

Federal Government of Somalia

Office of the Accountant General

Government Quarterly Financial Report Quarter Two, 2019



Introduction and Background

The Office of the Accountant General (OAG) is responsible for the preparation of accounts and financial reports to provide such information as may be necessary to show the results of the management of the national budget that include a comparison between the estimated and actual revenue and expenditure and any other information prescribed in the Financial and Accounting Procedures of the State of 1961 (as amended in 1971).

In this summary report, the Office of the Accountant General (OAG) accordingly presents the fiscal performance of the Federal Government of Somalia for the financial year relating to the period at the end of the quarter two of the Fiscal Year (FY) 2019. Areas included in the report are;

- Dashboards for a commentary on FGS fiscal performance for the period;
- Fiscal Summary report of FGS revenue and expenditure;
- Revenue performance for the details of the revenues collected by the revenue collection authorities;

The table below shows main sources of revenues and types of expenditure of the Federal Government of Somalia in line with the Budget Appropriation Act of 2019

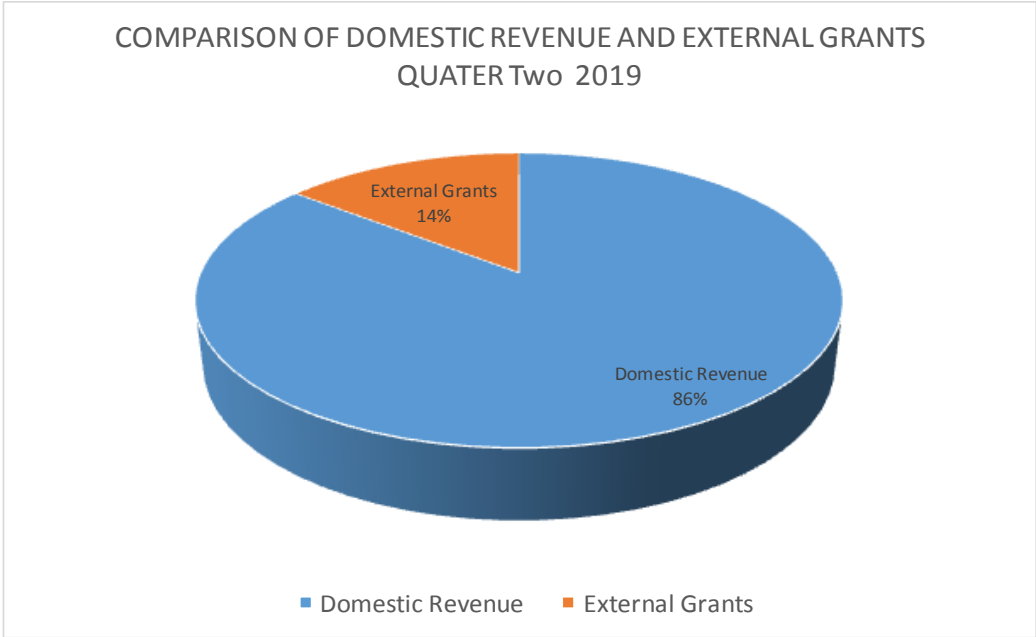
Table: FGS sources of revenue and types of expenditure.

Sources of Revenue
<ul style="list-style-type: none">• Domestic Revenue in the form of Taxes and Non – tax revenue• Grants (External Donor Funds)
Types of Expenditure
<ul style="list-style-type: none">• Compensation to employees (salary and allowances)• Use of Goods and Services• Grants (Transfers to Federal Member States)• Capital Expenditure and• Other expenses (Contingency)

It is important to note that following the implementation of the Somali Financial Management Information System (SFMIS) in 2014 by the FGS in order to enhance accountability and transparency in the management of the public money and to increase the level of accuracy of financial data and information, all financial reports and data included in this report are extracted directly from the SFMIS.

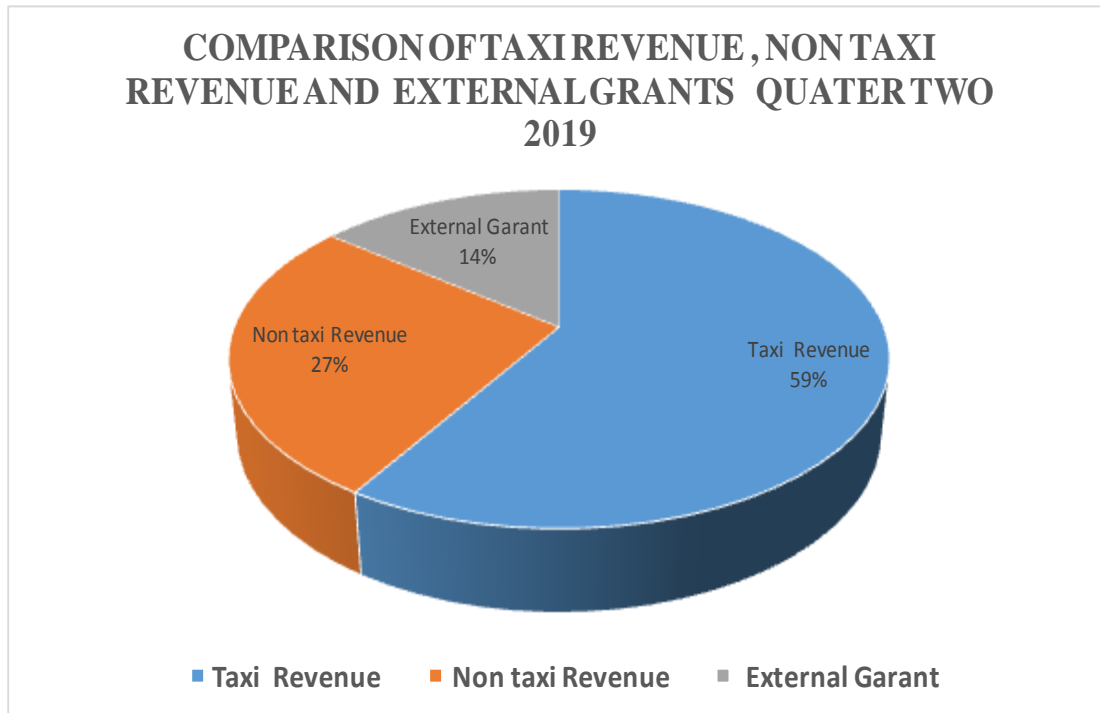
Comparison between FGSs' main revenue source Categories.

Figure COMPARISON OF DOMESTIC REVENUE AND EXTERNAL GRANTS QUARTER Two 2019



- Domestic revenue accounted for 86% of the total revenue collected by the Federal Government of Somalia
- While the external grants accounted for the remaining portion of 14%. This reflects greater efforts by the government to increase domestic collection of government revenues to reduce levels of lower degree external aid dependence and to meet the requirements of the IMF's SMP debt relief benchmarks.

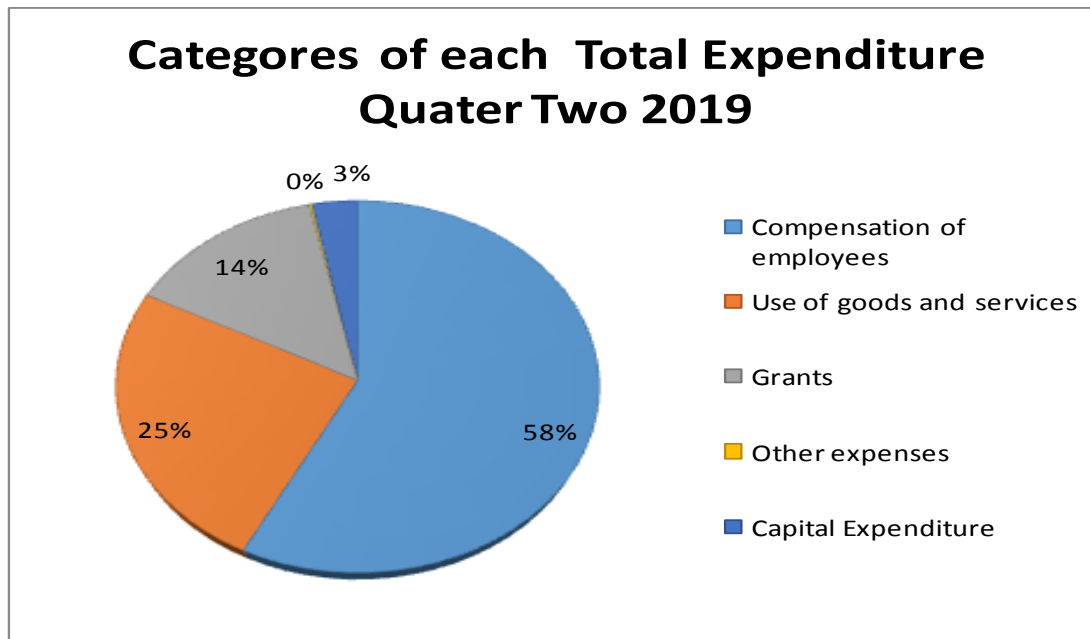
Figure 1 simple *COMPARISON OF TAX REVENUE, NON-TAX REVENUE AND EXTERNAL GRANTS QUARTER Two 2019*



- Tax revenue dominated revenue generated by the Federal Government of Somalia during the period of the quarter Two of 2019 which accounted for 59% out of the total government revenue;
- External grants which is multilateral and bilateral grants received by the Government during the same period accounted for 14% followed by non-tax revenue with 27 %.

Comparison between FGSs' Categories of Expenditure

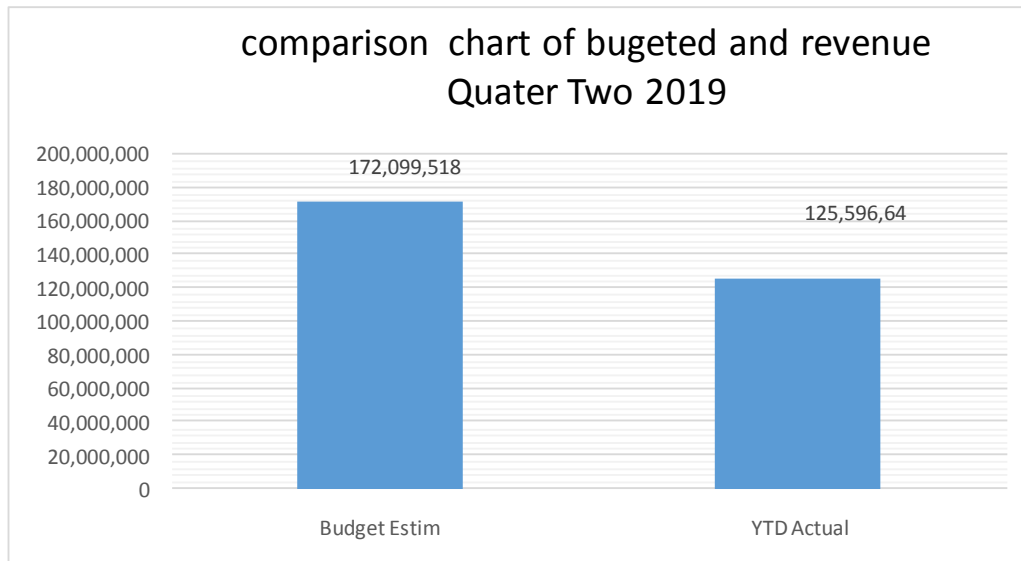
Figure 2 *Comparison between FGSs' Categories Expenditure Quarter two 2019*



- From the Budget Appropriations Act of 2019, FGS expenditure is classified under the following categories;
 - **Compensation of Employees:** which is payments of salary and allowances for the benefit of the civil servants? This category remains the highest with **58%** of the total expenditure as per the chart above.
 - **Use of Goods and Service:** this category turned out as the second most incurred expenditure category after employees' cost and accounted for **25%** of the total expenditure.
 - **Grants (Transfers to the Federal Member States) (TFMSs):** as the name suggests this category is used by the FGS to make Government budgetary support to the Federal Member States; Punt land State, Jubbaland state, Southwest state, Galmudug State, Hirsh belle State and Benadir region. This category represented the third highest percentage of **14%** of the total quarter one expenditure.
 - **Capital Expenditure:** is used to fund FGSs' National Development Plans and as shown in the chart above, only **3%** of the total expenditure was incurred during the period.
 - **Other expenses (Contingency expenditure):** during this quarter there were no expenditure incurred out of the contingency account as the **0%**of the above chart shows.

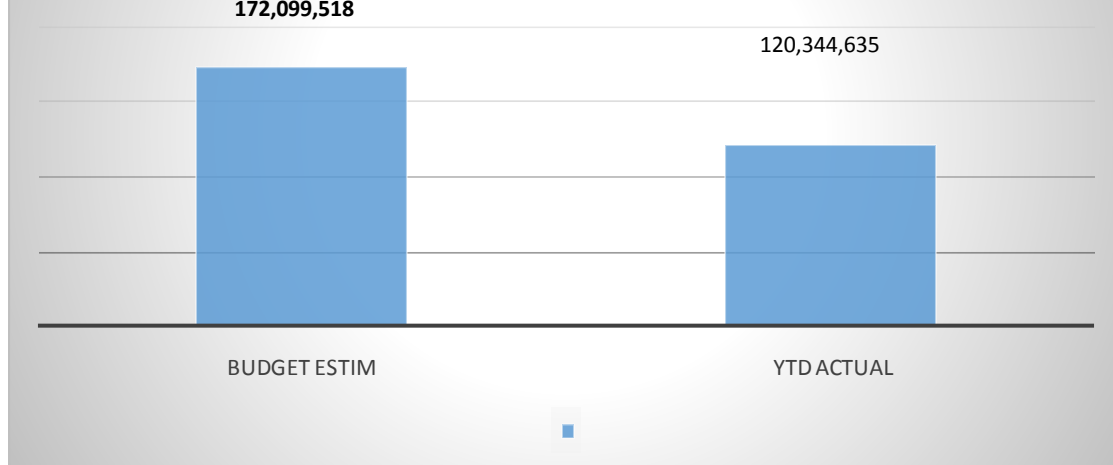
Actual and Budgeted Revenue in Comparison

Figure 3 **Budgeted versus Actual revenue, Quarter Two 2019**



- Above graph depicts the comparison between budgeted revenues (pro-rata basis) planned for collection in the Quarter One of the 2019FY, against the actual outturn for the same period (quarter One 2019FY).
- The actual amount collected represents **73%** of the budgeted amount, indicating a short fall of **27%**.
- For the domestic revenues, the actual revenue collections exceeded the budget for Quarter two by **13%** largely as a result of the telecommunications spectrum fees, where **US\$ 8.6 m** was received during the period compared to an annual budget of **US\$ 2M**.
- External Grandson the other hand were significantly below budget by **85%** for the quarter because of delays in the disbursement of some of the expected external grants.

Comparison Chart of Budgeted And Actual Expenditure Quarter Two 2019



- The above graph compares the amounts of expenditure budgeted for spending during quarter two of the 2019FY and actual expenditure was 70% against the budgeted amount during the reporting period.
- Actual expenditure was therefore 30% lower than the budgeted amount representing a significantly lower level of budget utilization during the second quarter; this was mainly due to expenditure that could not be incurred during the period because of delays in the disbursement of some of the expected external grants.

Following are statements extracted from the Somali Financial Information Management System [SFMIS]

Summary of Revenue and Expenditure



Federal Government of Somalia

Summary of Government Revenue and Expenditure as of June, 2019

Description	Budget / Estimate	For the Month of June, 2019	YTD Actuals	Variance
Total Domestic Revenue	190,850,000	19,043,478	107,617,875	83,232,125
Tax revenue	135,200,000	13,272,087	73,906,035	61,293,965
Non-tax revenue	55,650,000	5,771,391	33,711,840	21,938,160
Total External Grants	153,349,036	11,780,674	17,978,775	135,370,261
Current - Grants Bilateral	30,000,000	1,000,000	1,100,000	28,900,000
Current - Grants - Multilateral	123,349,036	10,780,674	16,878,775	106,470,261
Current (Multi-lateral)				
Total Revenue and Grants	344,199,036	30,824,152	125,596,649	218,602,386
Total Recurrent Expenditure	317,028,297	21,996,961	116,570,102	200,458,195
Compensation of employees	162,423,125	12,498,027	69,329,763	93,093,362
Use of goods and services	116,160,981	7,121,736	30,211,627	85,949,354
Grants	37,360,341	2,377,198	16,789,852	20,570,489
Social benefits	352,680			352,680
Other expenses	731,170		238,860	492,310
Total Capital Expenditure	27,170,740	944,107	3,774,533	23,396,206
Consumption of fixed capital	27,170,740	944,107	3,774,533	23,396,206
Total Expenditure	344,199,037	22,941,068	120,344,635	223,854,402
Financing Gap / Surplus (-) or (+)	-1	7,883,083	5,252,014	-5,252,015

Detailed Revenue



Federal Government of Somalia

Revenue Performance Report as of June, 2019

Description	Budget / Estimate	For the Month of June, 2019	YTD Actuals	Performance %
1111 Payable by individuals	6,400,000	767,937	4,084,334	64%
111101 Wages and salaries (Public Sector Payees)	3,900,000	375,281	1,933,381	50%
111102 Wages and salaries (Private Sector Employees)	2,500,000	392,656	2,150,954	86%
1112 Payable by corporations	2,200,000	1,321,423	1,458,724	66%
112101 Corporate profit tax	2,200,000	1,321,423	1,458,724	66%
1131 Other taxes - on Income	500,000	27,889	241,474	48%
113101 Rental income	500,000	27,889	241,474	48%
1141 General taxes on goods and services	22,000,000	1,432,463	10,852,628	49%
114101 Sales taxes - Hotels	200,000	74,365	498,484	249%
114102 Sales taxes - Telecommunications	6,500,000	167,044	2,103,140	32%
114103 Sales taxes - Electricity Companies	500,000			0%
114104 Sales taxes - on imported goods	13,000,000	1,113,913	7,836,381	60%
114105 Sales taxes - Airline tickets	1,800,000	77,141	414,623	23%
114201 Excise Tax - Mineral Water and Beverages				

115101	Custom taxes on petroleum	679,415	4,914,465
115102	Custom taxes on export goods	45,957	375,130
115103	Road vehicles (salon cars)	393,819	4,031,863
115104	Import tax on sugar	414,988	4,849,942
115105	Crude vegetable materials	555	2,184
115106	Import tax on tobacco and matches	93,752	476,723
115108	Flour	359,260	1,925,098
115109	Construction of electronic materials	729,163	2,978,216
115110	Cereal products, spaghetti etc	174	936
115111	Vegetable oils	317,344	1,964,798
115112	Soap and cleaning products	225,155	1,271,538
115113	Apparel, clothing, textile yarn	405,946	2,315,842
115114	Footwear		1,239
115115	Tea	10,853	119,663
115116	Vegetables and fruits	400	19,156
115117	Plastic materials	14,341	176,842
115118	Rubber tyers	10,563	95,715
115119	Poultry and edible offals	26,465	172,204
115120	Building materials	264,276	1,937,033
115121	Electronic materials	358,303	2,498,185
115122	Food items /rice, spaghetti. etc	596,830	4,050,672
115123	Household materials	305,373	1,770,554
115124	Cosmetics & perfume	12,821	155,985
115125	Others	2,197,952	6,834,521

115126	Gold				
115127	Shoes		106,470	738,308	
115128	Beverages		346,507	1,902,486	
1156	Other taxes on int. trade and transactions	12,000,000	1,113,921	6,104,515	51%
115601	Import tax on Khat	12,000,000	1,113,921	6,104,515	51%
1161	Payable solely by business	7,100,000	691,772	5,585,061	79%
116101	Stamp duties of invoices and contracts (notary)	2,600,000	85,484	835,370	32%
116102	Road tax	2,000,000	40,892	926,807	46%
116103	Other stamp duty	2,500,000	269,744	1,872,764	75%
116109	stamp duty on customs		295,652	1,950,121	
1311	Current - Grants Bilateral	30,000,000	1,000,000	1,100,000	4%
131101	Current (Turkey)	30,000,000			0%
131102	Current (Saudi Arabia)		1,000,000	1,000,000	
131103	Current (Qatar)				
131104	Current (UAE)				
131112	Current (Algeria government)			100,000	
1321	Current - Grants - Multilateral	123,349,036	10,780,674	16,878,775	14%
132101	Current - World Bank - Multi-partner Trust Fund (SFF)	6,557,675	311,414	467,295	7%
132102	Current - World Bank - Capacity Injection Project	7,638,433	64,512	659,470	9%
132103	Current - World Bank - Public Financial management	10,188,313	150,818	250,299	2%
132104	Current - World Bank - ICT Sector Support	2,500,000			0%
132105	Current - World Bank - SCORE	6,025,200	8,292	638,713	11%
132106	Current - World Bank - RCRF - Budget support	39,000,000	9,547,743	11,613,944	30%

132107	Current - World Bank - SOPTAP (Petroleum)	484,500		49,979	10%
132108	Current - African Development Bank - Economic and Financial Governance	4,906,168			0%
132109	Current - United Nations - Peace Building Fund (SFF)	876,592		640,590	73%
132110	Current - Urban Investment Planning Project (SUIP)	3,097,425	697,895	952,556	31%
132111	Current - United Nations - District Rehabilitation Project (S2S)	1,699,694		715,985	42%
132112	Current - European Union - Police	2,000,000			0%
132113	Current - European Union - Budget support	34,600,000			0%
132114	Global Partnership For Education	2,175,035		889,943	41%
132115	Current - World Bank - SEAP	1,600,000			0%
1331	Current (Multi-lateral)				
133101	Inter-entity transfers:Salaries				
1421	Administrative fees and charges	55,650,000	5,434,617	31,456,553	57%
142201	Administrative charges	2,200,000	185,491	1,204,337	55%
142202	Visa charges	4,800,000	406,464	2,190,868	46%
142203	Passports fees	5,200,000	562,583	3,111,018	60%
142204	Licence fees - Commerce and industry	650,000	54,905	453,664	70%
142205	Work permits and other fees	800,000	52,460	623,400	78%
142206	Harbour fees - Albayrak	22,000,000	2,748,172	13,048,453	59%
142207	Airport fees - Favori	2,000,000	245,966	1,101,264	55%
142208	Fisheries licence fees	4,000,000		1,044,972	26%
142210	Telecommunication Spectrum fees	2,000,000	1,178,577	8,678,577	434%
142211	Overflight fees	12,000,000			0%
1425	Harbour Fees		336,774	2,255,287	
142502	Customs Harbour fees		336,774	2,255,287	
	Grand Total	344,199,036	30,824,152	125,596,649	

Detailed Expenditure Report



Federal Government of Somalia

Expenditures Report as of June, 2019

Description	Budget / Estimate	For the Month of June, 2019	YTD Actuals	Variance
21 Compensation of employees	162,423,125	12,498,027	69,329,763	43%
2111 Wages and salaries in cash	42,731,947	3,991,399	20,785,744	49%
2112 Allowances	105,311,632	6,851,155	43,148,140	41%
2131 Other employee costs	12,629,668	1,655,473	5,006,408	40%
2151 Arrears on Salaries and Allowances	1,749,878		389,471	22%
22 Use of goods and services	115,160,981	7,121,736	30,211,627	26%
2211 Utilities	7,057,100	448,262	2,045,478	29%
2212 Rent	1,803,222	208,442	743,532	41%
2213 Fuel and lubricants	6,128,120	295,761	1,675,959	27%
2214 Repairs and maintenance	2,368,894	193,156	587,763	25%
2215 Office materials and other consumables	4,442,042	221,339	969,338	22%
2216 Travel expenses	9,472,376	532,277	2,100,866	22%
2221 Education expenses	1,775,004	67,855	226,355	13%
2222 Training expenses	4,839,363	257,356	354,018	7%
2231 Consulting and professional fees	18,659,456	684,187	2,301,749	12%
2232 Audit fees	487,500		10,197	2%
2241 Bank commissions	3,821,660	460,289	2,237,301	59%
2243 Insurance charges/premium	5,500			0%
2251 Health and hygiene	1,205,000	107,039	292,462	24%
2253 Military materials, supplies and services	794,818	224,300	445,300	56%
2255 Other specialized materials and services	4,150,521	197,745	813,311	20%
2256 Special operational services	7,883,981	726,497	3,080,016	39%
2261 Other General Expenses	40,266,424	2,497,230	12,327,981	31%

23	Consumption of fixed capital	28,170,740	944,107	3,774,533	13%
2311	Buildings and structures				
2312	Machinery, furniture and equipment	303,750			0%
2313	Information and Communication Technology (ICT)	2,863,421			0%
2314	Other fixed assets	25,003,569	944,107	3,774,533	15%
26	Grants	37,360,341	2,377,198	16,789,852	45%
2621	Current	654,830	10,590	515,625	79%
2631	Transfers to Sub National	36,705,511	2,366,608	16,274,227	44%
2670	Transfers by other general government units				
27	Social benefits	352,680			0%
2711	Social Security benefits	352,680			0%
28	Other expenses	731,170		238,860	33%
2821	Contingency Items - Operating & Capital Expenses	731,170		238,860	33%
31	Assets		-775,059	2,816,796	
3151	Advances		-775,059	2,816,796	
Grand Total		344,199,037	22,166,009	123,161,431	36%

Detail MDA Expenditure



Federal Government of Somalia

Expenditures Report as of June, 2019

	Description	Budget / Estimate	For the Month of June, 2019	YTD Actuals	Variance
1	Administration & General	177,666,893	10,441,060	62,616,791	35%
10101	Office of the Presidency	5,823,707	115,616	2,268,664	39%
10201	Office of the Parliament	5,731,641	440,352	2,651,706	46%
10202	Members of Parliament (Allowance)	14,589,912	1,215,800	7,150,600	49%
10203	Members of Parliament (Allowance) Senate	4,113,520	389,702	1,888,162	46%
10301	Office of the Prime Minister	6,660,850	972,853	3,768,990	57%
10401	Ministry of Foreign Affairs	2,918,450	197,280	1,185,666	41%
10402	Embassies	5,584,416	284,510	1,558,481	28%
10501	Ministry of Finance	8,890,801	-507,706	2,427,244	27%
10502	Accountant General	1,585,525	113,705	798,619	50%
10503	General Activities for the Government	42,908,370	2,676,235	19,901,512	46%
10504	Directorate of Financial Reporting Center	660,000	54,221	311,576	47%
10601	Ministry of Planning	2,671,703	226,475	921,028	34%
10701	Ministry of Interior and Federal Affairs	11,940,116	526,464	3,410,385	29%
10702	Somali Refugee and IDPs Commission	575,972	39,422	256,642	45%
10801	Ministry of Religious Affairs	1,661,000	83,872	479,245	29%
10901	Ministry of Justice and Endowment	720,068	52,102	300,420	42%
10902	Custodian Corps	6,737,224	489,143	2,538,109	38%
11001	Supreme Court	967,314	70,177	332,932	34%
11002	Banadir Court	1,474,712	124,701	684,319	46%
11003	Appeal Court	297,494	23,529	112,426	38%
11005	Judiciary Service Committee	178,632	10,276	35,656	20%
11101	Attorney General	1,055,028	68,224	478,989	45%
11201	Solicitor General	526,764	43,534	226,302	43%
11301	Auditor General	1,766,034	137,192	791,072	45%
11401	Ministry of Humanitarian Affairs and Disaster Management	1,205,266	88,551	479,706	40%
11501	Ministry of Constitution	1,927,848	34,252	561,690	29%
11601	Boundaries and Federation Commission	644,928	88,283	282,668	44%
11602	National Reconciliation Commission	501,132	36,261	226,430	45%
11603	National Independent Electoral Commission	3,000,000	143,679	755,270	25%

11604	Human Rights Commission	100,000			0%
11605	Indep. Constitution Review and Imp. Commission	686,816	98,200	312,917	46%
11606	National Civil Service Commission	1,290,149	98,917	641,075	50%
11607	The Independent Commission for Combating Corruption	100,000			0%
70201	Capacity Injection Project	7,638,433	139,612	611,379	8%
70202	Special Financing Facility (SFF)	5,434,268	346,384	911,744	17%
70203	Public Finance Management (PFM)	8,220,313	61,619	318,509	4%
70204	Economic and Financial Governance (EFGP)	4,906,168		328,035	7%
70205	Recurrent Costs & Reform Financing Project (RCRF)	2,150,000	204,672	505,121	23%
70206	Somali Core Economic Institutions and Opp. Prg (SCORE)	5,025,200	19,790	533,943	11%
70207	Support to Stabilization (S2S) Project	1,699,694	378,477	684,300	40%
70208	Somali Urban Investment Planning Project	3,097,425	854,685	985,259	32%
2	Security Services	110,894,403	6,737,466	41,492,465	37%
20101	Ministry of Defence	2,736,491	210,302	716,488	26%
20102	Armed Forces	62,223,395	2,154,330	21,255,708	34%
20103	Military Court	1,456,000	110,382	637,532	44%
20104	Disabled and Orphans Organization	115,000	14,156	39,156	34%
20201	Ministry of National Security	2,001,062	79,685	923,372	46%
20202	Police Force	25,789,856	2,701,303	10,918,851	42%
20203	National Security Force	12,505,680	1,084,339	4,823,438	39%
20204	Immigration Department	4,066,920	382,970	2,177,920	54%
3	Economic Services	29,043,894	2,224,147	10,655,318	37%
30101	Ministry of Water and Energy	1,316,237	117,248	533,348	41%
30201	Ministry of Mineral	966,422	138,223	432,909	45%
30301	Ministry of Agriculture	1,572,121	95,323	534,169	34%

30401	Ministry of Livestock and Forestry	1,011,958	84,179	455,570	45%
30501	Ministry of Fishery and Marine Resource	1,504,036	275,906	765,995	51%
30502	Somali Marine Research	508,164	39,126	227,118	45%
30503	Offshore and Fisheries Development Project	105,976	7,910	33,726	32%
30601	Ministry of Information	4,984,256	541,484	2,426,259	49%
30701	Ministry of Post and Telecommunication	1,684,626	113,282	675,084	40%
30702	National Communication Agency	2,088,000	77,678	303,650	15%
30801	Ministry of Public Work & Reconstruction	1,147,252	89,356	537,791	47%
30901	Ministry of Transport and Aviation	1,915,648	144,045	863,212	45%
30902	Civil Aviation and Meteo-Authority	1,222,196	143,409	425,656	35%
31001	Ministry of Transport and Ports	1,235,098	87,799	543,414	44%
31002	Hamar Port	1,021,300	76,400	484,393	47%
31101	Ministry of Industry & Commerce	2,176,104	181,456	1,051,633	48%
70209	Somali Petroleum Technical Assistance Project (SOPTAP)	484,500	10,780	38,501	8%
70210	ICT Sector Support	2,500,000	543	322,893	13%
70211	Water and Energy Project	1,600,000			0%
4	Social Services	26,593,846	2,763,336	8,396,857	32%
40101	Ministry of Health	7,256,030	192,381	604,328	8%
40201	Ministry of Education and Higher Education	10,372,681	1,301,366	4,086,177	39%
40202	Somali National University	3,401,716	591,259	1,734,368	51%
40203	Somali Academy of Sciences and Arts	995,451	214,969	416,143	42%
40204	Intergovernmental Ackademy of Somali Language	1,324,260	26,333	110,033	8%
40301	Ministry of Labor and Social Affairs	1,549,730	205,312	719,743	46%
40401	Ministry of Youth and Sport	678,014	96,860	291,949	43%
40501	Ministry of Women and Human Rights Dev.	915,964	134,857	434,116	47%
40502	Somali Disable Agency	100,000			0%
Grand Total		344,199,037	22,166,009	123,161,431	36%