



# **Federal Government of Somalia**

## **Office of the Accountant General**

# **Government Quarterly Financial Report Quarter one , 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 One 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

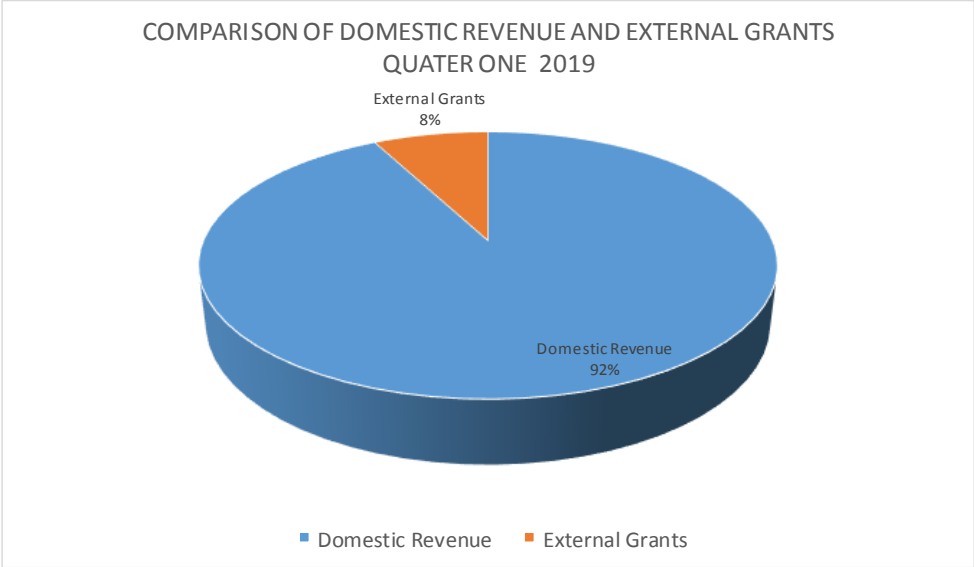
**Table: FGS sources of revenue and types of expenditure.**

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

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.

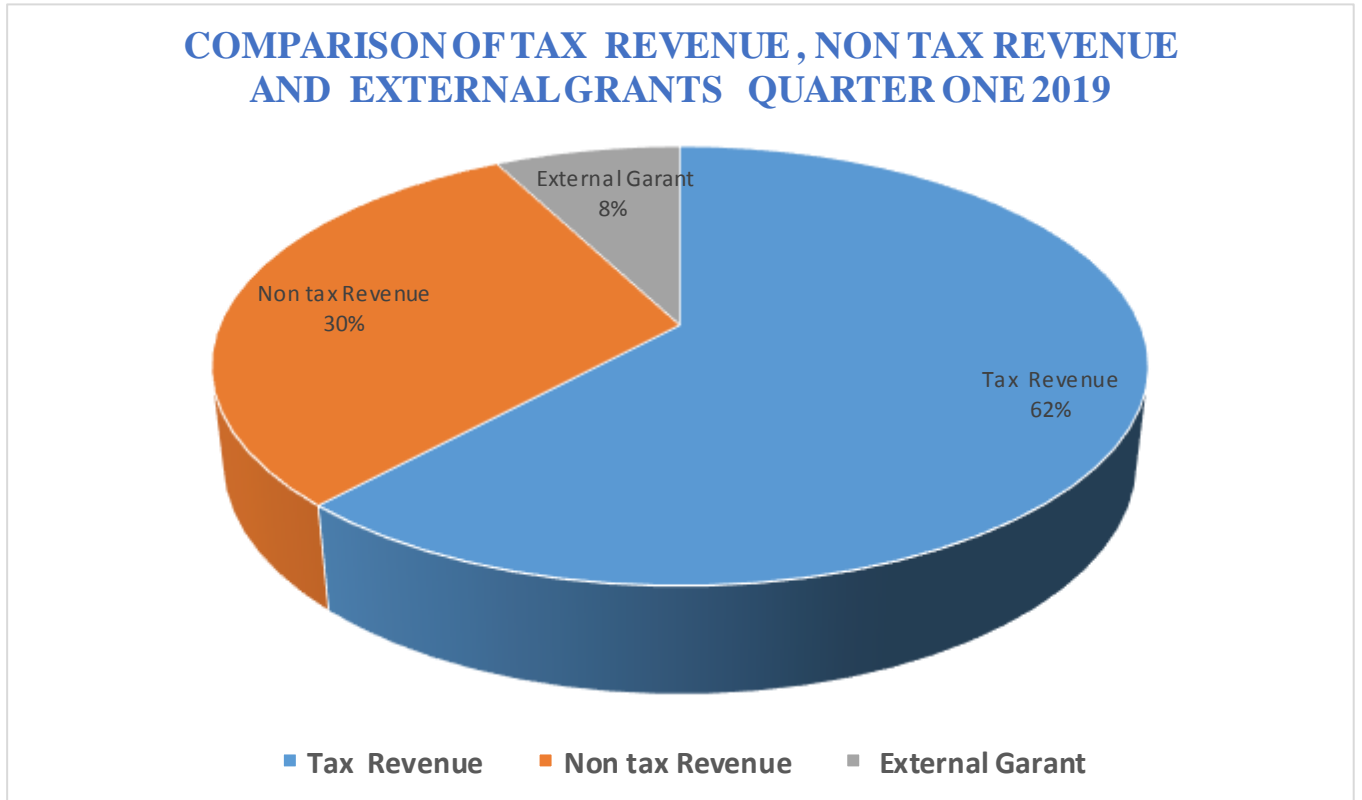
# Comparison between FGSs' main revenue source Categories.

Figure COMPARISON OF DOMESTIC REVENUE AND EXTERNAL GRANTS QUATER ONE 2019



- Domestic revenue accounted for 92% of the total revenue collected by the Federal Government of Somalia
- While the external grants accounted for the remaining portion of 8%. 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.

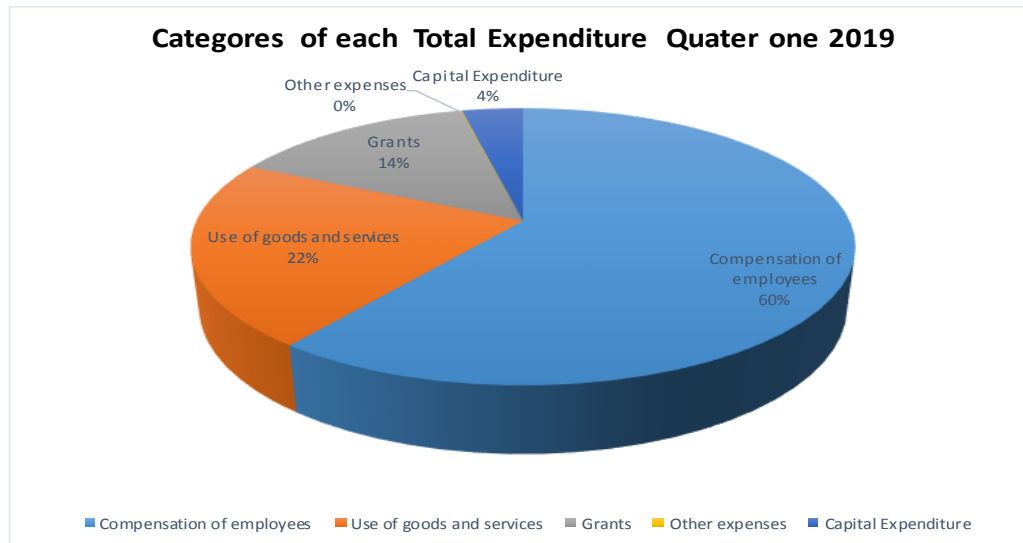
Figure 1 simple **COMPARISON OF TAX REVENUE, NON-TAX REVENUE AND EXTERNAL GRANTS QUARTER ONE 2019**



- Tax revenue dominated revenue generated by the Federal Government of Somalia during the period of the quarter one of 2019 which accounted for 62% out of the total government revenue;
- External grants which is multilateral and bilateral grants received by the Government during the same period accounted for 8% followed by non-tax revenue with 30 %.

## Comparison between FGSs' Categories of Expenditure

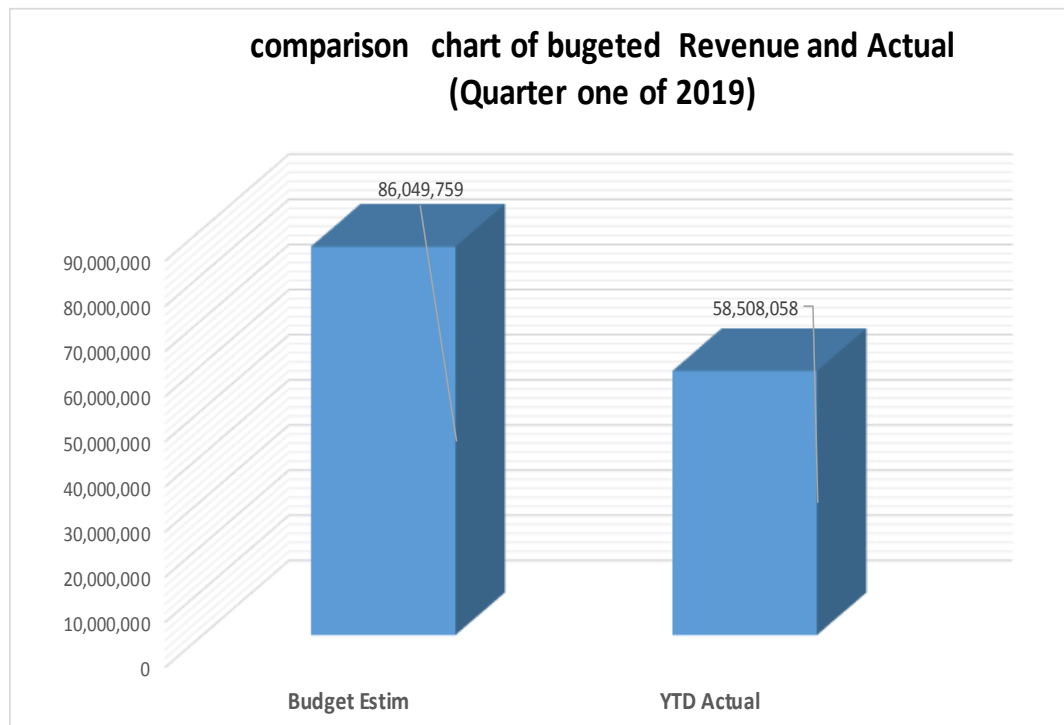
Figure 2 *Comparison Between FGSs' Categories Expenditure Quarter one 2019*



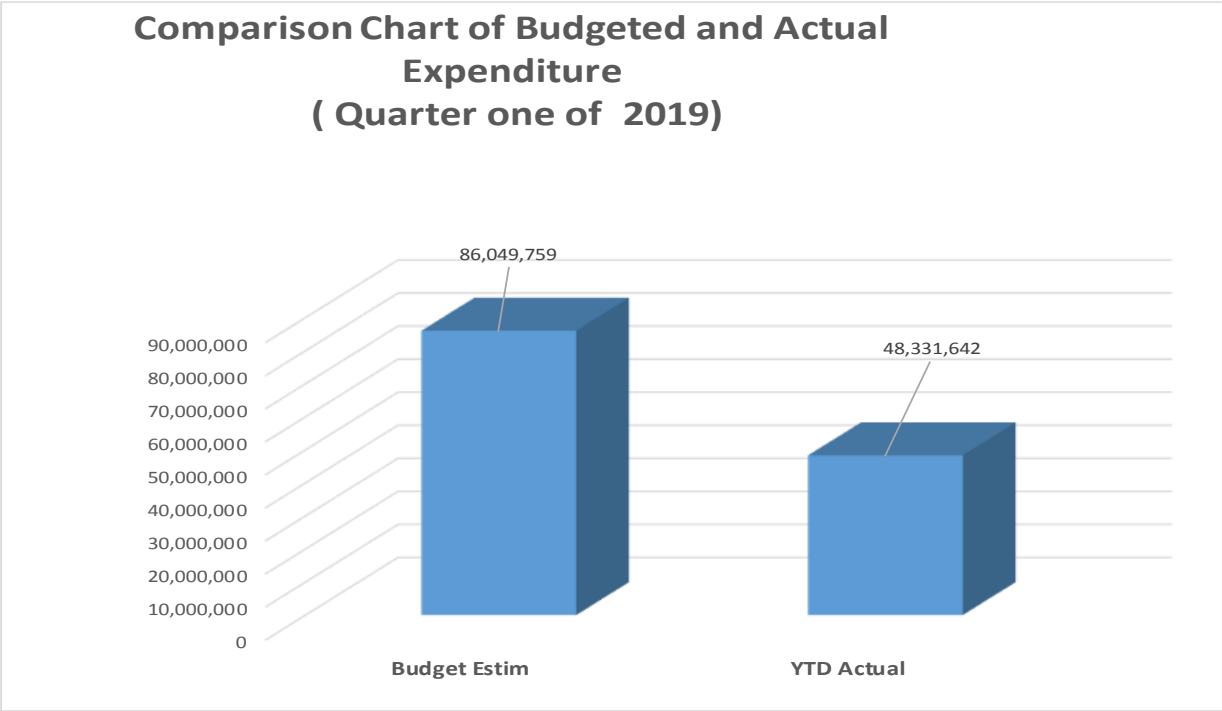
- From the Budget Appropriations Act of 2019, FGS expenditure is classified under the following categories;
  - **Compensation of Employees:** which is payments of salary and allowances for the benefit of the civil servants. This category remains the highest with **60%** of the total expenditure as per 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 **22%** 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; Puntland State, Jubbaland state, Southwest state, Galmudug State, Hirshabelle 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 **4%** 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 one 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 **68%** of the budgeted amount, indicating a short fall of **32%**.
- For the domestic revenues, the actual revenue collections exceeded the budget for Quarter one by **12%** largely as a result of the telecommunications spectrum fees, where **US\$ 7.5 m** was received during the period compared to an annual budget of **US\$ 2M**.
- External Grants on the other hand were significantly below budget by **88%** for the quarter because of delays in the disbursement of some of the expected external grants.



- The above graph compares the amounts of expenditure budgeted for spending during quarter one of the 2019 FY and actual expenditure was 56% against the budgeted amount during the reporting period.
- Actual expenditure was therefore 44% lower than the budgeted amount representing a significantly lower level of budget utilization during the first 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 March, 2019



Description	Budget / Estimate	For the Month of March, 2019	YTD Actuals	Variance
<b>Total Domestic Revenue</b>	<b>190,850,000</b>	<b>22,913,845</b>	<b>54,020,779</b>	<b>136,829,221</b>
Tax revenue	135,200,000	13,095,652	36,190,506	99,009,494
Non-tax revenue	55,650,000	9,818,193	17,830,273	37,819,727
<b>Total External Grants</b>	<b>153,349,036</b>	<b>3,328,553</b>	<b>4,487,279</b>	<b>148,861,757</b>
Current - Grants Bilateral	30,000,000			30,000,000
Current - Grants - Multilateral	123,349,036	3,328,553	4,487,279	118,861,757
<b>Total Revenue and Grants</b>	<b>344,199,036</b>	<b>26,242,398</b>	<b>58,508,058</b>	<b>285,690,977</b>
<b>Total Recurrent Expenditure</b>	<b>316,500,718</b>	<b>23,986,787</b>	<b>46,609,339</b>	<b>269,891,379</b>
Compensation of employees	162,774,877	14,472,700	29,200,920	133,573,957
Use of goods and services	115,302,959	7,288,277	10,521,945	104,781,014
Grants	37,056,032	2,225,810	6,847,614	30,208,418
Social benefits	352,680			352,680
Other expenses	1,014,170		38,860	975,310
<b>Total Capital Expenditure</b>	<b>27,698,319</b>	<b>1,378,954</b>	<b>1,722,302</b>	<b>25,976,016</b>
Consumption of fixed capital	27,698,319	1,378,954	1,722,302	25,976,016
<b>Total Expenditure</b>	<b>344,199,037</b>	<b>25,365,741</b>	<b>48,331,642</b>	<b>295,867,395</b>
<b>Financing Gap / Surplus (-) or (+)</b>	<b>-1</b>	<b>876,657</b>	<b>10,176,417</b>	<b>-10,176,418</b>



## Detailed Revenue



### Federal Government of Somalia

Revenue Performance Report as of March, 2019

	Description	Budget / Estimate	For the Month of March, 2019	YTD Actuals	Performance %
1111	<b>Payable by individuals</b>	6,400,000	740,277	1,862,123	29%
111101	<b>Wages and salaries (Public Sector Payees)</b>	3,900,000	429,783	965,549	25%
111102	<b>Wages and salaries (Private Sector Employees)</b>	2,500,000	310,493	896,574	36%
1112	<b>Payable by corporations</b>	2,200,000	41,038	137,301	6%
112101	<b>Corporate profit tax</b>	2,200,000	41,038	137,301	6%
1131	<b>Other taxes - on Income</b>	500,000	57,981	119,568	24%
113101	<b>Rental income</b>	500,000	57,981	119,568	24%
1141	<b>General taxes on goods and</b>	22,000,000	3,034,752	5,905,656	27%
114101	<b>Sales taxes - Hotels</b>	200,000	41,883	148,341	74%
114102	<b>Sales taxes - Telecommunications</b>	6,500,000	1,453,920	1,623,840	25%
114103	<b>Sales taxes - Electricity</b>	500,000			0%
114104	<b>Sales taxes - on imported goods</b>	13,000,000	1,466,137	3,961,445	30%
114105	<b>Sales taxes - Airline tickets</b>	1,800,000	72,812	172,030	10%
114201	<b>Excise Tax - Mineral Water and Beverages</b>				
1151	<b>Customs and other import duty</b>	85,000,000	7,191,940	22,168,153	26%

115101	<b>Custom taxes on petroleum</b>	928,681	2,356,172
115102	<b>Custom taxes on export goods</b>	95,879	199,883
115103	<b>Road vehicles (salon cars)</b>	739,844	2,086,730
115104	<b>Import tax on sugar</b>	469,380	3,255,967
115105	<b>Crude vegetable materials</b>		1,329
115106	<b>Import tax on tobacco and</b>	138,541	170,786
115108	<b>Flour</b>	294,563	796,432
115109	<b>Construction of electronic</b>	203,910	1,009,464
115110	<b>Cereal products, spaghetti etc</b>	468	468
115111	<b>Vegetable oils</b>	306,840	1,003,993
115112	<b>Soap and cleaning products</b>	225,234	690,770
115113	<b>Apparel, clothing, textile yarn</b>	443,556	1,195,022
115114	<b>Footwear</b>	1,185	1,185
115115	<b>Tea</b>	25,197	43,645
115116	<b>Vegetables and fruits</b>	3,840	7,368
115117	<b>Plastic materials</b>	38,168	93,942
115118	<b>Rubber tyers</b>	16,248	49,179
115119	<b>Poultry and edible offals</b>	34,194	70,033
115120	<b>Building materials</b>	380,235	1,076,748
115121	<b>Electronic materials</b>	441,428	1,274,230

115122	<b>Food items /rice, spaghetti. etc</b>		742,579	1,959,018	
115123	<b>Household materials</b>		346,729	933,175	
115124	<b>Cosmetics &amp; perfume</b>		25,384	87,327	
115125	<b>Others</b>		882,774	2,607,090	
115126	<b>Gold</b>				
115127	<b>Shoes</b>		149,035	378,881	
115128	<b>Beverages</b>		258,048	819,316	
1156	<b>Other taxes on int. trade and transactions</b>	12,000,000	1,062,856	3,145,761	26%
115601	<b>Import tax on Khat</b>	12,000,000	1,062,856	3,145,761	26%
1161	<b>Payable solely by business</b>	7,100,000	966,808	2,851,945	40%
116101	<b>Stamp duties of invoices and contracts (notary)</b>	2,600,000	171,055	476,189	18%
116102	<b>Road tax</b>	2,000,000	98,110	518,514	26%
116103	<b>Other stamp duty</b>	2,500,000	407,727	873,888	35%

116109	stamp duty on cutoms		289,916	983,353	
1311	<b>Current - Grants Bailateral</b>	30,000,000			0%
131101	<b>Current (Turkey)</b>	30,000,000			0%
131102	<b>Current (Saudi Arabia)</b>				
131103	<b>Current (Qatar)</b>				
131104	<b>Current (UAE)</b>				
1321	<b>Current - Grants - Multilateral</b>	123,349,036	3,328,553	4,487,279	4%
132101	<b>Current - World Bank - Multi-partner Trust Fund (SFF)</b>	6,557,675	155,881	155,881	2%
132102	<b>Current - World Bank - Capacity Injection Project</b>	7,638,433	68,466	411,214	5%
132103	<b>Current - World Bank - Public Financial management</b>	10,188,313	99,459	99,459	1%
132104	<b>Current - World Bank - ICT Sector Support</b>	2,500,000			0%
132105	<b>Current - World Bank - SCORE</b>	6,025,200	301,000	350,015	6%
132106	<b>Current - World Bank - RCRF - Budget support</b>	39,000,000	2,063,172	2,064,172	5%
132107	<b>Current - World Bank - SOPTAP (Petroleum)</b>	484,500		49,979	10%
132108	<b>Current - African Development Bank - Economic and Financial</b>	4,906,168			0%
132109	<b>Current - United Nations - Peace Building Fund (SFF)</b>	876,592	640,575	640,575	73%
132110	<b>Current - Urban Investment Planning Project (SUIIP)</b>	3,097,425			0%

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			0%
132115	Current - World Bank - SEAP	1,600,000			0%
1421	Administrative fees and charges	55,650,000	9,456,040	16,699,980	30%
142201	Administrative charges	2,200,000	173,922	520,745	24%
142202	Visa charges	4,800,000	1,046,982	2,266,059	47%
142203	Passports fees	5,200,000		68,021	1%
142204	Licence fees - Commerce and	650,000	79,200	227,655	35%
142205	Work permits and other fees	800,000	228,590	407,448	51%
142206	Harbour fees - Albayrak	22,000,000	2,645,723	5,404,644	25%
142207	Airport fees - Favori	2,000,000	281,624	305,409	15%
142208	Fisheries licence fees	4,000,000			0%
142210	Telecommunication Spectrum fees	2,000,000	5,000,000	7,500,000	375%
142211	Overflight fees	12,000,000			0%
1425	Harbour Fees		362,153	1,130,293	
142502	Customs Harbour fees		362,153	1,130,293	
<b>Grand Total</b>		<b>344,199,036</b>	<b>26,242,398</b>	<b>58,508,058</b>	

## Detailed Expenditure Report



### Federal Government of Somalia

Expenditures Report as of March, 2019

	Description	Budget / Estimate	For the Month of March, 2019	YTD Actuals	Variance
21	<b>Compensation of employees</b>	162,541,377	14,472,700	29,200,920	18%
2111	Wages and salaries in cash	42,637,422	3,809,819	9,874,221	23%
2112	Allowances	104,842,029	9,321,538	16,778,182	16%
2131	Other employee costs	13,312,048	1,341,343	2,159,047	16%
2151	Arrears on Salaries and	1,749,878		389,471	22%
22	<b>Use of goods and services</b>	115,536,459	7,288,277	10,521,945	9%
2211	Utilities	7,532,936	340,420	567,507	8%
2212	Rent	1,732,222	164,935	328,425	19%
2213	Fuel and lubricants	6,016,640	545,013	670,842	11%
2214	Repairs and maintenance	2,288,894	104,251	154,021	7%
2215	Office materials and other	4,167,076	197,279	320,107	8%
2216	Travel expenses	8,749,660	243,046	629,687	7%
2221	Education expenses	1,660,075	30,000	30,000	2%
2222	Training expenses	5,043,521	32,305	45,467	1%
2231	Consulting and professional fees	19,777,456	484,456	699,377	4%
2232	Audit fees	937,500		10,197	1%
2241	Bank commissions	3,571,660	434,409	1,071,260	30%
2243	Insurance charges/premium	5,500			0%
2251	Health and hygiene	1,195,000	82,917	82,917	7%
2253	Military materials, supplies and	694,818	186,000	186,000	27%
2255	Other specialized materials and	4,418,221	128,693	179,013	4%
2256	Special operational services	7,828,781	919,132	919,132	12%
2261	Other General Expenses	39,916,499	3,395,421	4,627,992	12%
23	<b>Consumption of fixed capital</b>	27,698,319	1,378,954	1,722,302	6%

2311	Buildings and structures				
2312	Machinery, furniture and	303,750			0%
2313	Information and Communication Technology (ICT)	4,728,000			0%
2314	Raasumaalka	22,666,569	1,378,954	1,722,302	8%
26	<b>Grants</b>	37,056,032	2,225,810	6,847,614	18%
2621	Current	692,030	12,500	379,735	55%
2631	Subventions to MDAs (Current)	36,364,002	2,213,310	6,467,880	18%
27	<b>Social benefits</b>	352,680			0%
2711	Faaidada Amniga Bulshadda	352,680			0%
28	<b>Other expenses</b>	1,014,170		38,860	4%
2821	Contigency Items - Operating & Capital Expenses	1,014,170		38,860	4%
31	<b>Assets</b>		905,011	1,388,233	#NUM!
3151	Advances		905,011	1,388,233	
<b>Grand Total</b>		<b>344,199,037</b>	<b>26,270,752</b>	<b>49,719,874</b>	<b>14%</b>

Detail MDA Expenditure



**Federal Government of Somalia**

Expenditures Report as of March, 2019

	Description	Budget / Estimate	For the Month of March, 2019	YTD Actuals	Variance
1	<b>Administration &amp; General</b>	177,759,441	11,804,392	26,784,798	15%
10101	Office of the Presidency	5,838,587	480,766	1,172,416	20%
10201	Office of the Parliament	5,515,621	1,005,742	1,501,084	27%
10202	Members of Parliament (Allowance)	14,579,912	1,262,300	3,518,100	24%
10203	Members of Parliament (Allowance) Senate	4,113,520	348,965	868,825	21%
10301	Office of the Prime Minister	6,673,630	565,045	1,157,317	17%
10401	Ministry of Foreign Affairs	2,898,863	206,885	464,460	16%
10402	Embassies	5,378,561	590,530	664,576	12%
10501	Ministry of Finance	8,772,310	767,451	1,902,278	22%
10502	Accountant General	1,594,345	114,260	354,085	22%
10503	General Activities for the Government	38,539,061	2,796,384	8,207,289	21%
10504	Directorate of Financial Reporting Center	660,000	112,742	155,113	24%
10601	Ministry of Planning	2,675,291	235,904	418,400	16%
10701	Ministry of Interior and Federal Affairs	11,940,116	675,140	1,330,483	11%
10702	Somali Refugee and IDPs Commission	565,964	51,379	123,376	22%
10801	Ministry of Religious Affairs	1,661,000	98,575	227,625	14%
10901	Ministry of Justice and Endowment	718,088	57,082	132,147	18%
10902	Custodian Corps	6,737,224		459,470	7%
11001	Supreme Court	958,424	59,197	130,286	14%
11002	Banadir Court	1,499,432	114,566	326,208	22%
11003	Appeal Court	270,284	18,542	49,026	18%
11005	Judiciary Service Committee	183,112	3,776	11,328	6%
11101	Attorney General	1,081,488	94,775	216,333	20%
11201	Solicitor General	524,844	60,432	110,681	21%
11301	Auditor General	1,786,104	216,652	406,746	23%
11401	Ministry of Humanitarian Affairs and Disaster Management	1,200,856	115,305	222,153	18%



11501	Ministry of Constitution	1,927,848	31,254	70,632	4%
11601	Boundaries and Federation Commission	644,928	82,624	134,712	21%
11602	National Reconciliation Commission	501,132	65,761	108,783	22%
11603	National Independent Electoral Commission	3,000,000	201,132	302,521	10%
11604	Human Rights Commission	100,000			0%
11605	Indep. Constitution Review and Imp. Commission	686,816	91,718	146,754	21%
11606	National Civil Service Commission	1,292,579	141,379	257,723	20%
11607	The Independent Commission for Combating Corruption	100,000			0%
70201	Capacity Injection Project	7,638,433	228,923	266,664	3%
70202	Special Financing Facility (SFF)	7,434,268	459,489	505,734	7%
70203	Public Finance Management (PFM)	10,188,313	46,323	46,323	0%
70204	Economic and Financial Governance (EFGP)	4,906,168	40,584	203,097	4%
70205	Recurrent Costs & Reform Financing Project (RCRF)	2,150,000	138,782	190,854	9%
70206	Somali Core Economic Institutions and Opp. Prg (SCORE)	6,025,200	66,601	144,386	2%
70207	Support to Stabilization (S2S) Project	1,699,694	67,582	186,964	11%
70208	Somali Urban Investment Planning Project	3,097,425	89,845	89,845	3%
<b>2</b>	<b>Security Services</b>	<b>110,900,793</b>	<b>10,265,273</b>	<b>14,689,852</b>	<b>13%</b>
20101	Ministry of Defence	2,736,491	207,442	311,906	11%
20102	Armed Forces	62,223,395	5,730,332	7,746,982	12%
20103	Military Court	1,456,000	198,383	301,383	21%
20104	Disabled and Orphans Organization	115,000	10,000	15,000	13%
20201	Ministry of National Security	2,007,452	160,721	288,863	14%
20202	Police Force	25,789,856	2,454,234	3,689,054	14%
20203	National Security Force	12,505,680	857,371	1,314,704	11%
20204	Immigration Department	4,066,920	646,790	1,021,960	25%
<b>3</b>	<b>Economic Services</b>	<b>29,022,606</b>	<b>2,326,787</b>	<b>4,830,807</b>	<b>17%</b>
30101	Ministry of Water and Energy	1,304,927	87,329	238,791	18%
30201	Ministry of Mineral	970,832	139,722	209,583	22%
30301	Ministry of Agriculture	1,558,891	87,158	228,739	15%
30401	Ministry of Livestock and Forestry	1,018,348	93,949	219,537	22%
30501	Ministry of Fishery and Marine Resource	1,514,776	167,329	326,588	22%
30502	Somali Marine Research	508,164	59,725	114,519	23%

30503	Offshore and Fisheries Development Project	105,976	8,496	12,744	12%
30601	Ministry of Information	4,964,846	507,566	1,152,936	23%
30701	Ministry of Post and Telecommunication	1,698,426	114,985	294,618	17%
30702	National Communication Agency	2,088,000	76,144	125,244	6%
30801	Ministry of Public Work & Reconstruction	1,156,072	98,856	244,413	21%
30901	Ministry of Transport and Aviation	1,907,440	233,670	405,430	21%
30902	Civil Aviation and Meteo-Authority	1,222,196	59,128	163,424	13%
31001	Ministry of Transport and Ports	1,232,608	100,285	269,883	22%
31002	Hamar Port	1,021,300	152,800	229,200	22%
31101	Ministry of Industry & Commerce	2,165,304	259,064	511,578	24%
70209	Somali Petroleum Technical Assistance Project (SOPTAP)	484,500			0%
70210	ICT Sector Support	2,500,000	80,581	83,581	3%
70211	Water and Energy Project	1,600,000			0%
<b>4</b>	<b>Social Services</b>	<b>26,516,196</b>	<b>1,874,300</b>	<b>3,414,417</b>	<b>13%</b>
40101	Ministry of Health	7,260,440	114,683	297,999	4%
40201	Ministry of Education and Higher Education	10,363,861	847,470	1,399,642	14%
40202	Somali National University	3,401,716	525,164	847,439	25%
40203	Somali Academy of Sciences and Arts	995,451	82,603	136,244	14%
40204	Intergovernmental Ackademy of Somali Language	1,324,260	35,000	48,700	4%
40301	Ministry of Labor and Social Affairs	1,499,360	132,821	336,551	22%
40401	Ministry of Youth and Sport	639,424	60,252	144,156	23%
40501	Ministry of Women and Human Rights Dev.	931,684	76,307	203,686	22%
40502	Somali Disable Agency	100,000			0%
<b>Grand Total</b>		<b>344,199,037</b>	<b>26,270,752</b>	<b>49,719,874</b>	<b>14%</b>



