



Galmudug State of Somalia
Office of The Auditor General

**ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES
FOR THE YEAR ENDED 31 DECEMBER 2024**

Office of the Auditor General

Galmudug State of Somalia

Annual Audit Report for the

Financial Year 2024

Presented to Parliament on 27th August 2025

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

Message of the Auditor General

I am honored to present the Annual Audit Report on the Consolidated Financial Statements of the Galmudug State of Somalia (GSS) for the financial year ended 31 December 2024.

This report is respectfully submitted to Parliament in fulfilment of my constitutional and statutory mandate. It sets out the significant issues arising from the audit, presented in accordance with established reporting requirements, for the consideration of Parliament.

The main objectives of this report are to:

- Draw the attention of Parliament, Government, and other key decision-makers to significant matters arising from the discharge of the Auditor General's oversight mandate.
- Present observations and insights on consolidated financial management, reporting, governance, and administrative issues.
- Establish and maintain an authoritative record of significant matters and audit findings for future reference.

While I note with appreciation that progress has been made in addressing some issues raised in previous audit cycles, systemic weaknesses in financial management and internal control continue to pose significant risks. The audit for the year under review resulted in a Qualified Audit Opinion, reflecting material deficiencies in financial reporting, compliance with the Public Financial Management Act 2018, and the safeguarding of public resources. Addressing these weaknesses is vital to building a culture of accountability, transparency, and fiscal discipline.

I strongly urge the Parliament of GSS to hold public hearings on the findings of this report. Such deliberations will not only enhance accountability but also contribute to strengthening public confidence in state institutions and improving service delivery to citizens.

I wish to record my deep appreciation to the staff of the Office of the Auditor General for their professionalism, dedication, and resilience in carrying out their responsibilities under challenging

**ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES
FOR THE YEAR ENDED 31 DECEMBER 2024**

circumstances. I am equally grateful to our development partners for their continued support in building the institutional capacity of this office.

Together, through commitment to reform and adherence to the rule of law, we can safeguard public resources, restore trust in public institutions, and advance the financial sustainability of the Galmudug State of Somalia.

Hashi Osman Mohamed

Auditor General

Galmudug State of Somalia



ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

1. Executive Summary

The audit of the financial statements of the Galmudug State of Somalia (GSS) for the year ended 31 December 2024 was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and the Public Financial Management Act, 2018. Based on the audit findings, the Office of the Auditor General issued a Qualified Audit Opinion.

The opinion reflects significant weaknesses in financial management, compliance, and internal controls. Revenue management was undermined by the non-collection of budgeted sources amounting to USD 296,936, unsupported revenues of USD 1,617,603, lack of reconciliations between receipts and banking systems, incomplete tax documentation, reliance on manual processes, and omission of the statutory contingency provision. Expenditure controls were inadequate, with USD 343,205 misclassified and USD 1,355,236 processed without supporting documentation. Payroll management remained weak, as only civil servants were recorded individually in the Bisan system while other categories were entered as lump sums, reconciliations were conducted manually without documentation, and unexplained payroll variances of USD 11,624 persisted. Procurement practices failed to comply with regulations, with payments of USD 235,726 made without competitive bidding, USD 925,664 awarded through unjustified sole-sourcing, and incomplete procurement records. Transfers of USD 337,046 to local governments were made without accountability reports. Debt management was poor, with USD 111,000 borrowed without parliamentary approval, statutory debt reports and budget annexes omitted, loan agreements unsigned, and no debt management strategy in place. Asset management controls were also absent, with no centralized register, no tagging or verification, irregular disposals, and capital assets worth USD 3.6 million unrecorded.

Only two of six prior-year recommendations were implemented, leaving unresolved issues in revenue documentation, procurement, expenditure classification, and asset management. The Qualified Audit Opinion underscores that Galmudug State continues to face systemic weaknesses, poor compliance, and weak internal controls that expose public resources to misuse and inefficiency. To safeguard state resources and strengthen fiscal discipline, urgent reforms are

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

needed. The Office of the Auditor General recommends strict adherence to the PFM Act, full implementation of audit recommendations, modernization of financial systems, and stronger accountability mechanisms to restore transparency and public trust in the management of public finances.

2. Introduction

This Report has been prepared in accordance with Section 32(3) of the PFM Act 2017 and Sections 30, 32, and 33 of the Audit Act 2018. Throughout the audit process, the Office of the Auditor General (OAG) engaged with the Ministry of Finance, which holds the responsibility for the preparation of the financial statements. These interactions provided the audited entity with an opportunity to clarify issues raised and to take corrective actions where possible.

The audit findings presented in this Report are those that remained unresolved during the audit of accounts for the financial year ended 31st December 2024, as well as outstanding matters previously communicated in the Management Letter. In addition, the Report sets out audit recommendations designed to address the deficiencies observed and to strengthen financial management and accountability.

The Office of the Auditor General (OAG) is the Supreme Audit Institution (SAI) of the Galmudug State of Somalia (GSS). It is established as an independent guardian of the public purse and the State's economic security, as provided under Article 67 of the Galmudug Constitution and Section 7 of the Audit Act, 2018.

In line with Article 32(3) of the PFM Act, 2017 and Section 6(3) of the Audit Act, 2018, the Auditor General is mandated to audit and report on the public accounts of GSS. Pursuant to this mandate, the audit of the Consolidated Financial Statements of GSS for the year ended 31 December 2024 was conducted to enable reporting to Parliament.

Section 28 of the Audit Act, 2018 further sets out the responsibilities of the Auditor General to determine whether:

- a) The accounting records have been faithfully and properly maintained.

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

- b) The rules, procedures, and internal controls are adequate to ensure effective control over the assessment, collection, and proper allocation of revenues.
- c) All expenditures charged to an appropriation account have been applied for the purposes intended by the State Assembly, with due regard to effective internal controls.
- d) Internal controls, rules, and procedures established and applied are sufficient to safeguard public stores and other assets.

In addition, Section 30 of the Audit Act, 2018 requires the Auditor General's report to include:

- An opinion on the truth and fairness of the consolidated and separate public accounts.
- Significant audit findings and recommendations.
- Deficiencies identified in the internal control systems.
- Details of essential records that have not been properly maintained.
- Any expenditures incurred without due regard to economy or efficiency.

Furthermore, Section 28(1) of the Audit Act, 2018 assigns the OAG the responsibility of auditing the accounts of all public bodies within GSS. In accordance with Section 32(3) of the PFM Act, 2017 and Section 30(4) of the Audit Act, 2018, the Auditor General is required to submit the Annual Audit Report to Parliament within four months of receiving the Financial Statements from the Minister of Finance. As stipulated under Section 33(1) of the Audit Act, 2018, the Speaker must table all audit reports before the State Assembly within five working days of receipt.

The independence of the Auditor General is a cornerstone of a well-functioning Supreme Audit Institution operating in line with the International Standards of Supreme Audit Institutions (ISSAIs). Article 67 of the Galmudug Constitution establishes the OAG as an independent institution mandated to serve as the external auditor of the State. Section 7(1) of the Audit Act, 2018, further reinforces this independence by safeguarding the Auditor General's autonomy in the execution of his responsibilities.

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

The core role of the OAG is to promote transparency and accountability by ensuring that public funds are utilized lawfully, efficiently, and effectively. The OAG examines whether public resources have been applied for their intended purposes, whether internal controls are effective, and whether financial transactions are properly documented.

Constraints

1. Staffing

While the staffing levels of the Office have improved over the years, they remain insufficient to match the increasing number of audit activities undertaken across the State.

II. Parliament

- Parliament has not yet conducted hearings on any of our audit reports, nor has it systematically followed up on the recommendations provided for action and implementation.
- Delays in translating our reports have also affected the timely submission of reports to Parliament.

III. Transportation

Most audit activities are carried out outside the Office, requiring reliable transportation to facilitate staff movement to workstations across all districts of the State.

3. Audit Opinion

Based on the audit of the 2024 financial statements, a **qualified opinion** has been issued. The financial statements generally present a fair view of the financial position of Galmudug State. However, the following significant matters undermine their full reliability:

- **Unsupported revenue** totaling USD 1,617,603 was recorded without official receipts or merchant transaction reports, in violation of Section 8(2) of the PFM Act, which requires proper classification and documentation of revenues.

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

- **Payments worth USD 1,355,236** were processed without invoices, procurement records, or other supporting documents, also breaching Section 8(2) of the PFM Act.
- **Expenditures totaling USD 343,205** were misclassified under unrelated budget heads, reducing the accuracy of financial reporting and violating the budget classification provisions in the PFM Act.
- **Unbudgeted borrowing of USD 111,000** was undertaken by the State without prior parliamentary approval, contrary to Section 38(1) of the PFM Act, which requires that all borrowing be authorized by Parliament.
- **Procurement irregularities** totaling USD 1,161,390 were identified, including contracts awarded without competitive bidding or sole-sourcing justification. This violates both the Procurement Manual and the requirements of Section 3.5.1 of Regulation 8 under the PFM Act.
- **Capital assets worth USD 3.6 million** were not recorded in a centralized asset register, and no physical verification or asset tagging was performed, in breach of asset management obligations outlined in Regulation 9 of the PFM Act.

4. Summary of Key Findings

4.1 Revenue Collection

The audit noted that several budgeted revenue streams such as khat taxes and public notary fees were not collected, leading to a shortfall of USD 296,936. Moreover, revenue collections processed through merchant accounts could not be traced to official reports or receipts. The absence of documentation raises concerns about the completeness and traceability of public funds, as required by Section 8(2) of the PFM Act.

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

4.2 Public Expenditure

Payments totaling USD 343,205 were charged to incorrect budget lines, violating the budget structure provisions. Additionally, USD 1.35 million in payments lacked supporting documentation. This undermines accountability and increases the risk of fraud.

4.3 Payroll and FMIS

The Bisan Financial Management Information System did not record individual-level salary details for non-civil servant employees, reducing payroll transparency. Manual reconciliations were conducted but not documented. A payroll variance of USD 11,624 was also noted without explanation.

4.4 Procurement Management

Procurement procedures were not followed in many cases. Goods and services worth USD 235,726 were procured without open tendering, and an additional USD 925,664 was awarded through repeated contract amendments or sole-sourcing without justification. This contravenes the procurement rules outlined in the PFM Act and the Procurement Manual.

4.5 Intergovernmental Transfers

Transfers amounting to USD 337,046 were made to local governments without submission of expenditure reports or documentation, violating transparency expectations under the PFM Act.

4.6 Borrowing and Debt

Borrowing of USD 111,000 was not included in the approved budget, as required under Section 38(1) of the PFM Act. Furthermore, the Ministry of Finance failed to prepare and submit the biannual debt reports as required by Section 42(3). A public debt annex was also missing from the proposed budget, contrary to Section 36(1) of the same Act.

4.7 Asset Management

ANNUAL REPORT OF THE AUDITOR GENERAL OF GSS STATE FINANCES FOR THE YEAR ENDED 31 DECEMBER 2024

The Ministry of Finance has not established a centralized fixed asset register as required under Regulation 9, Section 3.3 of the PFM Act. No tagging or verification of assets has taken place, and disposals are conducted without any policy framework or documentation.

4.8 Implementation of Prior Year Recommendations

Only two of the six recommendations from the previous audit were implemented. Key issues such as unsupported revenue, procurement deficiencies, misclassification of expenses, and asset management weaknesses remain unresolved.

5. Conclusion

The audit of the financial statements for the year ended 31 December 2024 reveals serious challenges in the financial management systems of Galmudug State. There is widespread non-compliance with key provisions of the Public Financial Management Act, 2018 and the Audit Act, 2018. The continued failure to address core issues such as documentation, procurement compliance, and asset management undermines transparency and fiscal discipline.

The OAG calls on the Ministry of Finance and all government institutions to fully implement the audit recommendations, strengthen internal controls, and comply with statutory requirements in order to restore public confidence and ensure prudent management of public resources.

6. Appreciation

The Office of the Auditor General appreciates the cooperation of the Ministry of Finance and staff in the audited entities throughout the audit process. Special thanks go to the audit teams whose dedication and professionalism have enabled the successful completion of this report. Their commitment continues to support our constitutional mandate, as outlined in Article 67 of the Galmudug State Constitution, to ensure public funds are managed with transparency, integrity, and accountability.



Final Management Letter

For the Year Ended 31st December 2024

Galmudug State of Somalia

Prepared by:

Office of the Auditor General

Galmudug State of Somalia

August 18, 2025

Table of Contents

.1	EXECUTIVE SUMMARY	4
.2	INTRODUCTION.....	7
.2.1	Scope.....	8
.2.2	Objectives.....	8
.2.3	Audit Approach	8
.2.4	Appreciation	9
.3	Detailed Audit Findings.....	10
.3.1	Cash and Bank.....	10
.3.2	Revenue	11
.3.3	Payment.....	15
.3.4	Payroll and Bisan System	17
.3.5	Procurement	20
.3.6	Intergovernmental Transfers	23
.3.7	Loan borrowing.....	24
.3.8	Assets	29
.4	Follow up of Prior Year Audit Recommendations	33
.5	Appendices.....	37
.5.1	Appendix 1: Misclassification payments	37
.5.2	Appendix 2: Inadequately Supported Payments	41
.5.3	Appendix 3: Non-Procurement	49

ABBREVIATIONS

Acronym	Full Description
CPO	Commitment Payment Order
CSC	Civil Service Commission
DG	Director General
FMIS	Financial Management Information System
FY	Financial Year
GSS	Galmudug State of Somalia
ID	Identity
ICT	Information Computer Technology
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
MOF	Ministry of Finance
NGO	Non-governmental Organization
OAG	Office of the Auditor General
PFM	Public Financial Management
PREMIS	Public Resource Management in Somalia
RMS	Revenue Management System
TSA	Treasury Single Account
TD	Treasury Director
UNDP	United Nations Development Program
USD	United States Dollar

.1 EXECUTIVE SUMMARY

This Management Letter presents the key findings arising from the audit of the financial statements of the Galmudug State of Somalia (GSS) for the financial year ended 31st December 2024. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and the Public Financial Management Act, 2018, with the primary objective of evaluating the accuracy and reliability of financial reporting, assessing compliance with applicable legal and regulatory frameworks, and determining the effectiveness of internal controls.

The audit identified several areas of concern that compromise the integrity of GSS's financial management. In cash and bank management, bank reconciliations were performed on a monthly basis rather than daily or weekly as required by law, which reduces the government's ability to detect and address discrepancies promptly. In revenue management, key budgeted revenue streams such as khat tax, public notary fees, and court fines were not collected, resulting in a shortfall of USD 296,936 approximately. Revenues amounting to USD 1,617,603 lacked supporting receipts or merchant reports, and no reconciliations were carried out between receipts, the cashbook, amounts banked, the Revenue Management System, and the Financial Management Information System. Tax collection receipts often omitted the tax base and applicable rates, and in some cases collection rates varied without documentation. Revenue collection remains a largely manual process with no automation or real-time monitoring, and the approved 2024 budget did not include the statutory contingency provision of at least five percent of annual revenues as required by Section 14 of the PFM Act.

Expenditure management controls were also found to be inadequate. Payments amounting to USD 343,205 were charged to incorrect budget heads, while payments totaling USD 1,355,236 were processed without adequate supporting documentation. In payroll management, the Bisan FMIS records payroll data at individual level only for civil servants, while other categories such as teachers, health workers, temporary staff, legislators, political appointees, contracted staff, and security personnel are recorded as lump sum entries without individual breakdowns. Payroll reconciliations are carried out manually outside the system without documentation, and unexplained payroll variances of USD 11,624 were identified across civil servant, teacher, and health worker salaries.

Procurement practices were also deficient. Payments amounting to USD 235,726.40 were made without following competitive bidding procedures as required by law, and USD 925,664 was spent through repeated sole-sourcing and contract amendments without justification. Procurement files lacked key records such as bid evaluations, signed contracts, and approval documents. Intergovernmental transfers totaling USD 337,046 were made to local governments without expenditure reports or supporting documentation.

In debt management, domestic borrowing amounting to USD 111,000 was undertaken without parliamentary approval, in contravention of the PFM Act. Statutory debt reports were not prepared, the public debt annex was omitted from the proposed budget, and loan agreements lacked the Minister of Finance's signature. No public debt management strategy exists to guide sustainable borrowing.

Asset management continues to present serious control deficiencies. The Ministry of Finance has not established a centralized fixed asset register to consolidate and track government-owned property. No annual physical verification exercises are conducted, and assets remain untagged, making it difficult to confirm their existence, location, or custodianship. Asset disposals have taken place without following formal procedures, obtaining required approvals, or maintaining adequate supporting documentation. In addition, capital expenditures amounting to USD 3.6 million were neither recorded in any asset register nor subjected to verification, indicating a lack of integration between procurement and asset management functions. Urgent action is required to establish a complete and up-to-date asset register, implement systematic physical verification and tagging processes, and develop formal disposal procedures to ensure transparency, accountability, and proper safeguarding of public assets.

A follow-up on prior year's audit recommendations showed that only two of the six recommendations were fully implemented, with unresolved issues in revenue documentation, procurement compliance, expenditure classification, and asset management persisting.

In conclusion, the audit revealed systemic weaknesses, legal non-compliance, and poor documentation practices that expose public resources to significant risk and undermine transparency and accountability. The Office of the Auditor General recommends urgent corrective measures, including strict adherence to the PFM Act 2018, strengthening of internal control systems across all financial management areas, full operationalization and upgrading of the Bisan

FMIS, and enforcement of accountability mechanisms to ensure timely and effective implementation of audit recommendations. Restoring public trust, safeguarding state resources, and ensuring fiscal sustainability in Galmudug State will require sustained commitment to these reforms.

.2 INTRODUCTION

Galmudug State of Somalia (GSS) is one of the Federal Member States of the Federal Republic of Somalia, with its capital located in Dhusamareb. As part of Somalia's federal governance system, GSS exercises autonomy in managing its internal affairs, including public financial management and service delivery within its jurisdiction.

To finance its operations, GSS relies on multiple sources of funding. These include internally generated domestic revenues, domestic borrowing, and external funds in the form of grants from the Federal Government of Somalia (FGS) and development partners. The total revenue for the fiscal year ended 31st December 2024 was \$27,362,926, derived as follows:

Revenue Source	Amount (USD)
Domestic Revenue	\$10,400,623
Domestic Borrowing	\$111,000
External Funds (Grants)	\$16,851,303
Total Revenue	\$27,362,926

The major areas of expenditure for GSS in 2024 were as follows:

- **Use of Goods and Services:** \$12,608,007 (46% of total expenditure)
- **Compensation of Employees:** \$10,487,807 (38%)
- **Capital Expenditure (Non-Financial Assets):** \$3,609,655 (13%)

The Ministry of Finance (MOF) is responsible for ensuring the maintenance of effective internal control systems, adherence to applicable laws and regulations, and the preparation of financial statements in accordance with the International Public Sector Accounting Standard (IPSAS) – Cash Basis (2017) and Section 30 of the Public Financial Management (PFM) Act, 2018.

In line with Section 32(1) of the PFM Act 2018, the MOF is required to prepare and submit annual financial statements to the Office of the Auditor General (OAG) within four months after the end of the financial year. Thereafter, in accordance with Section 32(3) of the same Act, the Auditor

General is mandated to audit the statements and submit an audit report to the Parliament within four months of receiving the draft statements.

.2.1 Scope

This audit covered the financial statements of the Galmudug State of Somalia for the period 1st January 2024 to 31st December 2024, encompassing all ministries, departments, and agencies (MDAs) under the jurisdiction of GSS.

.2.2 Objectives

The overall objective of the audit was to determine whether the financial statements of the Galmudug State of Somalia are free from material misstatement whether arising from fraud or error and whether they have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS): Financial Reporting under the Cash Basis of Accounting.

The other objectives of the audit were to assess whether:

- Accounting records have been faithfully and properly maintained.
- Rules, procedures, and internal controls are adequate to ensure effective control over the assessment, collection, and proper allocation of revenues.
- All expenditures charged to appropriation accounts have been applied for the purposes intended by Parliament, with due regard to the need for effective internal controls; and
- The internal control systems, rules, and procedures in place are sufficient to safeguard the assets of the Galmudug State of Somalia.

.2.3 Audit Approach

The audit was conducted in accordance with the Fundamental Auditing Principles set out in the International Standards of Supreme Audit Institutions. These standards require auditors to adhere to ethical principles and to plan and execute the audit in a manner that provides reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error.

To achieve this, the audit team undertook the following procedures:

- Held discussions with key personnel within Ministry of Finance of Galmudug State Government.

- Reviewed relevant documentation, including financial records, policies, and procedures.
- Evaluated and tested key internal controls; and
- Conducted substantive testing of financial transactions on a sample basis.

The detailed audit findings arising from this engagement are presented in the subsequent sections of this report. Each finding has been categorized and prioritized according to the following risk rating criteria:

Risk Rating	Description
High	Matters that may pose a significant financial or operational risk to the entity and/or could result in a modified or qualified audit opinion if not addressed urgently.
Medium	Systemic issues that represent moderate risk and should be addressed as a high priority within the current financial year.
Low	Isolated or procedural matters that reflect minor control weaknesses or administrative shortcomings but still warrant attention to improve the control environment.

.2.4 Appreciation

We would like to express our sincere appreciation to the staff of the Galmudug State of Somalia, particularly those in the Ministry of Finance, for their cooperation, support, and professionalism throughout the course of this audit. Their responsiveness to our requests for information and documentation greatly facilitated the efficient completion of the audit.

The collaborative spirit and openness demonstrated by all stakeholders contributed significantly to the quality and timeliness of our work. We look forward to continued engagement in strengthening public financial management and promoting transparency and accountability in the State's financial operations.

.3 Detailed Audit Findings

This section presents the detailed audit findings arising from our review of key financial management areas within Galmudug State institutions. The focus areas include payments, procurement, payroll, assets, cash and bank, and revenue. These areas were selected based on their material significance and risk to the integrity of public financial management. The objective was to assess compliance with applicable laws and regulations, evaluate the adequacy of internal controls, and identify any weaknesses or irregularities that may compromise accountability and transparency. The findings outlined below highlight gaps observed and provide a basis for targeted recommendations to strengthen financial governance.

.3.1 Cash and Bank

No	Findings & Observations	Risks	Recommendation	Management Comments
3.1.1	Non-Adherence to Required Frequency of Bank Reconciliations: During the audit, we noted that the Treasury Department performs bank reconciliations for the Treasury Single Account (TSA) and other GSS accounts on a monthly basis. This practice does not comply with Article 3.1 of Regulation 5 of the PFM Act 2018, which requires that all bank accounts be reconciled, preferably daily or at a minimum weekly within two days after the end of the week.	Delayed bank reconciliations can result in the untimely detection of errors, irregularities, or fraudulent transactions, leading to potential financial losses, misstated cash balances, and inaccurate financial reporting.	The Treasury Department should ensure that all government bank accounts, including the Treasury Single Account (TSA), are reconciled preferably on a daily basis, or at a minimum, weekly within two days after the end of the week, in accordance with Article 3.1 of Regulation 5 of the Public Financial Management (PFM) Act, 2018. Timely reconciliations will enhance the accuracy of financial records, strengthen internal controls, and reduce the risk of errors, fraud, and financial misstatements.	We do reconciliation weekly base but since the accounts to reconciliated are huge it cannot print weekly, and we print at a monthly base. Responsible Officer: Director of Treasury Operations Implementation Date: September 2025 Audit Comments: We acknowledge your explanation; however, during the audit we did not find evidence of weekly reconciliations being prepared or maintained. The available records indicated only monthly printouts, which does not demonstrate compliance with the weekly reconciliation requirement.”

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.3.2 Revenue

No	Findings & Observations	Risks	Recommendation	Management Comments
3.2.1	Non-collection of previously active revenue streams: The audit noted that key domestic revenue streams, namely Khat taxes, Public Notary fees, and Court fines, were not collected at all during the 2024 financial year. This is despite the fact that these revenue lines were active in the previous year and collectively generated a total of \$296,936 in 2023. Furthermore, these revenue items were explicitly included in the approved 2024 annual revenue budget, indicating the government's continued intention to mobilize funds from these sources. However, as at the time of the audit, no collections had been made, and there were no adequate explanations or documentation justifying the discontinuation or suspension of these streams. Interviews with revenue officers and departmental heads suggested gaps in enforcement, lack of coordination among responsible departments, and weak oversight on revenue performance monitoring. The failure to collect from known and historically productive revenue sources represents	The failure to collect from previously active revenue streams such as Khat taxes, Public Notary fees, and Court fines results in significant shortfalls against budgeted targets, affecting the government's ability to finance planned programs and services.	The Ministry of Finance, in collaboration with relevant revenue collection departments, should take immediate steps to reactivate and enforce the collection of all budgeted and previously active revenue streams, including Khat taxes, Public Notary fees, and Court fines, in accordance with the approved revenue framework.	Agree: Please note that certain MDAs, such as the Ministry of Transportation, generate revenue related to logbook issuance, Urban Road users' taxes (trimestral), and plate number registration. These revenues are remitted directly to the TSA. However, the collection receipts from these MDAs are not reconciled or shared with records from the MoF, resulting not to find support documents. Responsible Officer: Revenue Director Implementation Date: September 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	a significant deviation from the revenue budget and undermines the credibility of the public financial management system.			
3.2.2	Lack of Traceability of Revenues Collected Through the Merchant Account: The audit noted that revenue collections made through the merchant account could not be traced with supporting documentation or system-generated reports. Although daily deposits from the merchant account into the Treasury Single Account (TSA) were recorded in the bank statements, there was no corresponding documentation from the merchant platform such as transaction summaries, system logs, or reconciliation reports to verify the exact amounts collected and deposited for various revenue streams.	Without supporting documentation from the merchant platform, funds collected may be diverted or underreported without detection.	The Ministry of Finance should ensure that daily merchant transaction reports are consistently generated, securely archived, and attached to each corresponding revenue collection summary. No revenue entry should be accepted or processed without a supporting merchant report that clearly details the amounts collected per revenue stream and transaction date.	We acknowledge the audit observation and concur with the recommendation. The Ministry of Finance will liaise with the merchant service provider to ensure that daily transaction reports and reconciliations are systematically generated and attached to revenue summaries before processing. Controls will be enhanced to prevent revenue entries without supporting reports. Responsible Officer: Revenue Director Implementation Date: September 2025 Audit Comments:
3.2.3	Unsupported Revenue Collections – Absence of Receipts and Merchant Reports: The audit identified that revenue totaling USD 1,617,603 was collected and recorded during the period under review, yet no official receipts or merchant platform reports were available to support these transactions. These funds were deposited into the Treasury Single Account (TSA), but in the absence of proper documentation, the	Without official receipts or merchant reports, it is impossible to confirm whether the full amount collected was deposited into the Treasury, increasing the likelihood of fraud or theft.	The Ministry of Finance should immediately enforce strict documentation controls to ensure that all revenue collections are supported by official government receipts and merchant transaction reports before being recorded or	The Ministry of Finance will put in place stricter documentation and reconciliation controls to ensure that all revenue collections are supported by official receipts and merchant transaction reports prior to recording. Immediate measures will be undertaken to strengthen compliance Responsible Officer: Revenue Director

No	Findings & Observations	Risks	Recommendation	Management Comments
	collections are considered unsupported and unverifiable.		deposited into the Treasury Single Account (TSA).	Implementation Date: September 2025 Audit Comments:
3.2.4	Absence of Reconciliation Between Revenue Records, Banking, and Financial Systems: The Galmudug State Government (GSS) does not perform reconciliations between revenue recorded in receipts, the cash book, and the amounts banked. Furthermore, no reconciliations are carried out between revenue data in the Revenue Management System (RMS) and the Financial Management Information System (FMIS). In addition, donor and Federal Government of Somalia (FGS) income is not reconciled, and monthly reconciliation processes are absent.	The absence of regular reconciliations between revenue records, banking, and financial systems increases the risk of revenue loss or misappropriation going undetected, leading to inaccurate financial reporting and weakened public financial accountability.	GSS should establish and implement a monthly reconciliation process covering receipts, cash book, amounts banked, donor/FGS income, and revenue data in RMS and FMIS, with each reconciliation reviewed and approved by an independent officer to ensure accuracy, completeness, and strengthened internal controls.	The Ministry of Finance will institute a monthly reconciliation framework covering receipts, banking records, RMS, FMIS, and donor/FGS income. These reconciliations will be documented, reviewed, and approved by an independent officer to strengthen internal controls and improve financial accountability. Responsible Officer: Revenue Director Implementation Date: September 2025
3.2.5	Incomplete and Inconsistent Tax Collection Receipts: Tax collection receipts issued by the Galmudug State Government (GSS) do not consistently capture key information, including the tax base and applicable collection rate. In several cases,	Absence of complete and consistent information in tax collection receipts increases the risk of revenue loss through errors, miscalculations, or intentional manipulation. It also	The Galmudug State Government (GSS) should enforce the use of standardized tax collection receipts that require mandatory entry of key information, including the tax base,	The Ministry of Finance will strengthen receipt management controls by introducing standardized tax collection receipts with mandatory fields for tax base, collection rate, and approvals for any deviations. Supervisory spot checks

No	Findings & Observations	Risks	Recommendation	Management Comments
	different rates of collection were applied without proper documentation in the receipts, making it difficult to verify the accuracy and basis of the amounts collected.	undermines transparency and accountability, limits the ability to perform effective audit verification, and may facilitate fraud or unauthorized application of tax rates.	applicable collection rate, and any variations from standard rates. All deviations from approved rates should be supported by proper authorization and documentation. In addition, periodic supervisory reviews should be conducted to ensure compliance with receipt documentation requirements and to detect inconsistencies promptly.	and periodic reviews will be conducted to ensure compliance and accuracy. Responsible Officer: Revenue Director Implementation Date: September 2025
3.2.6	Lack of Automation in Revenue Collections: The Galmudug State Government (GSS) relies heavily on manual processes for revenue collection, recording, and reconciliation. This absence of automation increases the risk of errors, delays, and manipulation of records. Manual handling also reduces efficiency, limits real-time monitoring, and hampers the ability to generate accurate, timely, and comprehensive revenue reports.	Without an automated revenue collection system, there is an increased risk of revenue leakage, fraudulent manipulation, and incomplete or inaccurate records. It also reduces transparency, weakens internal controls, and makes it difficult to track revenue performance in real time.	GSS should adopt an automated revenue management system that integrates collection, recording, and reconciliation processes. The system should include real-time reporting, user access controls, and audit trails to enhance accuracy, accountability, and transparency in revenue management. Staff should be trained on its use, and periodic system audits should be conducted to ensure data integrity and compliance with revenue policies.	The Ministry of Finance will work towards implementing an automated revenue management system with integrated collection, recording, and reconciliation functions. The system will include real-time reporting, access controls, and audit trails. Staff training and periodic IT system audits will be undertaken to ensure effective implementation. Responsible Officer: Revenue Director Implementation Date: September 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
3.2.7	Absence of Contingency Provision in the Budget: The approved budget for the financial year did not include a contingency provision of at least 5% of the total annual Galmudug State of Somalia revenues, as required under Section 14 of the Public Financial Management Act. This section mandates Parliament to approve a contingency appropriation in the Consolidated Budget to cover urgent and unforeseen expenditures arising from emergencies such as natural disasters, epidemics, or other events declared as a State of Emergency. The omission of this provision is a direct non-compliance with statutory requirements and limits the Government's capacity to respond promptly to emergency situations without resorting to supplementary budgets.	Failure to provide a contingency fund undermines fiscal preparedness and the Government's ability to respond effectively to urgent and unforeseen events. This may lead to delayed emergency response, disruption of essential services, and unplanned reallocation of funds from other priority areas, potentially compromising service delivery and public interest.	The Ministry of Finance should ensure that future budgets comply with Section 14 of the Public Financial Management Act by including a contingency provision of up to 5% of total annual revenues. Clear guidelines should be established for accessing and managing the fund, with proper documentation, approval processes, and periodic reporting to Parliament to ensure transparency and accountability.	The Ministry of Finance will ensure that subsequent annual budgets incorporate a contingency provision in compliance with Section 14 of the Public Financial Management Act. Guidelines for accessing and managing the contingency fund will also be developed to guarantee transparency, accountability, and timely response to emergencies. Responsible Officer: Revenue Director Implementation Date: September 2025

.3.3 Payments

No	Findings & Observations	Risks	Recommendation	Management Comments
3.3.1	Misclassification of Expenditures – USD 343,205: According to the Galmudug State Chart of Accounts, each budget head must be used solely for expenditures that align with its intended purpose. Acritical financial control is to ensure that all payments are recorded accurately and classified correctly.	Misrepresentation of payments could lead to inaccurate financial reporting and loss of transparency, making it difficult to assess whether public funds were used for their intended purpose, which in turn	Management should reclassify the USD 343,205 to the correct budget heads and ensure that all future expenditures are strictly aligned with the intended purpose of each budget line as defined in the Chart of Accounts and the PFM Act.	Agree: to justify this issue, according to Conflict resolution Vehicle rent, venue rent and travel cost must be needed and that expense cannot be avoided so if you see these documents followed to conflict resolution it it same purpose to use. Responsible Officer: Treasury Director

No	Findings & Observations	Risks	Recommendation	Management Comments
	Furthermore, Section 8(2) of the PFM Act 2018 requires that all public financial transactions, both revenues and expenditures, be structured and classified using a consistent classification system for both budgeting and accounting. During the audit, we noted that expenses amounting to USD 343,205 were misclassified and recorded under incorrect accounts. Specifically, a total payment was made under the Conflict Resolution budget head to various suppliers, which was used to cover the following items such Vehicle rent, Hall rent, Lunch and supper, Refreshments and water, and Tire purchase These expenditures are operational in nature and were not linked to any documented conflict resolution activity, such as a mediation event, peace dialogue, or reconciliation process. Additionally, no supporting evidence (e.g., activity plans, attendance lists, conflict reports) was provided to justify their relevance to conflict resolution objectives.	undermines accountability and increases the risk of misuse or fraud.		Implementation Date: September 2025
3.3.2	Inadequately Supported Payments – USD 1,355,236: To maintain accurate financial records, every payment voucher should be supported by the appropriate documents. These may include the purchase request, invoice, delivery note, asset registration form, procurement documents, work completion certificate, technical inspection report, asset delivery note, and transport tickets or boarding passes. Proper documentation helps	Risk of fraud and loss of public funds due to payments being made without verifiable evidence that goods or services were actually received.	Management should ensure that all payment vouchers are supported by complete and appropriate documentation such as purchase requests, invoices, delivery notes, contracts, and travel evidence before any payment is approved. A strict “no documentation, no payment”	I believe the documents you mentioned as missing are partially available. For example, the completion certificates were included in the initial contract with the company. However, I agree that the delivery notes are missing, and we will ensure they are available from now on, Insha’Allah Responsible Officer: Treasury Director

No	Findings & Observations	Risks	Recommendation	Management Comments
	confirm that the payment was valid, approved, and related to goods or services that were actually received, in accordance with the PFM Act 2018 and sound financial management practices. The audit identified that payments amounting to USD 1,355,236 were made without adequate supporting documents. In several instances, payment vouchers were processed without required attachments such as delivery notes, work completion certificates, technical inspection reports, or travel documentation. The absence of these records means the transactions did not meet the required standards for verifying the authenticity, validity, or completeness of the payments.		policy should be enforced to enhance accountability and prevent unverified or irregular expenditures.	Implementation Date: September 2025 Audit Comments: The audit established that supporting documents necessary to evidence procurement and asset-related transactions were not consistently available for review. Missing or incomplete documentation may include: Purchase request forms, Invoices, Delivery notes, Asset registration forms, Procurement documents, Work completion certificates, technical inspection reports, Asset delivery notes, and Transport tickets or boarding passes

.3.4 Payroll and Bisan System

No	Findings & Observations	Risks	Recommendation	Management Comments
3.4.1	Incomplete Payroll Classification and Recording in Bisan System: The Bisan Financial Management Information System (FMIS) currently records payroll data only for civil servants, capturing individual-level	The lack of individual-level payroll recording and classification for non-civil servant personnel in the Bisan FMIS increases the risk of payroll	The Ministry of Finance should upgrade or reconfigure the Bisan FMIS to enable the individual-level recording and proper classification of	We agree with the finding. However, you noted that payroll salaries apart from civil servants are not recorded in the BISAN System.

No	Findings & Observations	Risks	Recommendation	Management Comments
	information such as individual names, salary amounts, and deductions. However, for other payroll categories such as Teachers' salaries, Health workers' salaries, Temporary staff, Legislators, Political appointees, Contracted employees and Security sector personnel. These are not recorded in the Bisan system individually or by classification. Instead, they are aggregated and posted as lump sum entries without employee-level breakdowns. The system lacks the functionality to distinguish or properly classify these payroll groups, leading to a situation where all non-civil servant salaries are combined and recorded under a generic classification.	fraud, including the presence of ghost workers, duplicate or unauthorized payments, and overstatement of personnel costs. It also undermines transparency, hinders effective payroll oversight, and compromises the accuracy of financial reporting and budget planning.	all payroll categories, including teachers, health workers, political appointees, and security personnel. Additionally, relevant staff should be trained to ensure accurate and consistent payroll data entry and compliance with standard payroll procedures. This will enhance transparency, accountability, and reliability in payroll management.	The reason is that these categories are not recorded in the system as individual employee forms. Specifically, security forces have not signed employment contracts and are treated as temporary staff. Similarly, political appointees and members of parliament fall under the same arrangement. This is the main cause for their exclusion from BISAN records, even though these categories are taxed. Implementation Date: Whole year Audit Comment: The explanation provided by MOF is not acceptable. All payroll categories, including security forces, political appointees, and members of parliament, must be recorded in BISAN at the individual employee level. Lump-sum entries undermine transparency and accountability, increase the risk of unauthorized payments, and

No	Findings & Observations	Risks	Recommendation	Management Comments
				contravene the PFM Act, 2018. The MOF should establish proper documentation and ensure full integration of all payroll records into BISAN.
3.4.2	Inadequate Payroll Reconciliation Documentation: During the audit of the 2024 payroll, it was noted that the Bisan Financial Management Information System (FMIS), currently used by the Ministry of Finance (MOF) does not have a built-in payroll reconciliation module or functionality. As a result, payroll reconciliations are carried out manually outside the system by MOF officials. However, these manual reconciliation processes are not properly documented or retained for audit trial or verification purposes. Final payroll figures posted in the financial system could not be independently verified against source data due to the absence of supporting documentation.	Without a built-in payroll reconciliation module and a formal reconciliation process, there is an increased risk of errors, overpayments, or fraudulent payroll transactions going undetected. The absence of proper documentation and review weakens internal controls, undermines the accuracy of financial records, and reduces the effectiveness of audit and oversight mechanisms.	The Ministry of Finance should establish a built-in payroll reconciliation module or functionality within the Bisan FMIS and enforce a formal payroll reconciliation process, ensuring that all reconciliations are properly documented, reviewed, and retained to strengthen internal controls and provide a reliable audit trail.	We agree. As noted, the BISAN System currently does not have the required module, and there are several other challenges that the system does not accommodate. The Government has already initiated discussions with the system developers, and we hope to find a solution to this and other existing challenges. Responsible Officer: IT director Implementation Date: Whole Year
3.4.3	Unexplained Payroll Variances Across Civil Servants, Teachers, and Health Workers' Salaries – USD 11,624: During the substantive analytical review of payroll for the fiscal year 2024, The audit identified a total payroll variance of USD 11,624 that remains unexplained and unsupported across the following	Unexplained payroll variances increase the risk of unauthorized payments, payroll fraud, or financial misstatements. Without proper reconciliation and supporting documentation, the accuracy of	The Ministry of Finance should investigate and reconcile the payroll variances amounting to USD 11,624 by providing appropriate supporting documentation and explanations. Going forward, the Ministry should	The Ministry of Finance will carry out a reconciliation exercise to account for the USD 11,624 variance and provide the necessary supporting documentation. Measures will also be introduced to enforce regular reconciliations across all payroll categories, with discrepancies documented, investigated, and

No	Findings & Observations	Risks	Recommendation	Management Comments
	salary components such Civil Servants' Payroll, Teachers' Salaries and Health Workers' Salaries. These variances represent the difference between projected/expected payroll figures and the actual amounts recorded in the GSS financial statements for FY 2024. The Ministry of Finance did not provide formal reconciliations, supporting documentation, or explanations for the differences noted during audit testing.	salary expenditures cannot be verified, undermining financial accountability, internal control effectiveness, and the credibility of the financial statements.	enforce regular payroll reconciliations across all employee categories and ensure that any discrepancies are promptly investigated, documented, and resolved to strengthen payroll accuracy and financial reporting integrity.	resolved promptly to strengthen payroll accuracy and enhance financial reporting integrity. Responsible Officer: EAFS Director Implementation Date: October 2025

.3.5 Procurement

No	Findings & Observations	Risks	Recommendation	Management Comments
3.5.1	Non-Compliance with Procurement Procedures – Payments Totaling USD 235,726.40: Section 3.5.1 of Regulation 8 of the PFM Act states that no procurement shall proceed unless it has been carried out in accordance with the agreed provisions, as detailed in the Procurement Procedures Manual and, where applicable, the approved Procurement Plans. These provisions are designed to ensure transparency, accountability, and value for money in public procurement.	Failure to follow formal procurement procedures increases the risk of fraud, waste, and misuse of public funds. It undermines transparency and accountability, may lead to poor value for money, and exposes the government to potential legal and reputational risks due to non-	The Galmudug State Government should ensure that all future procurements strictly follow the procedures outlined in the Procurement Procedures Manual and the PFM Act 2018. This includes preparing procurement plans, solicitation documents, evaluation reports, and signed contracts. In addition, procurement staff should be trained and held accountable for	We agree that these challenges exist. However, the reason is that some projects have their own procurement specialists who carry out procurement activities outside the approved procurement plans. In addition, certain ministries also engage their own procurement officials who conduct procurement processes alongside the central procurement department, without consultation with us.

No	Findings & Observations	Risks	Recommendation	Management Comments
	During the audit of procurement activities across selected Ministries, Departments, and Agencies (MDAs) of the Galmudug State Government, it was found that goods and services worth USD 235,726.40 were procured without following any formal procurement process. These deficiencies indicate that procurement was conducted outside the framework of approved procedures.	compliance with the PFM Act and procurement regulations.	compliance, and management should strengthen oversight mechanisms to prevent unprocedural purchases.	Responsible Officer: Procurement Director Implementation Date: October 2025 Audit Comments: The explanation provided by MOF is not sufficient. While some projects and ministries may engage their own procurement specialists, this does not justify bypassing the approved procurement plans or operating outside the central procurement framework. Conducting procurement activities without consultation and approval from the mandated procurement authorities undermines compliance with the PFM Act, 2018 (Section 3.5.1) of Regulation 8 of the PFM Act states that no procurement shall proceed unless it has been carried out in accordance with the agreed provisions.
3.5.2	Overreliance on a Single Supplier and Repeated Use of Contract Amendments – USD 925,664: According to Section 4.25.4 of the Procurement Manual, sole or single sourcing is only permitted under specific, justified conditions such as emergencies, standardization needs, proprietary items, or small-value procurements and must be	Overreliance on a single supplier and repeated contract amendments without proper justification increase the risk of non-competitive pricing, supplier favoritism, and procurement fraud. It undermines transparency, limits value for money	The Galmudug State Government should ensure that all future procurements are conducted through open and competitive bidding in line with procurement regulations. The use of contract amendments or sole sourcing should be limited, properly justified in writing, and	To address this, the Ministry is committed to: Ensuring that all future procurements are conducted through open and competitive bidding as required by the Procurement Manual and the PFM Act.

No	Findings & Observations	Risks	Recommendation	Management Comments
	supported by written justification and formal approval. The audit found that the Galmudug State Government frequently procured goods and services from a single supplier across multiple procurement cycles. Instead of initiating new competitive processes, existing contracts were repeatedly amended or extended. • A total of USD 925,664 was spent through such amendments and direct awards. • Many amendments lacked justification, and required documentation such as approvals or market comparisons was missing or incomplete. • There was no evidence of competitive bidding or valid sole-source justification for these transactions.	and exposes the government to legal and reputational risks due to non-compliance with procurement regulations.	formally approved. Procurement staff should also be trained on competitive sourcing practices to promote transparency, supplier diversification, and value for money.	• Restricting the use of sole sourcing and contract amendments to exceptional, well-justified, and formally approved circumstances. • Strengthening oversight to prevent repeated extensions without proper market testing. • Conducting training for procurement staff on competitive sourcing practices and compliance requirements. Responsible Officer: Procurement Director Implementation Date: October 2025 Audit Comments:
3.5.3	Incomplete Procurement Documentation: The audit identified instances where procurement files were incomplete and lacked critical supporting documentation necessary for ensuring transparency, accountability, and compliance with procurement regulations. Specifically, several sampled transactions across various ministries did not include the following key documents such as	Incomplete procurement documentation increases the risk of unauthorized or fraudulent transactions, non-compliance with PFM law, and loss of public funds. It undermines transparency and	The Galmudug State Government should ensure that all procurement files include complete and properly organized documentation in line with the Procurement Manual and PFM regulations. A standardized procurement	The Ministry commits to introducing and enforcing the use of a standardized procurement checklist to ensure all files are complete before contract award or payment. In addition, the Ministry will strengthen

No	Findings & Observations	Risks	Recommendation	Management Comments
	Approved procurement plans, tender advertisements in widely circulated newspapers, Invitation to Bid letters, bid evaluation reports, contract award recommendations or approvals, Signed contracts and related correspondence The absence of these essential records limited the audit team's ability to verify the fairness, competitiveness, and legitimacy of the procurement processes undertaken.	accountability, weakens the audit trail, and makes it difficult to confirm whether procurements were conducted fairly, competitively, and in the public interest.	checklist should be introduced and used to verify completeness before any contract is awarded, or payment is processed. Additionally, regular internal compliance reviews should be conducted to enforce proper documentation and accountability.	internal review and compliance mechanisms to ensure procurement documentation is properly prepared, maintained, and archived. Responsible Officer: Procurement Director Implementation Date: October 2025

.3.6 Intergovernmental Transfers

No	Findings & Observations	Risks	Recommendation	Management Comments
3.6.1	Weak Accountability and Oversight in Intergovernmental Transfers – USD 337,046: During the audit of intergovernmental grant transfers to local governments including Dhusamareb, Galkacyo, Guri'el, and Abudwaq, it was noted that a total of USD 337,046 was transferred directly to the respective local government bank accounts. However, no accountability reports or	The absence of accountability reports and supporting documentation for intergovernmental transfers increases the risk of misuse, misappropriation, or inefficient use of public funds. It undermines financial transparency and oversight, weakens fiscal discipline at the local government level, and hinders the Ministry of Finance's ability to monitor and evaluate the effective utilization of resources.	The Ministry of Finance should establish and enforce strict reporting and accountability requirements for all intergovernmental transfers. Recipient local governments must submit detailed expenditure reports, supporting documents, and reconciliations before receiving subsequent funds. Additionally, the Ministry should strengthen monitoring and capacity-building	We agree. As we know, local governments are another layer of government billers, which is why the transfers you noted were made. However, it is necessary to strengthen accountability. Going forward, we will ensure that all transfers are properly accounted for. Otherwise, such transfers will be activity-based and routed directly through the vendor who performed the activity. Responsible Officer: Treasury Director Implementation Date: September 2025

	supporting documentation were submitted by the recipient districts to show how the funds were utilized. There were no expenditure breakdowns, payment vouchers, invoices, procurement documents, or tax records submitted back to the Ministry of Finance.		efforts to ensure transparent and effective use of transferred funds.	
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.3.7 Loan borrowing

No	Findings & Observations	Risks	Recommendation	Management Comments
3.7.1	Unbudgeted Government Borrowing in Contravention of the PFM Act- \$111,000: Section 38(1) of the Public Financial Management (PFM) Act, 2018 stipulates that GSS borrowings are subject to the limits of authority granted by Parliament at the time of approval of the Consolidated Budget, or at any other time in a fiscal year, and that the Minister is solely responsible for overseeing Galmudug State of Somalia borrowing.	Borrowing without parliamentary approval exposes the Galmudug State Government to the risk of unauthorized debt accumulation, fiscal indiscipline, and mismanagement of public funds. It undermines transparency, accountability, and legislative oversight, potentially threatening the government's financial stability and public trust.	The Galmudug State Government must ensure that all borrowing activities receive prior approval from Parliament in accordance with the PFM Act 2018. The Ministry of Finance should strengthen controls to prevent unauthorized borrowing and establish a robust reporting framework to keep Parliament and stakeholders informed of all debt transactions. Additionally, policies should be developed to ensure	The Ministry will ensure that all future borrowing strictly complies with the provisions of the PFM Act and receives prior parliamentary approval. Measures will be taken to strengthen internal controls and monitoring frameworks to prevent unauthorized borrowing and to ensure that any debt undertaken is transparent, properly reported, and used only for approved purposes. The Ministry will also put in place a clear reporting mechanism to keep Parliament and stakeholders fully informed of all debt-related transactions. Responsible Officer: Budget Director

No	Findings & Observations	Risks	Recommendation	Management Comments
	Our review of the FY2024 financial statements revealed that the Galmudug State Government incurred domestic borrowing amounting to USD 111,000, which was not included in the approved budget passed by Parliament. This borrowing was used to finance capital and other non-recurrent expenditures without legislative approval.		borrowed funds are used strictly for approved purposes and monitored effectively.	Implementation Date: October 2025
3.7.2	Non-Compliance with Statutory Debt Reporting Requirements: Section 42(3) of the Public Financial Management (PFM) Act, 2018 mandates that the Minister of Finance shall, twice a year, prepare and submit a report to the President and Parliament identifying new borrowing and issuance of guarantees, as well as debt repayments, rescheduling, write-offs, and retirements. Additionally, the Minister is required to prepare and publish a report on public debt outstanding and debt service projections	Failure to prepare and submit statutory debt reports increases the risk of undetected fiscal imbalances, poor debt management, and lack of transparency. This undermines the ability of government leadership and Parliament to make informed decisions, weakens fiscal accountability, and may lead to unsustainable debt levels and loss of public trust.	The Ministry of Finance should immediately establish and implement processes to ensure the timely preparation and submission of biannual debt reports to the President and Parliament as mandated by the PFM Act. Additionally, it should develop and publish comprehensive reports on public debt outstanding and medium-term debt service projections to enhance transparency, oversight, and informed fiscal decision-making. Training should be provided to staff responsible for debt	The Ministry will establish clear processes and timelines to ensure timely preparation and submission of all statutory debt reports to the President and Parliament. In addition, the Ministry will prepare and publish comprehensive reports on public debt outstanding and medium-term debt service projections to improve transparency and oversight. Staff responsible for debt reporting will also be trained to ensure consistent compliance with statutory requirements. Responsible Officer: Budget Director Implementation Date: October 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	over the medium term. Our audit established that the Ministry of Finance did not prepare or submit the required biannual debt reports to the President and Parliament. Furthermore, the Ministry neither prepared nor published a report on public debt outstanding or debt service projections over the medium term.		reporting to ensure compliance with statutory requirements.	
3.7.3	Absence of Public Debt Annex in the Proposed Budget: Section 36(1) of the Public Financial Management Act, 2018 requires that the Proposed Budget submitted to Parliament by the Minister shall be accompanied by an annex detailing all outstanding public debt and guarantees issued by the government. This annex is essential for informing Parliament of the full extent of the government's debt obligations and contingent liabilities. During our review of the 2024 budget documentation, we noted that the required annex on outstanding debt and	Omitting the public debt annex from the Proposed Budget limits Parliament's ability to fully assess the government's fiscal position and debt obligations. This can lead to inadequate oversight, poor fiscal decision-making, and increases the risk of undisclosed liabilities negatively impacting fiscal sustainability and public trust.	The Ministry of Finance should ensure that all future Proposed Budgets submitted to Parliament include a complete annex detailing outstanding public debt and government guarantees, as mandated by the Public Financial Management Act. Strengthened internal review processes and staff training should be implemented to guarantee compliance and enhance transparency in budget submissions.	The Ministry will ensure that all future Proposed Budgets submitted to Parliament are accompanied by a complete annex on outstanding public debt and guarantees issued by the government. Internal review processes will be strengthened to confirm compliance before submission, and staff responsible for budget preparation will be trained on statutory requirements to enhance transparency, accountability, and the quality of fiscal information provided to Parliament. Responsible Officer: Budget Director Implementation Date: October 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	guarantees was omitted. As a result, Parliament may have deliberated and approved the budget without full visibility of the government's fiscal obligations, including loan liabilities, debt guarantees, and contingent risks.			
3.7.4	Lack of Ministerial Signature on Loan Agreements: Section 38(3) of the Public Financial Management Act, 2018 provides that all loan agreements entered into by the Galmudug State of Somalia must be signed by the Minister of Finance on behalf of the State. This provision ensures centralized control, legal validity, and accountability over government borrowing. However, our audit review of the 2024 financial year revealed that while the government incurred domestic borrowing totaling USD 111,000, no documentary evidence was provided to demonstrate that these loan agreements	The absence of the Minister of Finance's signature on loan agreements exposes the government to the risk of unauthorized or invalid borrowing, undermines legal enforceability, weakens oversight and accountability, and may lead to potential financial and legal disputes.	The Ministry of Finance should ensure that all loan agreements are formally signed by the Minister of Finance in compliance with the Public Financial Management Act. Internal controls must be strengthened to verify that all borrowing agreements have proper authorization before funds are disbursed, and complete documentation is maintained for audit and oversight purposes.	The Ministry will ensure that all loan agreements are duly signed by the Minister of Finance to guarantee legal validity, accountability, and compliance with the PFM Act. Internal controls will be strengthened to verify ministerial authorization before any borrowing agreements are finalized, and complete records will be properly maintained for audit and oversight purposes. Responsible Officer: Budget Director Implementation Date: October 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	were formally signed by the Minister as required. This raises concerns regarding the legality and enforceability of these agreements.			
3.7.5	Absence of a Public Debt Management Strategy: Section 42(4) of the Public Financial Management Act, 2017 mandates that the Ministry of Finance shall ensure the existence of a public debt management strategy, which must be regularly updated and published. The strategy should contain details of the terms and conditions of all borrowings, including those guaranteed by the government, and provide guidance for sustainable debt management over the medium term. Our audit review established that no public debt management strategy currently exists. Furthermore, the Ministry has not published or updated any such document showing the	The absence of a public debt management strategy increases the risk of unsustainable borrowing, ineffective debt monitoring, and poor fiscal planning. Without a clear framework, the State is vulnerable to unmanaged debt risks, rising debt servicing costs, and reduced transparency, which can undermine fiscal stability and investor confidence.	The Ministry of Finance should develop, regularly update, and publicly publish a comprehensive Public Debt Management Strategy as required by the PFM Act. This strategy should detail the terms, conditions, risks, and cost of existing and new debt obligations, and provide clear guidelines for sustainable debt management over the medium term. The Ministry should also build capacity to effectively implement and monitor the strategy to ensure fiscal stability and transparency.	The Ministry will develop and publish a comprehensive Public Debt Management Strategy that details the terms, conditions, costs, and risks of both existing and new debt obligations. The strategy will provide a clear framework for sustainable debt management over the medium term. Furthermore, the Ministry will strengthen its institutional capacity to effectively implement, monitor, and regularly update the strategy to enhance fiscal stability, transparency, and investor confidence. Responsible Officer: Budget Director Implementation Date: October 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	structure, cost, risks, or terms of existing and new debt obligations. This undermines the State's capacity to manage its debt portfolio effectively and transparently. Risk:			

.3.8 Assets

No	Findings & Observations	Risks	Recommendation	Management Comments
3.8.1	Lack of Centralized Fixed Asset Register: Section 3.3 of Regulation 9 of the Public Financial Management (PFM) Act requires the Ministry of Finance to maintain a centralized Capital Asset Register for the entire government. This register is to be administered by the Director General of the Ministry of Finance and is essential for effective asset management and reporting. The audit found that the Ministry of Finance (MOF) does not maintain a centralized, up-to-	The absence of a centralized and up-to-date fixed asset register increases the risk of asset misappropriation, loss, or inefficient utilization. It also undermines the accuracy of financial reporting, hampers effective asset management, and compromises accountability and compliance with the Public Financial Management Act.	The Ministry of Finance should establish and maintain a centralized fixed asset register that consolidates asset information from all Ministries, Departments, and Agencies. This register must be regularly updated and reconciled to ensure accuracy and completeness. Additionally, the Ministry should designate responsible officers for asset management and provide training to staff to improve	We agree. We hope that by the end of this year a system will be in place, or alternatively, the assets will be registered, Insha'Allah. Responsible Officer: Director General Implementation Date: November 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	date fixed asset register for the Galmudug State. Asset records are fragmented or missing across various Ministries, Departments, and Agencies (MDAs), with no consistent tracking system or consolidated reporting mechanism in place.		record-keeping and safeguard government assets.	
3.8.2	Absence of Regular Physical Asset Count and Tagging: According to Section 5.3.1 of Regulation 9 of the PFM Act, a physical inventory count must be conducted across all government entities at least once a year to maintain accurate asset records. Additionally, Section 4.2 of the same regulation requires that all capital assets recorded in the Capital Asset Register be tagged with a permanent label and assigned a unique identification number. However, there was no evidence to show that periodic asset counts have been conducted, either annually or at important points during an asset's lifecycle. Moreover, many of the state's assets were not tagged or labeled, making it difficult to link them to financial records, identify the responsible custodians,	The absence of regular physical asset counts, and proper tagging increases the risk of asset loss, theft, or misplacement. Without accurate tracking, it becomes difficult to maintain reliable financial records and hold custodians accountable. This weakens internal controls over government property and hinders effective asset management and planning.	The Ministry of Finance should establish a formal schedule for conducting regular physical asset counts at least once a year. Additionally, all government assets should be tagged with permanent, unique identification labels to ensure they can be properly tracked and linked to financial records. Staff responsible for asset management should be trained to maintain accurate records and improve accountability.	The Ministry will establish and enforce a formal schedule for conducting physical asset counts at least once every year across all government entities. In addition, all government assets will be tagged with permanent and unique identification numbers to ensure proper tracking and accountability. The Ministry will also provide training to staff responsible for asset management to strengthen record-keeping, enhance internal controls, and safeguard government property. Responsible Officer: Director General Implementation Date: November 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	track their location and usage, or ensure accountability. This lack of asset tagging and physical verification weakens the government's ability to manage and safeguard its assets effectively.			
3.8.3	Lack of Asset Disposal Regulation: Section 6 of the Capital Assets Policy and Regulation indicates that a detailed process for the Disposal of Capital Assets will be provided in a separate document. However, this document has not yet been developed or established, resulting in a lack of formal guidance on asset disposal procedures. The Galmudug Ministry of Finance (MOF) has therefore not established formal guidelines outlining procedures for the disposal of public assets, including asset identification, valuation, approval, and documentation. Interviews with MOF officials and audit fieldwork revealed multiple instances where assets classified as damaged, obsolete, or no longer in use were disposed of without any disposal records,	The absence of formal asset disposal regulations and procedures increases the risk of unauthorized, improper, or fraudulent disposal of government assets. This can lead to loss or misappropriation of public property, weakens internal controls, undermines accountability, and compromises accurate financial reporting.	The Galmudug Ministry of Finance should urgently develop and implement a comprehensive asset disposal policy and procedure document as outlined in the Capital Assets Policy. This document should clearly define the process for asset identification, valuation, approval, and documentation. Additionally, training and awareness programs should be conducted to ensure compliance and strengthen controls over asset disposals.	The Ministry will urgently develop and implement a comprehensive asset disposal policy and procedures manual that clearly defines the process for asset identification, valuation, approval, and documentation. The Ministry will also ensure that all disposals are properly authorized and supported by adequate records. In addition, training and awareness programs will be provided to relevant staff to strengthen compliance and internal controls over asset disposals. Responsible Officer: Director General Implementation Date: November 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	approval documentation, or supporting schedules. This absence of formal disposal regulations and controls exposes the government to significant risks of asset mismanagement and unauthorized disposals.			
3.8.4	Disconnect Between Asset Purchases and Asset Recording: The audit noted that the Galmudug State of Somalia incurred significant capital expenditures amounting to USD 3.6 million in the fiscal year 2024, as reflected in the financial statements. However, the audit found that these capital assets were not recorded in any formal asset register, nor were they physically verified during the audit fieldwork. This highlights a clear disconnect between the procurement and asset management functions. Assets acquired using public funds are not being systematically recorded, tracked, or monitored after purchase. This lack of integration impedes the government's	The failure to record and verify capital assets purchased with public funds increases the risk of asset misappropriation, loss, or misuse. It also undermines the accuracy of financial reporting, impedes effective asset management, and weakens accountability and internal controls over government property.	The Ministry of Finance should establish a robust process to ensure all capital assets purchased are promptly recorded in a centralized fixed asset register. This process should include regular physical verification and reconciliation between procurement records and asset registers to guarantee accurate tracking, accountability, and proper asset management. Additionally, training should be provided to relevant staff to reinforce the importance of integrating procurement and asset management functions.	The Ministry will establish a robust process to ensure that all capital assets purchased are promptly recorded in a centralized fixed asset register. This process will be supported by regular physical verification and reconciliation of procurement records with the asset register to guarantee accurate tracking and accountability. Furthermore, the Ministry will train relevant staff to strengthen compliance and reinforce the integration of procurement and asset management functions. Responsible Officer: Director General Implementation Date: November 2025

No	Findings & Observations	Risks	Recommendation	Management Comments
	ability to maintain an accurate and up-to-date asset register, undermines asset accountability, and weakens internal controls over public property.			

.4 Follow up of Prior Year Audit Recommendations

Of the six (6) audit recommendations issued in the previous financial year, only two (2) were fully implemented and closed. The remaining four (4) recommendations related to unsupported revenues, procurement weaknesses, asset management, and misclassification of expenditures remain unresolved. These persistent issues highlight significant gaps in internal controls, financial discipline, and adherence to legal and regulatory frameworks. We urge management to prioritize implementation to enhance accountability and transparency.

Ref	Audit Findings	Audit Recommendation	Status	MOF Comments	Conclusion
2.1	Unsupported Revenues: During the audit, it was identified that revenue totaling \$1,373,450, which was collected by GSS from different sources such as payroll taxes, plate registration fees, turnover tax and passenger fees	Implement and enforce a policy requiring that all revenue collections be accompanied by proper receipts or documentation as well GSS should develop a system to record and verify receipts at the point of collection.	Not Implemented	We recognize the importance of proper documentation for revenue collections and are taking steps to address this issue. We should ensure that all revenue collections are	Not Closed – The issue remains unresolved as similar unsupported revenue collections were observed during the 2024 audit. Specifically, revenue totaling \$1,617,603 was

	throughout the financial period, was not accompanied by supporting receipts or documentation	Furthermore, GSS should conduct regular internal audits to ensure that all revenue transactions are supported by appropriate documentation and that these documents are securely filed and accessible for review.		accompanied by appropriate receipts or documentation. We will develop a system to ensure receipts are recorded and verified at the point of collection. Regular internal audits will be scheduled to monitor compliance and ensure documentation integrity.	identified without supporting receipts or merchant reports, indicating that prior recommendations have not yet been effectively implemented.
3.1	Payments charged to wrong accounts/budget lines: During the Audit, we noted that Payments amounting to \$50,000 were misclassified. This payment was made to Horsed Construction and General Service Company and was incorrectly classified under the Maintenance and Repairs of Building account, whereas it was intended for vehicle procurement.	To address the misclassification issue, GSS should review and correct the misclassified payments to ensure they are recorded under the appropriate categories. Establish and adhere to a robust classification process with regular oversight to prevent future errors. Additionally, provide training for staff on proper classification practices and conduct regular reviews of financial transactions to ensure accuracy.	Not Implemented	Steps will be taken to enhance our classification processes, and staff will be trained accordingly.	Not Closed – The issue remains unresolved. In FY 2024, the audit identified additional misclassified expenditures totaling USD 343,205, indicating a deterioration rather than improvement in expenditure classification controls. No evidence was provided to support reclassification or updated internal procedures. The risk of financial misreporting remains high.
3.2	Payments not provided for in approved budget: The audit revealed a significant finding related to budgetary compliance and financial management. Specifically, an allowance of \$89,000 was charged to	To address this issue, it is crucial to review and correct the allocation of the \$89,000 allowance to ensure it aligns with the approved budget. Strengthening budgetary controls and oversight mechanisms is	Implemented	We will take corrective actions to align future allowances with the approved budget. The budget review process will be strengthened to ensure that all allowances are pre-approved and properly documented.	Closed – Evidence of improved budget oversight and pre-approval processes was observed in the 2024 audit. No similar unbudgeted payments were noted. The issue is resolved.

	the Member of Parliaments (MPs) account, although this expenditure was not included in the approved budget.	recommended to prevent similar deviations in the future.		Controls will be introduced to prevent unauthorized expenditures.	
3.3	Unsupported payments: During the expenditure review, we noted that Payments totaling \$390,881 were processed without the necessary supporting documentation, such as invoices, receipts, contracts, or payment confirmations.	Ensuring that all payments are supported by adequate documentation is essential for maintaining financial integrity and accountability. We recommend strengthening internal controls by implementing robust verification processes for all payments	Implemented	We acknowledge the issue of missing supporting documents and are taking steps to address it. A review of payment procedures will be conducted, and enhanced controls will be put in place to ensure that all payments are accompanied by the required documentation. Staff will be retrained on the importance of documentation, and regular internal audits will be introduced to ensure compliance.	Closed – The 2024 audit confirmed that improved payment controls and documentation procedures have been implemented. No material unsupported payments were identified during testing. The issue is resolved.
4.1	Failure to document the procurement process for the acquisition of supplies, goods and services: During the audit, we noted that Payments totaling \$1,974,931 were processed without undergoing the competitive procurement process.	GSS should ensure that all procurement activities adhere to established guidelines, including conducting competitive bidding processes. This will help to obtain the best value for money and ensure fair competition	Not Implemented	A procurement plan is currently being developed, and we will ensure that all procurement activities are conducted in compliance with regulations. The Procurement Committee will be established as per the PFM Act, and procurement processes will be reviewed and updated to adhere to the guidelines.	Not Closed – The 2024 audit identified an additional USD 235,726.40 in payments that were made without competitive bidding or required procurement documentation. This demonstrates continued non-compliance. The absence of an operational procurement

					committee and finalized procurement plan further confirms the issue remains unresolved and high-risk.
5.1	Weaknesses in the management of fixed assets:	During our audit, we noted the following weaknesses. No asset management system in place to manage the state's assets effectively. Physical asset counts are not performed. Assets are not tagged.	Not Implemented	To address these weaknesses, GSS should take the following actions that are recommending: -Implement an Asset Management System: Establish and deploy a comprehensive asset management system to effectively track and manage the state's assets. -Conduct Annual Physical Inventory Counts: Perform regular physical inventory counts at least annually to reconcile physical assets with records and ensure accuracy. -Tag All Capital Assets: Affix permanent labels and assign unique identifying numbers to all capital assets to facilitate proper tracking and verification.	Not Closed – The 2024 audit confirmed that no asset register, or management system is in place. No physical verification was conducted, and assets remain untagged. The lack of basic asset controls poses a high risk of misstatement and loss. The recommendation remains unaddressed.

.5 Appendices

.5.1 Appendix 1: Misclassification payments

Data	Ref	Description	Amounts	Audit Comments
30/04/2024	24/00001443 PV	Confilcit resolution	16,000.00	This payment paid from Conflict resolution l and gave to Galmudug Social and security service, which is paid as vehicle rent, hall rent, lunch, supper, refreshment, water and tire as invoice mentioned which is totally misclassified. No procurement process and no deducted tax the company.
19/09/2024	24/00003295 PV	Local conferemce	14,000.00	This payment paid from Local Conference and gave to Daruuro Logistics & Constructiong Company which is paid as Fly charter and something else, as invoice mentioned which is totally misclassification. No procured process and not deducted tax the company.
02/06/2024	24/00001938 PV	Confilcit resolution	13,500.00	This payment paid from Conflict resolution l and gave to Galmudug Social and security service s which is paid as vehicle rent, venue rent, lunch, supper, refreshment, hotel and petrol as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
04/02/2024	24/00000331 PV	Maintenance Buidlings	12,750.00	This payment paid from Maintenance and repairs of building and gave to Shabeele General Trading & Construction Company which is paid as maintenace of vehicle, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
21/08/2024	24/00002926 PV	Local conferemce	11,000.00	This payment paid from Local confrence and gave to Galmudug Social and security services which is paid as 8,000\$ Building a dam and the total money is 11,000\$, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.

Data	Ref	Description	Amounts	Audit Comments
28/08/2024	24/00003142 PV	Confilcit resolution	10,000.00	this payment paid from Conflict resolution l and gave to Galmudug Social and security service s which is paid as Repairs of the ministry and Lunch/refreshments, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
24/10/2024	24/00003741 PV	Maintenance Buidlings	10,000.00	This payment paid from Maintenance and repairs of building to the State House and gave to Horseed Constructiong & General sevice Company which is paid as maintenace of and repairs of building Airport wall, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
10/02/2024	24/00000373 PV	externarl travel	8,000.00	this payment paid from External travel and gave to Furre air travel and logistcis agency which is paid as Fly chater DSM-MGD internal travel, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
21/08/2024	24/00002926 PV	Confilcit resolution	7,300.00	this payment paid from Conflict resolution and gave to Galmudug Social and security service s which is paid as Water bucket, vehicle rent and media, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
20/05/2024	24/00001662 PV	Confilcit resolution	6,800.00	This payment paid from Conflict resolution l and gave to Galmudug Social and security service s which is paid as venue rent, lunch, refreshment, hotel and petrol as invoice mentioned which is totally misclassified. No procurement procces and not deducted tax the company.
30/05/2024	24/00001924 PV	Confilcit resolution	6,700.00	this payment paid from Conflict resolution and gave to Galmudug Social and security service s which is paid as Petrol, Diesel, lunch and vehicle rent, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.

Data	Ref	Description	Amounts	Audit Comments
18/09/2024	24/00003281 PV	Local conferemce	9,215.00	this payment paid from Local Conference and gave to Galmudug Transportation Company which is paid as Transportation reimbursement for participants and vehicle hiring, as invoice mentioned which is totally misclassified. Procured process and deducted tax the company.
21/02/2024	24/00000499 PV	internal travel	7,720.00	this payment paid from Internal travel and gave to Ministry of Health as Incentive Allowance which is paid as Allowance DSA for state, as invoice mentioned which is totally misclassified. Its written POSA form instead of CPO.
17/04/2024	24/00001243 PV	internal travel	7,720.00	this payment paid from Internal travel and gave to Ministry of Health as Incentive Allowance which is paid as Allowance DSA for state, as invoice mentioned which is totally misclassified. Its written POSA form instead of CPO. Ministry requesting officer is not signed.
12/11/2024	24/00004036 PV	Road construction	70,000.00	No procurement process and not deducted tax the company. The payment voucher indicates that the amount was spent on road construction in Adado, but the invoice states that it was spent in Dusamareb and Hobyo and that is mis-classification. Ministry requesting officer is not signed.
19/11/2024	24/00004195 PV	Machine ry and aqeupt not elsewhere classified	40,000.00	this payment paid from Machinery and equipment not elsewhere classified and gave to Galmudug Social and security services which is paid as Maintenace of building, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
14/09/2024	24/00003259 PV	Confilcit resolution	20,000.00	this payment paid from Conflict resolution and gave to Galmudug Social and security service s which is paid as 24,000 Fly Charter, as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.
11/09/2024	24/00003226 PV	Local conferemce	15,000.00	This payment paid from Local Confrence l and gave to Galmudug Social and security service s which is paid as Conflict resolution, Petrol, Vehicle rent and media as invoice mentioned which is totally misclassified. No procurement process and not deducted tax the company.

Data	Ref	Description	Amounts	Audit Comments
11/09/2024	24/00003227 PV	Local conferemce	12,500.00	This payment paid from Local conference and gave to Daruuro Logistics & Constructiong Company which is paid as Equipping the ministry, as invoice mentioned which is totally misclassification. No procured process and not deducted tax the company.
16/09/2024	24/00003272 PV	Confilcit resolution	12,000.00	This payment paid from Conflict resolution l and gave to Galmudug Social and security service s which is paid as 4,000 maintenace of vehicle, as invoice mentioned which is totally misclassified. No procurement process and not dedcuted tax the company.
11/09/2024	24/00003232 PV	Maintenance Buidlings	12,000.00	This payment paid from Maintenance and repairs of building and gave to Galmudug Social and Security Service which is paid as maintenace of vehicle, Fly charter and purchased equipment as invoice mentioned which is totally misclassified. No procurement process and not dedcuted tax the company.
14/09/2024	24/00003261 PV	Local conferemce	8,750.00	This payment paid from Loacal Conference and gave to Capital Rental Service & Logistics which is paid as Charter fly and Cargo, as invoice mentioned which is totally misclassified. No procurement process and not dedcuted tax the company. The ministry requesting officer is not signed.
12/09/2024	24/00003251 PV	Local conferemce	8,000.00	this payment paid from Conflict resolution and gave to Galmudug Social and security services which is paid as 12,000 Fly charts , as invoice mentioned which is totally misclassified. No procurement process and not dedcuted tax the company.
11/09/2024	24/00003231 PV	externarl travel	4,250.00	This payment paid from External travel and gave to Capital Rental Service & Logistics which is paid as Repairs., internet fees and water as invoice mentioned which is totally misclassified. No procurement process and not dedcuted tax the company.
Total			343,205.00	

.5.2 Appendix 2: Inadequately Supported Payments

Date	Ref	Description	Amounts	Audit Comments
15/09/2024	24/00003263 PV	Road Mainetance	161,100.00	Purchase request, invoice, delivery note, asset registration.
17/08/2024	24/00002969 PV	Road Mainetance	120,000.00	Purchase request, invoice, delivery note, asset registration.
22/12/2024	24/00004909 PV	Road Mainetance	50,000.00	Purchase request, invoice, delivery note, asset registration.
17/11/2024	24/00004182 PV	Maintenance Buidlings	37,666.00	Purchase request, invoice, delivery note, asset registration.
22/04/2024	24/00001293 PV	Road Mainetance	35,000.00	Purchase request, invoice, delivery note, asset registration.
05/10/2024	24/00003581 PV	Road Mainetance	30,000.00	Purchase request, invoice, delivery note, asset registration.
31/10/2024	24/00003921 PV	Buidings other than dwellings	27,000.00	Procurement Documents, Delivery Note / Work Completion Certificate, Technical Inspection Report, and Asset Delivery Note
04/11/2024	24/00003957 PV	Fees for service provided	26,250.00	Procurement Request Form, Approved Procurement Plan, Delivery Note, Receipt Acknowledgement
24/11/2024	24/00004319 PV	Confilcit resolution	23,334.00	Activity report, Attendance listand Approved budget/work plan missed
30/01/2024	24/00000260 PV	internal travel	23,000.00	Transport tickets and Boarding passes
31/10/2024	24/00003925 PV	Road Mainetance	22,000.00	Purchase request, invoice, delivery note, asset registration.
09/11/2024	24/00003991 PV	Confilcit resolution	20,000.00	Activity report, Attendance listand Approved budget/work plan missed
12/09/2024	24/00003252 PV	Fees for service provided	20,000.00	Procurement Request Form, Approved Procurement Plan, Delivery Note, Receipt Acknowledgement
24/11/2024	24/00004320 PV	Machine ry and aqeupt not elsewhere classified	18,670.00	Purchase request, invoice, delivery note, asset registration.

Date	Ref	Description	Amounts	Audit Comments
23/09/2024	24/00003326 PV	Maintenance Buidlings	18,200.00	Purchase request, invoice, delivery note, asset registration.
24/11/2024	24/00004319 PV	Local conferemce	17,000.00	Agenda, attendance list, photos, activity report are missed
04/02/2024	24/00000332 PV	external travel	17,000.00	Copy of Passport Pages with Entry/Exit Stamps, Mission Report, Hotel Receipt, Activity Schedule
22/02/2024	24/00000526 PV	Buidings other than dwellings	15,400.00	Procurement Documents, Delivery Note / Work Completion Certificate, Technical Inspection Report, and Asset Delivery Note
10/11/2024	24/00004015 PV	Confilcit resolution	15,000.00	Activity report, Attendance list and Approved budget/work plan missed
25/01/2024	24/00000135 PV	internal travel	15,000.00	Transport tickets and Boarding passes
09/09/2024	24/00003219 PV	Maintenance Buidlings	15,000.00	Purchase request, invoice, delivery note, asset registration.
14/11/2024	24/00004146 PV	electricity	14,993.00	Utility bill, Meter reading report and Payment receipt
02/06/2024	24/00001939 PV	Road Mainetance	14,750.00	Purchase request, invoice, delivery note, asset registration.
03/02/2024	24/00000303 PV	Maintenance Buidlings	14,000.00	Purchase request, invoice, delivery note, asset registration.
10/02/2024	24/00000375 PV	Machine ry and aqeupt not elsewhere classified	13,800.00	Purchase request, invoice, delivery note, asset registration.
20/03/2024	24/00000897 PV	internal travel	13,000.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
03/02/2024	24/00000299 PV	Local conferemce	12,000.00	Activity Proposal / Concept Note, Approved Work Plan ,Procurement Request Form, Attendance List (Signed), Event Report / Activity Completion Report
01/02/2024	24/00000291 PV	Confilcit resolution	12,000.00	Activity Proposal / Concept Note, Approved Work Plan ,Procurement Request Form, Attendance List (Signed), Event Report / Activity Completion Report

Date	Ref	Description	Amounts	Audit Comments
10/02/2024	24/00000374 PV	Local conferemce	12,000.00	Activity Proposal / Concept Note, Approved Work Plan ,Procurement Request Form,Attendance List (Signed), Event Report / Activity Completion Report
07/02/2024	24/00000351 PV	Confilcit resolution	11,100.00	Activity Proposal / Concept Note, Approved Work Plan ,Procurement Request Form,Attendance List (Signed), Event Report / Activity Completion Report
10/11/2024	24/00004015 PV	Local conferemce	11,000.00	Activity Proposal / Concept Note, Approved Work Plan ,Procurement Request Form,Attendance List (Signed), Event Report / Activity Completion Report
17/11/2024	24/00004182 PV	Vehicle rent	10,834.00	Rental agreement, logbook/mileage report
28/12/2024	24/00004952 PV	Maintenance vehicles baots	10,200.00	Purchase request, invoice, delivery note, asset registration.
24/11/2024	24/00004319 PV	Machine ry and aqeupt not elsewhere classified	10,000.00	Purchase request, invoice, delivery note, asset registration.
30/05/2024	24/00001925 PV	Buidimgs other than dwellings	10,000.00	Procurement Documents,Delivery Note / Work Completion Certificate,Technical Inspection Report, and Asset Delivery Note
27/10/2024	24/00003807 PV	Buidimgs other than dwellings	10,000.00	Procurement Documents,Delivery Note / Work Completion Certificate,Technical Inspection Report, and Asset Delivery Note
24/02/2024	24/00000532 PV	Fees for service provided	10,000.00	No procurement documentation on record;No tax deducted or remitted; Invoices simply state "Printing car plates" without classification, quantity, or breakdown.
01/04/2024	24/00001154 PV	Fees for service provided	10,000.00	No procurement documentation on record;No tax deducted or remitted; Invoices simply state "Printing car plates" without classification, quantity, or breakdown.
19/05/2024	24/00001653 PV	Fees for service provided	10,000.00	No procurement documentation on record;No tax deducted or remitted; Invoices simply state "Printing car plates" without classification, quantity, or breakdown.

Date	Ref	Description	Amounts	Audit Comments
22/12/2024	24/00004799 PV	Fees for service provided	10,000.00	No procurement documentation on record;No tax deducted or remitted; Invoices simply state "Printing car plates" without classification, quantity, or breakdown.
14/02/2024	24/00000459 PV	internal travel	10,000.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
30/05/2024	24/00001926 PV	internal travel	10,000.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
20/01/2024	24/00000093 PV	Local conferemce	10,000.00	No procurement process and not deducted tax the company. The invoice has written only Local confrence there is no other classification.
14/01/2024	24/00000066 PV	Maintenance Buidlings	10,000.00	Purchase request, invoice, delivery note, asset registration.
17/10/2024	24/00003745 PV	Road Mainetance	10,000.00	Purchase request, invoice, delivery note, asset registration.
03/02/2024	24/00000299 PV	Confilcit resolution	9,900.00	No procurement process and not deducted tax the company. The invoice has written only conflict resolution there is no other classification.
07/03/2024	24/00000778 PV	Buidimgs other than dwellings	9,600.00	Procurement Documents,Delivery Note / Work Completion Certificate,Technical Inspection Report, and Asset Delivery Note
02/04/2024	24/00001157 PV	internal travel	9,270.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
07/11/2024	24/00003970 PV	Medical Supplies	9,266.00	No procurement process and not deducted tax the company. The invoice has written only Medical Supplies there is no other classification. The ministry requesting officer is not signed.

Date	Ref	Description	Amounts	Audit Comments
08/07/2024	24/00002360 PV	Maintenance Buidlings	9,100.00	Purchase request, invoice, delivery note, asset registration.
14/02/2024	24/00000459 PV	Local conferemce	9,000.00	Activity report, Attendance listand Approved budget/work plan missed
22/12/2024	24/00004804 PV	Machine ry and aqeupt not elsewhere classified	9,000.00	Purchase request, invoice, delivery note, asset registration.
14/10/2024	24/00003640 PV	Maintenance Buidlings	8,850.00	Purchase request, invoice, delivery note, asset registration.
21/04/2024	24/00001291 PV	externarl travel	8,554.00	Copy of Passport Pages with Entry/Exit Stamps, Mission Report, Hotel Receipt, Activity Schedule
06/06/2024	24/00001998 PV	diesel and oil	8,500.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
04/02/2024	24/00000332 PV	Local conferemce	8,500.00	No procurement process and not deducted tax the company. The invoice has written only Local confrence there is no other classification.
30/05/2024	24/00001925 PV	Maintenance Buidlings	8,500.00	Purchase request, invoice, delivery note, asset registration.
23/10/2024	24/00003715 PV	Buidimgs other than dwellings	8,400.00	Procurement Documents,Delivery Note / Work Completion Certificate,Technical Inspection Report, and Asset Delivery Note
24/11/2024	24/00004320 PV	Local conferemce	8,000.00	No procurement process and not deducted tax the company. The invoice has written only conference there is no other classification. Ministry requesting officer is not signed.
12/06/2024	24/00002004 PV	Buidimgs other than dwellings	8,000.00	Procurement Documents,Delivery Note / Work Completion Certificate,Technical Inspection Report, and Asset Delivery Note
26/10/2024	24/00003804 PV	Maintenance Buidlings	7,950.00	Purchase request, invoice, delivery note, asset registration.

Date	Ref	Description	Amounts	Audit Comments
02/05/2024	24/00001479 PV	Medical Supplies	7,750.00	No procurement process and not deducted tax the company. The invoice has written only Antibiotics there is no other classification.
30/07/2024	24/00002702 PV	Machine ry and aqeupt not elsewhere classified	7,543.00	Purchase request, invoice, delivery note, asset registration.
24/11/2024	24/00004322 PV	Confilcit resolution	7,500.00	No procurement process and not deducted tax the company. The invoice has written only Conflict resolution there is no other classification. CPO totally is empty.
21/11/2024	24/00004247 PV	Local conferemce	7,500.00	No procurement process and not deducted tax the company. The invoice has written only Conference resolution there is no other classification. CPO totally is missing.
04/03/2024	24/00000765 PV	Maintenance Buidlings	7,500.00	Purchase request, invoice, delivery note, asset registration.
02/05/2024	24/00001479 PV	Maintenance Buidlings	7,500.00	Purchase request, invoice, delivery note, asset registration.
02/06/2024	24/00001937 PV	Maintenance Buidlings	7,500.00	Purchase request, invoice, delivery note, asset registration.
20/08/2024	24/00002929 PV	Maintenance Buidlings	7,500.00	Purchase request, invoice, delivery note, asset registration.
19/02/2024	24/00000480 PV	Maintenance Buidlings	7,257.00	Purchase request, invoice, delivery note, asset registration.
20/08/2024	24/00002929 PV	Buidimgs other than dwellings	7,000.00	Procurement Documents,Delivery Note / Work Completion Certificate,Technical Inspection Report, and Asset Delivery Note
30/03/2024	24/00001070 PV	diesel and oil	7,000.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
29/05/2024	24/00001814 PV	Maintenance Buidlings	7,000.00	Purchase request, invoice, delivery note, asset registration.
30/05/2024	24/00001923 PV	Maintenance Buidlings	7,000.00	Purchase request, invoice, delivery note, asset registration.

Date	Ref	Description	Amounts	Audit Comments
27/10/2024	24/00003805 PV	Maintenance Buidlings	7,000.00	Purchase request, invoice, delivery note, asset registration.
24/11/2024	24/00004321 PV	Maintenance Buidlings	7,000.00	Purchase request, invoice, delivery note, asset registration.
01/06/2024	24/00001931 PV	internal travel	6,920.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
05/09/2024	24/00003192 PV	Maintenance Buidlings	6,716.00	Purchase request, invoice, delivery note, asset registration.
11/11/2024	24/00004018 PV	Maintenance Buidlings	6,690.00	Purchase request, invoice, delivery note, asset registration.
23/03/2024	24/00000904 PV	internal travel	6,600.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
20/06/2024	24/00002024 PV	Maintenance Buidlings	6,500.00	Purchase request, invoice, delivery note, asset registration.
14/01/2024	24/00000067 PV	diesel and oil	6,230.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
17/11/2024	24/00004182 PV	Maintenance vehicles baots	5,834.00	Purchase request, invoice, delivery note, asset registration.
29/04/2024	24/00001438 PV	Maintenance Buidlings	5,750.00	Purchase request, invoice, delivery note, asset registration.
15/10/2024	24/00003642 PV	internal travel	5,690.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report
29/02/2024	24/00000726 PV	internal travel	5,450.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report

Date	Ref	Description	Amounts	Audit Comments
11/05/2024	24/00001560 PV	Maintenance vehicles baots	5,400.00	Purchase request, invoice, delivery note, asset registration.
28/12/2024	24/00004951 PV	Publication	4,999.00	No procurement process and not deducted tax the company. The invoice has written only Publication fees there is no other classification.
24/03/2024	24/00000911 PV	Confilcit resolution	4,300.00	No procurement process and not deducted tax the company. The invoice has written only Conflict resolution there is no other classification.
03/07/2024	24/00002177 PV	Maintenance vehicles baots	3,800.00	Purchase request, invoice, delivery note, asset registration.
16/10/2024	24/00003646 PV	Vehicle rent	3,570.00	Rental agreement, logbook/mileage report
04/05/2024	24/00001472 PV	diesel and oil	2,924.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
13/01/2024	24/00000064 PV	Vehicle rent	2,600.00	Rental agreement, logbook/mileage report
24/11/2024	24/00004321 PV	Maintenance vehicles baots	2,500.00	Purchase request, invoice, delivery note, asset registration.
04/03/2024	24/00000765 PV	Vehicle rent	2,250.00	Rental agreement, logbook/mileage report
11/07/2024	24/00002404 PV	diesel and oil	1,800.00	No procurement process and not deducted tax the company. The invoice has written only Diesel there is no other classification.
13/04/2024	24/00001249 PV	diesel and oil	1,700.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
30/06/2024	24/00002069 PV	diesel and oil	1,600.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
22/02/2024	24/00000525 PV	internal travel	1,500.00	Travel Requisition or Request Memo, Approved Travel Authorization Form (TAF), Work Plan / Activity Schedule, and Transportation Invoice / Ticket, and Mission / Trip Report

Date	Ref	Description	Amounts	Audit Comments
26/05/2024	24/00001683 PV	diesel and oil	1,409.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification. The invoice is copy.
20/04/2024	24/00001285 PV	diesel and oil	1,277.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification.
11/12/2024	24/00004611 PV	diesel and oil	1,211.00	No procurement process and not deducted tax the company. The invoice has written only Petrol there is no other classification. The invoice is copy.
30/03/2024	24/00001070 PV	Stationary	1,000.00	No procurement process and not deducted tax the company. The invoice has written only Books there is no other classification.
03/03/2024	24/00000762 PV	Local conferemce	1,000.00	No procurement process and not deducted tax the company. The invoice has written only Lunch there is no other classification.
23/09/2024	24/00003324 PV	water	999.00	No procurement process and not deducted tax the company. The invoice has written only Water there is no other classification.
17/08/2024	24/00002913 PV	diesel and oil	780.00	No procurement process and not deducted tax the company. The invoice has written only the fuel expenses of the ministry of Finance at the Adado office there is no other classification.
Total			1,355,236.00	

.5.3 Appendix 3: Non-Procurement

Date	Ref	Description	Amount	Audit Comments
02/01/2024	24/00000011 PV	Local conferemce	18,500.00	No Procurement Process
02/01/2024	24/00000011 PV	Confilcit resolution	18,000.00	No Procurement Process

Date	Ref	Description	Amount	Audit Comments
10/03/2024	24/00000802 PV	Confilcit resolution	16,000.00	No Procurement Process
09/09/2024	24/00003220 PV	Confilcit resolution	14,700.00	No Procurement Process
05/09/2024	24/00003191 PV	Confilcit resolution	13,300.00	No Procurement Process
01/06/2024	24/00001933 PV	Machine ry and ageupt not elsewhere classified	12,000.00	No Procurement Process
03/07/2024	24/00002178 PV	Confilcit resolution	11,300.00	No Procurement Process
03/11/2024	24/00003946 PV	Confilcit resolution	9,166.00	No Procurement Process
07/09/2024	24/00003203 PV	Maintenance Buidlings	7,000.00	No Procurement Process
02/05/2024	24/00001478 PV	Maintenance Buidlings	6,950.00	No Procurement Process
12/05/2024	24/00001581 PV	Local conferemce	6,216.00	No Procurement Process
14/09/2024	24/00003259 PV	Local conferemce	20,000.00	No Procurement Process
11/09/2024	24/00003226 PV	Confilcit resolution	17,500.00	No Procurement Process
14/09/2024	24/00003262 PV	Local conferemce	12,000.00	No Procurement Process
16/09/2024	24/00003272 PV	Local conferemce	7,000.00	No Procurement Process
31/01/2024	24/00000272 PV	Funrniture and fixtures	11,271.40	No Procurement Process
03/03/2024	24/00000715 PV	Funrniture and fixtures	5,723.00	No Procurement Process
22/12/2024	24/00004738 PV	Vehicle rent	14,550.00	No Procurement Process
24/12/2024	24/00004875 PV	Vehicle rent	14,550.00	No Procurement Process

Date	Ref	Description	Amount	Audit Comments
Total			235,726.40	

REF/GSS/AG/233/2025

Date: 18 August 2025

Audit of Galmudug State of Somalia Performed by the Auditor General

Final Audit Report

Qualified Opinion

I have audited the financial statements of the Galmudug 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.

In my opinion, except for the effects of the matters described in the **Basis for qualified Opinion** section of our report the financial statements presents fairly, in all material respects, the financial position of the Galmudug State of Somalia as at 31 December 2024 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.

Basis for Qualified of Opinion

My audit revealed several material issues affecting the reliability of the financial statements:

- **Unsupported Revenue:** Revenues totaling USD 1,617,603 were not supported by official receipts or merchant reports, casting doubt on the completeness and accuracy of recorded revenue.
- **Inadequately Supported Payments:** Payments totaling USD 1,355,236 lacked appropriate supporting documentation such as invoices, delivery notes, and procurement records.
- **Misclassified Expenditures:** Payments amounting to USD 343,205 were charged to incorrect budget lines, which undermines budget credibility and financial reporting.

- **Unbudgeted Borrowing:** Domestic borrowing of USD 111,000 was incurred without prior parliamentary approval in contravention of Section 38 of the PFM Act.
- **Non-compliance in Procurement:** Payments totaling USD 1,161,390 (including USD 235,726 without competitive procurement and USD 925,664 through unjustified sole sourcing) were made without adherence to procurement regulations.
- **Lack of Asset Management Controls:** Capital assets purchased for USD 3.6 million were not recorded in any asset register, nor were they verified through physical inspection or tagging.

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(1 and 5) of the Audit Act 2018, 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 attention to the following matters disclosed in the management letter:

- A. **Intergovernmental Transfers:** USD 337,046 was transferred to local governments without any accountability reports or supporting documentation on how the funds were used.

These matters highlight weaknesses in internal controls that could lead to misappropriation or inefficiency if not addressed.

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. **Weak Revenue Controls:** Dormant revenue streams were not collected, and a significant portion of revenue lacked traceability to source documents.
- B. **Irregular Procurement Practices:** Widespread non-compliance with procurement process, including missing bid evaluations, unjustified sole-sourcing, and incomplete procurement files.
- C. **Lack of Asset Register and Verification:** There is no centralized fixed asset register, no annual physical counts, and no formal procedures for asset disposal, posing high risks to asset safeguarding.

D. Partial Implementation of Audit Recommendations: Of the six (6) audit recommendations issued in the previous financial year, only two (2) were fully implemented and closed. The remaining four (4) recommendations related to unsupported revenues, procurement weaknesses, asset management, and misclassification of expenditures remain unresolved.

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.

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.
- 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. 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:	Hashi Osman Mohamed
Title:	Auditor General Office-Galmudug State of Somalia
Date:	18 Aug. 25

Signature:

A handwritten signature in black ink, appearing to be a stylized 'R' or 'P' with a long horizontal stroke extending to the right.



CONSOLIDATED & MINISTERIAL FINANCIAL STATEMENTS OF THE GALMUDUG STATE OF SOMALIA (GSS)

For the Year Ended 31 December 2024

*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**

Galmudug State of Somalia (GSS)

Statement of Certification - 2024 Financial Statements

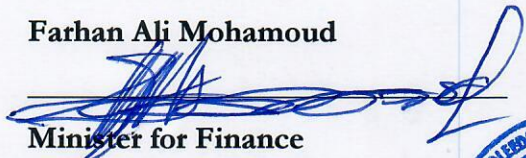
The 2024 financial statements, together with the accompanying notes, have been prepared by the International Public Sector Accounting Standard, Financial Reporting under the Cash Basis of Accounting (2017).

In the opinion of the Minister of Finance, the financial statements of the Galmudug State of Somalia (GSS) as submitted for Audit by Section 32 of the Public Finance Management Act 2018, are materially accurate and provide a true and fair view of the GSS's financial position for the year ended 31 December 2024.

For and on behalf of the Galmudug State of Somalia

Farhan Ali Mohamoud

20/04/2025


Minister for Finance

Date:



Table of Contents

Statement of Certification - 2024 Financial Statements..... i

Executive Summary iii

Notes to the Financial Statements 4

ANNEX 1: INDIVIDUAL BUDGET ENTITY FINANCIAL STATEMENTS 26

Notes to Financial Statements for All Budget Entities..... 59

List of Tables

Table 1: Summary of Financial Performance v

Table 2: Summary of Receipts v

Table 3: Summary of Expenditure for 2 years..... viii

Table 4: Budget v Actual FY 2023..... ix

List of Charts

Chart 1: Revenue breakdown FY 2024 Chart 2: Revenue breakdown FY 2023..... vi

Chart 3: Revenue comparison 2024 vs 2023 vii

Chart 4: Main Expenditure categories..... vii

Executive Summary

Overview of the Financial Statements

The Financial Statements of the Galmudug State of Somalia provide a record of the Government's financial performance over the financial year, 2024 as outlined in the Statement of Receipts and Payments and the Statement of Comparison of Budget and Actual Amounts. The Financial Statements further summarize all financial transactions for the year ended 31st December 2024 and GSS's financial cash position as of 31st December 2024. These Financial statements have been prepared by the Treasury Department of Ministry of Finance in Galmudug State of Somalia, and it included financial information related to all Galmudug State of Somalia Ministries, Departments, and Agencies (MDAs).

The 2024 financial statements focus on reporting primarily budgeted activities of the GSS for which an Annual Budget Statement was prepared for and authorized by the Galmudug State's parliament for the 2024 fiscal year. The budget and annual financial statements are produced to support GSS's strategic business and financial decisions critical to the fiscal and economic well-being of the state. The annual reports include the financial and budget activities of MDAs which directly and indirectly

receive budget allocations from the Galmudug State of Somalia. These MDA entities are listed in **32 MDAs** of this report.

Disclosure has also been made to the extra-budgetary funds consolidating the financial information that MDAs have provided in respect of their extra-budgetary transactions.

Format of the Financial Statements and additional disclosures

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

Statement of Cash Receipts and Payments

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

Statement of Comparison of Budget and Actual Amounts by Economic Nature.

The statement of comparison of budget and actual amounts presents a comparison of the budget amounts and the actual amounts for the year based on the GFS economic classification. The statements are prepared to provide information on the extent to which resources were obtained and used by the budget approved by the Galmudug States' Parliament—statement of Payments by Functions of Government.

This is a statement that is an optional requirement under IPSAS Part 1 and provides further details of the amounts disclosed in the Statement of Cash Receipts and Payments by comparing the budget and government spending during the financial year. The statement is based on the Division Classification of Government outlays by Functions of Government (COFOG) and identifies the purpose of spending by the Government.

Accounting Policies.

These are the specific principles, bases, conventions, rules, and practices adopted by the Galmudug State of Somalia in preparing and presenting the financial statements. Explanatory Notes to the Financial Statements.

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

Additional Disclosures.

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

This statement provides information on the outstanding national debt of the Galmudug State of Somalia at the end of the year and makes a distinction between the nature of the debt (capital and operational).

Statement of Extra Budgetary Transactions of all Public Bodies

The statement of extra-budgetary funds is a summary of the extra-budgetary transactions prepared and submitted by the MDAs to the Treasury Director in respect of funds operated outside the national budget.

Summary of Financial Results

Financial Statement Highlights and Analysis

Table 1: Summary of Financial Performance

Financial Performance	2024 USD	2023 USD
Revenue	27,362,927	22,791,088
Expenditure	27,385,053	22,685,441
Surplus	(22,126)	105,646
% Change	100%	100%

	2024 USD	2023 USD
Original Budget	34,695,177	35,323,800
Revised Budget (Mid-year Revision)	39,995,041	37,356,126
Actual Expenditure	27,385,053	22,685,441
Under Spending (Budget Saving)	(12,609,989)	(14,670,685)
% Change	68%	61%

Revenue Analysis

Galmudug Status's total revenue has increased from **\$22,791,088** in 2023 to **\$27,362,927** in the 2024 financial year an increase of **\$4,571,839 (17%)**. The main sources of the GSS's revenue are its source revenue; (taxes and domestic charges) as well as external assistance from international partners and the Federal Government of Somalia.

Table 2: Summary of Receipts

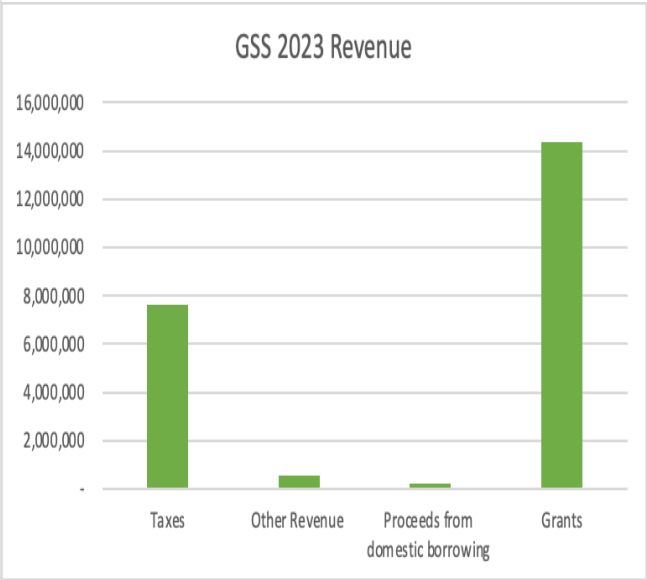
Revenue Analysis	2024	2023
Revenue Type		
Taxes	8,923,839	7,627,481
Other Revenue	1,476,784	551,037
Proceeds from domestic borrowing	111,000	235,000
Grants	16,851,303	14,377,571
Total	27,362,927	22,791,088

The following chart further highlights the breakdown of revenue collections for the year, which shows that grants account for a significant portion of the total receipts.

Chart 1: Revenue breakdown FY 2024



Chart 2: Revenue breakdown FY 2023



Tax Receipts

In the financial year 2024, tax revenue rose from **\$7,627,481** in 2023 to **\$8,923,839**, reflecting an increase of **\$1,296,359**. This growth is primarily attributed to the tax on goods and services, as well as payroll and workforce taxes. Notably, as illustrated in Chart 1, tax revenue comprised 33% of the total revenue for the year.

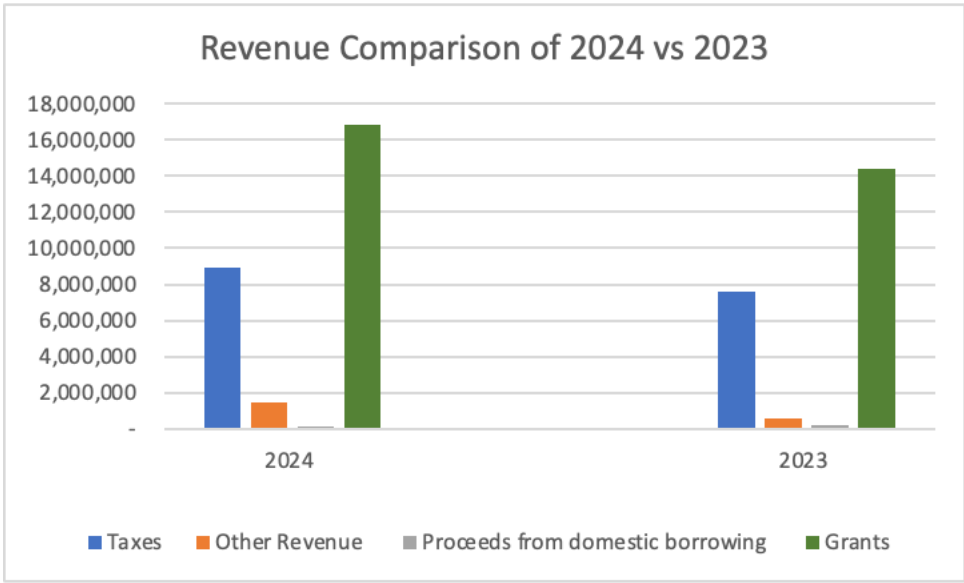
Other Revenue

In the financial year 2024, the other revenue increased by **\$925,747** (168%) compared to the previous year, rising from **\$551,037** to **\$1,476,784**. This huge increase is primarily due to sales of goods and services; however, it is important to note that the government did not collect any fees from issuing primary and secondary certificates or public notary services during this period. As shown in Chart 1, non-tax receipts accounted for **2%** of the total revenue for the year.

Grants

External assistance and grants from international partners, along with transfers from the Federal Government of Somalia, were crucial sources of funding, totaling **\$16,851,303**, which represents **62%** of the total revenue. This marks an increase from **\$14,377,571** in 2023, reflecting a growth of **\$2,473,732**, or 17%. The rise is largely attributed to the anticipated grants received in 2024. Further details and comparisons between the current and previous years are illustrated in Chart 3.

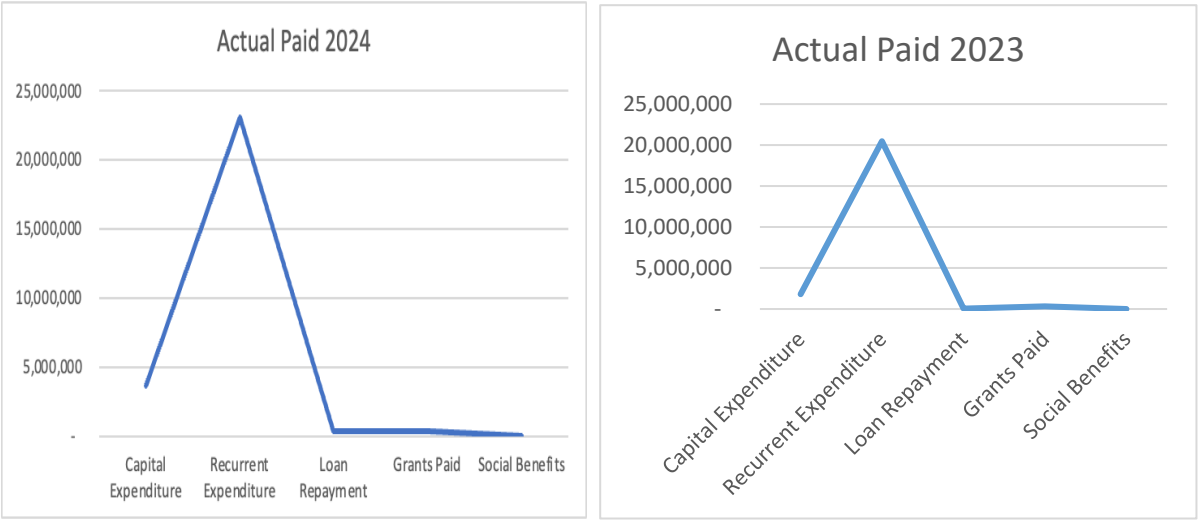
Chart 3: Revenue comparison 2024 vs 2023



Expenditure Analysis

The GSS’s payments fall into four distinct categories; recurrent, Nonfinancial assets (capital expenditure), and Grants paid to sub-national governments. The recurrent expenses or costs are primarily manpower-related and cost of goods and services for operations. The recurrent expenses also include interest and other charges. Chart 4 summarizes the major areas of expenditure incurred by the GSS.

Chart 4: Main Expenditure categories.



The total payments made during the year amounted to US\$ **27,385,053** in comparison to US\$ **22,685,441** in 2023. Overall, GSS has increased its expenditure by US\$ **4,699,611**, with the highest increase coming from the use of goods and services (32%) compared with the previous year, and purchase of non-financial assets (99%) compared with the previous year.

The largest expenditure category was the Use of goods and service cost which amounted to US\$**12,608,007**, which was 46% of the total expenditure. The second highest cost is the purchase of non-financial asset expenditure, which was 13% of total expenditure for the year.

Table 3 below shows expenditure categories for the 2024 financial year compared with the year 2023 financial.

Table 3: Summary of Expenditure for 2 years

	2024 USD	2023 USD	Variance USD	Variance %
Employee Compensation	10,487,807	10,950,872	463,065	4%
Use of Goods and Service	12,608,007	9,517,508	(3,090,499)	-25%
Grants Paid	337,046	344,682	7,636	2%
Capital Expenditure	3,609,655	1,810,999	(1,798,656)	-50%
Interest	-	-	-	0%
Repayments	342,538	61,380	(281,158)	-82%
Subsidy	-	-	-	0%
Social benefits	-	-	-	0%
Other Payments	-	-	-	0%
Total	27,385,053	22,685,441	(4,699,611)	-21%
% Change				

This is also displayed in a Chart with main headings (as below) and a total column for 2 years providing a clear visual representation of the year-on-year increase in expenditure.

Capital Expenditure Analysis

Capital expenditure (non-financial assets) for the year was US\$3,609,655 compared to US\$1,810,999 for the previous year, an increase of US\$1,798,656 (99%). The major areas of expenditure were Wells and water holes followed by Buildings other than dwellings expenses. By reporting on a cash basis and complying with IPSAS, a cash basis of accounting, capital expenditure is expensed in the year of acquisition.

Budget and Expenditure Analysis

The annual budget of Galmudug State of Somalia is the principal document by which the Government sets out its financial plan for the year. The original budget or financial plan approved by the State Parliament for the budgeted expenditure for the year was US\$ 39,995,041. A Supplementary Budget exercise was not carried out during the year.

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

Table 4: Budget v Actual FY 2024

Expenditure Category	2024			
	Budget	Actual	Variance (Underspend)	%
Compensation of Employees	12,465,140.00	10,487,807.30	1,977,333	84
Use of Goods & Services	17,513,540.45	12,608,006.83	4,905,534	72
Grants Paid	390,000.00	337,046.00	52,954	86
Capital Expenditure	8,790,323.24	3,609,654.87	5,180,668	41
Loan repayments	836,037.50	342,537.50	493,500	41
Subsidy	-	-	-	-
Social benefit	-	-	-	-
Other Expenditure (Contingency Fund)	-	-	-	-
Total Expenditure	39,995,041	27,385,053	12,609,989	68%

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Galmudug State of Somalia Consolidated Fund Statement of Cash Receipts and Payments Treasury Single Accounts For the Year Ended 31 December 2024

		2024	2023
		Controlled by	Controlled by
		TSA	TSA
	Note	USD	USD
Receipts / Inflows			
Receipts / Inflows			
Taxes			
Taxes on income, profits, and capital gains	2	369,804	226,577
Taxes on payroll and workforce	3	836,310	591,315
Taxes on goods and services	4	7,648,925	6,502,439
Taxes on international trade and transactions	5	68,800	307,150
Taxes		8,923,839	7,627,481
Grants			
From international organizations	6	1,727,704	2,855,782
From other general government units	7	15,123,599	11,521,789
Grants		16,851,303	14,377,571
Other Revenue			
Sale of goods and services	8	1,019,605	549,537
Fines, penalties and forfeits	9	-	1,500
Transfers not elsewhere classified	10	457,180	-
Other Revenue		1,476,784	551,037
Loan			
Proceeds from Domestic borrowing	11	111,000	235,000
Loan		111,000	235,000
Receipts / Inflows		27,362,927	22,791,088
Payments / Outflows			
Compensation of Employees			
Wages and Salaries	12	10,487,807	10,950,872
Compensation of Employees		10,487,807	10,950,872
Use of Goods and Services			
Travel & Conferences	13	3,334,513	2,931,094
Operating Expenses	14	5,093,711	3,050,935
Rent	15	1,128,728	1,374,704
Other Operating Expenses	16	1,977,455	1,372,795
Conflict Resolution Expenses	17	1,073,600	787,840
Contingency	18	-	140
Use of Goods and Services		12,608,007	9,517,508
Grants			
Grants To Other General Government Units	19	337,046	344,682
Grants		337,046	344,682
Other Expenses			
Miscellaneous other expense	20	342,538	61,380
Other Expenses		342,538	61,380
Nonfinancial assets			
Fixed Assets	21	3,609,655	1,810,999
Nonfinancial assets		3,609,655	1,810,999
Payments / Outflows		27,385,053	22,685,441
Increase Decrease in Cash		(22,126)	105,646
Cash at Beginning of Year		1,498,057	1,392,410
Cash at End of Year	1.4	1,475,931	1,498,057

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Galmudug State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2024
Appropriation Budget Approved on Cash Basis
Classification of Payments by Economic Class

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
Note		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows						
Taxes						
	Taxes on income, profits, and capital gains	240,000	240,000	369,804	129,804	226,577
	Taxes on payroll and workforce	620,000	620,000	836,310	216,310	591,315
	Taxes on goods and services	7,205,506	7,205,506	7,648,925	443,419	6,502,439
	Taxes on international trade and transactions	3,202,494	3,202,494	68,800	(3,133,694)	307,150
22	Taxes	11,268,000	11,268,000	8,923,839	(2,344,161)	7,627,481
Grants						
	From international organizations	2,842,301	4,172,919	1,727,704	(2,445,214)	2,855,782
	From other general government units	19,684,876	23,746,428	15,123,599	(8,622,829)	11,521,789
23	Grants	22,527,177	27,919,347	16,851,303	(11,068,044)	14,377,571
Other Revenue						
	Sale of goods and services	890,000	890,007	1,019,605	129,598	549,537
	Fines, penalties and forfeits	10,000	10,000	-	(10,000)	1,500
	Transfers not elsewhere classified		497,000	457,180	(39,821)	-
24	Other Revenue	900,000	1,397,007	1,476,784	79,777	551,037
Loan						
	Proceeds from Domestic borrowing	-	-	111,000	111,000	235,000
	Loan	-	-	111,000	111,000	235,000
Receipts / Inflows		34,695,177	40,584,354	27,362,927	(13,221,427)	22,791,088

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Galmudug State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2023
Appropriation Budget Approved on Cash Basis
Classification of Payments by Economic Class

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
Note		A USD	B USD	C USD	C-B USD	USD
Payments / Outflows						
	Compensation of Employees					
	Wages and Salaries	12,084,892	12,465,140	10,487,807	(1,977,333)	10,950,872
	Compensation of Employees	12,084,892	12,465,140	10,487,807	(1,977,333)	10,950,872
	Use of Goods and Services					
	Travel & Conferences	3,095,278	3,726,725	3,334,513	(392,212)	2,931,094
	Operating Expenses	3,963,436	6,120,738	5,093,711	(1,027,027)	3,050,935
	Rent	814,009	1,269,734	1,128,728	(141,006)	1,374,704
	Other Operating Expenses	2,776,707	2,756,476	1,977,455	(779,021)	1,372,795
	Conflict Resolution Expenses	627,600	1,073,600	1,073,600		787,840
	RCRF Non-Salary Recurrent Cost	3,526,841	2,186,268		(2,186,268)	
	Contingency	700,000	380,000		(380,000)	140
	Use of Goods and Services	15,503,871	17,513,540	12,608,007	(4,905,534)	9,517,508
	Grants					
	Grants To Other General Government Units	340,000	390,000	337,046	(52,954)	344,682
	Grants	340,000	390,000	337,046	(52,954)	344,682
	Other Expenses					
	Miscellaneous other expense	-	832,538	342,538	(490,000)	61,380
	Premiums,fees,claims related to non-life insurance	-	3,500		(3,500)	
	Other Expenses	-	836,038	342,538	(493,500)	61,380
	Nonfinancial assets					
	Fixed Assets	6,731,854	8,790,323	3,609,655	(5,180,668)	1,810,999
	Inventories	34,560	-	-	-	-
	Nonfinancial assets	6,766,414	8,790,323	3,609,655	(5,180,668)	1,810,999
	Payments / Outflows	34,695,177	39,995,041	27,385,053	(12,609,989)	22,685,441

Galmudug State of Somalia
FGS Statement of Government Operations
For the Year Ended 31 December, 2024

	2024	2023
	USD	USD
Transactions Affecting Net Worth		
Revenue	27,362,927	22,791,088
Taxes	8,923,839	7,627,481
Taxes on income, profits, and capital gains	369,804	226,577
Taxes on payroll and workforce	836,310	591,315
Taxes on goods and services	7,648,925	6,502,439
Taxes on international trade and transactions	68,800	307,150
Grants	16,851,303	14,377,571
From international organizations	1,727,704	2,855,782
From other general government units	15,123,599	11,521,789
Other Revenue	1,476,784	551,037
Sale of goods and services	1,019,605	549,537
Fines, penalties and forfeits	-	1,500
Transfers not elsewhere classified	457,180	-
Loan	111,000	235,000
Proceeds from Domestic borrowing	111,000	235,000
Expense	23,775,398	20,874,442
Compensation of Employees	10,487,807	10,950,872
Wages and Salaries	10,487,807	10,950,872
Use of Goods and Services	12,608,007	9,517,508
Travel & Conferences	3,334,513	2,931,094
Operating Expenses	5,093,711	3,050,935
Rent	1,128,728	1,374,704
Other Operating Expenses	1,977,455	1,372,795
Conflict Resolution Expenses	1,073,600	787,840
Contingency	-	140
Grants	337,046	344,682
Grants To Other General Government Units	337,046	344,682
Other Expenses	342,538	61,380
Miscellaneous other expense	342,538	61,380
Gross Operating Balance	3,587,529	1,916,646
Transactions In Non Financial Assets		
Change In Net Worth. Transactions (Assets)	3,609,655	1,810,999
Nonfinancial assets	3,609,655	1,810,999
Fixed Assets	3,609,655	1,810,999
Transactions in Financial Assets & Liabilities		
Change In Net Worth. Transactions (Assets)	(22,126)	105,646
Financial assets	(22,126)	105,646
Domestic	(22,126)	105,646
Liabilities	-	-
Liabilities	-	-
Liabilities	-	-

Notes to the Financial Statements

1 Summary of Significant Accounting Policies

1.1 Basis of Preparation

The Galmudug State of Somalia (GSS) consolidated financial statements have been prepared in accordance with the *Public Financial Management Act 2018* and the International Public Sector Accounting Standard (IPSAS) - *Financial Reporting under the Cash Basis of Accounting (2017)*. The notes to the financial statements form an integral part to understanding the statements and must be read in conjunction with the statements. The accounting policies have been applied consistently throughout the period.

1.2 Reporting Entity

The accounting policies have been applied consistently throughout the period.

The Financial statements are for the Galmudug State of Somalia (GSS). This is the Governments sixth year of operation and covers the period 1 January – 31 December 2023 the principal address of the government is [*Dusamareb, Galmudug State of Somalia*]

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

The financial statements encompass the reporting entities as specified in the *GSS Appropriation Act No. 1 of 2024* and are comprised of:

- 01 Ministry of Interior Federal & Reconciliation
- 02 Ministry of Justice & Judiciary Affairs
- 03 Ministry of Finance
- 04 Ministry of Internal Security
- 05 Ministry of Planning & Economic Development
- 06 Ministry of Endowment & Religious Affairs
- 07 Ministry of Petroleum and Mining Resources
- 08 Ministry of Public Works & Housing
- 09 Ministry of Commerce & Industry
- 10 Ministry of Information
- 11 Ministry of Aviation & Transport
- 12 Ministry of Education Culture & Higher Education
- 13 Ministry of Post & Communication
- 14 Ministry of Agriculture
- 15 Ministry of Environment & Climate Change

16	Ministry of Health and Social Services
17	Ministry of Women and Human Right
18	Ministry of Labor and Social Affairs
19	Ministry of Youth & Sport
20	Ministry of Water & Electricity
21	Ministry of Constitution Affairs
22	Ministry of Ports and Fishery
24	Ministry of Humanitarian Affairs and Disaster Management
25	Office of Presidency
26	Office of the Speaker and Parliament
27	Civil Service Commission
28	Office of Audit General
30	Ministry of Livestock
31	Supreme Court
32	Office of The Attorney General
33	Office of The Solicitor General
34	Ministry of Fishery and Marine Resources

All ministries were created by a **Presidential Decree** entitled *A Decree Establishing Ministries of Galmudug State of Somalia and Defining Roles and Functions of Ministries* dated 28th December 2015 and a separate decree creating the Ministry of Finance entitled *A Decree for Establishing the Ministry of Finance of the Galmudug State and Other Related Matters* dated on 28th December 2015.

A separate decree on establishing the Civil Service Commission (CSC) and its purpose entitled *A Decree for establishing the Civil Service Commission of the Galmudug State of Somalia* dated 28th December 2015 established the office of the Civil Service Commission and changed to an act on 24th June 2018. Companion acts also established the Civil Service and the Civil Service Salary structure. The inauguration of the GSS constitution automatically established the Galmudug Parliament. Their respective statements form part of the consolidated financial statements as these entities were included as part of the *GSS Appropriation Act No.1 of 2018*. 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 Bank accounts

Bank accounts controlled by the Ministry of Finance consist of the main account, the Treasury Single Account (TSA) held with the Salaam Bank, and sub-TSA (project) bank accounts which were opened, under the written authorization of the Minister of Finance. The WB RCRF III Project Account works as a condition to the World Bank-funded Recurrent Cost and Reform Financing program (RCRF III)

Galmudug State of Somalia – Annual Financial Statements – FY 2024

grant and other donors, these project accounts were opened for the operations of these projects and in such a manner as to avoid the grant funds commingling with other GSS operations. The table below presents the bank account balances as of the end of the 2024 financial year. It is noteworthy that several Salaam Bank accounts reflect negative balances, attributed to the transition from a private banking system to central banking

SALAM SOMALI BANK	2024 USD	2023 USD
Treasury Single Account - Main	107,388	114,609
Wasaaradda Waxbarashada Galmudug	-	2,007
Ministry of Interior & Local Government	61	61
SURPII FOR FMS DHUSAMAREB	-	164,770
MOIS Acc for GSS	-	3,534
Child PIP for MOWHRD for Galmudug	-	58,636
MOIFAR Galmudug-LDF/JPLG Project	1	-
Project Account - RCRF III	-	161,269
Ministry Of Health Of Galmudug	-	10,200
WB RCRF III PBCs Galmudug State of Somalia	-	426,810
Sagal Project of GSS	-	1,746
Damal Caafimaad Galmudug	-	12,260
Somali Education for Human Capital PR	-	133,231
KOBCIYE PROJECT GALMUDUG	-	1,271
Ground Water for Resilience Project	-	80,625
SWRR	-	309,573.85
BARNAAMIJKA DAYACTIRKA LAAMIGA GALMI	5,853	-
	113,302	1,480,603
DAHABSHIIL BANK	2024 USD	2023 USD
Galmudug State Treasury Single Account Dahabshil	27,898	17,361
Wasaaradda Caafimaadka Galmudug	3,400	-
	31,298	17,361
AMAL BANK	2024 USD	2023 USD
Galmudug State Treasury Single Account AMAL	92	92
	92	92

CENTRAL BANK OF SOMALIA	2024 USD	2023 USD
Wasaaradda Waxbarashada Galmudug CBS	1	-
SURP II FOR FMS DHUSAMAREB CBS	185,452	-
Project Account-RCRF III CBS	127,884	-
WB RCRF III pbs Galmudug State Of Somalia CBS	304,140	-
Damal Caafimaad Galmudug CBS	17,265	-
SWRR CBS	28,814	-
Somali Education for Human Capital Development CBS	217,829	-
KOBCIYE PROJECT GALMUDUG CBS	310	-
Ground Water for Resilience Project CBS	51,049	-
FSRP GSS CBS	378,907	-
Somali Enhancing Public Resource Management GSS	19,588	-
	1,331,238	-

1.4 Cash & Cash Equivalents

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

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

	2023 USD	2022 USD
Cash on Hand and balances with banks	1,475,931	1,498,056
	1,475,931	1,498,056

The treasury single account holds a closing balance of \$1,475,31 from the internally generated revenue and other funds of GSS. This marks the year-end balance for GSS. Additionally, the GSS Ministry of Finance experienced improved conditions in the last two quarters of 2024 compared to the previous year. This positive trend has led to intensified efforts against Al Shabab, aiming to liberate areas in Galmudug, amidst challenges such as nationwide droughts.

1.5 Reporting Currency

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

1.6 Undrawn External Assistance

In the 2017, financial year GSS became eligible to participate in the ongoing Recurrent Cost and Reform Financing (RCRF III) project. The project runs for five years, however, due to additional financing (AF) the period has been extended (up to 30 June 2026 and is reviewable on an annual basis.

The RCRF III project is a multi-partner fund administered by the International Development Association (IDA), with funding channeled through the Federal Government of Somalia (FGS).

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. 2024 and 2023 Cash on Hand and bank balance is 145,875 and 1,475,931 USD, respectively.

As specified in a binding agreement Number TFOA0534 dated 29 June 2015 between the Federal Government of Somalia (FGS), acting on behalf of all other existing & emerging states, and the International Development Association (IDA), the Galmudug State by a sub-agreement with FGS has a running project with IDA which will last to 30 June 2026

Undrawn external assistance for the RCRF II project depends on GSS fulfilling the project's conditional requirements, which it has successfully met. The project became effective on July 1, 2016. However, the budget outlined in the Project Appraisal Document (PAD) does not specify a detailed breakdown for GSS. The grant amount is subject to annual review and approval by the IDA. For the fiscal year ending December 31, 2021, GSS received \$3,392,788.92 from the RCRF II project against a budget of \$4,360,160.45, which is 78% of the total project budget. The unutilized variance resulted from the non-recruitment of several civil servants and the inability to access the non-salary recurrent cost component

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

The approved budget is developed on the same accounting basis (Cash basis) and same classification basis as the financial statements. It encompasses the same entities as the consolidated financial statements.

The original budget was approved by the members of Parliament and signed by the President on the 19th of Nov 2022. There was no supplementary budget during the period. Movements across the budget line items.

in the final estimate, appropriations are attributed to budget reallocations in line with the reallocation provisions outlined in the Appropriation Act 2021.

1.8 Authorization Date

The financial statements were authorized for issue on 20/04/2025 by Mr Farhan Ali Mohamud-Minister for Finance.

2 Taxes on income, profits, and capital gains

In 2024 Galmudug State of Somalia has been exercising different taxes including Personal income tax on public employees on civil servants, and payroll tax on non-government staff those are important revenue streams to the current budget of 2024.

	2024 USD	2023 USD
Personal income tax on Public employee	369,804	226,577
	369,804	226,577

3 Taxes on payroll and workforce

In 2024 Galmudug State of Somalia exercised this revenue stream, which is this stream has made a good enhancement to the budget even more than expected. As Shown in the diagram below

	2024 USD	2023 USD
Private Payroll taxes on non-civil servants	836,310	591,315
	836,310	591,315

4 Taxes on goods and service

FY2024, revenue from road user tax, turnover tax, local passenger charge was collected. The road user's tax is levied on gross vehicle weight, not on the quantity or value of goods being transported. The main road/highway connecting Galmudug to the port of Bosasso was the main source of these taxes. A uniform rate of tax is applied.

Turnover tax is imposed on all cargo transported by truck at checkpoints, along with contract taxes collected from vendors throughout the year. This revenue stream has shown an increase compared to the previous receipts.

More Importantly airports of Guri'el, Ugas nor and Adado airports are fully controlled by the Ministry of Finance, which enables the collection of the local passenger charges.

Overall, taxes collected during FY2024 show they have increased in comparison to the prior year, which is because of several tax rate has been amended and streams generated new revenue. The following is a detailed breakdown of tax heads and their respective source of entry.

	2024	2023
	USD	USD
Turnover tax	695,301	598,789
Local passenger charge	231,789	341,127
Road user taxes	6,624,876	5,562,523
Fishing Fees	16,737	-
Urban road users taxes (tremistrade)	80,222	-
Total	7,648,925	6,502,439

5 Taxes on International Trade (Transit of Goods across State Borders)

In 2017, the Galmudug State of Somalia introduced a tax on goods in transit, replacing the previously established customs duties. By the 2020 financial year, the state implemented a tax specifically on khat, which was anticipated to become a major source of tax revenue due to the high consumption of khat in the region and the number of airports involved in its transportation. Unfortunately, this revenue stream has not been operational in the current financial year of 2024.

Additionally, in 2020, taxes on cigarette and tobacco products were introduced, with collections occurring at the Hobyo Sea Port. In 2024, the state also began taxing vehicles and spare parts, particularly focusing on imported cars coming through Hobyo Port. Below is a detailed breakdown of these tax streams.

	2024	2023
	USD	USD
Khat	-	274,150
Cigarette and tobacco product	20,000	33,000
Vehicle and spare parts	48,800	-
	68,800	307,150

6 Grants from International Organizations

Treasury Single Account

The Galmudug State of Somalia (GSS) has received grants from various international organizations under different projects, including the United Nations, Save the Children, Care International, ADRA Somalia, the International Labor Organization (ILO), UNICEF, PREMIS Support, the Food and Agriculture Organization (FAO), UN-HABITAT, and the United Nations Capital Development Fund (UNCDF). Currently, teacher support projects are funded by five international non-governmental organizations (INGOs), each providing financial incentives for teachers in GSS.

Funding from the United Nations supports three key projects. First, the JPLG project aims to enhance the local councils in major cities such as Adado, Galkacyo, and Abudwaq. Second, the Child PIP project is focused on preventing the recruitment and use of children by armed forces in conflict zones. Additionally, the World Food Programme (WFP) provides funding for a small number of security personnel who collaborate with the Ministry of Security. UNICEF also plays a vital role by offering substantial support to the Ministry of Health, addressing the essential health services that residents have struggled to access for a long time.

The table below summarizes the grants received.

	2024	2023
	USD	USD
Save The Children	44,673	329,457
World Vision	184,596	10,200
Care international	7,000	7,000
PREMIS SUPPORT	19,505	-
ADRA Somalia	-	30,700
FAO	-	1,283
ILO	-	10,100
UNICEF	1,122,733	2,032,464
UN HABITAT	-	65,750
United Nations	349,197	201,630
UNCDF	-	167,197
	1,727,704	2,855,782

7 Grants from Other Government Units.

Currently, the Galmudug State of Somalia (GSS) does not generate enough revenue to cover its entire operational expenses. To address this shortfall, the Federal Government of Somalia (FGS) provides budget support to the state, along with funding for specific projects. One such project is RCRIII, which finances the salaries of eligible recruited civil servants.

In addition, several other projects contribute to the state's budget, including Biyoole, FGS budget support, the Barwaqo project, SURP II, GPE, Damal Caafimad, the SEHCD project, groundwater initiatives, the SERP project, and FSRP. These projects offer essential support for basic needs such as education, rural water catchment, health facilities, food security, and the enhancement of public financial management (PFM). The following table illustrates how these funds have been allocated across various projects.

	2024	2023
	USD	USD
Somali Urban Resilliance II	478,195.60	483,927.33
RCRFIII	3,392,788.92	3,395,386.44
FGS Budget Support to GSS	5,834,280.04	4,917,117.92
Biyoole Project	-	405,758.86
Barwaaqo	2,934,862.35	1,588,079.14
GPE	153,980.00	231,978.16
Damal Caafimaad	278,502.00	128,331.00
SEHCD Project	748,011.22	271,210.00
Groundwater for Resilience Revenue	144,492.92	100,000.00
SERP Project	399,069.18	-
FSRP Project	626,374.00	-
Fishing Fees	133,042.41	-
	15,123,599	11,521,789

8 Other Revenue (Sale of goods and services)

Other revenues received by the GSS, these revenue streams include Work permit, business and professional license, landing fees, international NGO registrations, local NGO registrations, service charge fees, fishing fees, number plate registration fees, and public notary fees and individual donations. The table below provides further details of these revenue sources:

	2024	2023
	USD	USD
Work permit taxes	73,000	8,080
Business and profession licenses	34,073	38,671
Landing fees	112,815	105,550
International NGO's registrations	17,000	14,000
Local NGO's registrations.	9,284	15,500
Service charges fees	7	34
Fishing licenses fees	28,600	41,002
Number plate registration fees	744,826	305,414
Public notary fees	-	21,286
	1,019,605	549,537

9 Other Revenue (Fines, penalties, and forfeits)

A fine or mulct is a penalty of money that a court of law or other authority decides has to be paid as punishment for a crime or other offence.

During the year, the courts hasn't collected this head of revenue stream of fines, which is the only revenue stream that has received from this list.

as shown in the table below:

	2024	2023
	USD	USD
Fines	-	1,500
	-	1,500

10 Other Revenue (Transfers not elsewhere classified)

Individual donations refer to financial contributions made by private individuals to support the state road maintenance; this is a new revenue stream.

	2024	2023
	USD	USD
Individual Donations	457,180	-
	457,180	-

11 Loan and advances

In the fiscal year 2024, the Galmudug State of Somalia received \$111,000 from local businesses to support government operations, a decrease from \$235,000 in 2023.

	2024	2023
	USD	USD
Loan and Advances	111,000	235,000
	111,000	235,000

12 Wage and Salaries

Wages and salaries are a combination of salaries, allowances, and in-kind payments to staff. The staff includes both civil servants, politically appointed positions and security personnel. A breakdown of wages and salaries is provided below.

	2024	2023
	USD	USD
Basic salaries for general Civil Service	1,130,625	1,070,059
Teachers salary	679,632	880,330
Health workers salary	561,330	579,434
Temporary staff salary	159,070	1,298,407
Legislature salary	1,143,740	1,247,670
Political appointees salary	193,125	102,400
Security sector salaries	3,342,050	3,176,085
Contract Employees	1,416,790	75,800
Regular food and supplies	878,497	819,194
Daily meals	401,848	359,663
Teachers allowances	23,760	-
Health workers allowances	33,660	531,753
Temporary staff allowances	-	7,200
Security sector allowances	223,932	134,146
Incentive allowances	299,748	668,732
	10,487,807	10,950,872

Salaries for general civil service increased by \$60,566, marking a 5% rise from the previous year, funded through the RCRF III project. Conversely, salaries for Ministries and Statutory appointments fell significantly to \$103,930, down from \$1,298,407 in 2024. This decline was attributed to inconsistent salary payments for statutory appointees, including Ministers and their deputies. However, recruitment of civil servants has increased compared to the previous fiscal year.

In the security sector, salaries also showed an upward trend, totaling \$3,342,050, up from \$3,176,085 in the prior fiscal year. This increase is largely due to heightened security operations in the region against Al-Shabab.

13 Travel and Conferences

Conferences and travel expense relate to GSS officials attending conferences and meetings. with \$3,334,513 these are commutative costs relating to travel and conferences whether internal or external of Galmudug State of Somalia throughout the year.

The following provides a breakdown of the total Costs.

	2024 USD	2023 USD
Internal Travel	1,046,497	1,084,607
External Travel	249,867	182,887
Local conference	1,715,589	1,637,953
Accommodation	322,560	25,648
	3,334,513	2,931,094

14 Operating Expenses

Operating expenses encompass the costs necessary for the ongoing operations of all Ministry offices. The rise in operating expenses can be attributed to several Ministries that established their offices during the 2024 financial year, which they did not have in previous years. Consequently, operating costs increased by \$2,024,775, reflecting a 40% increase compared to the prior year, as detailed in the table below.

	2024 USD	2023 USD
Electricity	203,334	166,171
Water	71,951	57,070
Refuse collection	5,900	4,500
Other utilities	148,566	117,886
Telephone fees	15,039	10,845
Internet fees	141,955	143,437
Diesel and oil	744,258	629,299
Stationary	106,007	88,021
Publications fees	41,008	161,509
Refreshment	408,925	193,286
Cleaning supplies	37,066	25,281
Medical supplies	849,239	474,467
Construction materials	10,000	-
Maintenance and repairs of furniture and fittings	7,987	20,175
Maintenance and repairs of vehicles, boats and vessels	488,242	251,767
Maintenance and repairs of building	1,235,625	629,695
Wales, canals and dwellings maintenance	131,288	77,529
Road Maintenance	447,320	-
Total	5,093,711	3,050,935

15 Rent

During the year, total rental expenses amounted to \$1,128,728, which includes \$170,068 for office rent and \$958,642 for other rental costs. This represents a decrease of \$245,976 compared to the previous year. The rise in rental expenses is directly linked to some institutions have built their own offices in the capital city of Dusamareb, Adado, Galkayo and Guri'el. The following table details the rents paid by each Ministry.

	2024 USD	2023 USD
Ministry of Interior Federal & Reconciliation	65,000	26,060
Ministry of Justice & Judiciary Affairs	1,250	16,097
Ministry of Finance	146,732	197,975
Ministry of Internal Security	41,547	95,321
Ministry of Planning & Economic Development	2,330	7,500
Ministry of Endowment & Religious Affairs	5,750	-
Ministry of Petroleum and Mining Resources	-	10,800
Ministry of Public Works & Housing	14,000	9,800
Ministry of Commerce & Industry	3,000	6,000
Ministry of Information	-	20,000
Ministry of Aviation & Transport	5,000	19,000
Ministry of Education Culture & Higher Education	195,840	201,960
Ministry of Post & Communication	-	3,000
Ministry of Agriculture	74,950	5,200
Ministry of Health and Social Services	354,824	527,609
Ministry of Women and Human Right	42,145	32,990
Ministry of Labour and Social Affairs	7,044	31,392
Ministry of Youth & Sport	9,500	3,000
Ministry of Ports	2,566	-
Ministry of Humanitarian Affairs and Disaster Management	500	-
Office of Presidency	47,000	77,900
Office of the Speaker and Parliament	40,000	28,100
Civil Service Commission	12,750	12,000
Office of Audit General	12,000	12,000
Ministry of Livestock	45,000	500
Supreme Court	-	18,500
Office of The Attorney General	-	12,000
Total	1,128,728	1,374,704

16 Other Operating Expenses

In 2024, total operating expenses amounted to \$1,977,455, reflecting an increase of \$604,660 compared to \$1,372,795 in the previous year. These expenses encompass training tuition fees, educational materials and supplies, professional consulting fees, and costs for various services, including non-consultant services, audit fees, bank charges, printing for bids, and advertisements in TV and newspapers.

These administrative costs support the functioning of multiple ministries, including the Ministry of Finance, Ministry of Water and Electricity, Ministry of Education, the Presidency, Ministry of Planning, Office of the Auditor General, Civil Service Commission, Ministry of Environment and Forest, and the Ministry of Interior and Local Government.

A detailed breakdown of these costs is provided below:

	2024 USD	2023 USD
Training Tuition fee	244,128	158,356
Educational Materials and Supplies	18,900	-
Consulting and professional fees	1,511,922	1,092,553
Fees for service provided (non-consultant service)	106,250	58,647
Audit fees	30,083	3,000
Bank charges	51	28
Printing, bidding	3,350	-
TV and Newspaper advertisement	62,771	60,211
Total	1,977,455	1,372,795

17 Conflict Resolution Expenses

To address longstanding misunderstandings and conflicts among GSS communities, the Ministry of Interior and Local Government has actively engaged in efforts to reconcile these differences. These initiatives primarily focus on uniting and reconciling rival tribes that share common pastures in rural areas.

The Ministry's accelerated reconciliation efforts have resulted in expenses totaling \$1,073,600 for conflict resolution activities.

The following table illustrates the breakdown of these costs.

	2024 USD	2023 USD
Conflict Resolution Expenses	1,073,600	787,840.000
Total	1,073,600	787,840

18 Contingency Fund

A contingency fund covers urgent and unforeseen costs arising from emergency situations for which payments cannot be postponed until the passage of a supplementary budget or the next annual Consolidated Budget without seriously affecting the public interest. This money is on reserve and not allocated to one area of the work but this steam has not functional this term. The following table shows these expenses.

	2024 USD	2023 USD
Contingency	-	140
Total	-	140

19 Grants to Other General Government Units

During the reporting period, a total of \$337,046 was transferred to lower levels of government, compared to \$344,682 in 2023. These funds were allocated to the local governments of Adado, Galkacyo, Abudwaq, Hobyo, and Guricel to support local government expansion and promote good governance, sourced from Treasury Single Accounts.

	2024 USD	2023 USD
Current grants to local level of government	337,046	344,682
Total	337,046	344,682

20 Miscellaneous other expense

Obligations encompass the legal responsibilities to repay debts or fulfill financial commitments incurred from local business entities. This includes not only financial debts but also extends to scholarships and other educational benefits provided to households, which serve as financial assistance to support educational pursuits.

	2024 USD	2023 USD
Obligations	200,000	-
Scholarships and other educational benefits payable for households	142,538	-
Purchase of goods&services from market producers to households use	-	61,380
Total	342,538	61,380

21 Non-Financial Assets

Treasury Single Account

In FY24, GSS acquired non-financial assets, which included:

Information and Communication Technology (ICT) equipment, Furniture and fixtures, Buildings (excluding residential properties), Road construction, Machinery and equipment not classified elsewhere, Tools and specialized professional services, Tree, crop, and plant resources that yield recurring products

These acquisitions were funded through the Treasury Single Account (TSA) and projects, including the Barwaqo project and the GPE project. A detailed breakdown of the costs associated with GSS's non-financial assets for 2024 are provided below.

	2024 USD	2023 USD
Dwellings	-	210,195
Buildings other than dwellings	1,005,609	363,785
Road construction	200,000	232,424
Wells and water holes	1,222,034	130,320
Information, computer, and telecommunication (CIT) equipment	157,196	32,783
Machinery and equipment not elsewhere classified	677,236	602,632
Furniture and fixture	146,474	187,359
Tools and specialized professional services	24,959	2,425
Tree, crop , and plant resources yielding repeat products	176,148	5,680
Research and development	-	43,398
Total	3,609,655	1,810,999

22 Taxes

The GSS projected revenue of \$11,268,000 for the year, with actual collections reaching \$8,923,839, representing 79% of the annual estimate. The primary revenue source was the Road User Tax, totaling \$6,624,876, which accounted for 74% of all tax collections.

Turnover tax collections also exceeded expectations, driven by the registration of new businesses in several districts due to recent political improvements. Similarly, personal income tax and private

payroll taxes performed well, surpassing budget estimates.

However, Khat revenue, which was a significant component of the budget forecast, fell short of expectations. Other revenue streams, such as local passenger charges and taxes on cigarette and tobacco products, also underperformed. There are anticipated revenue streams for the year, including urban road user taxes, fishing fees, and vehicle and spare parts taxes.

The table below summarizes these taxes, comparing the annual estimates against actual collections for the year.

Tax Type	Final Approved Budeget USD	Actual USD	Variance USD
Personal income tax on Public employee	240,000	369,804	129,804
Private Payroll taxes on non-civil servants	620,000	836,310	216,310
Turnover tax	587,000	695,301	108,301
Fishing fees	-	16,737	16,737
Local passenger charge	612,200	231,789	(380,412)
Urban road users taxes (tremistrale)	-	80,222	80,222
Road user taxes	6,006,306	6,624,876	618,570
Vehicle and spare parts	-	48,800	48,800
Khat	2,852,494	-	(2,852,494)
Cigarate and tobacco product	350,000	20,000	(330,000)
Total	11,268,000	8,923,839	(2,344,161)

23 Grants

The GSS receives grants from the Federal Government of Somalia (FGS) and various international organizations. The FGS was estimated to provide \$23,856,428, with actual disbursements totaling \$15,123,599, or 63% of the estimate. This increase in funding is attributed to enhanced budget support resulting from strong political agreements between the GSS and the FGS. International NGOs have also contributed to GSS, assisting with government operational costs. Key international donors include Save the Children, Care International, ADRA Somalia, UNICEF, World Vision, the United Nations, and PREMIS Support, collectively contributing \$1,727,704, which represents 10% of the overall budget for the 2024 financial year. Organizations like Save the Children and Care International focus on supporting education and collaborate closely with the Ministry of Education. Other donors emphasize health and good governance, partnering with the Ministry of Interior, local governance, and the Ministry of Health. Their contributions significantly enhance operational effectiveness across various sectors.

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Donor Name	Final Approved Budeget USD	Actual USD	Variance USD
Save The Children	196,307	44,673	(151,634)
Federal Government of Somalia	23,856,428	15,123,599	(8,732,829)
World Vision	194,796	184,596	(10,200)
Care international	7,000	7,000	-
ADRA Somalia	78,000	-	(78,000)
UNICEF	2,969,915	1,122,733	(1,847,182)
United Nations	515,620	349,197	(166,423)
PREMIS SUPPORT	101,281	19,505	(81,776)
Total	27,919,347	16,851,303	(11,068,044)

24 Other revenue

The estimated revenue from number plate registrations was \$300,000; however, the actual collection reached \$744,826 for the year. Additionally, work permit fees, which were not included in the budget, amounted to \$73,000.

Other revenue streams such as individual donations, fishing license fees, local and international NGO registrations, landing fees, and business licenses also contributed to overall revenue in the 2024 fiscal year.

Revenue Heads	Final Approved Budeget USD	Actual USD	Variance USD
Work permit taxes	-	73,000	73,000
Business and profession licenses	120,000	34,073	(85,927)
Landing fees	120,000	112,815	(7,185)
International NGO's registrations	40,000	17,000	(23,000)
Local NGO's registrations.	60,000	9,284	(50,716)
Service charges fees	7	7	-
Fishing licenses fees	200,000	28,600	(171,400)
Number plate registration fees	300,000	744,826	444,826
Public notary fees	50,000	-	(50,000)
Penalties	10,000	-	(10,000)
Individual Donations	497,000	457,180	(39,821)
Total	1,397,007	1,476,784	79,777

25 Employee Compensation

Employee compensation paid during the year was \$10,487,807 against a budget of \$12,465,140 which represents 84% of the final Employee Compensation budget.

Employee Compensation	Final Approved Budeget USD	Actual USD	Variance USD
Basic salaries for general Civil Service	1,152,360	1,130,625	(21,735)
Teachers salary	1,077,016	679,632	(397,384)
Health workers salary	593,760	561,330	(32,430)
Temporary staff salary	331,020	159,070	(171,950)
Legislature salary	1,152,000	1,143,740	(8,260)
Political appointees salary	871,900	193,125	(678,775)
Security sector salaries	3,422,000	3,342,050	(79,950)
Contract Employees	1,739,026	1,416,790	(322,236)
Regular food and supplies	898,800	878,497	(20,304)
Daily meals	404,350	401,848	(2,502)
Basic allowances for general Civil Service	12,000	-	(12,000)
Teachers allowances	23,760	23,760	-
Health workers allowances	83,660	33,660	(50,000)
Security sector allowances	281,258	223,932	(57,326)
Incentive allowances	422,230	299,748	(122,482)
Total	12,465,140	10,487,807	(1,977,333)

26 Use of Goods and Services

GSS allocated a total of \$12,608,007, which accounts for 72% of the final estimated budget for goods and services. This marks a noticeable improvement in spending capacity in the Galmudug State of Somalia compared to the previous year's consumption.

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Use of Good and Services	Final Approved Budeget USD	Actual USD	Variance USD
Internal Travel	1,142,628	1,046,497	(96,131)
External Travel	286,304	249,867	(36,437)
Local conference	1,955,810	1,715,589	(240,222)
Accommodation	341,982	322,560	(19,422)
Electricity	375,095	203,334	(171,761)
Water	114,980	71,951	(43,029)
Refuse collection	5,900	5,900	-
Other utilities	189,570	148,566	(41,003)
Telephone fees	28,849	15,039	(13,810)
Internet fees	187,630	141,955	(45,675)
Diesel and oil	923,532	744,258	(179,273)
Stationary	124,639	106,007	(18,631)
Publications fees	64,652	41,008	(23,644)
Refreshment	432,939	408,925	(24,014)
Cleaning supplies	70,492	37,066	(33,425)
Medical supplies	853,179	849,239	(3,940)
Construction materials	10,000	10,000	-
Maintenance and repairs of furniture and fittings	13,600	7,987	(5,613)
Maintenance and repairs of vehicles, boats and vessels	564,807	488,242	(76,565)
Maintenance and repairs of building	1,418,876	1,235,625	(183,251)
Wales, canals and dwellings maintenance	250,000	131,288	(118,712)
Road Maintenance	492,000	447,320	(44,680)
Office rent	197,973	170,086	(27,887)
Vehicle rent	1,020,843	916,824	(104,019)
Venue rent	45,950	37,000	(8,950)
Other rents	4,968	4,818	(150)
Education Tuition Fee	15,000	13,514	(1,486)
Training Tuition fee	595,832	230,614	(365,217)
Educational Materials and Supplies	18,900	18,900	-
Consulting and professional fees	1,869,967	1,511,922	(358,045)
Fees for service provided (non-consultant service)	121,000	106,250	(14,750)
Audit fees	47,300	30,083	(17,217)
Bank charges	6,091	51	(6,040)
Refund	1,200	-	(1,200)
Printing, bidding	3,350	3,350	-
TV and Newspaper advertisement	69,503	62,771	(6,732)
Membership cost and examinations fees	8,333	-	(8,333)
Conflict resolution expenses	1,073,600	1,073,600	-
Food and catering services	160,000	-	(160,000)
Holding account	2,026,268	-	(2,026,268)
Contingency	380,000	-	(380,000)
Total	17,513,540	12,608,007	(4,905,534)

27 Grants to Other Governments Units

Grants to other governments units were \$337,046 during the year against a budget of \$390,000. MoFED and Four districts Adado, Dusamareb, Guri'el, Abudwaq and Galkayo made formal agreement that the districts will deposit their locally generated revenue from districts into the Treasury Single Account and Ministry of Finance will transfer funds by way of grants to the districts based on their needs to facilitate their operational costs.

Grants to Other Governments Units	Final Approved Budeget USD	Actual USD	Variance USD
Current grants to local level of government	390,000	337,046	(52,954)
Total	390,000	337,046	(52,954)

28 other expense

The budget estimate for obligations during the period was \$200,000, which was fully realized. For scholarships and other educational benefits payable to households, the budgeted amount was \$632,538, but only \$142,538 was disbursed. Additionally, there were no actual expenditures recorded for vehicle insurance.

Miscellaneous other expense	Final Approved Budeget USD	Actual USD	Variance USD
Obligations	200,000	200,000	-
Scholarships and other educational benefits payable for hc	632,538	142,538	(490,000)
Vehicle insurance	3,500	-	(3,500)
Total	836,038	342,538	(493,500)

29 Non-Financial Assets

During the year, GSS acquired non-financial assets totaling \$3,609,655, significantly lower than the budget of \$8,790,323, resulting in an underspend of \$5,180,668 (41%). This performance represents an improvement compared to the previous year. The purchases included buildings (excluding dwellings), road construction, land improvements, wells and water holes, water infrastructure, information technology, telecommunications, machinery and equipment, furniture and fixtures, as well as research and development. These acquisitions were financed through the TSA and various projects, such as GPE and Barwago, as detailed in the accompanying table.

Non-Financial Assets	Final Approved Budeget USD	Actual USD	Variance USD
Buildings other than dwellings	4,615,099	1,005,609	(3,609,490)
Road construction	200,000	200,000	-
Other land improvement	140,000	-	(140,000)
Wells and water holes	1,435,503	1,222,034	(213,469)
Other water infrastructure	182,514	-	(182,514)
Information, computer, and telecommunication (CIT) equ	174,175	157,196	(16,979)
Machinery and equipment not elsewhere classified	1,007,439	677,236	(330,204)
Furniture and fixture	381,560	146,474	(235,086)
Tools and specialized professional services	64,032	24,959	(39,073)
Tree, crop , and plant resources yielding repeat products	220,000	176,148	(43,852)
Research and development	370,000	-	(370,000)
Total	8,790,323	3,609,655	(5,180,668)

ANNEX 1: INDIVIDUAL BUDGET ENTITY FINANCIAL STATEMENTS

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

For the Year Ended 31 December 2024

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

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Interior , Federal government and Reconciliation

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		1,361,980	1,762,580	1,644,526	(118,054)	1,651,695
Grants						
From international organizations			28,100		(28,100)	277,262
From other general government units		-	50,000	-	(50,000)	
Grants	23		78,100		(78,100)	277,262
Receipts / Inflows		1,361,980	1,840,680	1,644,526	(196,154)	1,928,957
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		106,980	81,980	51,980	(30,000)	54,426
Compensation of Employees	25	106,980	81,980	51,980	(30,000)	54,426
Use of Goods and Services						
Travel & Conferences		300,000	371,400	370,000	(1,400)	360,093
Operating Expenses		175,000	181,860	155,500	(26,360)	50,915
Rent		70,000	71,140	65,000	(6,140)	26,060
Other Operating Expenses			1,200		(1,200)	40,956
Conflict Resolution Expenses		350,000	645,000	645,000		500,000
Use of Goods and Services	26	895,000	1,270,600	1,235,500	(35,100)	978,024
Grants						
Grants To Other General Government Units		340,000	390,000	337,046	(52,954)	344,682
Grants	27	340,000	390,000	337,046	(52,954)	344,682
Nonfinancial assets						
Fixed Assets		20,000	20,000	20,000		274,564
Nonfinancial assets	29	20,000	20,000	20,000		274,564
Payments / Outflows		1,361,980	1,762,580	1,644,526	(118,054)	1,651,695

Ministry of Justice & Judiciary Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlle d by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		96,024	39,749	17,849	(21,900)	55,021
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		60,024	25,024	11,024	(14,000)	6,024
Compensation of Employees	25	60,024	25,024	11,024	(14,000)	6,024
Use of Goods and Services						
Travel & Conferences		15,000	3,750	3,750		27,400
Operating Expenses		16,000	9,475	1,825	(7,650)	5,500
Rent		5,000	1,500	1,250	(250)	16,097
Use of Goods and Services	26	36,000	14,725	6,825	(7,900)	48,997
Payments / Outflows		96,024	39,749	17,849	(21,900)	55,021

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Finance

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		4,443,696	4,600,645	3,247,092	(1,353,553)	2,263,628
Taxes						
Taxes on income, profits, and capital gains		240,000	240,000	369,804	129,804	226,577
Taxes on payroll and workforce		620,000	620,000	836,310	216,310	591,315
Taxes on goods and services		7,205,506	7,205,506	7,568,703	363,197	6,502,439
Taxes on international trade and transactions		3,202,494	3,202,494	20,000	(3,182,494)	307,150
Taxes	22	11,268,000	11,268,000	8,794,817	(2,473,183)	7,627,481
Grants						
From international organizations		78,000	101,281	19,505	(81,776)	
From other general government units		10,299,672	11,382,602	9,298,066	(2,084,536)	7,693,549
Grants	23	10,377,672	11,483,883	9,317,571	(2,166,312)	7,693,549
Other Revenue						
Sale of goods and services						
Transfers not elsewhere classified			497,000	457,180	(39,821)	
Other Revenue	24		497,000	457,180	(39,821)	
Loan						
Proceeds from Domestic borrowing				111,000	111,000	235,000
Loan				111,000	111,000	235,000
Receipts / Inflows		26,089,368	27,849,527	21,927,660	(5,921,868)	17,819,658
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,482,928	1,473,392	1,342,723	(130,669)	1,187,325
Compensation of Employees	25	1,482,928	1,473,392	1,342,723	(130,669)	1,187,325
Use of Goods and Services						
Travel & Conferences		377,224	325,574	268,677	(56,897)	196,923
Operating Expenses		435,842	1,015,113	882,886	(132,227)	406,888
Rent		173,368	173,368	146,732	(26,636)	197,975
Other Operating Expenses		572,120	328,297	168,961	(159,336)	96,000
Conflict Resolution Expenses						42,250
RCRF Non-Salary Recurrent Cost		150,000	160,300		(160,300)	
Contingency		700,000	380,000		(380,000)	
Use of Goods and Services	26	2,408,554	2,382,652	1,467,256	(915,396)	940,035
Other Expenses						
Miscellaneous other expense			200,000	200,000		
Other Expenses	28		200,000	200,000		
Nonfinancial assets						
Fixed Assets		552,214	544,601	237,113	(307,487)	136,267
Nonfinancial assets	29	552,214	544,601	237,113	(307,487)	136,267
Payments / Outflows		4,443,696	4,600,645	3,247,092	(1,353,553)	2,263,628

Ministry of Internal Security

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriati on	Final Estimate Appropriati on	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		5,341,072	5,695,710	5,427,195	(268,515)	5,070,300
Grants						
From international organizations			45,258	38,190	(7,068)	41,610
Grants	23		45,258	38,190	(7,068)	41,610
Receipts / Inflows		5,341,072	5,740,968	5,465,385	(275,583)	5,111,910
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		4,531,072	4,575,330	4,456,015	(119,315)	4,186,247
Compensation of Employees	25	4,531,072	4,575,330	4,456,015	(119,315)	4,186,247
Use of Goods and Services						
Travel & Conferences		100,000	100,000	96,166	(3,834)	100,266
Operating Expenses		410,000	532,832	401,467	(131,365)	373,466
Rent		60,000	47,548	41,547	(6,001)	95,321
Use of Goods and Services	26	570,000	680,380	539,180	(141,200)	569,053
Nonfinancial assets						
Fixed Assets		240,000	440,000	432,000	(8,000)	315,000
Nonfinancial assets	29	240,000	440,000	432,000	(8,000)	315,000
Payments / Outflows		5,341,072	5,695,710	5,427,195	(268,515)	5,070,300

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Planning and Economic Development

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		867,612	777,764	709,127	(68,637)	662,808
Grants						
From foreign governments						
From other general government units		4,174,267	4,194,267	2,934,862	(1,259,404)	1,993,838
Grants	23	4,174,267	4,194,267	2,934,862	(1,259,404)	1,993,838
Other Revenue						
Sale of goods and services		100,000	100,000	26,284	(73,716)	29,500
Other Revenue	24	100,000	100,000	26,284	(73,716)	29,500
Receipts / Inflows		5,141,879	5,072,030	3,670,273	(1,401,757)	2,686,146
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		183,540	148,540	118,312	(30,228)	161,944
Compensation of Employees	25	183,540	148,540	118,312	(30,228)	161,944
Use of Goods and Services						
Travel & Conferences		104,152	157,239	153,966	(3,273)	29,559
Operating Expenses		121,500	111,925	99,379	(12,546)	92,996
Rent		12,000	3,000	2,330	(670)	7,500
Other Operating Expenses		433,460	346,800	335,140	(11,660)	272,477
RCRF Non-Salary Recurrent Cost		12,960	10,260		(10,260)	
Use of Goods and Services	26	684,072	629,224	590,815	(38,409)	402,533
Nonfinancial assets						
Fixed Assets		-	-	-	-	98,331
Nonfinancial assets	29	-	-	-	-	98,331
Payments / Outflows		867,612	777,764	709,127	(68,637)	662,808

Ministry of Endowment & Religious Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		137,500	87,018	48,493	(38,525)	91,193
Receipts / Inflows						
Payments / Outflows		-	-	-	-	-
Compensation of Employees						
Wages and Salaries		65,500	55,268	27,768	(27,500)	18,093
Compensation of Employees	25	65,500	55,268	27,768	(27,500)	18,093
Use of Goods and Services						
Travel & Conferences		25,000	6,500	6,250	(250)	60,000
Operating Expenses		24,000	15,000	8,725	(6,275)	9,100
Rent		23,000	10,250	5,750	(4,500)	
Use of Goods and Services	26	72,000	31,750	20,725	(11,025)	69,100
Nonfinancial assets						
Fixed Assets						4,000
Nonfinancial assets	29	-	-	-	-	4,000
Payments / Outflows		137,500	87,018	48,493	(38,525)	91,193

Ministry of Petroleum and Mining Resources

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlle d by TSA	Difference Between Final Budget and Actual	Controlle d by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		94,000	35,100	1,000	(34,100)	65,100
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		42,000	17,500	1,000	(16,500)	-
Compensation of Employees	25	42,000	17,500	1,000	(16,500)	
Use of Goods and Services						
Travel & Conferences		17,000	-	-	-	17,000
Operating Expenses		27,000	17,600		(17,600)	31,300
Rent		8,000	-	-	-	10,800
Other Operating Expenses		-	-	-	-	6,000
Use of Goods and Services	26	52,000	17,600		(17,600)	65,100
Payments / Outflows		94,000	35,100	1,000	(34,100)	65,100

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Public Works and Housing

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

	Note	2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		2,317,876	2,753,187	1,669,038	(1,084,149)	1,052,761
Grants						
From other general government units		1,451,852	1,475,114	478,196	(996,919)	483,927
Grants	23	1,451,852	1,475,114	478,196	(996,919)	483,927
Other Revenue						
Sale of goods and services		60,000	60,000	30,623	(29,377)	36,651
Other Revenue	24	60,000	60,000	30,623	(29,377)	36,651
Receipts / Inflows		3,829,729	4,288,301	2,177,857	(2,110,445)	1,573,339
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		73,224	77,182	26,374	(50,808)	9,618
Compensation of Employees	25	73,224	77,182	26,374	(50,808)	9,618
Use of Goods and Services						
Travel & Conferences		65,217	95,934	84,312	(11,622)	37,207
Operating Expenses		284,000	397,619	387,839	(9,780)	249,057
Rent		17,500	14,000	14,000		9,800
Other Operating Expenses		380,128	370,152	346,603	(23,549)	347,279
RCRF Non-Salary Recurrent Cost		3,007	-	-	-	-
Use of Goods and Services	26	749,852	877,705	832,754	(44,951)	643,343
Other Expenses						
Premiums,fees,claims related to non-life insura		-	3,500	-	(3,500)	-
Other Expenses	28	-	3,500	-	(3,500)	-
Nonfinancial assets		-	-	-	-	-
Fixed Assets		1,494,800	1,794,800	809,910	(984,890)	399,800
Nonfinancial assets	29	1,494,800	1,794,800	809,910	(984,890)	399,800
Payments / Outflows		2,317,876	2,753,187	1,669,038	(1,084,149)	1,052,761

Ministry of Commerce and Industry

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		158,000	97,850	25,200	(72,650)	59,060
Other Revenue						
Sale of goods and services		60,000	60,000	3,450	(56,550)	2,020
Other Revenue	24	60,000	60,000	3,450	(56,550)	2,020
Receipts / Inflows		218,000	157,850	28,650	(129,200)	61,080
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		62,000	37,500	4,000	(33,500)	-
Compensation of Employees	25	62,000	37,500	4,000	(33,500)	-
Use of Goods and Services						
Travel & Conferences		25,000	10,500	5,750	(4,750)	27,000
Operating Expenses		44,000	31,850	8,700	(23,150)	26,060
Rent		12,000	3,000	3,000		6,000
Use of Goods and Services	26	81,000	45,350	17,450	(27,900)	59,060
Nonfinancial assets						
Fixed Assets		15,000	15,000	3,750	(11,250)	
Nonfinancial assets	29	15,000	15,000	3,750	(11,250)	
Payments / Outflows		158,000	97,850	25,200	(72,650)	59,060

Ministry of Information

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		88,632	52,132	7,132	(45,000)	117,774
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		46,632	36,132	7,132	(29,000)	3,474
Compensation of Employees	25	46,632	36,132	7,132	(29,000)	3,474
Use of Goods and Services						
Travel & Conferences		12,000	1,000		(1,000)	45,000
Operating Expenses		19,000	9,000	-	(9,000)	20,000
Rent		5,000	-	-	-	20,000
Other Operating Expenses		-	-	-	-	29,300
Use of Goods and Services	26	36,000	10,000		(10,000)	114,300
Nonfinancial assets						
Fixed Assets		6,000	6,000		(6,000)	-
Nonfinancial assets	29	6,000	6,000		(6,000)	-
Payments / Outflows		88,632	52,132	7,132	(45,000)	117,774

Ministry of Aviation and Transport

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlle d by TSA	Difference Between Final Budget and Actual	Controlle d by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		334,628	325,878	218,942	(106,936)	228,883
Taxes						
Taxes on goods and services		-	-	80,222	80,222	
Taxes on international trade and transactions		-	-	48,800	48,800	
Taxes	22	-	-	129,022	129,022	
Other Revenue						
Sale of goods and services		420,000	420,000	857,641	437,641	410,964
Other Revenue	24	420,000	420,000	857,641	437,641	410,964
Receipts / Inflows		754,628	745,878	1,205,605	459,727	639,847
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		204,628	174,128	96,342	(77,786)	103,273
Compensation of Employees	25	204,628	174,128	96,342	(77,786)	103,273
Use of Goods and Services						
Travel & Conferences		20,000	10,000	8,000	(2,000)	13,100
Operating Expenses		20,000	15,750	3,350	(12,400)	93,510
Rent		10,000	5,000	5,000		19,000
Other Operating Expenses		80,000	121,000	106,250	(14,750)	
Use of Goods and Services	26	130,000	151,750	122,600	(29,150)	125,610
Payments / Outflows		334,628	325,878	218,942	(106,936)	228,883

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Education Culture and Higher Education

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		4,869,940	7,763,410	3,117,239	(4,646,171)	2,231,634
Grants						
From international organizations		98,000	771,969	398,550	(373,419)	399,043
From other general government units		2,799,480	5,012,012	1,363,106	(3,648,906)	658,710
Grants	23	2,897,480	5,783,980	1,761,656	(4,022,325)	1,057,753
Receipts / Inflows		7,767,420	13,547,391	4,878,895	(8,668,496)	3,289,387
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,409,432	1,528,882	987,075	(541,807)	1,168,419
Compensation of Employees	25	1,409,432	1,528,882	987,075	(541,807)	1,168,419
Use of Goods and Services						
Travel & Conferences		341,000	643,790	554,299	(89,491)	318,933
Operating Expenses		311,000	864,735	656,020	(208,716)	168,802
Rent		80,000	233,640	195,840	(37,800)	201,960
Other Operating Expenses		360,580	603,858	425,045	(178,812)	108,245
RCRF Non-Salary Recurrent Cost		367,928	160,000		(160,000)	-
Use of Goods and Services	26	1,460,508	2,506,023	1,831,204	(674,819)	797,939
Other Expenses						
Miscellaneous other expense		-	632,538	142,538	(490,000)	52,500
Other Expenses	28	-	632,538	142,538	(490,000)	52,500
Nonfinancial assets						
Fixed Assets		2,000,000	3,095,968	156,423	(2,939,545)	212,775
Nonfinancial assets	29	2,000,000	3,095,968	156,423	(2,939,545)	212,775
Payments / Outflows		4,869,940	7,763,410	3,117,239	(4,646,171)	2,231,634

Ministry of Post and Communication

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		84,000	36,950	1,500	(35,450)	14,900
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		42,000	17,500	1,500	(16,000)	-
Compensation of Employees	25	42,000	17,500	1,500	(16,000)	-
Use of Goods and Services						
Travel & Conferences		12,000	1,750		(1,750)	
Operating Expenses		20,000	12,700		(12,700)	10,300
Rent		5,000				3,000
Use of Goods and Services	26	37,000	14,450		(14,450)	13,300
Nonfinancial assets						
Fixed Assets		5,000	5,000		(5,000)	1,600
Nonfinancial assets	29	5,000	5,000		(5,000)	1,600
Payments / Outflows		84,000	36,950	1,500	(35,450)	14,900

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Agriculture

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		708,213	816,603	460,421	(356,183)	153,049
Grants						
From international organizations			76,993	62,422	(14,571)	20,278
From other general government units			281,082	626,374	345,292	
Grants	23		358,075	688,796	330,721	20,278
Receipts / Inflows		708,213	1,174,678	1,149,217	(25,462)	173,327
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		80,148	111,898	80,520	(31,378)	46,814
Compensation of Employees	25	80,148	111,898	80,520	(31,378)	46,814
Use of Goods and Services						
Travel & Conferences		44,625	37,553	34,970	(2,583)	26,500
Operating Expenses		116,857	133,650	117,673	(15,977)	43,182
Rent		5,000	76,650	74,950	(1,700)	5,200
Other Operating Expenses		58,400	99,540	65,994	(33,546)	31,353
Use of Goods and Services	26	224,882	347,393	293,587	(53,806)	106,235
Nonfinancial assets						
Fixed Assets		403,182	357,312	86,314	(270,999)	
Nonfinancial assets	29	403,182	357,312	86,314	(270,999)	-
Payments / Outflows		708,213	816,603	460,421	(356,183)	153,049

Ministry of Environment and Climate Change

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		782,694	711,809	357,537	(354,272)	226,190
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		82,368	59,260	38,032	(21,228)	42,104
Compensation of Employees	25	82,368	59,260	38,032	(21,228)	42,104
Use of Goods and Services						
Travel & Conferences		75,900	35,673	34,673	(1,000)	10,792
Operating Expenses		53,026	47,976	27,360	(20,616)	75,999
Rent		5,000				
Other Operating Expenses		243,900	33,900	21,324	(12,576)	24,455
Use of Goods and Services	26	377,826	117,549	83,357	(34,192)	111,246
Nonfinancial assets						
Fixed Assets		322,500	535,000	236,148	(298,852)	72,840
Nonfinancial assets	29	322,500	535,000	236,148	(298,852)	72,840
Payments / Outflows		782,694	711,809	357,537	(354,272)	226,190

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Ministry of Health and Social Service

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		4,895,612	6,011,519	3,642,196	(2,369,323)	3,841,828
Grants						
From international organizations		2,564,468	2,892,984	1,093,207	(1,799,777)	1,844,561
From other general government units		438,320	810,168	278,502	(531,666)	591,764
Grants	23	3,002,788	3,703,152	1,371,709	(2,331,444)	2,436,326
Other Revenue						
Sale of goods and services		-	-	-	-	34
Other Revenue	24	-	-	-	-	34
Receipts / Inflows		7,898,400	9,714,671	5,013,905	(4,700,767)	6,278,187
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		634,940	1,219,510	1,022,044	(197,466)	1,604,508
Compensation of Employees	25	634,940	1,219,510	1,022,044	(197,466)	1,604,508
Use of Goods and Services						
Travel & Conferences		298,160	663,084	565,788	(97,296)	649,896
Operating Expenses		550,834	1,382,539	1,351,378	(31,162)	690,574
Rent		113,068	385,314	354,824	(30,490)	527,609
Other Operating Expenses		269,884	437,924	285,223	(152,701)	297,031
RCRF Non-Salary Recurrent Cost		2,992,946	1,855,708		(1,855,708)	
Use of Goods and Services	26	4,224,892	4,724,569	2,557,212	(2,167,357)	2,165,110
Other Expenses						
Miscellaneous other expense		-	-	-	-	8,880
Other Expenses	28	-	-	-	-	8,880
Nonfinancial assets						
Fixed Assets		35,780	67,439	62,939	(4,500)	63,330
Nonfinancial assets	29	35,780	67,439	62,939	(4,500)	63,330
Payments / Outflows		4,895,612	6,011,519	3,642,196	(2,369,323)	3,841,828

Ministry of Women and Human Rights

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		215,908	340,919	206,609	(134,311)	194,835
Grants						
From international organizations		89,860	237,611	98,858	(138,754)	214,768
Grants	23	89,860	237,611	98,858	(138,754)	214,768
Other Revenue						
Sale of goods and services			7	7	-	-
Other Revenue	24		7	7		-
Receipts / Inflows		305,768	578,537	305,473	(273,064)	409,603
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		94,548	132,408	53,638	(78,770)	68,170
Compensation of Employees	25	94,548	132,408	53,638	(78,770)	68,170
Use of Goods and Services						
Travel & Conferences		31,300	46,653	37,703	(8,950)	46,197
Operating Expenses		39,060	71,613	46,243	(25,371)	31,478
Rent		36,200	51,035	42,145	(8,890)	32,990
Other Operating Expenses		7,800	32,210	19,880	(12,330)	15,000
Use of Goods and Services	26	114,360	201,511	145,971	(55,541)	125,665
Nonfinancial assets						
Fixed Assets		7,000	7,000	7,000		1,000
Nonfinancial assets	29	7,000	7,000	7,000		1,000
Payments / Outflows		215,908	340,919	206,609	(134,311)	194,835

Ministry of Labour and Social Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		98,021	62,547	28,244	(34,304)	68,014
Grants						
From international organizations		11,973	18,723	16,973	(1,750)	57,459
Grants	23	11,973	18,723	16,973	(1,750)	57,459
Other Revenue						
Sale of goods and services				73,000	73,000	8,080
Other Revenue	24			73,000	73,000	8,080
Receipts / Inflows		109,994	81,271	118,217	36,946	133,553
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		54,048	25,824	11,824	(14,000)	4,518
Compensation of Employees	25	54,048	25,824	11,824	(14,000)	4,518
Use of Goods and Services						
Travel & Conferences		17,000	6,109	109	(6,000)	28,066
Operating Expenses		15,000	18,567	9,267	(9,300)	400
Rent		11,973	12,048	7,044	(5,004)	31,392
Other Operating Expenses		-	-	-	-	3,638
Use of Goods and Services	26	43,973	36,723	16,420	(20,304)	63,496
Payments / Outflows		98,021	62,547	28,244	(34,304)	68,014

Ministry of Youth and Sport

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		113,024	105,764	67,324	(38,440)	28,398
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		48,024	40,764	12,764	(28,000)	6,948
Compensation of Employees	25	48,024	40,764	12,764	(28,000)	6,948
Use of Goods and Services						
Travel & Conferences		30,000	30,000	30,000		14,200
Operating Expenses		20,500	20,500	10,060	(10,440)	4,250
Rent		9,500	9,500	9,500		3,000
Use of Goods and Services	26	60,000	60,000	49,560	(10,440)	21,450
Nonfinancial assets						
Fixed Assets		5,000	5,000	5,000	-	-
Nonfinancial assets	29	5,000	5,000	5,000	-	-
Payments / Outflows		113,024	105,764	67,324	(38,440)	28,398

Ministry of Water and Electricity

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		2,310,636	2,604,961	1,875,071	(729,890)	440,065
Grants						
From international organizations		-	-	-	-	800
From other general government units		521,285	541,183	144,493	(396,690)	100,000
Grants	23	521,285	541,183	144,493	(396,690)	100,800
Receipts / Inflows		2,831,921	3,146,144	2,019,564	(1,126,580)	540,865
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		175,236	134,356	62,678	(71,678)	75,965
Compensation of Employees	25	175,236	134,356	62,678	(71,678)	75,965
Use of Goods and Services						
Travel & Conferences		72,075	75,953	68,220	(7,733)	14,598
Operating Expenses		387,957	378,454	250,527	(127,927)	123,702
Rent		5,000				
Other Operating Expenses		321,415	347,695	169,134	(178,561)	49,702
Contingency						140
Use of Goods and Services	26	786,447	802,102	487,881	(314,222)	188,142
Nonfinancial assets						
Fixed Assets		1,348,953	1,668,503	1,324,513	(343,991)	175,958
Nonfinancial assets	29	1,348,953	1,668,503	1,324,513	(343,991)	175,958
Payments / Outflows		2,310,636	2,604,961	1,875,071	(729,890)	440,065

Ministry of Constitution Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		94,000	40,833		(40,833)	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		42,000	17,500		(17,500)	-
Compensation of Employees	25	42,000	17,500		(17,500)	
Use of Goods and Services						-
Travel & Conferences		20,000	6,333		(6,333)	-
Operating Expenses		27,000	17,000		(17,000)	
Rent		5,000	-	-	-	-
Use of Goods and Services	26	52,000	23,333		(23,333)	-
Payments / Outflows		94,000	40,833		(40,833)	-

Ministry of Ports

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		105,000	55,055	13,812	(41,243)	15,546
Other Revenue						
Sale of goods and services						41,002
Other Revenue	24	-	-	-	-	41,002
Receipts / Inflows		105,000	55,055	13,812	(41,243)	56,548
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		56,000	31,500	3,500	(28,000)	8,996
Compensation of Employees	25	56,000	31,500	3,500	(28,000)	8,996
Use of Goods and Services						
Travel & Conferences		15,000	5,116	4,667	(449)	6,000
Operating Expenses		26,300	15,873	3,079	(12,794)	550
Rent		7,700	2,566	2,566		
Use of Goods and Services	26	49,000	23,555	10,312	(13,243)	6,550
Payments / Outflows		105,000	55,055	13,812	(41,243)	15,546

Ministry of Humanitarian Affairs and Disaster management

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		112,492	71,492	41,992	(29,500)	51,478
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		75,492	50,992	37,492	(13,500)	29,978
Compensation of Employees	25	75,492	50,992	37,492	(13,500)	29,978
Use of Goods and Services						
Travel & Conferences		20,000	10,250	4,000	(6,250)	7,000
Operating Expenses		15,000	9,750		(9,750)	14,500
Rent		2,000	500	500		
Use of Goods and Services	26	37,000	20,500	4,500	(16,000)	21,500
Payments / Outflows		112,492	71,492	41,992	(29,500)	51,478

Office of Presidency

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		2,054,944	2,359,386	2,216,635	(142,751)	1,829,686
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		674,344	690,286	602,253	(88,033)	614,644
Compensation of Employees	25	674,344	690,286	602,253	(88,033)	614,644
Use of Goods and Services						
Travel & Conferences		630,000	718,000	717,950	(50)	606,729
Operating Expenses		413,000	447,500	400,832	(46,668)	269,124
Rent		40,000	55,000	47,000	(8,000)	77,900
Conflict Resolution Expenses		277,600	428,600	428,600		245,590
Use of Goods and Services	26	1,360,600	1,649,100	1,594,382	(54,718)	1,199,342
Nonfinancial assets						
Fixed Assets		20,000	20,000	20,000		15,700
Nonfinancial assets	29	20,000	20,000	20,000		15,700
Payments / Outflows		2,054,944	2,359,386	2,216,635	(142,751)	1,829,686

Office of the Speaker and Parliament

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		1,700,416	1,769,749	1,708,531	(61,218)	1,726,026
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,240,416	1,240,416	1,230,842	(9,574)	1,335,792
Compensation of Employees	25	1,240,416	1,240,416	1,230,842	(9,574)	1,335,792
Use of Goods and Services						
Travel & Conferences		245,000	245,000	223,200	(21,800)	255,900
Operating Expenses		175,000	244,333	214,489	(29,844)	101,684
Rent		40,000	40,000	40,000		28,100
Use of Goods and Services	26	460,000	529,333	477,689	(51,644)	385,684
Nonfinancial assets						
Fixed Assets		-	-	-	-	4,550
Nonfinancial assets	29	-	-	-	-	4,550
Payments / Outflows		1,700,416	1,769,749	1,708,531	(61,218)	1,726,026

Civil Service Commission

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		168,056	150,506	97,378	(53,128)	97,738
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		121,256	121,256	80,896	(40,360)	82,427
Compensation of Employees		121,256	121,256	80,896	(40,360)	82,427
Use of Goods and Services						
Travel & Conferences		15,000	6,000	500	(5,500)	
Operating Expenses		16,800	10,500	3,232	(7,268)	3,311
Rent		15,000	12,750	12,750		12,000
Use of Goods and Services		46,800	29,250	16,482	(12,768)	15,311
Payments / Outflows		168,056	150,506	97,378	(53,128)	97,738

Office of Audit General

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		143,532	143,282	80,682	(62,600)	74,505
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		121,732	121,732	62,728	(59,004)	59,732
Compensation of Employees	25	121,732	121,732	62,728	(59,004)	59,732
Use of Goods and Services						
Travel & Conferences		3,000	3,000	2,250	(750)	
Operating Expenses		6,800	6,550	3,704	(2,846)	2,773
Rent		12,000	12,000	12,000		12,000
Use of Goods and Services	26	21,800	21,550	17,954	(3,596)	14,773
Payments / Outflows		143,532	143,282	80,682	(62,600)	74,505

Ministry of Livestock

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

	Note	2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows						
Consolidated Fund Appropriations		591,014	472,037	440,134	(31,903)	308,492
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		77,724	64,924	43,196	(21,728)	71,434
Compensation of Employees	25	77,724	64,924	43,196	(21,728)	71,434
Use of Goods and Services						
Travel & Conferences		68,625	60,314	59,314	(1,000)	6,700
Operating Expenses		104,660	59,199	50,178	(9,021)	143,215
Rent		-	45,000	45,000		500
Other Operating Expenses		49,020	33,900	33,900		51,358
Use of Goods and Services	26	222,305	198,413	188,392	(10,021)	201,774
Nonfinancial assets						
Fixed Assets		256,424	208,700	208,545	(155)	35,285
Inventories		34,560	-	-	-	-
Nonfinancial assets	29	290,984	208,700	208,545	(155)	35,285
Payments / Outflows		591,014	472,037	440,134	(31,903)	308,492

Supreme Court

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		110,000	87,050		(87,050)	41,786
Other Revenue						
Sale of goods and services		50,000	50,000	-	(50,000)	21,286
Fines, penalties and forfeits		10,000	10,000		(10,000)	1,500
Other Revenue	24	60,000	60,000	-	(60,000)	22,786
Receipts / Inflows		170,000	147,050	-	(147,050)	64,572
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		66,000	60,000	-	(60,000)	-
Compensation of Employees	25	66,000	60,000		(60,000)	
Use of Goods and Services						
Travel & Conferences		30,000	21,750		(21,750)	15,536
Operating Expenses		8,000	3,800		(3,800)	7,750
Rent		6,000	1,500	-	(1,500)	18,500
Use of Goods and Services	29	44,000	27,050	-	(27,050)	41,786
Payments / Outflows		110,000	87,050	-	-	41,786

Office of the Attorney General

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controll ed by TSA	Difference Between Final Budget and Actual	Controll ed by TSA
		A USD	B USD	C USD	C-B USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		80,000	58,175		(58,175)	23,050
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		36,000	30,000	-	(30,000)	
Compensation of Employees	25	36,000	30,000	-	(30,000)	
Use of Goods and Services						
Travel & Conferences		30,000	21,000		(21,000)	10,500
Operating Expenses		10,000	6,175		(6,175)	550
Rent		4,000	1,000		(1,000)	12,000
Use of Goods and Services	26	44,000	28,175	-	(28,175)	23,050
Payments / Outflows		80,000	58,175	-	(58,175)	23,050

Office of the Solicitor General

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		52,000	22,000	-	(22,000)	-
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		24,000	18,000	-	(18,000)	-
Compensation of Employees	25	24,000	18,000		(18,000)	-
Use of Goods and Services						
Travel & Conferences		12,000	-		-	-
Operating Expenses		10,000	4,000		(4,000)	-
Rent		6,000	-	-	-	-
Use of Goods and Services	26	28,000	4,000	-	(4,000)	-
Payments / Outflows		52,000	22,000	-	(22,000)	-

Ministry of fishery and Marine resources

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget

For the Year Ended 31 December, 2024

Government Uses a Treasury Single Account System to Manage Funds

		2024				2023
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
		USD	USD	USD	USD	USD
Receipts / Inflows	Note					
Consolidated Fund Appropriations		164,656	83,381	14,156	(69,225)	-
Other Revenue						
Sale of goods and services		200,000	200,000	28,600	(171,400)	-
Other Revenue	24	200,000	200,000	28,600	(171,400)	-
Receipts / Inflows		364,656	283,381	42,756	(240,625)	-
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		70,656	46,156	14,156	(32,000)	-
Compensation of Employees	25	70,656	46,156	14,156	(32,000)	-
Use of Goods and Services						
Travel & Conferences		24,000.00	7,500.00	-	(7,500.00)	-
Operating Expenses		60,300.00	27,300.00	-	(27,300.00)	-
Rent		9,700.00	2,425.00	-	(2,425.00)	-
Use of Goods and Services	26	94,000.00	37,225.00	-	(37,225.00)	-
Payments / Outflows		164,656.00	83,381.00	14,156.00	(69,225.00)	-

Notes to Financial Statements for All Budget Entities

1 Summary of Significant Accounting Policies for All Budget Entities

1.1 Financial Statement

In addition to the two-purpose consolidated financial statements for the GSS Consolidated Fund, GSS has chosen to issue a single financial statement for each budget entity that combines the Statement of Receipts and Payments with the Statement of Comparison of Budget and Actual Amounts, as allowed by the International Public Sector Accounting Standard (IPSAS), Financial Reporting Under the Cash Basis of Accounting (2007).

1.2 Basis of Preparation

The individual budget entity financial statement for each Ministry/Authority of the Galmudug State of Somalia (GSS) has been prepared following the *Public Financial Management Act 2019 and the International Public Sector Accounting Standard (IPSAS) - Financial Reporting Under the Cash Basis of Accounting (2007)*. These notes to the financial statements form an integral part of understanding the budget entity statements and must be read in conjunction with these statements.

The accounting policies have been applied consistently throughout the period.

1.3 Consolidated Notes

The following notes serve as notes for all budget entities. There will not be separate and distinct notes given for each budget entity immediately following the respective budget entity's financial statement. Where clarification is required for a particular budget entity, it will be given in these combined notes.

1.4 Reporting Entities

The financial statement for each entity encompasses the reporting entity as specified in the GSS *Appropriation Act No. 1 of 2023*. All budget entities listed below are controlled by the GSS. All activities of budget entities are funded by the GSS Consolidated Budget or through 3rd Party external assistance. The preceding individual financial statements are for the following public sector entities, whose main purpose is described in the Presidential Decree *entitled A Decree Establishing Ministries of Galmudug State and Defining Roles and Functions of Ministries* dated 28 December 2015 plus a separate decree creating the Ministry of Finance *entitled A Decree for Establishing the Ministry of Finance of the Galmudug State and Other Related Matters* dated 28 December 2015.

A decree on establishing the Civil Service Commission (CSC) and its purpose *entitled A Decree for establishing the Civil Service Commission of the Galmudug State* dated 28 December 2015 established the office of the Civil Service Commission. Companion Decrees also established the

Civil Service and the Civil Service Salary Structure. The inauguration of the GSS constitution automatically established the Galmudug Parliament. Their respective statements form part of the consolidated financial statements as these entities were included in the GSS *Appropriation Act No.1 of 2023*.

- 01 Ministry of Interior Federal & Reconciliation
- 02 Ministry of Justice & Judiciary Affairs
- 03 Ministry of Finance
- 04 Ministry of Internal Security
- 05 Ministry of Planning & Economic Development
- 06 Ministry of Endowment & Religious Affairs
- 07 Ministry of Petroleum and Mining Resources
- 08 Ministry of Public Works & Housing
- 09 Ministry of Commerce & Industry
- 10 Ministry of Information
- 11 Ministry of Aviation & Transport
- 12 Ministry of Education Culture & Higher Education
- 13 Ministry of Post & Communication
- 14 Ministry of Agriculture
- 15 Ministry of Environment & Climate Change
- 16 Ministry of Health and Social Services
- 17 Ministry of Women and Human Right
- 18 Ministry of Labor and Social Affairs
- 19 Ministry of Youth & Sport
- 20 Ministry of Water & Electricity
- 21 Ministry of Constitution Affairs
- 22 Ministry of Ports
- 24 Ministry of Humanitarian Affairs and Disaster Management
- 25 Office of Presidency
- 26 Office of the Speaker and Parliament
- 27 Civil Service Commission
- 28 Office of Audit General
- 30 Ministry of Livestock
- 31 Supreme Court
- 32 Office of The Attorney General
- 33 Office of The Solicitor General
- 34 Ministry of Fishery and Marine resources

1.6 Single Treasury Account

Budget entities do not operate their bank account. The Government operates a centralized treasury function that administers cash expenditures incurred, and cash receipts collected by all budget entities during the financial year. Payments made on this account in respect of the budget entities are disclosed in the Controlled by Treasury Single Account (TSA) column in the Combined Statement of Cash Receipts and Payments & Comparison to Budget.

1.7 Transfers

Amounts are transferred to eligible recipients by the agreements between the Ministry and the recipient.

1.8 Reporting Currency

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

2 Consolidated Fund Appropriations

The amount reported as Consolidated Fund Appropriations in the Individual Entity Combined Statement of Cash Receipts and Payments & Comparison to Budget is the amount Treasury has released through the Treasury Single Account for the benefit of the budget entities (the amount of “draw down” on the annual appropriation).

The amount does not reflect actual cash receipts from the Treasury because the budget entities do not control their bank account. The amount reflects the “source” of funds provided to make payments for each Budget Entity. The following notes provide explanations of the nature of the source of income and the expenses financed through general fund appropriations.

3 Taxes

Taxes refer to revenue arising from Personal Income tax, Turnover Tax, Business & Professional Licenses, Local Passenger charge, Road User Tax, International NGOs registration, Local NGOs registration, Number plate registrations. Some entities regarded as cost centers also generate a proportion of the total revenue collections.

However, this does not mean that such entities have control over the revenue they collect but instead remit their collections to the Treasury Single Account where it is utilized to fund appropriations to the budget entities. While some taxes are collected directly by the concerned Ministry, in most instances, the MoF places their employees from the revenue department who are tasked with the actual revenue collection.

4 Grants

Grants from international organizations and the Federal Government of Somalia are remitted through the TSA and therefore recorded under the Ministry of Finance. Grant income of **\$27,919,347** was budgeted during the reporting period, with **\$16,851,303** received.

5 Employee Compensation

Employee Compensation entails all salaries and wages including in-kind payments. Salaries paid by civil servants and security forces make up most of the employee compensation. The Recurrent Cost and Reform Financing Project (RCRF III) reimburses the salaries of the permanent employees of GSS who have been recruited competitively by the Civil Service Commission (CSC).

A competitive recruitment process is a fundamental condition for eligibility to the RCRF III project and to meet the criteria a Civil Service Commission was established to spearhead the process.

6 Use of Goods and Services

GSS's ability to pay for its operating costs, goods and services and other expenses are determined by the ability to raise or receive sufficient revenue for budget execution. GSS does not have access to a credit facility and therefore due to this integral constraint GSS has prioritized and spent 72% of the budget across the entities. The following is a summary spending against each benefiting budget entity.

Galmudug State of Somalia – Annual Financial Statements – FY 2024

Budget Entity	Budget USD 2024	Actual USD 2024	Percentage %
Ministry of Interior Federal & Reconciliation	1,270,600	1,235,500	97%
Ministry of Justice & Judiciary Affairs	14,725	6,825	46%
Ministry of Finance	2,382,652	1,467,256	62%
Ministry of Internal Security	680,380	539,180	79%
Ministry of Planning & Economic Development	629,224	590,815	94%
Ministry of Endowment & Religious Affairs	31,750	20,725	65%
Ministry of Petroleum and Mining Resources	17,600		0%
Ministry of Public Works & Housing	877,705	832,754	95%
Ministry of Commerce & Industry	45,350	17,450	38%
Ministry of Information	10,000		0%
Ministry of Aviation & Transport	151,750	122,600	81%
Ministry of Education Culture & Higher Education	2,506,023	1,831,204	73%
Ministry of Post & Communication	14,450		0%
Ministry of Agriculture	347,393	293,587	85%
Ministry of Environment & Climate Change	117,549	83,357	71%
Ministry of Health and Social Services	4,724,569	2,557,212	54%
Ministry of Women and Human Right	201,511	145,971	72%
Ministry of Labour and Social Affairs	36,723	16,420	45%
Ministry of Youth & Sport	60,000	49,560	83%
Ministry of Water & Electricity	802,102	487,881	61%
Ministry of Constitution Affairs	23,333		0%
Ministry of Ports	23,555	10,312	44%
Ministry of Humanitarian Affairs and Disaster Management	20,500	4,500	22%
Office of Presidency	1,649,100	1,594,382	97%
Office of the Speaker and Parliament	529,333	477,689	90%
Civil Service Commission	29,250	16,482	56%
Office of Audit General	21,550	17,954	83%
Ministry of Livestock	198,413	188,392	95%
Supreme Court	27,050	-	0%
Office of The Attorney General	28,175	-	0%
Office of The Solicitor General	4,000	-	0%
Ministry of Fishery and Marine Resources	37,225	-	0%
Total	17,513,540	12,608,007	72%

7 Other Operating Expenses

Treasury Single Account

Operating costs totaling **\$1,977,455** has been incurred in 2024 which includes Education tuition fees, educational material and supplies, consulting and profession fees, fees for service provided (non-consulting service), audit fees, bank charges, printing bidding, TV and newspaper advertisement for Ministry of Interior, Ministry of Justice and Judiciary Affairs, Ministry of Finance, Ministry of Internal Security, Ministry of Planning, Ministry of Endowment and Religious Affairs, Ministry of Public Works and Housing, Ministry of Information, Ministry of Aviation and Transport, Ministry of Labor and Social Affairs, Ministry of Ports and Fishery, Office of Audit General, Civil Service Commission, Supreme Court, Office of The Attorney General, Ministry of Women and Human Right, Ministry of Water & Electricity, Ministry of Agriculture,

Ministry of Environment, Ministry of Health and Social Services, Ministry of Livestock, Ministry of Education, Office of the Speaker and Parliament, and the Presidency and office administrative costs for the Presidency.

These costs have been funded by Save the children, UNICEF, FGS United Nations as well as domestic revenues.

8 Grants to Other Government Units.

Other government units refer to lower-level governments such as the city municipalities. The Adado, Dusemareb, Guri'el, Abudwaq and Galkayo municipalities are the active local government in Galmudug that operate both a revenue collection and expenditure process. However, during this period these five Municipalities were subsidized by the Ministry of Interior and Local Government to enhance their service to the communities and with **\$337,046** transferred to these Government Units.

9 Non-Financial Assets

Non-financial assets consist of assets acquired by entities in running their business operations and include assets such as, but not limited to, cars, computers, furniture and fixtures, construction of ministerial offices, etc.

During the reporting period, GSS purchased non-financial assets amounting **\$3,609,655** for ministries' operations as can be seen below table.

Galmudug State of Somalia – Annual Financial Statements – FY 2024

		Buildings other than dwellings	Road construction	Other land improvement	Wells and water holes	Other water infrastructure	Information, computer, and telecommunication (CIT) equipment	Machinery and equipment not elsewhere classified	Furniture and fixture	Tools and specialized professional services	Tree, crop , and plant resources yielding repeat products
Ministry of Interior Federal & Reconciliation	20,000	-	-	-	-	-	-	20,000	-	-	-
Ministry of Finance	237,113	-	-	-	-	-	43,413	172,796	20,904	-	-
Ministry of Internal Security	432,000	-	-	-	-	-	-	432,000	-	-	-
Ministry of Public Works & Housing	809,910	600,000	200,000	-	-	-	-	9,910	-	-	-
Ministry of Commerce & Industry	3,750	-	-	-	-	-	1,250	-	2,500	-	-
Ministry of Information	-	-	-	-	-	-	-	-	-	-	-
Ministry of Education Culture & Higher Education	156,423	-	-	-	-	-	84,623	-	71,800	-	-
Ministry of Post & Communication	-	-	-	-	-	-	-	-	-	-	-
Ministry of Agriculture	86,314	80,064	-	-	-	-	-	-	-	6,250	-
Ministry of Environment & Climate Change	236,148	60,000	-	-	-	-	-	-	-	-	176,148
Ministry of Health and Social Services	62,939	-	-	-	-	-	8,000	32,439	22,500	-	-
Ministry of Women and Human Right	7,000	-	-	-	-	-	5,000	-	2,000	-	-
Ministry of Youth & Sport	5,000	-	-	-	-	-	5,000	-	-	-	-
Ministry of Water & Electricity	1,324,513	60,000	-	-	1,222,034	-	-	-	17,520	24,959	-
Office of Presidency	20,000	-	-	-	-	-	-	20,000	-	-	-
Ministry of Livestock	208,545	205,545	-	-	-	-	-	-	3,000	-	-
Total	3,609,655	1,005,609	200,000	-	1,222,034	-	147,286	687,146	140,224	31,209	176,148