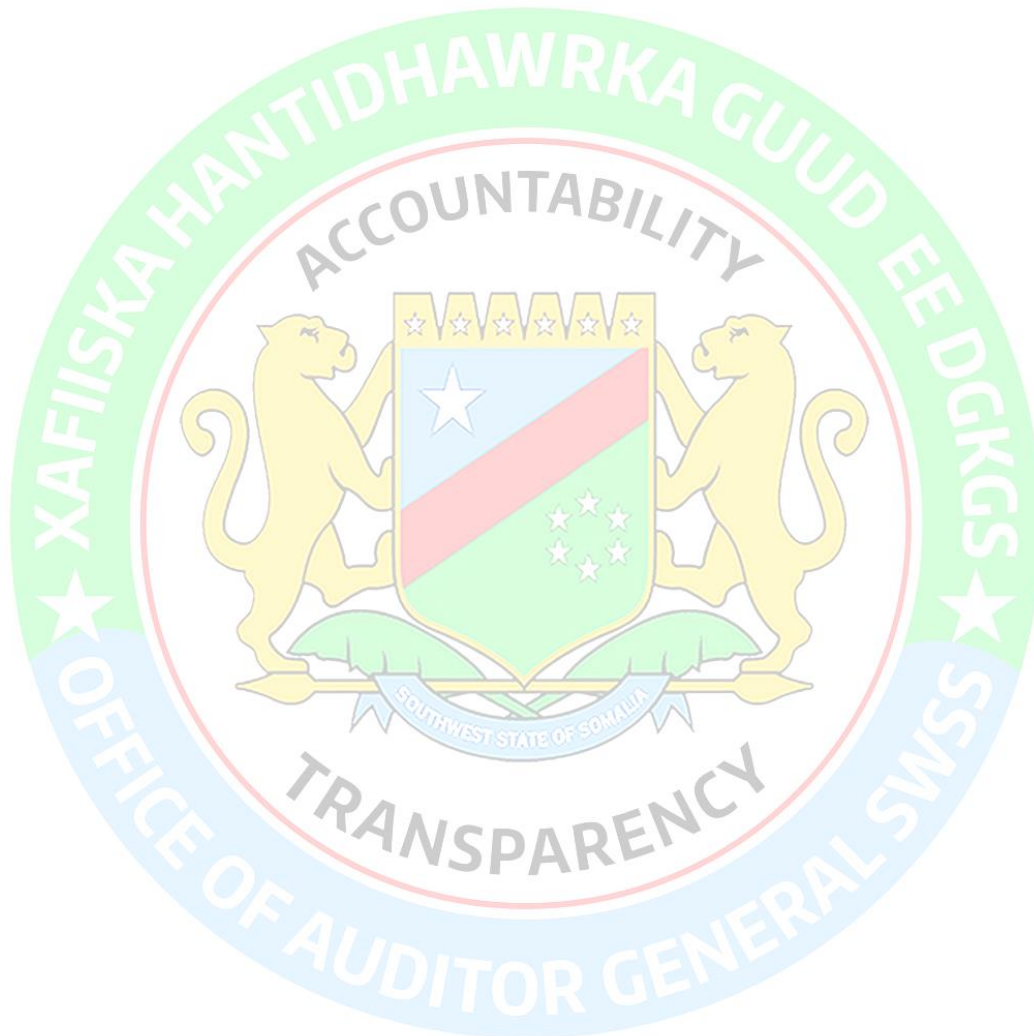
3.4. Lack of procurement committee

Observation
<p>Condition During the audit, we noted that SWSS have not formed a procurement committee</p> <p>Criteria 2.1.1 of the Regulation 8 of PFM Act states that a Procurement Committee shall be formed within the SWSS and shall review the procurement procedures, documents, bid evaluations, award recommendations, and contracts to ensure that the procurement process is carried out in accordance with the agreed procedures</p> <p>Cause Non-compliance with regulations</p> <p>Effect Loss of value for money and Inadequate scrutiny and control over state procurements.</p>
Recommendation
SWSS should establish a Procurement Committee to review the procurement procedures, documents, bid evaluations, award recommendations
Significance
High
Management response



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Recommendation is taken and Procurement committee currently that exist is not in line with the procurement policy, however the Ministry will ensure to established procurement committee that provide support and reforms will be put in place to ensure procurement guidelines are followed.





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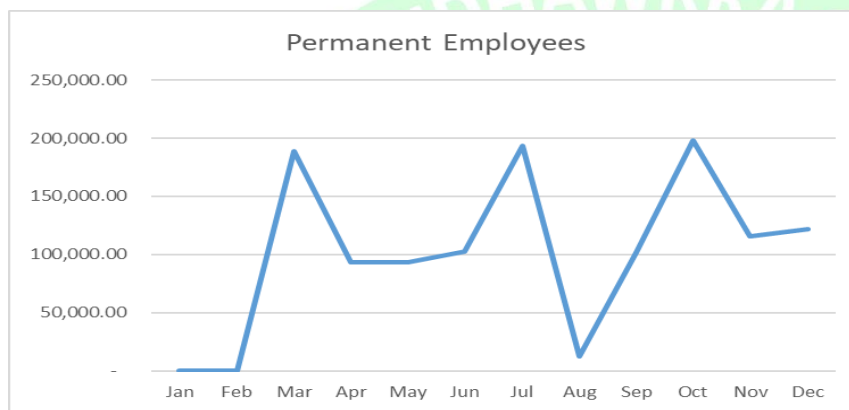
4. Payroll

4.1 Lack of payroll reconciliations

Observation

Condition

From the review of the state's payroll for civil servants we have found out that monthly payroll reconciliations were not done. We have further noted that the monthly permanent employees' payroll was sporadic and unpredictable as shown by the graph below;



Criteria

Safe guarding the integrity of the state's payroll requires month to month payroll reconciliations.

Cause

No justification was given for this.

Effect

This may lead to payment of ghost workers and unauthorised alterations of payroll.

Recommendation

We recommend the State:

- Automate and base the payroll expenses on biometric identity of recipients
- MoF to obtain monthly personnel head count and status prior to release of lump sum required amounts and perform month to month payroll reconciliations taking into account new hirers, resignations, terminations, promotions etc.

Significance

High

Management response



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Disagree, permanent employees' expense is consistency throughout the year, however payroll tax for non – government has fluctuations month to month and auditors needs to clarify these issue with the Treasury team.

4.2. Weaknesses in Payroll for Security

Observation

Condition

During our review of the security payments we have noted that an amount of \$6,545,336 was spent on security payments. We have found out that there was no master roll showing all the details and current payroll establishment for the state. The number of security forces increased with the amount of money received. The numbers of security forces paid in January were 542 officers while their numbers rose to 20,776 officers in October. The numbers kept on fluctuating depending on the amounts received from the Federal Government of Somalia for security payments.

Furthermore, there was no data to show how many officers exist in total, who was paid, how many months and how many months pay was pending for others.

The payments were only supported with lists showing the name of an officer, position and his mother's name. No evidence of signatures or thumbprints was appended to the lists.

Additionally, the amounts were withdrawn in cash in the name of the ministry of security and there was no evidence provided to show that the amount reached the intended beneficiaries.

There were hardly any security officers Human Resource files available for review. Details found under **appendix 8**

Criteria

- a) Payroll processing- section 5.1.3.2 of Instruction D- Budget Execution regulations, payroll and salary payment should be support by detailed documentation
- b) Best practice requires that salaries and wages should be paid through minimal risk – avoid cash payments where there are alternative less risky methods

Cause

No justification was given for this.

Effect

Payment of ghost officers, funds may not reach intended beneficiaries

Recommendation

We recommend the State:

- Automate and base the security's payroll expenses on biometric identity of recipients
- MOF to obtain monthly security officers head count and status prior to release of lump sum required amounts
- Payment of officers through Electronic Voucher Card (EVC).

Significance

High



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Management response

Security payments are sensitive and auditors were given enough evidence to justify the expense paid under the security force. Ministry of finance also provided Names and the telephone numbers of the security forces to the auditors for proof of payments. Ministry of finance is working closely with the Ministry of security under the PFM reforms to improve gaps around payments of security forces.

4.3. Weaknesses in Wage workers and contract Employees

Observation

Condition

A total of \$1,003,900 was incurred in paying wage workers and contract employees during the period of audit. We have sampled an amount \$447,800. During our review of the payments to wage workers and contract employees we have found out that the payments were not supported with acceptable documentations. In most instances the process of engaging the contract employees or the wage workers was not clear and not supported by any form of documentation. There were no individual contracts, job descriptions or attendance sheets. In some instances, there were no lists to support some of these payments. In other cases, amounts were withdrawn in bulk and we could not confirm whether these monies have reached the intended beneficiaries.

In the circumstances the validity of these payments are in doubt. For details see **appendix 9**

Criteria

Payroll processing- section 5.1.3.2 of Instruction D- Budget Execution regulations, payroll and salary payment should be supported by detailed documentation.

Best practice requires that salaries and wages should be paid through minimal risk – avoid cash payments where there are alternative less risky methods

Cause

No justification was given for this.

Effect

Loss of money to fraudulent payment, payment to ghost workers etc.

Recommendation

We recommend the State:

- Automate and base the payroll expenses including payment to casuals and contract employees on biometric identity of recipients
- MOF to obtain monthly personnel head count for contract and wage workers employees and status prior to release of lump sum required amounts

Significance

High



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Management response

Disagree, most of contract employees and wage workers are project based employees and due process has been followed in recruitment and list of employees under the project were provided to the auditors. All payments are done through the bank for proof of payments.

4.4 Weaknesses in payments of Remuneration to ministers, politicians and teachers

Observation

Condition

SWSS spent \$314,600, \$558,600 and \$319,800 as remuneration payments to ministers, politicians and teachers respectively during the period of the audit.

During our review of these payments we have found out that there were no individual's files for all these categories of payroll payments.

There was no documentary evidence to show the rates payable to ministers, their deputies and state ministers. Unexplained inconsistencies were noted in the rates paid to different ministers, deputies and state ministers.

As with ministers there was no documentary evidence to show the basis for the rates payable to the speaker, his deputies and the members of Parliament. Further no evidence was provided to show under what basis the rates for the speaker and his deputies' have increased from \$1,300 to \$6,000 for the speaker, \$1,200 to \$3,000 for the 1st Deputy and from \$1,100 to \$2,000 for the 2nd deputy. In addition, the SWSS only paid 4 months' salaries to parliament in the financial year under audit. This may affect the ability of parliament to provide effective oversight, legislation and representation.

Teachers' payments had the following gaps; no complete list of all teachers that are supposed to receive salaries from the state. The list fluctuates from month to month, it is not clear how many teachers were paid per region per school etc., It is not also clear how many months' teachers were paid and how many months they were not paid, and no files for sampled teachers and their recruitment process.

Unlike other state officers no taxes were deducted from the salaries of ministers and politicians.

Criteria

Payroll processing- section 5.1.3.2 of Instruction D- Budget Execution regulations, payroll and salary payment should be supported by detailed documentation

Cause

No justification was given for this.

Effect

Weaknesses in the human resource process may lead to the misstatement of payroll for the State. The weaknesses could also lead to duplicate payments being made or payments to "ghost workers" – workers who do not exist/work for the state.

Recommendation

We recommend the State:

- Automate and base the payroll expenses on biometric identity of recipients
- MOF to obtain monthly personnel head count and status prior to release of lump sum required amounts
- Deduction of taxes be done consistently for all state officers
- There should be a documented basis for compensating ministers and politicians.



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Significance

High

Management response

Disagree payments to teachers has all the supporting documents and auditors were provided all supporting documents. Ministers and politician's letters for appointment were provided, however the auditor requested same file as permanent employees which was not possible.

For salaries and allowance to the parliament speaker is combination of several months which the auditors were given.

4.5 Other weaknesses noted in Human Resource Management

Observation

Condition

From the review of the personnel files from the Civil Service Commission, we noted the below weaknesses in human resource and payroll process:

- i. Neither the Civil Service Commission (CSC) nor the respective Ministry's HR departments maintain and monitor a record of employee leave days.
- ii. We also noted that there was no documentation relating to Performance Management and Performance Appraisals under the employee personnel files as detailed below:

Name	Staff No	Ministry	Position	Performance Management/ Appraisals related documentation	Leave Applications & Monitoring Leave Days
Mohamed Ahmed omar		Ministry Of Health	Health Management Information Officer	NIL	NIL
Abdinasir Abdullahi Mohamed		Ministry of Health	ICT&General Archives Officer	NIL	NIL
Issack Ali Dable		Ministry Of education	Non-Formal&TVET Education Director	NIL	NIL
Abdulahi Mohamed Abdi		Ministry of finance	RCA Officer, large Tax Payers	NIL	NIL
Ayan Mohamed Kulow		Ministry of Health	HR Assistant	NIL	NIL
Maliya Malak Isack		Ministry of Health	Maternal & reproductive Health	NIL	NIL
Alin Mohamed Kheyr		Ministry of finance	Cashier officer	NIL	NIL
Muktar Adan		Ministry of Health	Supervision and Inspection Officer	NIL	NIL



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Zahra Mohamed Abdirahman		Ministry of Health	Director Medical Service	of NIL	NIL
Mohamed Dhayib Ali		Ministry of Finance	Cashier2	NIL	NIL

- iii. The government does not prepare payslips/pay advices to individual employees on a monthly basis that are signed off by the employee as proof of payment.

Criteria

Payroll processing- section 5.1.3.2 of Instruction D- Budget Execution regulations, payroll and salary payment should be support by detailed documentation

The Civil Service Commission regulations, law number 11 requires staff to undertake annual appraisal and performance review. It also requires all civil servants to take 2 days of annual leave for each month of completed service

Cause

No justification was given for this.

Effect

Weaknesses in the human resource process may lead to the misstatement of payroll for the State. The weaknesses could also lead to duplicate payments being made or payments to “ghost workers” – workers who do not exist/work for the state.

Recommendation

We recommend the State:

- A leave monitoring system be set up using the newly acquired HRMIS at the Civil Service Commission.
- Performance management and appraisal be incorporated in the newly acquired HRMIS.’
- Staff should be able to access an itemised monthly payslips

Significance

High

Management response

Disagree, SWSS CSC and Ministries Human resource directors uses forms and excel to track staff movements and leave, the HRMIS will be updated with the information in the forms and excel to have the correct data. Annual performance appraisal is conducted and documented.



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5. Fixed assets

5.1 Weakness noted in the acquisition of assets

Observation
<p>Condition</p> <p>Disclosed in note 9 to the financial statement there is an amount of \$1,279,998 spent on acquisition of various fixed assets. During our review of this account we have sampled assets worth \$808,197 representing 63% of the value of assets acquired. We were unable to verify these assets. Additionally, ownership documents, certificate of inspection, installation etc. were not availed for audit. Further these assets were not added to a centralised state's fixed assets register as required by the regulations. See details under Appendix 10</p> <p>Criteria</p> <p>Fixed assets are critical wealth of the government. Fixed assets should be controlled through tracking and maintaining an organization's physical assets and equipment. Asset types include vehicles, computers, furniture and machinery.</p> <p>Cause</p> <p>From inquiry, we noted that most of the weaknesses were attributed to unwillingness of implementing the regulations.</p> <p>Effect</p> <p>The state may have paid for non-existing assets or assets may be misappropriated.</p>
Recommendation
<p>All assets acquired should be verifiable with ownership documents kept safely.</p>
Significance
<p>High</p>
Management response
<p>Disagree; SWSS Asset management system in place, however asset controls to be strengthen to capture correct asset items, review of the system and approval of asset item to be done timely and consistently. All payments documents were avail to the auditors.</p> <p>Instruction L (physical asset count and report on asset condition) to be issued as part of the year end process.</p>

5.2 Other weaknesses identified in the management of fixed assets

Observation
<p>Condition</p> <p>A number of weakness were identified which may not be limited to the following;</p> <ul style="list-style-type: none"> • Despite there been sound legal basis in the management of fixed assets specifically regulation 9, the state failed to establish a centralised fixed asset register to be maintained by the Director General Ministry of finance.



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- Fixed assets are not tagged.
- No evidence for periodic assets verification procedures

Criteria

Fixed assets are critical wealth of the government. Fixed assets should be controlled through tracking and maintaining an organization's physical assets and equipment. Asset types include vehicles, computers, furniture and machinery.

Cause

From inquiry, we noted that most of the weaknesses were attributed to lack of commitment to implement existing regulations

Effect

Lack of a comprehensive fixed assets register could lead to the difficulty in accounting of the assets as well as the susceptibility of the assets to theft or misplacement.

Recommendation

Centralised assets register should be established and updated This should include all government property both movable and immovable.

The SWSS should ensure that all assets are tagged with a unique identification code.

An asset maintenance schedule be maintained and followed and all broken but useful pieces of assets be regularly repaired and put into good use.

There should be regular physical verification exercise on the assets, the results of which should be updated in the Centralized assets register.

Significance

High

Management response

Asset will be tag for ease identification, tracking and controlling of assets.

Ministry of Finance will issue Instruction L (physical asset count and report on asset condition) to be issued as part of the year end process and procedures.

6. Bank and Cash

6.1 Weaknesses in preparation of bank reconciliation

Observation

Condition

In our review of bank reconciliations, we have noted the following gaps;

- Some of the reconciliations lacked dates of preparation and review
- There were instances of reconciliations not signed by preparer, reviewer or both e.g. Ministry Health Bank account for November 2020 and Treasury Single account for October 2020.



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- Bank reconciliations are done monthly instead of weekly
- Unreconciled variance in the following bank accounts as at 31st Dec Reconciliations.

Account name	Bank Statement balance (\$)	Balance as per ledger (\$)	Variance (\$)
Treasury Single Account Main	2,798	4,598	(1,800)
Ministry of Health	38,950	37,150	1,800

Criteria

PFM Act, states that the Treasury Single Account and any other bank accounts of the State are to be reconciled preferably daily or at a minimum weekly/monthly within 2 days after end of the week/month by the Treasury Department, Ministry of Finance using the financial management information system (FMIS). Each reconciliation must be checked and approved by one of the authorized signatories of the bank account or designated senior officer. Bank reconciliations and supporting documents must be retained for management control and audit purposes, filed both in soft copy and hard copy format.

Cause

Late implementation of prior period audit recommendations.

Effect

Errors and omissions in the cash book general ledger and bank statements may go undetected for long periods of time leading to misstatements of cash balances as well as misstatements in receipts and payments accounts.

Recommendation

Bank reconciliations should be timely and consistently prepared, reviewed and approved by management. All variances must be properly investigated and correcting adjustments made.

Significance

Medium

Management response

Treasury department will ensure reconciliations are done timely, reviewed and approval to be completed.

6.2 Lack of Bank Register and subsequent annual review

Observation

Condition

In our review of the cash and bank management process, we have noted that the SWSS does not maintain a bank register against the requirements of the regulations. Further an annual review of this register is not undertaken.

Criteria

Section 3.1.7 of the banking regulation requires the establishment of a bank register to record details of all bank accounts operated by the state to be maintained by the Treasury Department. This register records the details in regard to all bank accounts established and operated by the government



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

Cause

Non implementation of existing regulations.

Effect

Existence of bank accounts outside the TSA.

Recommendation

The provisions of the banking regulations should be implemented.

Significance

Medium

Management response

Bank register will be reviewed continuously and compliance to PFM to be adhered.





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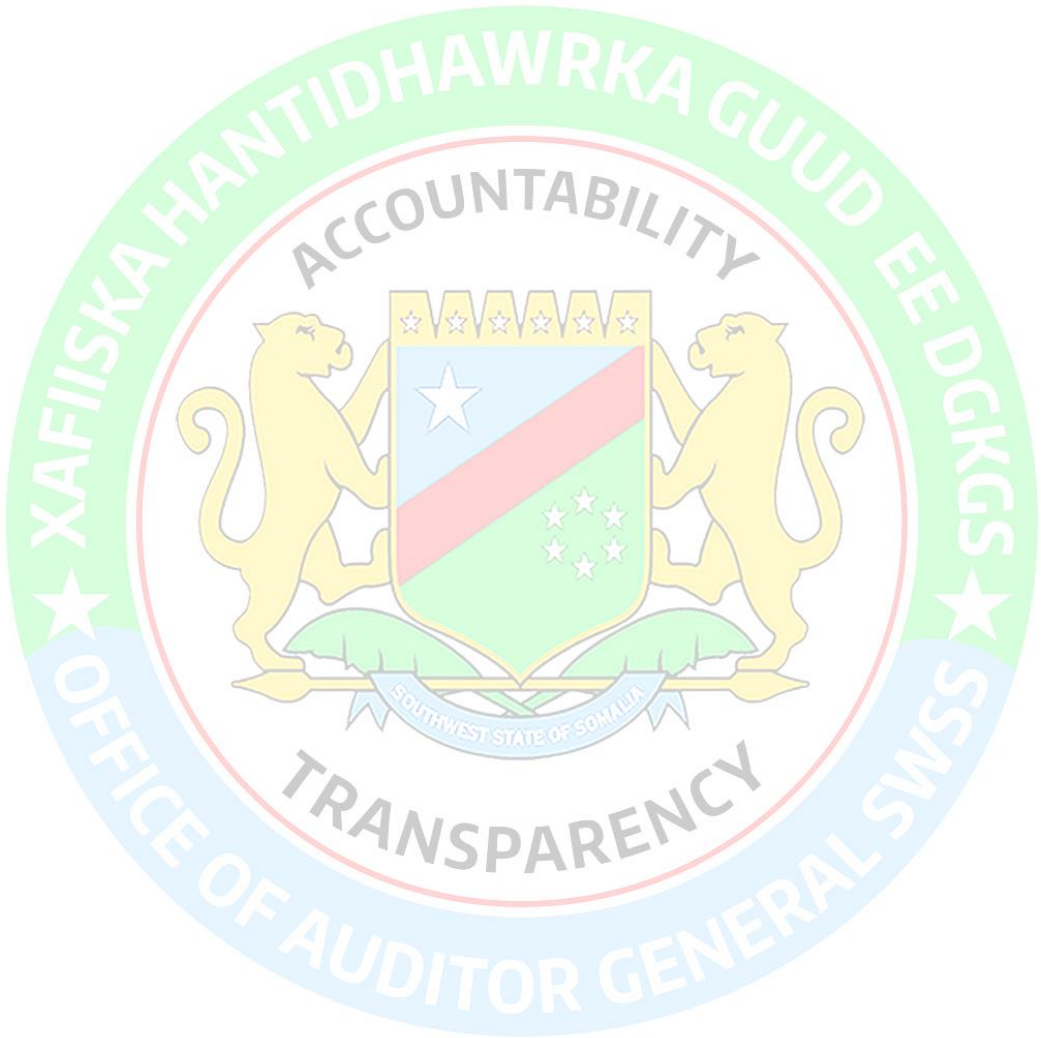
7. Budgeting and Financial Reporting

7.1 Weaknesses in the budgeting and financial reporting process

Observation				
Condition				
We noted a huge variance amounting to US\$9,257,443 (38%) between the budget revenue for the period and the actual financial performance. A similar variance was noted on the expenditure:				
Description	Budget	Actual	Variance	% age
Revenue (\$)	24,503,784	15,246,340	(9,257,443)	-38%
Expenditure(\$)	24,503,784	14,657,299	(9,846,485)	-40%
Criteria				
Section 8 of the PFM Act 2018 states that, the fiscal framework for the Consolidated Budget should be based on estimates for the fiscal year and for the two subsequent years, which take into account the economic and development policies that are consistent with the South West State of Somalia declared medium-term economic and fiscal objectives.				
Cause				
Non-compliance with Section 8 of the PFM Act of 2018.				
Effect				
Risk of non-compliance with the PFM regulations				
Recommendation				
The annual budget be subject to review and any over or under forecast of the financial performance adjusted in the July supplementary review.				
Significance				
Medium				
Management response				
During the year under audit, the Pandemic Covid-19 resulted collection of revenue decline and Ministry of finance could not do Supplementary budget since there were no session for parliament as meetings and conferences were minimised that year.				



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8. Status of prior year audit recommendations

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

Total No. of Prior Year Recommendations	Implemented	Partially Implemented	Not Implemented
12	1	1	10

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



Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe: For Implementation
2.1	Weaknesses in revenue collection and recording process	Revenue controls will be implemented	Revenue Director General	Not Implemented	By Dec 2022
2.2	Huge gaps in revenue collected during the period under review	Forecasts and reconciliations will be undertaken	Revenue Director	Not Implemented	By Dec 2022
2.3	Variance between revenue recorded under RMS and FMIS	Reconciliations of the two systems will be closely monitored	Revenue Director	Not Implemented	By Dec 2022
2.4	Variance between Grants recorded and Confirmation received from donors	Donor reconciliations will be established as recommended	Revenue Director	Not Implemented	By Dec 2022
3.1	Lack of proper support documents	We will ensure that all paying documents are safely maintained for audit purposes	Treasury Director	Not Implemented	By Dec 2022
3.2	Weaknesses in procurement	All procurement guidelines will be implemented	Treasury Director	Not Implemented	By Dec 2022
3.3	Payment documents not stamped as "PAID"	Documents will be stamped paid	Treasury Director	Not Implemented	By Dec 2022
4.1	Weaknesses in human resource and payroll processes	All payroll costs will be adequately supported as guided by the auditors	Human Resource Director	Not Implemented	By Dec 2022
5.1	Weaknesses in fixed assets management	Asset register will be updated	Procurement Director	Not Implemented	By Dec 2022
6.1	Bank reconciliations not prepared	This will further be improved	Treasury Director	Partially implemented	By Dec 2022
6.2	Dormant bank accounts	This has been implemented	Treasury Director	Implemented	By June 2021
7.1	Unrealistic annual budget	We shall ensure that our budgets will further be scrutinised for reasonability	Budget Director	Not Implemented	By Dec 2022



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Appendix 1 -Missing Donor Agreements

Organization	Grant Amount (\$)	Implementing agency
Save the children	1,500	Ministry of Livestock & Veterinary-Staff
FAO	84,031	Ministry of Planing and Investment (MOPIC)
GEEL	700	Ministry of Information
International labour organisation (ILO)	18,640	Ministry of Interior and Local Government
Intersos	350	Ministry of Health
UN HABITAT	65,839	Ministry of Interior and Local Government
UNCDF	390,866	Ministry of Interior and Local Government
Unicef	13,200	Ministry of Aid & Disaster Management-Staff
Unicef	480,219	Ministry of Health
Unicef	67,373	Ministry of Water & Energy
Unicef	247,720	Ministry of Women & Human Rights-Staff
UNSOM	9,865	Ministry of information
UNSOM	9,000	Ministry of Women & Human Rights-Staff
World Food Programm (WFP)	48,461	Ministry of Aid & Disaster Management-Staff
World Vision International (WVI)	7,000	Ministry of Women & Human Rights-Staff
Somali Urban Investment Planning Project (SUIPP)	331,859	
Support to Stabilization(S2S)	89,000	Ministry of Interior-MOF
SWSS Strategic Development Plan	47,460	
Budget support ministry of education	12,206	
Budget support	7,924,654	



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Appendix 2-Donors lacking contacts

DONOR	PROJECT IMPLEMETING ENTITY
ADRA	Ministry of Education
ADRA	Ministry of Water & Energy
CARE INTERNATIONAL	Ministry of Youth & Sports-Staff
CONCERN WORLD WIDE	Ministry of Education
DAIKONIA	Ministry of Interior and Local Government
GEEL	Ministry of Information
INTERNATIONAL LABOUR ORGANIZATION(ILO)	Ministry of Interior and Local Government
INTERSOS	Ministry of Health
MEDAIR	Ministry of Health
SAVE THE CHILDREN	Ministry of Livestock & Veterinary-Staff
SAVE THE CHILDREN	Ministry of Health
UN HABITAT	Ministry of Interior and Local Government
UNICEF	Ministry of Health
UNICEF	Ministry of Aid & Disaster Management-Staff
UNICEF	Ministry of Health
UNICEF	Ministry of Water & Energy
UNSOM	Ministry of Women & Human Rights-Staff
UNSOM	Ministry of information
WFP	Ministry of Aid & Disaster Management-Staff
WFP	Ministry of Labour & Employment
WORLD VISSION	Ministry of Health
WORLD VISSION	Ministry of Women & Human Rights-Staff
NRC	MoPIC
ISLAMIC RELIEF	Ministry of Aid & Disaster Management-Staff



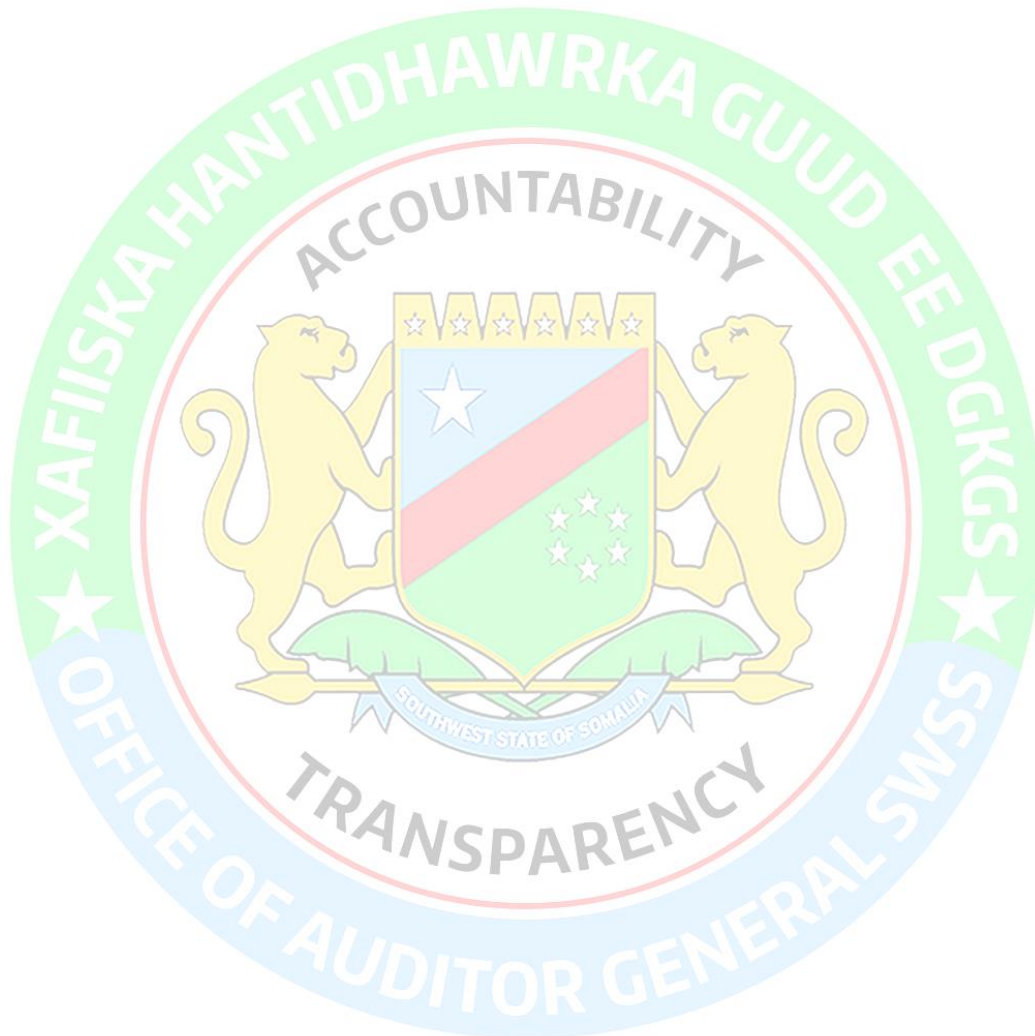
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Appendix 3 -Outstanding confirmations

Organization	Implementing agency
ADRA	Ministry of Education
ADRA	Ministry of Water & Energy
Care international	Ministry of Youth & Sports-Staff
Concern Worldwide	Ministry of Education
Daikonnia	Ministry of Interior and Local Government
FAO	Ministry of Planing and Investment (MOPIC)
GEEL	Ministry of Information
International labour organisation (ILO)	Ministry of Interior and Local Government
International labour organisation (ILO)	Ministry of Public Works & Reconstruction-Staff
Intersos	Ministry of Health
International Organisation of Migration (IOM)	Ministry of Health
Medair	Ministry of Health
Save the children	Ministry of Livestock & Veterinary-Staff
Save the children	Ministry of Health
UN HABITAT	Ministry of Interior and Local Government
UNCDF	Ministry of Interior and Local Government
United Nation Development program (UNDP)	Ministry of Justice
Unicef	Ministry of Aid & Disaster Management-Staff
Unicef	Ministry of Health
Unicef	Ministry of Water & Energy
Unicef	Ministry of Women & Human Rights-Staff
UNSOM	Ministry of information
UNSOM	Ministry of Women & Human Rights-Staff
World Food Programm (WFP)	Ministry of Aid & Disaster Management-Staff
World Food Programm (WFP)	Ministry of Labour & Employment
World Vision International (WVI)	Ministry of Health
World Vision International (WVI)	Ministry of Women & Human Rights-Staff
Norwigian Refugee Council (NRC)	Ministry of Planing and Investment (MOPIC)
ISLAMIC RELIEF	Ministry of Aid & Disaster Management-Staff
Global Partnership for education (GPE)	Ministry of Education
WB Recurrent cost & Perform Finance RCRF II	Recurrent costs and reform finance-SWSS
Somali Urban Investment Planning Project (SUIPP)	
Support to Stabilization(S2S)	Ministry of Interior-MOF
SWSS Strategic Development Plan	
Budget support ministry of education	
Budget support	



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Appendix 4-Unsupported payments

No.	Expense description	Commitment and payment order (CPO), date and amount	Commitment Voucher, date and amount	Budget line	Payment request, IFMIS, Date and amount	Physical bank cheque, ref, date and amount	Ifmis cheque Ref, Date and amount	Stamp Paid	Finding summary	Sampled amount (\$)
1	Satellite	#20/00464 03/05/2020 \$7000	no	Satellite	#20/00461 03/05/2020 \$7000	Dahabshil #9220734 03/05/2020 \$7000	#001471 03/05/2020 \$7000	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid	7,000
2	Satellite	#20/001013 03/08/2020 \$7000	#20/00297 03/08/2020 \$7000	Satellite	#20/001015 03/08/2020 \$7000	salaam bank #2419703 03/08/2020 \$7000	#00044 03/05/2020 \$7000	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	7,000
3	Satellite	#20/002137 31/12/2020 \$7000	#20/00799 31/12/2020 \$7000	Satellite	#20/002177 31/12/2020 \$7000	salaam bank #2419670 31/12/2020 \$7000	#000110 31/12/2020 \$7000	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	7,000



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4	stationary	#00171 08/03/2020 \$1250	#20/0005 2 08/03/20 20 \$1250	stationary	#20/00175 08/03/202 0 \$1250	Dahabshil #9232259 08/03/2020 \$1250	#001366 08/03/2020 \$1250	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,250
5	stationary	#20/00378 13/04/2020 \$1125	#20/0010 3 13/04/20 20 \$1125	stationary	#20/00371 13/04/202 0 \$1125	Dahabshil bank #9152151 \$ 1125	#00001 13/04/2020 \$1125	no	i. not stamp paid ii. Not fully procurement process iii money withdrawn in cash	1,125
6	stationary	#20/001724 17/11/2020 \$1037	no	stationary	#20/00017 48 17/11/202 0 \$1037	Dahabshil #9328174 17/11/2020 \$1037	#0077 17/11/2020 \$1037	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,037
7	stationary	#20/001742 12/11/2020 \$1500	no	stationary	#20/00176 6 23/11/202 0 \$1500	Salaam #2565352 23/11/2020 \$1500	#20/00002 12/11/2020 \$1500	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,500



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8	stationary	#20/00397 18/04/2020 \$2000	#20/00055 18/04/2020 \$2000	stationary	#20/000390 18/04/2020 \$2000	#9032712 18/04/2020 \$29000	#000010 18/04/2020 \$29000	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	29,000
1 1	stationary	#20/000002 025 26/12/2020 \$1200	#20/00000754 26/12/2020 \$1200	stationary	#20/000002110 26/12/2020 \$1200	Dahabshil #9328196 26/12/2020 \$25230	#000099 26/12/2020 \$1200	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	25,230
1 3	stationary	#20/001272 17/09/2020 \$1300	#20/00402 17/09/2020 \$1300	stationary	#20/001290 17/09/2020 \$1300	Dahabshil #9326050 17/09/2020 \$1300	#001681 17/09/2020 \$1300	no	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,300
1 7	Staff Training and development	#20/00572 25/05/2020 \$ 8170	#20/00155 25/05/2020 \$ 8170	Staff Training and development	#20/00567 25/05/2020 \$ 8170	Dahabshil #9153958 25/05/2020 \$ 8470	#0006 28/11/2020 \$8170	no	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	8,470



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1 8	Staff Training and development	#20/001032 06/08/2020 \$7800	#20/0003 00 05/08/20 20 \$7800	Staff Training and development	#20/00105 4 06/08/202 0 \$7800	#2318981 06/08/2020 \$7800	#000247 05/08/2020 \$7800	yes	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	7,800
1 9	Staff Training and development	#20/000010 12 30/07/2020 \$17610	#20/0000 296 30/07/20 20 \$17610	Staff Training and development	#20/00001 012 30/07/202 0 \$17610	Salaam bank #2417552 30/07/2020 \$17610	#20/000029 6 30/07/2020 \$17610	no	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	17,610
2 1	Staff Training and development	#20/001107 19/08/2020 \$5570	#20/0034 3 19/08/20 20 \$5570	Staff Training and development	#20/00112 0 19/08/202 0 \$5570	Dahabshil #9153963 19/08/2020 \$15070	#00012 19/08/2020 \$5570	no	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	5,570



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2			#20/0036 2														No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	
2	Staff Training and development	#20/001129 31/08/2020 \$9000	31/08/2020 \$9000	Staff Training and development	#20/00114 1 31/08/2020 \$9000	Dahabshil #9153964 31/08/2020 \$9000	#000013 31/08/2020 \$9000	no										9,000
2	Machinery and Equipment not elsewhere classified	#20/000007 73 28/06/2020 \$57500	#20/0000 0227 28/06/2020 \$57500	Machinery and Equipment not elsewhere classified	#20/00000 769 28/06/2020 \$57500	Dahabshil #9153974 28/06/2020 \$57500	#00001546 28/06/2020 \$57500	yes									No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	57,500
2	Machinery and Equipment not elsewhere classified	#20/000744 20/06/2020 \$50000	#20/0002 04 20/06/2020 \$50000	Machinery and Equipment not elsewhere classified	#20/00738 20/06/2020 \$50000	Dahabshil #9232437 20/06/2020 \$50000	#0001542 20/06/2020 \$50000	no									No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	50,000



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2 7	Machinery and Equipment not elsewhere classified	#20/000465 03/05/2020 \$40000	#20/000135 03/05/2020 \$40000	Machinery and Equipment not elsewhere classified	#20/00642 03/05/2020 \$40000	Dahabshil #9220735 03/05/2020 \$40000	#001472 03/05/2020 \$40000	no	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	40,000
2 8	Machinery and Equipment not elsewhere classified	#20/00000889 06/07/2020 \$25400	#20/00000247 06/07/2020 \$25400	Machinery and Equipment not elsewhere classified	#20/00000886 06/07/2020 \$25400	Dahabshil #9232447 06/07/2020 \$25400	#00000000001580 06/07/2020 \$25400	no	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	25,400
2 9	Machinery and Equipment not elsewhere classified	#20/00770 25/06/2020 \$75400	#20/000226 25/06/2020 \$75400	Machinery and Equipment not elsewhere classified	#20/000767 25/06/2020 \$75400	Dahabshil #9232438 25/06/2020 \$75400	#001543 25/06/2020 \$75400	no	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	75,400



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3 0	Transfers to lower level Government	#20/00397 18/04/2020 \$20000	#20/0005 5 18/04/20 20 \$20000	Transfers to lower level Government	#20/00039 0 18/04/202 0 \$20000	Dahabshil #9032712 18/04/2020 \$20000	#000010 18/04/2020 \$20000	no	only internally generated documents	20,000
3 1	Transfers to lower level Government	#20/000419 27/04/2020 \$2000	#20/0002 8 27/04/20 20 \$2000	Transfers to lower level Government	#20/00040 8 27/04/202 0 \$2000	Dahabshil #9032713 27/04/2020 \$2000	#00011 27/04/2020 \$2000	yes	only internally generated documents	2,000
3 2	Transfers to lower level Government	#20/000415 28/04/2020 \$2000	#20/0004 09 27/04/20 20 \$2000	Transfers to lower level Government	#20/00040 9 27/04/202 0 \$2000	Dahabshil #9032714 27/04/2020 \$2000	#00001438 27/04/2020 \$2000	no	only internally generated documents	2,000



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3	Transfers to lower level Government	#20/000416 27/04/2020 \$2000	#20/0002 27/04/2020 20 \$2000	Transfers to lower level Government	#20/00040 8 27/04/2020 0 \$2000	Dahabshil #9032714 27/04/2020 \$2000	#00012 27/04/2020 \$2000	no	only internally generated documents	2,000
3 4	Transfers to lower level Government	#20/000417 28/04/2020 \$2000	#20/0002 28/04/2020 20 \$2000	Transfers to lower level Government	#20/00041 2 28/04/2020 0 \$2000	Dahabshil #9032715 27/04/2020 \$2000	#00013 28/04/2020 \$2000	no	No support	2,000
3 5	Television and news papers advertersments	#20/00620 02/06/2020 \$8000	#20/0017 1 02/06/2020 20 \$8000	Television and news papers advertersments	#20/00617 02/06/2020 0 \$8000	Dahabshil #9220570 02/06/2020 \$9300	#00023 02/06/2020 \$8000	no	No evidence of procurement process, No supplier invoice, No service statement, No service level agreement, money withdwan in the name of the minstry,	8,000



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3 6	Television and news papers advertisements	#20/00729 11/06/2020 \$8000	#20/0019 8 11/06/20 20 \$8000	Television and news papers advertisements	#20/00722 11/06/202 0 \$8000	Dahabshil #9220572 11/06/2020 \$9300	#00025 02/06/2020 \$8000	no	No evidence of procurement process, No supplier invoice, No service statement, No service level agreement, money withdwan in the name of the minstry, expense supported only with internally generated documents	8,000
3 7	Cronstruction Material	#20/00036 05/02/2020 \$100000	#20/0002 6 05/02/20 20 \$100000	Cronstruction Material	#20/00037 05/02/202 0 \$100000	Dahabshil #9232343 05/02/2020 \$100000	#00075 05/02/2020 \$100000	no	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	100,000
3 8	conflict resolution expense	#20/00075 16/02/2020 \$219654	no	conflict resolution expense	#20/0076 16/02/202 0 \$219654	no	#20/01337 16/02/2020 \$219654	yes	Not clear what activities the money was used for , not clear whether the money was apid to one company, individual etc or whether it was distributed. The money was withdrwan in the name of the minstry of finance, supported only with internally generated documents	219,954



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3 9	Rehabilitation of Football stadium of merca	#20/001461 11/19/2020 \$50000	#20/0047 1 11/19/20 20 \$50000	Rehabilitation of Football stadium of merca	#20/00148 1 11/19/202 0 \$50000	Dahabshil #9151752 11/10/2020 \$50000	#00002 11/19/2020 \$50000	yes	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	50,000
4 0	Rehabilitation of Football stadium -Baidoa	#20/001664 05/11/2020 \$150000	#20/0005 57 19/08/20 20 \$150000	Rehabilitation of Football stadium -Baidoa	#20/00168 7 19/08/202 0 \$150000	Dahabshil #9151756 19/08/2020 \$150000	#000004 19/08/2020 \$150000	no	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	150,000
4 2	Rehabilitation of Football stadium of merca	#20/00755 22/06/2020 \$100000	#20/0002 09 20/06/20 20 \$100000	Rehabilitation of Football stadium of merca	#20/00748 22/06/202 0 \$100000	Dahabshil #9151751 22/06/2020 \$100000	#00001 22/06/2020 \$100000	no	No evidence of procurement process, No supplier invoice, No contract, No evidence of work done, expense supported only with internally generated documents.	100,000



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4 4	School Supervision	#20/000570 19/05/2020 \$28690	#20/000102 13/04/2020 \$51420 which includes this \$28690	School Supervision	#20/000565 19/05/2020 \$28690	Dahabshil #9227112 20/05/2020 \$28690	#000947 19/05/2020 \$28690	no	No evidence of procurement process, No contract, no motor vehicle logsheet/work ticket, No lease agreement, no log book, No supplier invoice, No service order	28,690
4 6	daily meals for state ministry	20/0000043 3 PV 02/05/2020 \$50000	20/00000134 02/05/2020 \$50000	211202-Daily Meals	20/00000431 PV 02/05/2020 \$50000	#2317901 02/05/2020 \$70000(including 50000)	#0000001 02/05/2020 \$50000	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of the state presidency	50,000
4 8	daily meals for ministry of internal security	20/0000029 9 PV 29/03/2020 \$21500	20/0000025 29/03/2020 \$21500	211202-Daily Meals	19/00000295 PV 29/03/2020 \$21500	#9232287 29/03/2020 \$21500	#00001410 29/03/2020 \$21500	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of MOS	21,500
5 0	daily meals for ministry of internal security	20/0000009 7 PV 26/02/2020 \$41000	20/00000045 26/02/2020 \$41000	211202-Daily Meals	20/00000104 26/02/2020 \$41000	#9232396 26/02/2020 \$41000	#0001352 26/02/2020 \$41000	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of MOS	41,000



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5 2	daily meals for state ministry	20/000061 9 PV 01/06/2020 \$20000	20/00001 68 01/06/2020 20 \$20000	211202-Daily Meals	20/000061 5 01/06/2020 0 \$20000	#2317918 01/06/2020 \$20000	None	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of the state presidency	20,000
5 4	daily meals for ministry of internal security	20/000005 PV 09/01/2020 \$22000	20/000003 003 09/01/2020 20 \$22000	211202-Daily Meals	19/000004 4 09/01/2020 0 \$22000	#9232324 09/01/2020 \$22000	#00001276 09/01/2020 \$22000	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of MOS	22,000
5 6	daily meals for state ministry	20/000005 PV 12/09/2020 \$408000	20/0000387 87 12/09/2020 20 \$408000	211202-Daily Meals	19/000012 68 12/09/2020 0 \$408000	#9326045 12/09/2020 \$408000	#00001676 12/09/2020 \$408000	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of the state presidency	40,800
5 8	daily meals for state ministry	20/000005 PV 08/03/2020 \$49900	20/0000050 050 08/03/2020 20 \$49900	211202-Daily Meals	19/0000173 3 08/03/2020 0 \$49900	#9232258 08/03/2020 \$49900	#00001365 08/03/2020 \$49900	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of the state presidency	49,900
6 0	daily meals for ministry of internal security	20/0000366 6 PV 04/04/2020 \$31000	20/0000092 092 04/04/2020 20 \$31000	211202-Daily Meals	20/0000359 9 04/04/2020 0 \$31000	#9220704 04/04/2020 \$31000	#00001415 04/04/2020 \$31000	Not stamped;PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of MOS	31,000



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6 2	daily meals for ministry of internal security	20/000003 3 PV 03/02/2020 \$43600	20/00000 0021 03/02/20 20 \$43600	211202-Daily Meals	20/000003 3 03/02/202 0 \$43600	#9232341 03/02/2020 \$43600	#00001297 03/02/2020 \$43600	Not stamped; PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of MOS	43,600
6 4	daily meals for state ministry	20/0000021 25 PV 15/12/2020 \$23500	20/00000 784 15/12/20 20 \$23500	211202-Daily Meals	20/000002 155 29/12/202 0 \$23500	#10000001 29/12/2020 \$23500	#00000001 29/12/2020 \$23500	Not stamped; PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of the state presidency	23,500
6 6	daily meals for state ministry	20/0000011 75 PV 03/09/2020 \$39400	20/00000 371 03/09/20 20 \$39400	211202-Daily Meals	20/000001 190 03/09/202 0 \$39400	#no physical check attached	not attached	Not stamped; PAID:	Nature of the expenses is not clear. Expense only supported with internally generated documents, money withdrawn in cash in the name of the state presidency	39,400
6 8	Baidoa municipality (PIU salary for month may 2020)	20/0000074 3 PV 17/06/2020 \$18240	20/00000 202 17/06/20 20 \$18240	224101-consaltation fees	20/000007 34 PV 17/06/202 0 \$18240	#9080043 17/06/2020 \$18240	#00000107 17/06/2020 \$18240	PAID	recruitment process for the members of the PIU paid was not availed, No contracts seen, No shchedule showing how much each received, amounts were not directly paid to individuals accounts	18,240



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7 0	Baidoa municipality (PIU salary for month April 2020)	20/0000074 0 PV 17/06/2020 \$18240	20/00000 201 17/06/20 20 \$18240	224101-consaltation fees	20/000007 341 PV 17/06/202 0 \$18240	#9080045 17/06/2020 \$18240	#00000104 17/06/2020 \$18240	PAI D	No evidence of recruitment process, No contracts,	18,240
7 2	consaltation fee for the SUIP-PIU staff August 2020	20/0000011 71 PV 03/09/2020 \$22000	20/00000 368 03/09/20 20 \$22000	224101-consaltation fees	20/000011 84 03/09/202 0 \$22000	#9157014 03/09/2020 \$22000	#0000123 03/09/2020 \$22000	PAI D	No evidence of recruitment process, No contracts, Amounts earned by individuals consultatnts have gone up-no document to show why?	22,000
7 4	consaltation fee for the SUIP-PIU staff Sept 2020	20/0000019 41 PV 12/12/2020 \$22000	20/00006 86 12/12/20 20 \$22000	224101-consaltation fees	20/000019 67 12/12/202 0 \$22000	#9157021 12/12/2020 \$22000	#0000130 12/12/2020 \$22000	PAI D	No evidence of recruitment process, No contracts, Amounts earned by individuals consultatnts have gone up-no document to show why?	22,000
7 6	Baidoa municipality (PIU salary for month June 2020)	20/0000010 62 PV 08/08/2020 \$22000	20/00000 0309 08/08/20 20 \$22000	224101-consaltation fees	20/000001 062 08/08/202 0 \$22000	#9157011 08/08/2020 \$22000	#00000120 08/08/2020 \$22000	PAI D	No evidence of recruitment process, No contracts, Amounts earned by individuals consultatnts have gone up-no document to show why?	22,000



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7 8	consaltation fees	20/000000 79 PV 16/02/2020 \$23400	20/00000 037 16/02/20 20 \$23400	224101-consaltation fees	20/00000 80 16/02/202 0 \$23400	#9232387 16/02/2020 \$100000(in cluding 23400	#00001341 16/02/2020 \$23400	PAI D	No evidence of recruitment process, No contracts, Amounts earned by individuals consultatnts have further gone up-no document to show why?	23,400
8 0	consultation fees RCRF II for the female health workers as july 2020	20/0000009 98 PV 29/07/2020 \$5040	20/00000 0275 29/07/20 20 \$5040	224101-consaltation fees	20/000009 98 29/07/202 0 \$5040	#238974 29/07/2020 \$5040	#00000244 29/07/2020 \$5040	PAI D	No evidence to show competitive recruitment process, No contract and job description, description says amounts paid to female health workers but the payees are all male.	5,040
8 2	consultation fees RCRF II for the female health workers as june 2020	20/0000008 46 PV 01/07/2020 \$5040	20/00000 0240 01/07/20 20 \$5040	224101-consaltation fees	20/000008 42 01/07/202 0 \$5040	#2318968 01/07/2020 \$5040	#00000184 01/07/2020 \$5040	PAI D	No evidence to show competitive recruitment process, No contract and job description, description says amounts paid to female health workers but the payees are all male.	5,040
8 4	consultation fees for the SUIPP-PIU Staff july 2020	20/0000001 22 PV 03/09/2020 \$22000	20/00000 0367 03/09/20 20 \$22000	224101-consaltation fees	20/000001 183 03/09/202 0 \$22000	#9157013 03/09/2020 \$22000	#00000122 03/09/2020 \$22000	PAI D	No evidence of recruitment process, No contracts, Amounts earned by individuals consultatnts have gone up-no document to show why?	22,000



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8 6	consultation fees for BIYOLE PIU staff for the month of Oct 2020	20/000015 39 PV 30/10/2020 \$10405	20/00000 521 30/10/20 20 \$10405	224101-consaltation fees	20/000016 19 30/10/202 0 \$10405	#2418894 30/10/2020 \$10405	#00000072 30/10/2020 \$10405	PAI D	No evidence of competitive recruitment process, No contract	10,405
8 8	consultation fees for BIYOLE PIU staff for the month of Sept 2020	20/000013 27 PV 30/09/2020 \$10405	20/00000 434 30/09/20 20 \$10405	224101-consaltation fees	20/000013 27 30/09/202 0 \$10405	#2418922 30/09/2020 \$10405	#00000059 30/09/2020 \$10405	PAI D	No evidence of competitive recruitment process, No contract	10,405
9 0	Biyoole PIU Salary for may 2020	20/0000078 2 PV 29/06/2020 \$9855	20/00000 235 29/06/20 20 \$9855	224101-consaltation fees	20/000077 7 29/06/202 0 \$9855	#2418909 29/06/2020 \$9855	#000000000 9 29/06/2020 \$9855	PAI D	No evidence of competitive recruitment process, No contract, No invoice, no evidence of payment to individuals and no distribution list	9,855
9 2	Biyoole PIU Salary for April 2020	20/0000078 1 PV 29/06/2020 \$6336.92	20/00000 234 29/06/20 20 \$6336.92	224101-consaltation fees	20/000077 6 29/06/202 0 \$6336.92	#2418908 29/06/2020 \$6336.92	#000000000 9 29/06/2020 \$6336.92	PAI D	No evidence of competitive recruitment process, No contract, No invoice, no evidence of payment to individuals and no distribution list	6,337
9 4	Biyoole PIU Salary for june 2020	20/0000078 3 PV 29/06/2020 \$9855	20/00000 236 29/06/20 20 \$9855	224101-consaltation fees	20/000077 8 29/06/202 0 \$9855	#2418910 29/06/2020 \$9855	#000000001 0 29/06/2020 \$9855	PAI D	No evidence of competitive recruitment process, No contract, No invoice, no evidence of payment to individuals and no distribution list	9,855



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9 6	Vehicle rent fee for PIU office july and august 2020	20/000011 72 PV 03/09/2020 \$8400	20/00000 201 03/09/20 20 \$8400	222509-vehicle hire/car rental	20/00001 185 PV 03/09/202 0 \$8400	#9157015 03/09/2020 \$8400	#00000124 03/09/2020 \$8400	PAI D	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	8,400
9 8	vehicle rent expense for the months of Dec 2019(backdated)& january 2020	20/0000011 71 PV 28/03/2020 \$8400	20/00000 075 28/03/20 20 \$8400	222509-vehicle hire/car rental	20/000028 7 28/03/202 0 \$8400	#91080017 28/03/2020 \$8400	#00000078 28/03/2020 \$8400	PAI D	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	8,400
1 0 0	vehicle car rent expense for baidoa municipality PIU office as (April & May, 2020)	20/0000019 41 PV 17/06/2020 \$8400	20/00002 03 17/06/20 20 \$8400	222509-vehicle hire/car rental	20/000073 2 17/06/202 0 \$8400	#9080046 17/06/2020 \$8400	#00000105 17/06/2020 \$8400	PAI D	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	8,400



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1 0 2	Supervision of CCPPB vaccination inSWSS	20/0000041 4 PV 27/04/2020 \$5440	20/00000 121 27/04/20 20 \$5440	222509-vehicle hire/car rental	20/000004 07 27/04/202 0 \$5440	#9219507 27/04/2020 \$5440	#000000005 27/04/2020 \$5440	Not paid	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	5,440
1 0 4	Vehicle hire/ car rental for polio campaign in 16 district for southwest state	20/0000019 13 PV 07/12/2020 \$7980	20/00000 661 07/12/20 20 \$7980	222509-vehicle hire/car rental	20/000001 913 07/12/202 0 \$7980	#9328185 07/12/2020 \$7980	#000000088 07/12/2020 \$7980	PAID	No evidence of competitive procurement process, No contract, no invoice, No mv log sheet, amount withdrawn in cash in the name of the ministry of health	7,980
1 0 6	construction material	20/0000007 9 PV 16/02/2020 \$76600	20/00000 463 16/02/20 20 \$76600	222104-Construction material	20/000000 080 PV 16/02/202 0 \$76600	#9232387 16/02/2020 (\$100000 Including 76600)	#000001341 16/02/2020 \$76600	PAID	No evidence of procurement process ,No contract, No purchase order, No invoice, No completion report,	76,600
1 0 8	Gasoline for state president	20/0000000 78 PV 16/02/2020 \$10832	20/00000 0036 16/02/20 20 \$10832	222301-Gasoline	20/000000 79 PV 16/02/202 0 \$10832	#002317 16/02/2020 \$10832	#00001340 16/02/2020 \$10832	Not paid	No evidence of competitive procurement, supported with only internally generated documents	10,832



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1 1 0	Gasoline for state president	20/0000000 433PV 02/05/2020 \$20,000	20/00000 00134 02/05/20 20 \$20,000	222301-Gasoline	20/000000 413PV 02/05/202 0 \$20,000	#00231790 1 02/05/2020 \$20,000	#00000-001 02/05/2020 \$20,000	No	No evidence of competitive procurement, supported with only internally generated documents	20,000
1 1 2	Rolling work plan	20/0000001 284 PV 19/09/2020 \$6300	20/00000 0409 19/09/20 20 \$6300	211114-transportation allowance	20/000001 296 PV 19/09/202 0 \$6300	#9220600 19/09/2020 \$32780(incl uding 6300)	#00000053 19/09/2020 \$6300	Not paid	No evidence of procurement process, No invoice or receipts, No list of participants and beneficiaries, No attendance, no program of activities, It is not clear whether payments involove a supplier, money withdrawn in cash in the name of ministry of health	6,300
1 1 4	Refreshment & lunch for coodination meeting for two days	20/0000001 284 PV 19/09/2020 \$10240	20/00000 0409 19/09/20 20 \$10240	211111-Accomendation allowance	20/000001 296 PV 19/09/202 0 \$10240	#9220600 19/09/2020 \$32780(incl uding 10240)	#00000053 19/09/2020 \$10240	Not paid	No evidence of procurement process, No invoice or receipts, No list of participants and beneficiaries, No attendance, no program of activities, It is not clear whether payments involove a supplier, money withdrawn in cash in the name of ministry of health	10,240



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1 1 6	Refreshment & lunch for coodination meeting for two days	20/0000021 29 PV 30/12/2020 \$2100	20/00000 0409 30/12/20 20 \$2100	211111-Accomendation allowance	20/000002 157 PV 30/12/202 0 \$2100	#2647530 30/12/2020 \$2100	#000000579 30/12/2020 \$2100	PAI D	No evidence of procurement method, No invoice, no contract, No LSO, No list of participants and their attendance, no program	2,100
										1,823,045

Appendix 5 - Partially supported Expenses

N o .	Expense description	Commit ment and payment order (CPO), date and amount	Comm itment Vouch er, date and amount	Supplier/Beneficiary	Invoice date and amount	Finding summary	Sampled amount (\$)
1	stationary	#20/001054 06/08/2020 \$1005	#20/0029 8 05/08/20 20 \$1005	Amal stationary and Computer service	yes invoice number 2157 and 2156 30/06/2020	i. no contract/PO ii.No delivery iii. Lack of procurement process	\$1,005
2	stationary	#20/001491 18/10/2020 \$2443.5	#20/0049 1 02/10/20 20 \$2443.5	SahaabGeneral trading company	yes invoice number 1254 15/08/2020 \$244.5	i. no contract /PO ii.No delivery note iii. Lack of procurement process	\$2,444
3	stationary	#20/001079 12/08/2020 \$8220	#20/0032 1 12/08/20 20 \$8220	No	yes invoice number 0113 18/07/2020 \$8220	i. no contract /PO ii.No delivery note iii. Lack of procurement process	\$9,220
4	Health Hygein Material	#20/001503 20/10/2020 \$41000	#20/0049 6 20/10/20	East African medical supplier	Yes invoice number 0540 05/10/2020 \$41000	lack of deliver note, lack of purchase order, No distribution list, No	\$41,000



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			20 \$41000			evidence of receipt into store and issue out of store	
5	Health Hygein Material	#20/001751 07/11/2020 \$15400	#20/0061 7 07/11/20 20 \$15400	East African medical supplier	Yes invoice number 0510 05/10/2020 \$15400	lack of deliver note, lack of purchase order, No distribution list, No evidence of receipt into store and issue out of store. Voucher and documents not stamped paid	\$15,400
6	Health Hygein Material	#20/001752 28/11/2020 \$26000	#20/0061 8 07/11/20 20 \$26000	Bay Capital Construction and General traders	yes invoice number 0951 20/11/2020 \$26000	lack of deliver note, lack of purchase order, No distribution list, No evidence of receipt into store and issue out of store. Voucher and documents not stamped paid	\$2,600
7	Staff Training and development	#20/001096 15/08/2020 \$4850	#20/0033 2 15/08/20 20 \$4850	Premier Construction and General Service	yes invoice number 0514 20/07/2020 \$4850	No evidence of procurement process, No service order, No training program or agenda,	\$4,850
8	Staff Training and development	#20/001463 12/10/2020 \$8500	#20/0047 3 12/10/20 20 \$8500	Red sea consultancy	yes invoice number 102 11/10/2021 \$ 8500	No tarining or activity program, Inconsistency in invoice date-dated 2021. No service order, No activity report	\$8,500
9	Machinery and Equipment not elsewhere classified	#20/00777 29/06/2020 \$34875	#20/0022 9 29/06/20 20 \$34875	Salwa General service Company	yes invoice number 0071 23/06/2020 \$34875	No distribution list , not able to verify items, not updated with assets register	\$34,875
10	rehabilitation of PIU office under baidoa municipality	#20/001943 12/12/2020 \$48422	#20/0068 8 01/05/20 20 \$48422	liiban logistics and construction company	yes Ref: INV/OCT/15/2020 10/10/2020 \$ 48422.28	No evidence of procurement process, No contract, No completion certificate, expense supported only with internally generated documents except for the invoice	\$48,422
11	School Supervision	#20/00566 17/05/2020 \$16590	#20/0001 02 13/04/20 20 \$51420	Hilaac supply and logistics	yes invoice number 1028 15/05/2020 \$16590	No evidence of procurement process, No contract, no motor vehicle logsheet/work ticket, No lease agreement, no log book	\$16,590



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			which includes this \$16590				
1 2	consultation fees for the month of Aug 2020	20/0000011 35 PV 02/09/2020 \$10405	20/00000 358 02/09/20 20 \$10405	ministry of planning and international cooperation	Not attached	No evidence of competitive recruitment process, No contract	10,405
1 3	consultation fees for BIYOLE PIU staff for the month of Nov 2020	20/0000018 35 PV 01/12/2020 \$10405	20/00000 613 01/12/20 20 \$10405	ministry of planning and international cooperation	Not attached	No evidence of competitive recruitment process, No contract	10,405
1 4	Biyoole PIU consultation fees for the month of July 2020	20/0000093 0 PV 28/07/2020 \$10405	20/00000 277 28/07/20 20 \$10405	ministry of planning and international cooperation	Not attached	No evidence of competitive recruitment process, No contract	10,405
1 5	consultation fees for BIYOLE PIU staff for the month of Dec 2020	20/0000020 86 PV 27/12/2020 \$10405	20/00000 736 27/12/20 20 \$10405	ministry of planning and international cooperation	Not attached	No evidence of competitive recruitment process, No contract	10,405
1 6	vehicle hire/ car rental for 3months	20/0000010 24 PV 05/08/2020 \$5040	20/00000 303 05/08/20 20 \$5040	mubarak general company but the admin a	22/08/2020 \$5000 But total paid indicates \$5040	No contract, Amount paid is \$40 above amount in purchase and BER, No MV log sheet	5,040
1 7	Hudur ADR Vehicle /car rental for Q1 2020	20/0000071 7 PV 11/06/2020 \$4500	20/00000 189 11/06/20 20 \$4500	Arrow General Trading and logistics company	31/03/2020 \$4500 but the invoice is photo copied not the original one	No evidence of procurement process, No MV log sheet, invoice is a photo copy	4,500
1 8	Baidoa ADR Vehicle /car rental for Q1 2020	20/0000071 8 PV 11/06/2020 \$4500	20/00000 190 11/06/20 20 \$4500	HAMZA LOGISTICS & GENERAL TRADING COM.	30/03/2020 \$4500 but the invoice is photo copied not the original one	No evidence of procurement process, No MV log sheet, invoice is a photo copy	4,500
1 9	procurement of vehicle for biyole PIU office	20/0000017 26 PV 17/11/2020 \$60000	20/00000 595 17/11/20 20 \$60000	ministry of water and energy	no invoice	No invoice, No motor vehicle inspection reprot, No delivery documents, No ownership document, No added to the assets register	60,000



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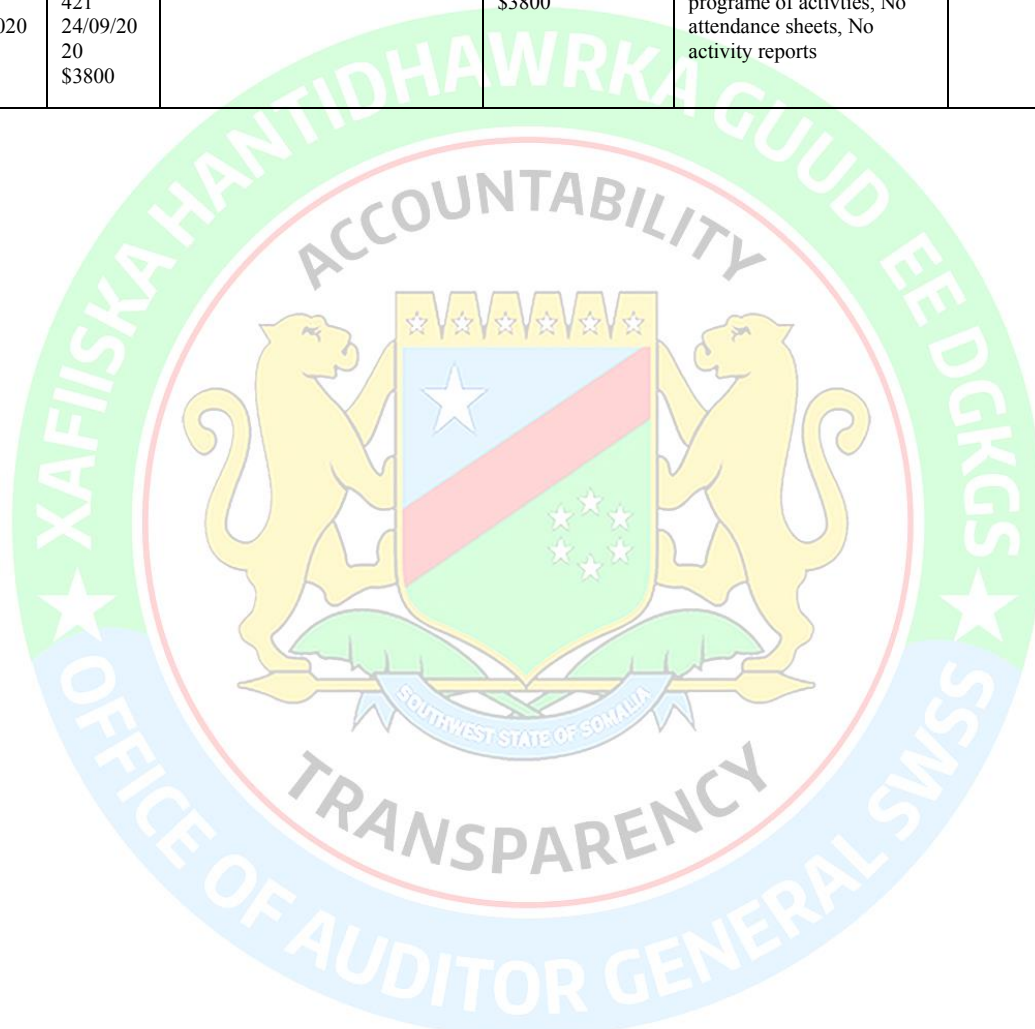
20	procurement of vehicle of 40% for biyole implementing agency MoPEID	20/0000211 8 PV 27/12/2020 \$69800	20/00000 772 27/12/20 20 \$69800	MoPIC	29/12/2020 \$174500 \$104700 \$69800	No motor vehicle inspection reprot, No delivery documents, No ownership document, No added to the assets register	69,800
21	procurement of vehicle for biyoley PIU office	20/0000211 8 PV 17/11/2020 \$44700	20/00000 594 17/11/20 20 \$44700	MoPIC	5/11/2020 \$174500 \$104700 \$69800	No motor vehicle inspection reprot, No delivery documents, No ownership document, No added to the assets register	44,700
22	internal travel for ministry of health	20/0000020 25 PV 26/12/2020 \$9300	20/00000 0754 26/12/20 20 \$9300	ministry of health	no invoice	lack of invitation letters, No programe of activties, No attendance sheets, No activity reports	9,300
23	travel cost	20/0000015 05 PV 20/10/2020 \$4680	20/00000 494 20/10/20 20 \$4680	MoF	20/10/2020 \$4680	lack of invitation letters, No programe of activties, No attendance sheets, No activity reports	4,680
24	Travel cost for MoF officials for RCRFII annual review	20/0000015 05 PV 22/08/2020 \$6510	20/00000 345 22/08/20 20 \$6510	MoF	22/08/2020 \$6510	lack of invitation letters, No programe of activties, No attendance sheets, No activity reports	6,510
25	Reinbursement for internal travel cost for MoF officials for RCRFII annual review	20/0000012 56 PV 12/09/2020 \$5950	20/00000 389 12/09/20 20 \$5950	MoF	12/09/2020 \$5950	lack of invitation letters, No programe of activties, No attendance sheets, No activity reports	5,950
26	internal travel for world bank fiduciary management implementation support mission in mogdisho	20/0000000 40 PV 09/02/2020 \$4998	20/00000 027 09/02/20 20 \$4998	MoF	09/02/2020 \$4998	lack of invitation letters, No programe of activties, No attendance sheets, No activity reports	4,998



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2 7	internal travel cost for Garowe visit WALP BIYOOLE PIU Team	20/000001 301 PV 24/09/2020 \$3800	20/00000 421 24/09/20 20 \$3800	MoF	24/09/2020 \$3800	lack of invitation letters, No programe of activities, No attendance sheets, No activity reports	3,800
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\$450,304





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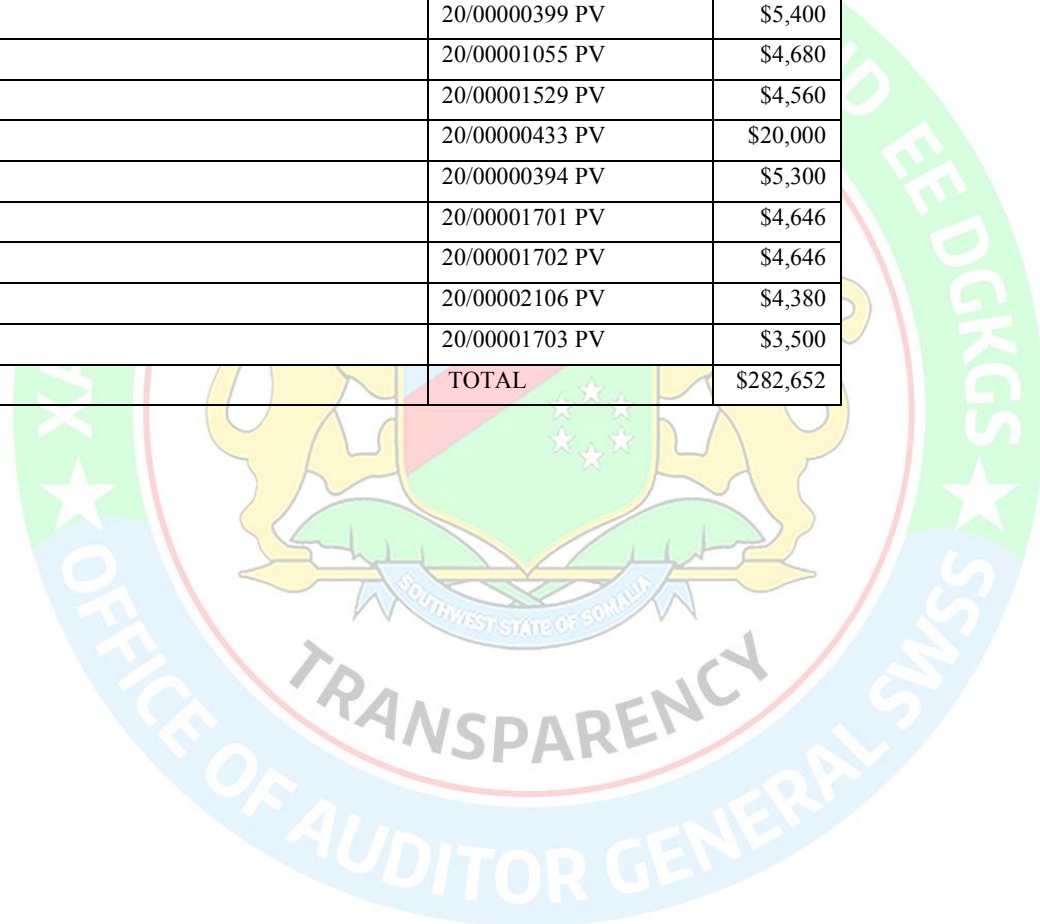




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Appendix 6 - Missing Vouchers

No.	PVNO.	Amount
1	#20/001696	\$1,500
2	#20/000001193	\$5,200
3	journal #20/000076	\$100,000
4	journal #20/000076	\$100,000
5	20/00000703 PV	\$5,040
6	20/00000389 PV	\$8,400
7	20/00000001 PV	\$5,400
8	20/00000399 PV	\$5,400
9	20/00001055 PV	\$4,680
10	20/00001529 PV	\$4,560
11	20/00000433 PV	\$20,000
12	20/00000394 PV	\$5,300
13	20/00001701 PV	\$4,646
14	20/00001702 PV	\$4,646
15	20/00002106 PV	\$4,380
16	20/00001703 PV	\$3,500
	TOTAL	\$282,652





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Appendix 7 on procurement deficiencies

No.	Description	Supplier	Details	Findings	Amount (\$)
1	Rehabilitation of Football stadium of merca	Addane Construction rehabilitation	#20/001481 11/19/2020 \$50000	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	50,000
2	Rehabilitation of Football stadium of merca	Addane Construction rehabilitation	#20/00748 22/06/2020 \$100000	No evidence of procurement process, No supplier invoice, No contract, No evidence of work done, expense supported only with internally generated documents.	100,000
3	Hudur ADR Vehicle /car rental for Q1 2020	Arrow General Trading and logistics company	20/00000711 11/06/2020 \$4500	No evidence of procurement process, No MV log sheet, invoice is a photo copy	4,500
4	Rehabilitation of Football stadium - Baidoa	Atoto Sports Empire	#20/001687 19/08/2020 \$150000	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	150,000
5	Refreshment & lunch for coodination meeting for two days	BAY TRAINING HALL & SERVICE	20/000002157 PV 30/12/2020 \$2100	No evidence of procurement method, No invoice, no contract, No LSO, No list of participants and their attendance, no program	2,100
6	Office rent CSC and OAG	Dalsan construction and General service company	#20/000416 29/06/2020 \$7950	Paying documents not stamped paid	7,950
7	Cronstruction Material	Guurow Construction company	#20/00037 05/02/2020 \$100000	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	100,000
8	Baidoa ADR Vehicle /car rental for Q1 2020	HAMZA LOGISTICS & GENERAL TRADING COM.	20/00000712 11/06/2020 \$4500	No evidence of procurement process, No MV log sheet, invoice is a photo copy	4,500
9	School Supervision	Hilaac supply and logistics	#20/00560 17/05/2020 \$16590	No evidence of procurement process, No contract, no motor vehicle logsheet/work ticket, No lease agreement, no log book	16,590



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10	Office of Rent for baidoa ADR Center for Q2 2020	Ibrahim Mohamed Hassan	#20/001733 14/11/2020 \$6000	No evidence of procurement process, No lease agrment	6,000
11	rehabilitation of PIU office under baidoa municipality	liiban logistics and construction company	#20/001969 12/12/2020 \$48422	No evidence of procurement process, No contract, No completion certificate, expense supported only with internally generated documents except for the invoice	48,422
12	Vehicle hire/ car rental for polio campaign in 16 district for southwest state	ministry of health	20/000001913 07/12/2020 \$7980	No evidence of competitive procurement process, No contract, no invoice, No mv log sheet, amount withdrawn in cash in the name of the minstry of health	7,980
13	vehicle rent expense for the months of Dec 2019(backdated)& january 2020	Ministry of Interior and Local Government	20/0000287 28/03/2020 \$8400	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	8,400
14	vehicle car rent expense for baidoa municipality PIU office as (April & May, 2020)	Ministry of Interior and Local Government	20/0000732 17/06/2020 \$8400	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	8,400
15	construction material	ministry of interior and local government	20/000000080 PV 16/02/2020 \$76600	No evidence of procurement process ,No contract, No purchase order,No invoice, No completion report,	76,600
16	Supervision of CCPPB vaccination inSWSS	Ministry of Livestock& veterinary	20/00000407 27/04/2020 \$5440	No evidence of competitive procurement, No contract, No invoice, No motor vehicle log sheet	5,440
17	Rolling work plan	Minstry of health	20/000001296 PV 19/09/2020 \$6300	No evidence of procurement process, No invoice or receipts, No list of participants and beneficiaries, No attendance, no program of activities, It is not clear whether payments involove a suplier, money withdrawn in cash in the name of misntry of health	6,300
18	Refreshment & lunch for coodination meeting for two days	Minstry of health	20/000001296 PV 19/09/2020 \$10240	No evidence of procurement process, No invoice or receipts, No list of participants and beneficiaries, No attendance, no program of activities, It is not clear whether payments involove a suplier, money withdrawn in cash in the name of misntry of health	10,240
19	Office of Rent	Muktar mohamed idris	#20/0017312 14/11/2020 \$6000	No evidence of procurement process, No lease agrment	6,000



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20	Satellite	No	#20/00461 03/05/2020 \$7000	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid	7,000
21	Satellite	No	#20/001015 03/08/2020 \$7000	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	7,000
22	Satellite	No	#20/002177 31/12/2020 \$7000	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	7,000
23	stationary	No	#20/00175 08/03/2020 \$1250	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,250
24	stationary	No	#20/0001748 17/11/2020 \$1037	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,037
25	stationary	no	#20/001766 23/11/2020 \$1500	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,500
26	stationary	no	#20/000390 18/04/2020 \$2000	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	29,000
27	stationary	No	#20/000002110 26/12/2020 \$1200	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	25,230



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28	Staff Training and development	no	#20/00567 25/05/2020 \$ 8170	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	8,470
29	Staff Training and development	No	#20/001054 06/08/2020 \$7800	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	7,800
30	Staff Training and development	No	#20/00001012 30/07/2020 \$17610	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	17,610
31	Staff Training and development	No	#20/001120 19/08/2020 \$5570	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	5,570
32	Staff Training and development	No	#20/001141 31/08/2020 \$9000	No evidence of procurement process, No supplier invoice, No service order, No participants list, No training program or agenda, money withdrawn in the name of the ministry of women, the nature of the expense is not known.	9,000
33	Machinery and Equipment not elsewhere classified	no	#20/00738 20/06/2020 \$50000	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	50,000
34	Television and news papers advertisements	no	#20/00617 02/06/2020 \$8000	No evidence of procurement process, No supplier invoice, No service statement, No service level agreement, money withdrawn in the name of the ministry,	8,000
35	Television and news papers advertisements	no	#20/00722 11/06/2020 \$8000	No evidence of procurement process, No supplier invoice, No service statement, No service level agreement, money withdrawn in the name of the ministry, expense supported only with internally generated documents	8,000



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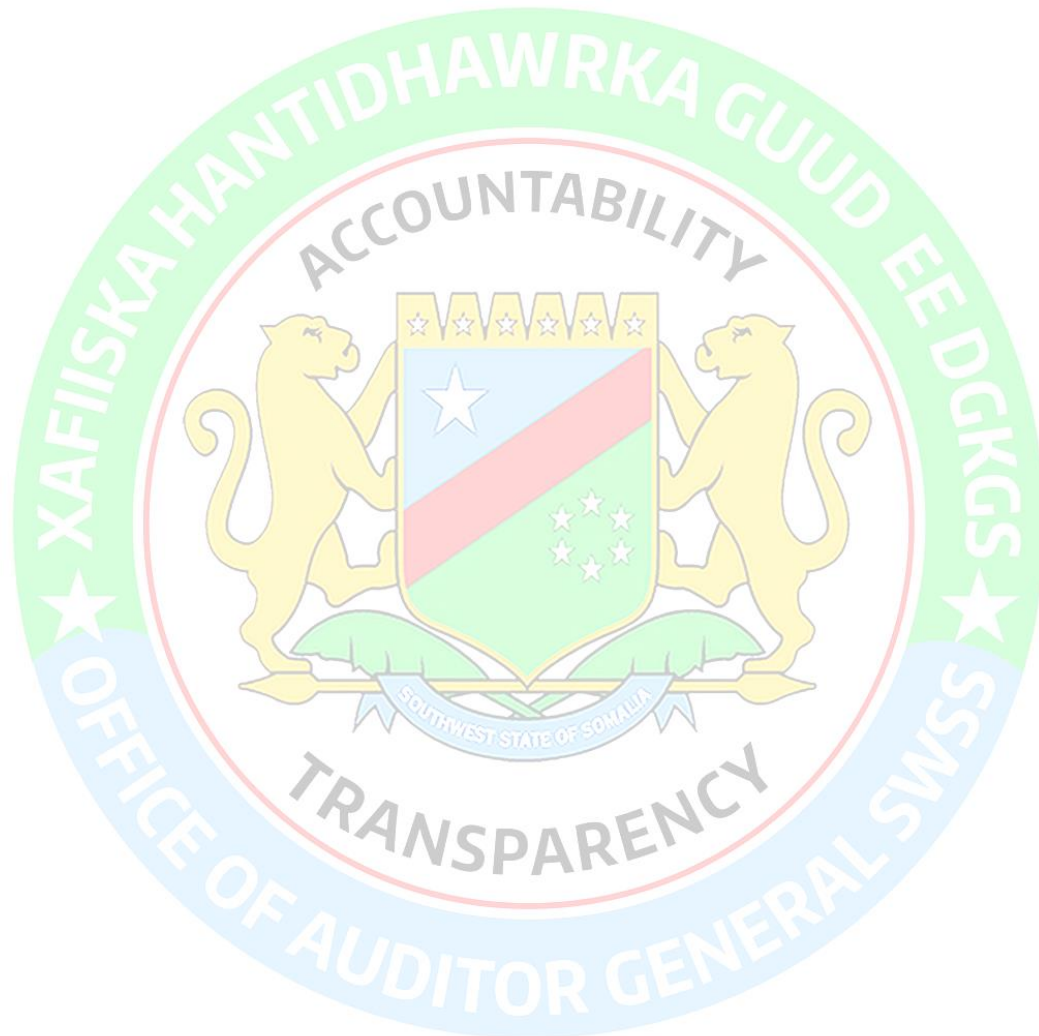
36	conflict resolution expense	No	#20/0076 16/02/2020 \$219654	Not clear what activities the money was used for , not clear whether the money was apid to one company, individual etc or whether it was distributed. The money was withdrwan in the name of the minstry of finance, supported only with internally generated documents	219,954
37	School Supervision	no	#20/000565 19/05/2020 \$28690	No evidence of procurement process, No contract, no motor vehicle logsheet/work ticket, No lease agreement, no log book, No supplier invoice, No service order	28,690
38	Staff Training and development	Premier Construction and General Service	#20/1101 15/08/2020 \$4850	No evidence of procurement process, No service order, No training program or agenda,	4,850
39	stationary	Sahaab Printing Company	#20/001290 17/09/2020 \$1300	i. Lack of evidence of procurement process , Name of supplier not indicated, no invoice, no contract, money withdrawn in cash ii. Not stamp paid iii. Lack of procurement process	1,300
40	Machinery and Equipment not elsewhere classified	Sahra General trading Company	#20/000767 25/06/2020 \$75400	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items mot update with assets register	75,400
41	Machinery and Equipment not elsewhere classified	Salman General Trading Company	#20/00000769 28/06/2020 \$57500	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items mot update with assets register	57,500
42	Machinery and Equipment not elsewhere classified	Salman General Trading Company	#20/00642 03/05/2020 \$40000	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items mot update with assets register	40,000
43	Machinery and Equipment not elsewhere classified	Salman General Trading Company	#20/00000886 06/07/2020 \$25400	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items mot update with assets register	25,400
44	Gasoline for state president	state president	20/00000079 PV 16/02/2020 \$10832	No evidence of competitive procurement, supported with only internally generated documents	10,832



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45	Gasoline for state president	state president	20/000000413PV 02/05/2020 \$20,000	No evidence of competitive procurement, supported with only internally generated documents	20,000
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1,296,815

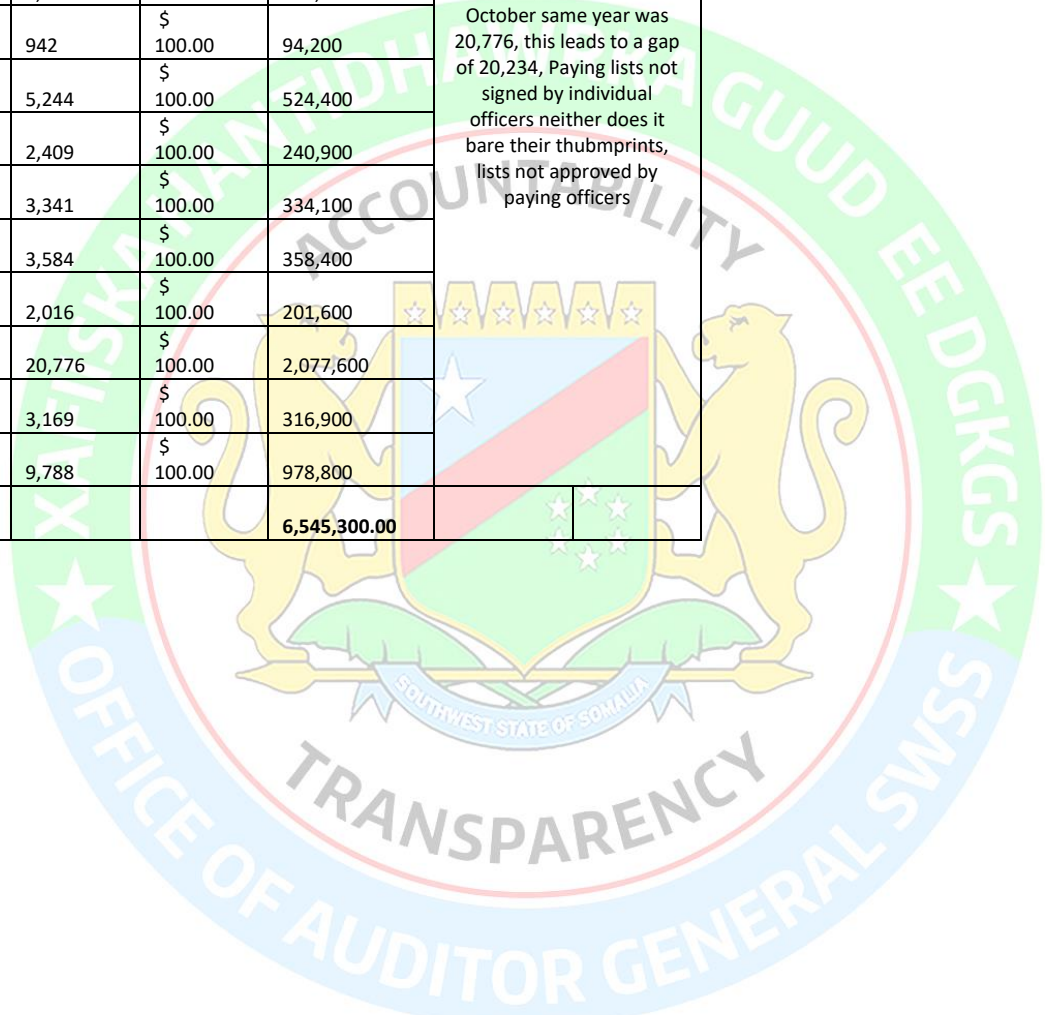




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Appendix 8 on security payment

Month	Number of personnel	Rate	Total	Comments
January	542	\$ 100.00	54,200	No. of forces paid do not follow any given pattern from month to month . No. of forces paid in January were 542 while number of security forces paid in October same year was 20,776, this leads to a gap of 20,234, Paying lists not signed by individual officers neither does it bare their thubmprints, lists not approved by paying officers
February	8,084	\$ 100.00	808,400	
March	5,558	\$ 100.00	555,800	
April	942	\$ 100.00	94,200	
May	5,244	\$ 100.00	524,400	
June	2,409	\$ 100.00	240,900	
July	3,341	\$ 100.00	334,100	
August	3,584	\$ 100.00	358,400	
September	2,016	\$ 100.00	201,600	
October	20,776	\$ 100.00	2,077,600	
November	3,169	\$ 100.00	316,900	
December	9,788	\$ 100.00	978,800	
Total			6,545,300.00	





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Appendix 9 on wage workers and contract employees

Nature of Payment	Findings	Amount (\$)
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts for the contract employees, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. Pvs and paying documents not stamped paid	9,900
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts for contract employees, No evidence that the said contract employees worked for the statesinterms of time sheets. Pvs and paying documents not stamped paid	9,900
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	9,900
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	9,900
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	78,323
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	19,800
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, No individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	23,810
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, Lack of individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	13,800
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, Lack of individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the statesin terms of time sheets. pvs and paying documents not stamped paid	13,800
Contract employees-ministry of interior and local government	No evidence of selection process for contract employees, No job descriptions for contract employees, Lack of individual contracts, No evidence that the said contract employees	20,100



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	worked for the states in terms of time sheets. Pvs and paying documents not stamped paid	
Contract employees-ministry of interior and local government	No evidence of selection process for contract employees, No job descriptions for contract employees, lack of individual contracts, No evidence that the said contract employees worked for the states in terms of time sheets. Pvs and paying documents not stamped paid	20,100
Contract employees-ministry of interior and local government	No evidence of selection process for contract employees, No job descriptions for contract employees, lack of individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the states in terms of time sheets. pvs and paying documents not stamped paid	14,900
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, lack of individual contracts, No evidence that the said contract employees worked for the states in terms of time sheets. Pvs and paying documents not stamped paid	19,400
Contract employees-ministry of health	No evidence of selection process for contract employees, No job descriptions for contract employees, lack of individual contracts, list of beneficiaries not attached to payment voucher, No evidence that the said contract employees worked for the states in terms of time sheets. pvs and paying documents not stamped paid	10,100
Contract employees-ministry of health	1. Contracts for the employees not availed 2. Process of engaging casual employees not indicated. 3. Amounts supported is USD 5,150 while amounts paid is USD 10,177, unsupported amount is USD 5,027, 4. Amounts cashed by the MOH and paid in cash to beneficiaries	10,177
Contract employees-ministry of interior and local government	No evidence of contract employees selection process, No individual contracts for contract employees, No Job descriptions	20,100
Wage Workers ministry of interior and local government	1 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,800
Wage Workers ministry of interior and local government	2 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,800
Wage Workers ministry of interior and local government	3 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,800
Wage Workers ministry of interior and local government	4 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,800
Wage Workers ministry of interior and local government	5 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,800
Wage Workers ministry of interior and local government	6 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,600
Wage Workers ministry of finance	7 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	21,600
Wage Workers ministry of finance	8 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	18,190
Wage Workers ministry of interior and local government	9 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,600
Wage Workers ministry of interior and local government	10 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	11,600



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Wage Workers ministry of finance	11 no list of elders 2 a rate per elder not indicated 3 no distribution list withdrawal in cash 4	10,200
		447,800

Appendix 10-Acquisition of assets

Nature of capital Expenditure	Supplier	Findings	Amount
Construction Material	Guurow Construction company	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	\$100,000
Rehabilitation of Football stadium of merca	Addane Construction rehabilitation	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	\$50,000
Rehabilitation of Football stadium -Baidoa	Atoto Sports Empire	No evidence of procurement process, No supplier invoice, No delivery note, lists and nature of items been supplied not known, expense supported only with internally generated documents.	\$150,000
rehabilitation of PIU office under baidoa municipality	liiban logistics and construction company	No evidence of procurement process, No contract, No completion certificate, expense supported only with internally generated documents except for the invoice	\$48,422
Rehabilitation of Football stadium of merca	Addane Construction rehabilitation	No evidence of procurement process, No supplier invoice, No contract, No evidence of work done, expense supported only with internally generated documents.	\$100,000
Machinery and Equipment not elsewhere classified	Salman General Trading Company	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	\$57,500
Machinery and Equipment not elsewhere classified	no	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	\$50,000
Machinery and Equipment not elsewhere classified	Salwa General service Company	No distribution list, not able to verify items, not updated with assets register	\$34,875
Machinery and Equipment not elsewhere classified	Salman General Trading Company	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	\$40,000
Machinery and Equipment not elsewhere classified	Salman General Trading Company	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	\$25,400
Machinery and Equipment not elsewhere classified	Sahra General trading Company	No evidence of procurement process, No purchase order, No supplier invoice, No delivery note, No evidence of subsequent distribution, items not physically verified, items not update with assets register	\$75,400



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construction material	ministry of interior and local government	No evidence of procurement process ,No contract, No purchase order, No invoice, No completion report,	76,600
		TOTAL	\$808,197

