OFFICE OF THE AUDITOR GENERAL

GALMUDUG STATE OF SOMALIA

ANNUAL AUDIT REPORT

For the Year Ended 31 December 2025

Regulatory Audit of the

Galmudug State of Somalia

Presented to:

Parliament of
Galmudug State of Somalia

Report Date: 25 August 2026

Transmittal Letter

25 August 2026

Speaker of the Parliament
Dusamareb, Galmudug

Dear Speaker,

I am honored to submit the Annual Report of the Auditor General on the Accounts of the Galmudug State of Somalia for the financial year ended 31 December 2025. This submission is made in accordance with Section 32(3) of the PFM Act 2018 and Sections 30, 32, and 33 of the Audit Act 2018 of Galmudug State of Somalia (GSS).

The primary function of my Office is to audit the accounts of Ministries, Departments, Agencies (MDAs), and other institutions financed from public funds. This report covers those MDAs whose transactions appeared in the consolidated financial statement of GSS for the financial year that ended 31 December 2025.

The audits were conducted to examine whether the funds appropriated by Parliament or raised by the Government and disbursed had been accounted for properly. The audit adhered to the International Standards of Supreme Audit Institutions (ISSAIs), which are the standards relevant for auditing public sector entities. The findings presented in this report pertain to issues that were unresolved during the audit process.

I would like to take this opportunity to express my gratitude to the employees of the Office of the Auditor General (OAG) and the MOF staff for their support and cooperation during the audits.

Yours sincerely,

Hashi Osman Mohamed
Auditor General, Galmudug State of Somalia

CC:

- The President of Galmudug State Government
- Minister for Finance of Galmudug State of Somalia

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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 Annual Audit Report presents the key findings arising from the audit of the financial statements of the Galmudug State of Somalia (GSS) for the financial year ended 31 December 2025. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and the Public Financial Management (PFM) Act, 2018. The primary objective of the audit was to express an opinion on whether the financial statements present fairly, in all material respects, the financial position and financial performance of the Government, while also assessing compliance with the applicable legal and regulatory framework and evaluating the effectiveness of internal controls over public financial management.

Based on the audit work performed, we have issued a qualified audit opinion on the financial statements of the Galmudug State of Somalia for the year ended 31 December 2025. The qualification arises from our inability to obtain sufficient appropriate audit evidence over unsupported revenue collections, unsupported payments, misclassified expenditure, non-compliant procurement, and unauthorized domestic borrowing, as set out in full in Section 3 (Audit Opinion) of this report.

The audit identified significant weaknesses across several key areas of financial management, including cash and bank management, revenue administration, expenditure management, procurement, asset management, and public debt management. These weaknesses indicate deficiencies in internal controls, inadequate documentation, weak compliance with statutory requirements, and limited accountability mechanisms, all of which expose public resources to increased risks of fraud, financial loss, misstatement, and inefficient use of government funds.

1.1 Summary of Key Financial Exposure

Item	Amount (USD)
Unsupported revenue collections (no receipts/merchant reports)	1,372,559
Expenditures misclassified under Conflict Resolution budget head	318,000
Unsupported payments (missing supporting documentation)	257,745
Goods and services procured without formal procurement process	3,272,018
Domestic borrowing without parliamentary approval	75,000

In the area of cash and bank management, the audit established that the Treasury Department performs reconciliations of the Treasury Single Account (TSA) and other government bank accounts monthly rather than daily or weekly as required by Article 3.1 of Regulation 5 of the PFM Act, 2018. Delays in performing reconciliations significantly increase the risk that irregularities, fraud, or recording errors may remain undetected for extended periods.

On revenue, the GSS-MOF has not implemented effective reconciliation procedures between revenue receipts, cash books, bank deposits, the Revenue Management System (RMS), and the Financial Management Information System (FMIS). Donor funds and transfers received from the Federal Government of Somalia (FGS) are not regularly reconciled with accounting records, and revenue collection remains largely manual, increasing the likelihood of human error, manipulation of records, delayed reporting, and revenue leakage. The approved annual budget also did not include the statutory contingency provision of at least five percent of annual revenues required under Section 14 of the PFM Act.

On expenditure, material weaknesses were identified in classification and documentation, including USD 318,000 charged to inappropriate budget lines and USD 257,745 in unsupported payments lacking vouchers, invoices, contracts, or evidence of receipt of goods and services.

On procurement, USD 3,272,018 in goods and services was procured without complying with prescribed procurement procedures. The audit further observed excessive reliance on single-source procurement through repeated contract amendments without adequate justification, and incomplete procurement documentation across several Ministries, Departments, and Agencies (MDAs).

On public debt, domestic borrowing of USD 75,000 was undertaken without prior parliamentary approval. The Ministry of Finance did not prepare or submit mandatory biannual debt reports, omitted the required public debt annex from the proposed budget, could not evidence ministerial signature on loan agreements, and has not developed a Public Debt Management Strategy.

1.2 Local Government Audit Summary

In addition to the State-level audit findings, the Office of the Auditor General's 2025 audits of Adado, Galkayo and Guriel Local Governments identified recurring weaknesses that demonstrate that several public financial management challenges extend to the local government level, including bank account governance and TSA compliance, bank reconciliations, revenue administration, expenditure documentation, procurement, asset management, internal audit, budget governance, human resource management, and financial reporting systems.

Local Government	Revenue Collections (USD)	Unsupported Payments (USD)	Other Notable Exposures (USD)
Adado	~115,522	~108,250	Unbudgeted expenditure ~10,572; ad hoc procurement ~20,741
Galkayo	~341,842	~334,773	Unbudgeted expenditure ~64,109; ad hoc procurement ~173,428
Guriel	~79,930	~82,834	Procurement conducted on an ad hoc basis; no quantified amount
Total	~537,294	~525,857	Adado & Galkayo: ~74,681 unbudgeted; ~194,169 ad hoc procurement

Adado Local Government's other high-risk weaknesses included unauthorized or non-TSA bank accounts, unreliable financial statements, weak asset accountability, an inactive internal audit function, weak budget governance, and the absence of a formal recruitment and human resource framework.

Galkayo Local Government exhibited similar but more financially significant control weaknesses, with weaknesses also identified in bank account governance, financial reporting, asset management, internal audit, budget oversight, and human resource management.

Guriel Local Government's revenue was processed through a private automated revenue collection system without consistent official receipts or documented reconciliations. A comprehensive centralized asset register was not maintained, physical asset verification and tagging were inadequate, the internal audit function was non-functional, and the Tabarak System could not generate essential accounting outputs such as a chart of accounts, general ledger, and trial balance.

1.3 Overall Conclusion and Key Recommendations

Overall, the audit demonstrates that the GSS continues to experience systemic weaknesses in financial management, internal controls, statutory compliance, record management, and governance arrangements. Many of these weaknesses affect the reliability of financial reporting, reduce transparency and accountability, and expose government resources to fraud, misuse, financial loss, and reputational risk.

The Office of the Auditor General recommends that the GSS:

- Urgently strengthen internal control systems across all areas of public financial management;

- Ensure full compliance with the Public Financial Management Act, 2018;
- Improve revenue administration and reconciliation processes, including automation of revenue collection;
- Strengthen expenditure controls, classification, and supporting documentation;
- Enforce compliance with procurement laws and procedures, and establish a functioning Procurement Committee;
- Establish robust public debt management arrangements, including a published Debt Management Strategy;
- Operationalize a centralized asset management system with regular physical verification;
- Develop and implement a formal Fraud Prevention and Anti-Corruption Policy;
- Strengthen the Internal Audit function to ensure regular risk-based audits and reporting; and
- Enhance oversight and accountability mechanisms across State and Local Government levels.

Timely implementation of these recommendations will significantly improve transparency, accountability, financial discipline, and public confidence in the management of public resources within the Galmudug State of Somalia.

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 Dusamareb. 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, including 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 31 December 2025 was USD 32,769,690, derived as follows:

Item	Amount (USD)
Domestic Revenue	10,814,439
Domestic Borrowing	75,000
External Funds (Grants)	21,880,251
Total Revenue	**32,769,690**

The major areas of expenditure for GSS in 2025 were as follows:

Item	Amount (USD)
Use of Goods and Services	14,386,452
Compensation for Employees	10,929,425
Capital Expenditure (Non-Financial Assets)	3,045,517

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

Article 46(1) of the Galmudug Local Government Law No. 004/2020 requires Local Governments to prepare and maintain financial accounts covering all financial activities undertaken in carrying out their functions and operations. These provisions establish the statutory basis for the Auditor General's review of Local Government financial management and for incorporating significant Local Government audit matters into this report. The audits of Adado, Galkayo and Guriel Local Governments were undertaken pursuant to Section 28(1) of the Audit Act of Galmudug State of Somalia, 2018, and Section 51 of Local Government Law No. LR 004/2020.

2.1 Scope

This audit covered the financial statements of the Galmudug State of Somalia for the period 1 January 2024 to 31 December 2025, encompassing all Ministries, Departments, and Agencies (MDAs), and three Local Governments 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 expenditure charged to appropriation accounts has 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 the 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 Section 5. 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 GSS-MOF and Local Governments 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. Audit Opinion

3.1 Qualified Opinion

We have audited the financial statements of the Galmudug State of Somalia (GSS), which comprise the statement of receipts and payments, the statement of cash balances, and other accompanying statements and notes for the year ended 31 December 2025.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Galmudug State of Somalia as at 31 December 2025, and its financial performance for the year then ended, in accordance with the International Public Sector Accounting Standard (IPSAS) – Financial Reporting under the Cash Basis of Accounting.

3.2 Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence regarding the following matters, and we were consequently unable to determine whether adjustments to these amounts, or additional disclosures, were necessary:

- Unsupported revenue collections of USD 1,372,559, for which no official receipts or merchant transaction reports were available to confirm the completeness and accuracy of amounts collected and deposited to the Treasury Single Account;
- Unsupported payments of USD 257,745, for which supporting documentation — including payment vouchers, invoices, contracts, purchase orders, goods received notes, and approval evidence — was not provided;
- Expenditure of USD 318,000 misclassified under the Conflict Resolution budget head without evidence linking the expenditure to genuine conflict resolution activities, affecting the fair presentation of expenditure by economic and functional classification;

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities subsection below. We are independent of GSS in accordance with the ethical requirements applicable to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3.3 Responsibilities of Management for the Financial Statements

The Ministry of Finance is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS – Cash Basis of Accounting and Section 30 of the PFM Act, 2018, 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.

3.4 Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISSAIs 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 ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess the risks of material misstatement, obtain an understanding of internal control relevant to the audit, evaluate the appropriateness of accounting policies used, and evaluate the overall presentation, structure, and content of the financial statements.

4. Status of Prior Year Recommendations

The Office of the Auditor General followed up on the implementation status of the 18 recommendations issued in the prior year audit report. Of these, 3 recommendations (17%) had been fully implemented by management, while 15 recommendations (83%) remained not implemented as at the date of this audit. The persistence of unimplemented recommendations indicates that management's response to prior audit findings has been inadequate and contributes directly to the recurrence of similar control weaknesses identified in the current year, as set out in Section 5 below.

Implementation Status	No. of Recommendations	% of Total
Implemented	3	17%
Not Implemented	15	83%
Total Prior Year Recommendations	18	100%

Management is urged to prioritize implementation of the 15 outstanding prior year recommendations alongside the current year's findings presented in Section 5. Against each finding in Section 5, management is required to indicate the responsible officer and implementation timeline for corrective action. The Office of the Auditor General will follow up on the implementation status of both prior year and current year recommendations as part of the subsequent audit cycle.

5. Summary of Audit Findings

5.1 Cash and Bank

The Treasury Department reconciles bank accounts monthly instead of the required weekly or daily frequency under Article 3.1 of Regulation 5 of the PFM Act, 2018. Additionally, the Cash Management Unit did not conduct its mandated annual review of the GSS bank register as required by Section 8 of the Bank Account Procedure Manual, raising concerns that unauthorized or unrecorded bank accounts may go undetected.

5.2 Revenue

Revenue collections totaling USD 1,372,559 lacked official receipts or merchant platform reports to support the transactions, despite the funds being deposited into the Treasury Single Account. Revenue collected through the merchant account could not be traced to supporting documentation. No reconciliations are performed between revenue receipts, the cash book, bank deposits, or between the Revenue Management System and the Financial Management Information System, and GSS continues to rely heavily on manual processes for revenue collection and recording.

5.3 Payments

Expenditures totaling USD 318,000 were misclassified under the Conflict Resolution budget head to cover unrelated operational costs such as vehicle and hall rental, meals, and tire purchases, with no supporting evidence linking them to actual conflict resolution activities. A further USD 257,745 in payments lacked adequate supporting documentation, including vouchers, invoices, contracts, or proof of receipt of goods and services. Transfers to Local Governments were also processed inconsistently, at times through vendors and at times directly to Local Government accounts.

5.4 Procurement

Goods and services worth USD 3,272,018 were procured without following any formal procurement process, contrary to Section 3.5.1 of Regulation 8 of the PFM Act. GSS also showed overreliance on single suppliers, repeatedly amending or extending existing contracts instead of conducting competitive bidding, without justification or market comparison. Procurement files were frequently incomplete, and GSS has not established the Procurement Committee required under Section 2.1.1 of Regulation 8.

5.5 Asset Management

GSS does not have a fully operational centralized asset management system, and State assets are not comprehensively recorded in the Capital Asset Register as required by Regulation 9, Section 1.4 of the PFM Act. Annual physical inventory counts were not performed, assets were not consistently tagged with identification numbers, and no reconciliation was carried out between the physical inventory and accounting records as required under Section 4.2 of Regulation 6.

5.6 Loan Borrowing

GSS incurred domestic borrowing of USD 75,000 that was not included in the approved budget passed by Parliament, contrary to Section 38(1) of the PFM Act, 2018. The Ministry of Finance did not prepare, submit, or publish the biannual debt reports required under Section 42(3), and the required public debt annex was omitted from the 2024 budget documentation, contrary to Section 36(1). Loan agreements also lacked evidence of the Minister of Finance's required signature under Section 38(3), and no Public Debt Management Strategy has been developed as mandated by Section 42(4) of the PFM Act, 2017.

5.7 Fraud Prevention and Risk Management

Formal fraud prevention policies and procedures are not in place across GSS, and no formal fraud risk assessment process is conducted to identify, assess, and address significant fraud risks. This was flagged as a high-priority risk given the absence of arrangements for preventing, detecting, reporting, and investigating fraud and corruption.

5.8 Internal Audit Function

Although an Internal Audit Department has been established, it did not prepare or issue any internal audit reports during the period under review, with no evidence of regular assessment of internal controls, risk management, governance, or compliance. This was also flagged as a high-priority risk, as it reduces management's assurance over the internal control environment.

6. Conclusion

The audit findings collectively point to significant and systemic weaknesses in the financial management practices of Galmudug State institutions, spanning nearly every core area of public financial management. Across cash and bank management, revenue collection, payments, procurement, asset management, and loan borrowing, a consistent pattern emerges: non-compliance with the requirements of the PFM Act, 2018, inadequate or missing supporting documentation, and an absence of routine reconciliation processes needed to safeguard public funds.

The scale of unsupported and unverifiable transactions identified during the review is particularly concerning. Unsupported revenue collections of USD 1,372,559, unsupported payments of USD 257,745, misclassified expenditures of USD 318,000, and non-compliant procurement of USD 3,272,018 collectively represent a substantial portion of public resources for which accountability cannot currently be demonstrated. Combined with unauthorized borrowing of USD 75,000 and the absence of statutory debt reporting, these findings indicate weak adherence to the legislative framework governing public finances in the State.

Underlying many of these findings is a broader structural gap: the continued reliance on manual processes in place of automated systems, incomplete or non-existent registers for assets and revenue, and the absence of routine reconciliation between records, bank statements, and financial systems. These gaps make it difficult for GSS to demonstrate the completeness, accuracy, and integrity of its financial records, and they create conditions in which errors, mismanagement, or fraud could occur without timely detection.

Most critically, the two functions specifically designed to identify and mitigate these risks — fraud prevention and risk management, and internal audit — were both found to be largely absent or ineffective. Without a functioning fraud risk assessment process and an active internal audit function providing independent assurance, GSS currently lacks the internal mechanisms necessary to detect, prevent, and respond to the very weaknesses this audit has identified.

Taken together, these findings underscore the urgent need for GSS to strengthen its internal control environment through improved documentation practices, consistent reconciliation procedures, full compliance with procurement and borrowing regulations, and the establishment of robust fraud prevention and internal audit functions. Addressing these weaknesses in a coordinated and timely manner will be essential to restoring the transparency, accountability, and fiscal discipline expected of public financial management in Galmudug State. Sustained management commitment, adequate resourcing, and close monitoring of the implementation of the recommendations in this report will be critical to achieving lasting improvement.

Annex 1: Auditor's Report on the Financial Statements and the Final Financial Statements

This Annex sets out the Auditor General's report on the financial statements of the Galmudug State of Somalia (GSS) for the financial year ended 31 December 2025, together with the final audited financial statements, comprising the statement of receipts and payments, the statement of cash balances, and the accompanying notes and disclosures prepared by the Ministry of Finance in accordance with the International Public Sector Accounting Standard (IPSAS) – Cash Basis of Accounting.

Annex 2: Detailed Management Letter

This Annex contains the Detailed Management Letter issued to the Ministry of Finance of the Galmudug State of Somalia, setting out the full detail of each audit finding, the associated risks, the Office of the Auditor General's recommendations, and management's responses, including the responsible officer and implementation timeline for each corrective action, as summarized in Section 5 of this report.

FINAL MANAGEMENT LETTER

For the Year Ended 31st December 2025

Galmudug State of Somalia

Prepared by:

Office of the Auditor General

Galmudug State of Somalia

July 27, 2026

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ABBREVIATIONS

Acronym	Full Description
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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 31 December 2025. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), the Public Financial Management (PFM) Act, 2018, and the Audit Act of Galmudug State of Somalia, 2018. The primary objective of the audit was to express an opinion on whether the financial statements present fairly, in all material respects, the financial position and financial performance of the Government, while also assessing compliance with the applicable legal and regulatory framework and evaluating the effectiveness of internal controls over public financial management.

In the area of cash and bank management, the audit identified weaknesses in bank account governance, Treasury Single Account (TSA) compliance, and the timeliness of bank reconciliations. At State level, the Treasury Department performs reconciliations of the TSA and other government bank accounts monthly rather than daily or weekly as prescribed under Article 3.1 of Regulation 5 of the Public Financial Management Act, 2018. The audit also noted that the State has not undertaken the required annual review and circularisation of government bank accounts as part of the year-end process, including obtaining confirmation of all government bank accounts, reviewing and closing dormant or unnecessary accounts, and ensuring that accounts opened during the year are identified and incorporated into the State's official bank register. Similar weaknesses were identified at the local-government level, including unauthorized or non-TSA bank accounts and inadequate bank reconciliation arrangements in Adado and Galkayo. These weaknesses limit management's ability to obtain timely assurance over government cash balances and increase the risk of unauthorized transactions, inaccurate cash reporting, and ineffective cash management. Recognizing the operational challenges associated with more frequent reconciliations, the primary recommendation is that Management pursue an amendment to Article 3.1 of Regulation 5 of the PFM Act to formally provide for monthly bank reconciliations, supported in the interim by a practical, risk-based reconciliation framework that provides timely assurance over government cash balances.

The audit identified significant weaknesses in revenue management, documentation, reconciliation, classification, and reporting at both State and local-government levels. At State level, revenue collections amounting to USD 1,372,559 were recorded without adequate supporting documentation, including receipts, merchant transaction reports, or other evidence, limiting the ability to verify their completeness, accuracy, and proper classification. Revenues collected through merchant accounts could not be adequately traced to system-generated reports or transaction summaries, while effective reconciliations between revenue receipts, cash books, bank deposits, the Revenue Management System (RMS), and the Financial Management Information System (FMIS) had not been established. Tax receipts also frequently lacked key information, including the applicable tax base and approved collection rates, and variations in tax rates were applied without adequate documentation or evidence of authorization. Similar weaknesses were identified in Adado, Galkayo and Guriel municipalities, which reported approximately USD 537,294 in revenue collections subject to weaknesses in documentation, controls and reconciliation. In particular, Guriel's electronically collected revenues were not consistently supported by official receipts or reconciliations between system records, collections and bank deposits. These weaknesses reduce transparency and the effectiveness of the revenue audit trail and increase the risk of incomplete or inaccurate revenue recording and classification, inconsistent application of tax rates, revenue leakage, manipulation of records, and unreliable revenue reporting.

The audit identified significant weaknesses in expenditure management, particularly in budget classification, budgetary control, supporting documentation, and authorization. At State level, expenditures amounting to USD 318,000 were charged to inappropriate budget lines, particularly the Conflict Resolution budget head, despite relating to routine operational costs such as vehicle hire, hall rental, refreshments, accommodation, and vehicle maintenance, without adequate evidence linking the expenditure to genuine conflict resolution activities. Furthermore, the approved annual budget did not include the statutory contingency provision of at least five percent of annual revenues as required under Section 14 of the PFM Act, thereby limiting the GSS's ability to respond effectively to emergencies and unforeseen expenditure. In addition, payments totaling USD 257,745 lacked essential supporting documentation, including payment vouchers, invoices, contracts, purchase orders, goods received notes, delivery notes, approval documentation, and evidence of receipt of goods and services. Similar weaknesses were identified at the local-government level, where unsupported payments across Adado, Galkayo and Guriel amounted to approximately USD 525,857, while Adado and Galkayo incurred approximately USD 74,681 in expenditure without approved budget allocations. These recurring weaknesses indicate inadequate expenditure controls and budget discipline and increase the risk of unauthorized expenditure, misclassification, fraudulent payments, misuse of public resources, and inaccurate financial reporting.

The audit identified significant weaknesses in procurement management, compliance, documentation, and contract administration at both State and local-government levels. At State level, goods and services amounting to USD 3,272,018 were procured without adequate compliance with the procurement procedures prescribed under the Public Financial Management Act and the GSS Procurement Manual. Key processes, including procurement planning, competitive bidding, bid evaluation, contract award, and contract management, were either not undertaken or inadequately documented, and procurement files across several MDAs lacked critical documentation. Similar weaknesses were identified at the local-government level, with Adado and Galkayo recording approximately USD 194,169 in ad hoc procurement and Guriel undertaking procurement largely on an ad hoc basis without approved procedures or an annual procurement plan. These weaknesses undermine transparency, competition, accountability and value for money and increase the risks of supplier favoritism, inflated prices, procurement fraud, and inefficient utilization of public resources.

The audit identified significant weaknesses in public debt and borrowing management, including non-compliance with statutory approval, reporting, disclosure, and debt governance requirements. Domestic borrowing amounting to USD 75,000 was undertaken without prior approval from Parliament, contrary to the requirements of the Public Financial Management Act, and documentary evidence was not available to confirm that the related loan agreements had been signed by the Minister of Finance as required by law. The Ministry of Finance also did not prepare or submit the mandatory biannual debt reports to the President and Parliament or publish information on outstanding public debt and medium-term debt service projections. In addition, the proposed annual budget did not include the required annex on public debt and government guarantees, limiting Parliament’s ability to assess the Government’s fiscal obligations before approving the budget. The audit further noted that the State has not developed or published a Public Debt Management Strategy to provide a structured framework for borrowing decisions, debt sustainability, risk management, and long-term fiscal planning. Collectively, these weaknesses significantly limit transparency and legislative oversight of public borrowing and increase the risk of unauthorized borrowing, inadequate debt monitoring, unsustainable debt accumulation, and weak fiscal management.

The audit identified significant weaknesses in the State's internal control and governance framework, including deficiencies in asset management, risk and fraud management, and internal audit. The State's bank register was not subject to the annual review required by the applicable regulations, limiting assurance that the register remains complete, accurate, and up to date. Asset management procedures were also inadequate, including the absence of a centralised asset register covering the State's assets to be maintained by the Director General of the Ministry of Finance, inadequate tagging of assets, and the absence of periodic physical verification of assets. In addition, the State has not established adequate mechanisms and policies for fraud prevention, fraud risk management, and the systematic identification and mitigation of financial and operational risks. The internal audit function was also found to be inactive or ineffective, limiting independent assurance over the adequacy and effectiveness of internal controls and the timely identification and remediation of control weaknesses. Collectively, these deficiencies weaken the State's control environment and accountability mechanisms and increase the risk of loss, misappropriation, fraud, inaccurate financial reporting, and ineffective use and safeguarding of public resources.

Overall, the audit demonstrates that the GSS continues to experience systemic weaknesses in financial management, internal controls, statutory compliance, record management, and governance arrangements, and that several of these weaknesses recur at the local-government level. Many of these weaknesses affect the reliability of financial reporting, reduce transparency and accountability, and expose government resources to fraud, misuse, financial loss, and reputational risk.

The Office of the Auditor General therefore recommends that the GSS urgently strengthen internal control systems across all areas of public financial management, ensure full compliance with the

Public Financial Management Act, 2018, improve revenue administration and reconciliation processes, strengthen expenditure controls and documentation, enforce compliance with procurement laws and procedures, establish robust public debt management arrangements, and enhance management oversight and accountability mechanisms, including closer coordination between the Ministry of Finance and local governments. Timely implementation of these recommendations will significantly improve transparency, accountability, financial discipline, and public confidence in the management of public resources within the Galmudug State of Somalia.

.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 Dusamareb. 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 2025 was $32,769,690, derived as follows:

Revenue Source	Amount (USD)
Domestic Revenue	$10,814,439
Domestic Borrowing	$75,000
External Funds (Grants)	$21,880,251
Total Revenue	**$32,769,690**

The major areas of expenditure for GSS in 2025 were as follows:

- **Use of Goods and Services:** $14,386,452
- **Compensation for Employees:** $10,929,425
- **Capital Expenditure (Non-Financial Assets)**: $3,045,517

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.

In addition, Article 46(1) of the Galmudug Local Government Law No. 004/2020 requires Local Governments to prepare and maintain financial accounts covering all financial activities undertaken in carrying out their functions and operations. These provisions establish the statutory basis for the Auditor General's review of Local Government financial management and for incorporating significant Local Government audit matters into this Management Letter.

"The Auditor General, as the head of the Supreme Audit Institution of the Galmudug State of Somalia, is the external auditor for all public monies, and has the responsibility and authority to perform financial, compliance, performance and other audits, and report to the State Assembly with copies to the President, and the Minister responsible for finance of the Galmudug State of Somalia."

The audits of Adado, Galkayo and Guriel Local Governments were also undertaken pursuant to Section 28(1) of the Audit Act of Galmudug State of Somalia, 2018, which provides that:

The financial statements of Local Governments for the year ended 31 December 2025 are subject to audit by the Auditor General pursuant to Section 51 of Local Government Law No. LR 004/2020, which requires the Auditor General to review the management of Local Government budgets and financial accounts.

.3 Audit Scope and Objectives

.3.1 Scope

This audit covered the financial statements of the Galmudug State of Somalia for the period 1st January 2025 to 31st December 2025, encompassing all ministries, departments, and agencies (MDAs), and three local government under the jurisdiction of GSS.

.3.2 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 expenditure 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.

.3.3 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.

.3.4 Appreciation

We would like to express our sincere appreciation to the staff of the GSS-MOF and Local Government, 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.

.4 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, 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.

.4.1 Cash and Bank

No	Findings & Observations	Risks	Recommendation	Management Comments
4.1.1	**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 monthly. 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.	**Responsible Officer:** Director, Treasury Department **Implementation Date:** 31 March 2027 **Management Response:** Agreed. Reconciliation frequency will be revised to meet the required standard.

4.1.2	**Annual Review of the GSS Bank Register Not Conducted:** Section 8 of the Bank Account Procedure Manual requires the Cash Management Unit, in December each year, to review the bank register and all government bank accounts to confirm the bank names and account numbers of all accounts registered in the name of the GSS(GSS). However, the audit noted that this annual review was not carried out.	Failure to conduct the annual review may result in the bank register not being kept complete and up to date and may prevent GSS from identifying all government bank accounts, including accounts operated outside the Treasury Single Account (TSA) framework.	The Cash Management Unit should conduct an annual review of the bank register and all government bank accounts to confirm the bank names and account numbers of all accounts registered in the name of GSS. The review should include a formal request to all banks to provide details of all open and recently closed GSS bank accounts, with the results reconciled to the official bank register.	**Responsible Officer:** Head, Cash Management Unit **Implementation Date:** 31 December 2026 **Management Response:** Concurred. The annual bank register review will be reinstated.
4.1.3	**Local-Government Bank Account and Reconciliation Weaknesses:** The 2025 audits of Adado and Galkayo Local Governments identified unauthorized or non-TSA bank accounts and inadequate bank reconciliation arrangements, mirroring the State-level weaknesses in bank account governance and TSA compliance described above. Bank accounts were opened and operated outside the Treasury Single Account framework without evidence of authorization, and reconciliations between cash books and bank statements were not consistently or promptly performed.	Unauthorized or non-TSA accounts increase the risk of funds being held outside government oversight, unauthorized transactions going undetected, and inaccurate reporting of Local Government cash balances.	The Ministry of Finance should extend the State's bank account governance and reconciliation framework to Adado and Galkayo Local Governments, close or regularize any unauthorized or non-TSA accounts, and ensure Local Government bank accounts are reconciled on a regular, documented basis and included in the annual bank register review.	**Responsible Officer:** Director, Treasury Department **Implementation Date:** 30 June 2027 **Management Response:** Noted with concurrence. Local Government accounts will be brought into the TSA framework.

.4.2 Revenue

No	Findings & Observations	Risks	Recommendation	Management Comments
4.2.1	**Unsupported Revenue Collections –$ 1,372,559:** The audit identified that revenue totaling USD 1,372,559 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 collections are considered unsupported and unverifiable.	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 deposited into the Treasury Single Account (TSA).	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Accepted. Documentation controls over revenue collections will be tightened.
4.2.2	**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	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 detail the amounts collected per revenue stream and transaction date.	**Responsible Officer:** Head, Revenue Management Unit **Implementation Date:** 31 March 2027 **Management Response:** Agreed. Merchant reports will be reconciled and retained going forward.

No	Findings & Observations	Risks	Recommendation	Management Comments
	as transaction summaries, system logs, or reconciliation reports to verify the exact amounts collected and deposited for various revenue streams.			
4.2.3	**Absence of Reconciliation Between Revenue Records, Banking, and Financial Systems:** The GSS(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.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Concurred. A monthly reconciliation process will be instituted.
4.2.4	**Lack of Automation in Revenue Collections:** The GSS(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,	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	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	**Responsible Officer:** Head, Revenue Management Unit **Implementation Date:** 31 December 2027 **Management Response:** Accepted. Options for an automated revenue system are being explored.

No	Findings & Observations	Risks	Recommendation	Management Comments
	and hampers the ability to generate accurate, timely, and comprehensive revenue reports.	difficult to track revenue performance in real time.	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.	
4.2.5	**Inadequate Documentation and Authorization of Tax Rates:** The audit noted that tax receipts frequently omitted key information, including the applicable tax base and approved collection rates, and that variations in tax rates were applied without adequate documentation or evidence of management authorization.	Undocumented or unauthorized tax rate variations reduce transparency, weaken the revenue audit trail, and increase the risk of inconsistent or arbitrary tax collection and revenue leakage.	The Ministry of Finance should ensure that all approved tax bases and collection rates are formally documented and communicated, that tax receipts capture this information consistently, and that any variation from approved rates is supported by written authorization from a designated officer.	**Responsible Officer:** Head, Revenue Management Unit **Implementation Date:** 30 September 2027 **Management Response:** Agreed. Tax base and rate documentation requirements will be enforced.
4.2.6	**Local-Government Revenue Documentation and Reconciliation Weaknesses:** The 2025 audits of Adado, Galkayo and Guriel Local Governments identified similar revenue weaknesses to those noted at State level, covering approximately USD 537,294 in revenue collections. In particular, Guriel's electronically collected revenues, processed through a private automated collection system, were not consistently supported by official	As with State-level revenue, weak documentation and reconciliation at the local-government level increase the risk of incomplete recording, revenue leakage, and unreliable revenue reporting.	The Ministry of Finance should extend consistent revenue documentation, receipting, and reconciliation requirements to Local Governments, and formally review the adequacy of controls over privately operated revenue collection systems such as that used in Guriel.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Noted. Revenue controls will be extended to Local Governments.

No	Findings & Observations	Risks	Recommendation	Management Comments
	receipts or reconciled between system records, collections and bank deposits.			

.4.3 Payments

No	Findings & Observations	Risks	Recommendation	Management Comments
4.3.1	**Misclassification of Expenditures – USD 318,000:** 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. 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 318,000 were misclassified and recorded under incorrect accounts. Specifically, a total payment was made under the Conflict Resolution budget head to various	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 undermines accountability and increases the risk of misuse or fraud.	Management should reclassify the USD 318,000 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.	**Responsible Officer:** Director, Budget Department **Implementation Date:** 31 March 2027 **Management Response:** Concurred. Expenditures will be reclassified to the correct budget lines.

No	Findings & Observations	Risks	Recommendation	Management Comments
	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.			
4.3.2	**Unsupported Payments – USD 257,745:** During the audit, we identified payments amounting to USD 257,745 that were not supported by adequate documentation. The transactions lacked one or more key supporting documents such as payment vouchers, supplier invoices, contracts, purchase orders, goods received notes, delivery notes, approval evidence, or proof of receipt of goods and services. As a result, the audit team was unable to verify whether the expenditures were valid, properly authorized, and incurred for official government purposes.	Payments may be unauthorized, fraudulent, or made for goods and services that were not received, resulting in financial loss and reduced accountability.	Management should ensure that all payments are supported by complete and appropriate documentation before processing. No payment should be approved or released unless all required supporting documents are attached, reviewed, and authorized. In addition, management should strengthen document retention procedures and implement supervisory reviews to ensure compliance with financial management requirements.	**Responsible Officer:** Director, of Treasury Department **Implementation Date:** 30 June 2027 **Management Response:** Agreed. Supporting documentation requirements will be strictly enforced.

No	Findings & Observations	Risks	Recommendation	Management Comments
	This is inconsistent with sound public financial management practices, which require all expenditure to be fully supported by sufficient and appropriate documentation.			
4.3.3	**Inconsistent Mode of Payment for Transfers to Local Governments:** During the audit, we noted that the mode of payment for transfers to Local Governments was not consistent. In some cases, transfers were made through vendors or suppliers, while in other cases funds were transferred directly to Local Government bank accounts. The absence of a consistent and clearly documented transfer mechanism creates ambiguity over nature, recipient, and accountability for these transfers.	Ambiguity and inconsistency in the transfer process make it difficult to verify the amounts transferred to Local Governments and increase the risk that funds routed through suppliers or other third parties may not reach the intended Local Government or may not be processed through the appropriate control procedures.	GSS, through the Ministry of Finance, should establish and consistently apply a clear procedure for transfers to Local Governments. Preferably, transfers should be made directly to the official bank accounts of the respective Local Governments. Where payment through a supplier or other third party is exceptionally necessary, the basis, authorization, supporting documentation, and applicable procedures should be clearly defined and retained for audit purposes.	**Responsible Officer:** Director of Treasury Department **Implementation Date:** 31 March 2027 **Management Response:** Accepted. A standard payment mechanism for LG transfers will be adopted.
4.3.4	**Statutory Contingency Provision Not Budgeted:** Section 14 of the PFM Act, 2018 requires the approved annual budget to include a contingency provision of at least five percent of annual revenues. The audit noted that the GSS's	The absence of a contingency provision limits the GSS's ability to respond effectively to emergencies and unforeseen expenditure without resorting to unbudgeted reallocations or borrowing, and represents non-	The Ministry of Finance should ensure that future annual budgets include a contingency provision of at least five percent of annual revenues, as required under Section 14 of the PFM Act, 2018, and that any use of the provision during	**Responsible Officer:** Director, Budget Department **Implementation Date:** Next budget cycle (FY2027) **Management Response:** disagreed. 700 thousands of contingency provision were included in the

No	Findings & Observations	Risks	Recommendation	Management Comments
	approved annual budget did not include this statutory contingency provision.	compliance with Section 14 of the PFM Act.	the year is separately authorized, documented, and reported.	Budgets approved by the Galmudug parliament and can be seen if you look at the Budget Reports
4.3.5	**Local-Government Unsupported and Unbudgeted Expenditure:** The 2025 audits of Adado, Galkayo and Guriel Local Governments identified unsupported payments totaling approximately USD 525,857, reflecting the same documentation weaknesses identified at State level. In addition, Adado and Galkayo incurred approximately USD 74,681 in expenditure without approved budget allocation.	As with State-level expenditure, these weaknesses increase the risk of unauthorized, unbudgeted, or fraudulent payments and reduce accountability over the use of Local Government resources.	The Ministry of Finance should extend expenditure documentation and budgetary control requirements to Local Governments, ensure no expenditure is incurred without an approved budget allocation, and require Local Governments to retain complete supporting documentation for all payments.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Noted with concurrence. Controls will be extended to Local Governments.

.4.4 Procurement

No	Findings & Observations	Risks	Recommendation	Management Comments
4.4.1	**Non-Compliance with Procurement Procedures – Payments Totaling USD 3,272,018:** 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	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,	The GSS 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	**Responsible Officer:** Head, Procurement Unit **Implementation Date:** 30 June 2027 **Management Response:** Agreed. Procurement procedures will be strictly enforced going forward.

No	Findings & Observations	Risks	Recommendation	Management Comments
	Procedures Manual and, where applicable, the approved Procurement Plans. These provisions are designed to ensure transparency, accountability, and value for money in public procurement. 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 3,272,018 were procured without following any formal procurement process. These deficiencies indicate that procurement was conducted outside the framework of approved procedures.	and exposes the government to potential legal and reputational risks due to non-compliance with the PFM Act and procurement regulations.	documents, evaluation reports, and signed contracts. In addition, procurement staff should be trained and held accountable for compliance, and management should strengthen oversight mechanisms to prevent unprocedural purchases.	
4.4.2	**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 sample transactions across various ministries did not include the following key documents such as Approved procurement plans, tender advertisements in widely circulated newspapers, Invitation to Bid letters, bid evaluation reports,	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 accountability, weakens the audit trail, and makes it difficult to confirm whether procurements were conducted fairly, competitively, and in public interest.	The GSS should ensure that all procurement files include complete and properly organized documentation in line with the Procurement Manual and PFM regulations. A standardized procurement 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.	**Responsible Officer:** Head, Procurement Unit **Implementation Date:** 31 March 2027 **Management Response:** Accepted. Procurement file completeness will be reviewed and enforced.

No	Findings & Observations	Risks	Recommendation	Management Comments
	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.			
4.4.3	**Lack of a Procurement Committee:** Section 2.1.1 of Regulation 8 of the PFM Act requires a Procurement Committee to be formed within GSS to review procurement procedures, documents, bid evaluations, award recommendations, and contracts and to ensure that procurement is carried out in accordance with agreed procedures. During the audit, we noted that GSS had not established the required Procurement Committee.	The absence of a Procurement Committee results in non-compliance with the applicable regulation and reduces independent scrutiny and control over State procurement activities, increasing the risk of irregular procurement decisions and weak accountability.	GSS should establish a Procurement Committee in accordance with Regulation 8 of the PFM Act. The Committee should review procurement procedures and documentation, bid evaluations, award recommendations, and contracts and ensure that procurement activities comply with the approved legal and procedural framework.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 31 December 2026 **Management Response:** Concurred. A Procurement Committee will be constituted.
4.4.4	**Local-Government Ad Hoc Procurement:** The 2025 audits of Adado, Galkayo and Guriel Local Governments identified procurement weaknesses consistent with those found at State level. Adado and Galkayo recorded approximately USD 194,169 in ad hoc procurement, while Guriel undertook procurement largely on an ad hoc basis without	Ad hoc procurement without approved plans or procedures undermines transparency and competition and increases the risk of supplier favoritism, inflated prices, and inefficient use of Local Government resources.	The Ministry of Finance should require Adado, Galkayo and Guriel to prepare annual procurement plans, apply the same procurement procedures required of MDAs, and report periodically on compliance with the Procurement Manual and PFM Act.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Noted. Local Governments will be required to prepare procurement plans.

No	Findings & Observations	Risks	Recommendation	Management Comments
	approved procedures or an annual procurement plan.			

.4.5 Asset Management

No	Findings & Observations	Risks	Recommendation	Management Comments
4.5.1	**Assets Not Recorded in the Centralized Asset Management System:** Regulation 9, section 1.4 of the PFM Act requires all assets to be recorded in the centralized Capital Asset Register. The audit noted that GSS does not have a fully operational centralized asset management system and State assets are not comprehensively recorded in a centralized register.	Deficiencies in the asset register make it difficult to establish the completeness of State assets and to physically verify assets held. This increases the risk of assets being lost, misused, misappropriated, or omitted from government records.	GSS should fully operationalize and use a centralized asset management system and ensure that all State assets are recorded in the Capital Asset Register as required by the PFM framework. The register should contain sufficient information to identify, locate, assign custody of, and monitor each asset.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 01 Jan 2026 **Management Response: disa**greed. The asset Registration for the MoF is available but, not centralized Registration all Government asset.
4.5.2	**Weaknesses in Physical Asset Verification and Tagging:** Regulation 9, section 3.3 requires the Ministry of Finance to maintain a centralized Capital Asset Register for the whole government. Section 5.3.1 requires a physical inventory count across all entities at least annually, while section 4.2 requires all capital assets entered in the register to be	Without periodic physical counts, missing or misappropriated assets may remain undetected. The absence of asset tags also makes it difficult to identify, monitor, track, and control government assets.	GSS should conduct a physical verification of all assets across all entities at least annually and reconcile the results to the centralized Capital Asset Register. All GSS assets should be appropriately tagged with permanent labels and assigned unique identification numbers.	**Responsible Officer:** Head, Asset Management Unit **Implementation Date:** 01 Jan 2026 **Management Response:** Asset verification is carried out and tagged

No	Findings & Observations	Risks	Recommendation	Management Comments
	appropriately tagged and assigned a unique identification number. The audit noted that physical asset counts were not performed and assets were not consistently tagged with unique identification numbers.			
4.5.3	**Physical Inventory Not Reconciled to Accounting Records:** Section 4.2 of Regulation 6 of the PFM Act requires GSS to reconcile physical inventory to accounting records. However, the audit noted that reconciliations between the physical inventory or updated asset register and the accounting records were not performed.	Failure to reconcile physical inventory to accounting records may allow discrepancies between assets physically held and assets recorded in the accounting system to remain unidentified and unresolved.	GSS should perform regular reconciliations between the physical inventory/updated asset register and the accounting records in Bisan. The reconciliations should be checked and approved by an authorized senior officer, and all supporting documentation should be retained in both electronic and hard-copy form for management control and audit purposes.	**Responsible Officer:** Head, Asset Management Unit **Implementation Date:** 30 September 2027 **Management Response:** Concurred. Inventory-to-ledger reconciliations will be performed regularly.
4.5.4	**Local-Government Asset Management Weaknesses:** The 2025 audits of Adado, Galkayo and Guriel Local Governments identified asset management weaknesses consistent with those found at State level, including the absence of a comprehensive centralized asset register, inadequate physical verification and tagging of assets, and, in Guriel, an accounting system (Tabarak) that could not	These weaknesses increase the risk of Local Government assets being lost, misused, or misappropriated without detection, and limit the reliability of Local Government financial reporting.	The Ministry of Finance should extend the centralized asset register and periodic physical verification requirements to Local Governments, and assess whether Guriel's accounting system requires configuration, upgrade, or replacement to reliably generate core accounting outputs.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 September 2027 **Management Response:** Noted. Asset controls will be extended to Local Governments.

No	Findings & Observations	Risks	Recommendation	Management Comments
	generate essential outputs such as a chart of accounts, general ledger, and trial balance.			

.4.6 Loan borrowing

No	Findings & Observations	Risks	Recommendation	Management Comments
4.6.1	**Unbudgeted Government Borrowing in Contravention of the PFM Act-$75,000:** 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. Our review of the FY2024 financial statements revealed that the GSS incurred domestic borrowing amounting to USD 75,000, which was not included in the approved budget passed by Parliament. This borrowing was used to	Borrowing without parliamentary approval exposes the GSS 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 GSS 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 borrowed funds are used strictly for approved purposes and monitored effectively.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** Immediate **Management Response:** Agreed. Future borrowing will obtain prior Parliamentary approval.

No	Findings & Observations	Risks	Recommendation	Management Comments
	finance capital and other non-recurrent expenditures without legislative approval.			
4.6.2	**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 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,	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 for staff responsible for debt reporting to ensure compliance with statutory requirements.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 31 December 2026 **Management Response:** Accepted. Biannual debt reports will be prepared and submitted.

No	Findings & Observations	Risks	Recommendation	Management Comments
	the Ministry neither prepared nor published a report on public debt outstanding or debt service projections over the medium term.			
4.6.3	**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 guarantees was omitted. As a result, Parliament may have deliberated and approved the budget without full visibility of the government's fiscal	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.	**Responsible Officer:** Director, Budget Department **Implementation Date:** Next budget cycle (FY2027) **Management Response:** Concurred. The public debt annex will be included in future budgets.

No	Findings & Observations	Risks	Recommendation	Management Comments
	obligations, including loan liabilities, debt guarantees, and contingent risks.			
4.6.4	**Lack of Ministerial Signature on Loan Agreements:** Section 38(3) of the Public Financial Management Act, 2018 provides that all loan agreements entered 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 75,000, no documentary evidence was provided to demonstrate that these loan agreements were formally signed by the Minister as required. This raises concerns regarding the legality and enforceability of these 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.	**Responsible Officer:** Minister of Finance **Implementation Date:** Immediate **Management Response:** Noted. Loan agreements will be signed as required by law.

No	Findings & Observations	Risks	Recommendation	Management Comments
4.6.5	**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 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.	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.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 31 December 2027 **Management Response:** Agreed. A Public Debt Management Strategy will be developed.

No	Findings & Observations	Risks	Recommendation	Management Comments

.4.7 Fraud Prevention and Risk Management

No	Findings & Observations	Risks	Recommendation	Management Comments
4.7.1	**Lack of Fraud Prevention Mechanisms and Policies:** Strong fraud prevention mechanisms and controls are essential for preventing, detecting, and responding to fraud and corruption risks across government entities. The audit noted that formal fraud prevention policies and procedures are not in place across GSS and that a formal fraud risk assessment process is not conducted to identify, assess, and address significant fraud risks.	Critical fraud risks may not be identified, assessed, monitored, or adequately addressed. The absence of a formal framework also weakens arrangements for preventing, detecting, reporting, and investigating allegations of fraud and corruption. Risk Priority: High	GSS should develop, approve, and implement a comprehensive Fraud Prevention and Anti-Corruption Policy covering key controls for preventing, detecting, reporting, and investigating fraud and corruption. In addition, management should establish a formal fraud risk assessment process so that significant fraud risks are periodically identified, assessed, assigned mitigating controls, and monitored.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Accepted. A Fraud Prevention and Anti-Corruption Policy will be developed.

.4.8 Inactive / Ineffective Internal Audit Function

No	Findings & Observations	Risks	Recommendation	Management Comments
4.8.1	The audit noted that an **Internal Audit Department has been established; however, it did not prepare or issue internal audit reports during the period under review**. Consequently, there was no evidence that the Internal Audit Department regularly assessed the effectiveness of internal controls, risk management, governance processes, and compliance with applicable laws, regulations, policies, and procedures.	The absence of regular internal audit activities and reports reduces management's assurance over the effectiveness of internal controls and may allow control weaknesses, errors, non-compliance, fraud risks, and other irregularities to remain unidentified or unaddressed. It also weakens management oversight and accountability. Risk Priority: High	Management should strengthen the Internal Audit Department and ensure that it develops and implements a **risk-based annual internal audit plan**. The Department should conduct regular audits of high-risk areas and issue timely internal audit reports containing findings, risk implications, recommendations, and agreed management actions. Management should also establish a formal mechanism for monitoring and following up the implementation of internal audit recommendations.	**Responsible Officer:** Head, Internal Audit Department **Implementation Date:** 31 March 2027 **Management Response:** Concurred. A risk-based annual audit plan will be developed and implemented.
4.8.2	**Inactive Internal Audit Function at the Local-Government Level:** The 2025 audits of Adado, Galkayo and Guriel Local Governments similarly found the internal audit function to be non-functional or inactive, consistent with the State-level weakness described above.	The absence of functioning internal audit at the local-government level removes an important layer of independent assurance over Local Government controls, increasing the risk that control weaknesses, errors, and irregularities remain undetected.	Management should extend the strengthened, risk-based internal audit arrangements recommended for the State to Adado, Galkayo and Guriel, ensuring each Local Government has access to functioning internal audit coverage, whether through a dedicated resource or a shared/regional internal audit arrangement.	**Responsible Officer:** Director General, Ministry of Finance **Implementation Date:** 30 June 2027 **Management Response:** Noted. Internal audit coverage will be extended to Local Governments.

REF/GSS/AG/9/2026
Date: 15 August 2026

Audit of Galmudug State of Somalia Performed by the Auditor General

Final Audit Report
To the Ministry of Finance of Galmudug State of Somalia for the Year Ended 31 December 2025

Qualified Opinion

I have audited the financial statements of the Galmudug State of Somalia (GSS), which comprise the Consolidated Fund Statement of Receipts and Payments, the Consolidated Fund Statement of Comparison of Budget and Actual Amounts, and the Notes to the Financial Statements, including a summary of significant accounting policies, for the year ended 31 December 2025.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Galmudug State of Somalia as at 31 December 2025, and its financial performance for the year then ended, in accordance with the Public Financial Management (PFM) Act, 2018, and the International Public Sector Accounting Standard (IPSAS) – Financial Reporting Under the Cash Basis of Accounting, 2017.

Basis for Qualified Opinion

My audit identified the following material issues affecting the reliability and completeness of the financial statements:

- **Unsupported Revenue Collections –** USD 1,372,559: Revenue totaling USD 1,372,559 was collected and recorded during the period without official receipts or merchant transaction reports to support the amounts, and revenue collected through the merchant account could not be traced to system-generated reports, casting doubt on the completeness and accuracy of recorded revenue.
- **Unsupported Payments –** USD 257,745: Payments totaling USD 257,745 lacked adequate supporting documentation, including payment vouchers, supplier invoices, contracts, purchase orders, goods received notes, and evidence of approval or receipt of goods and services.

- **Misclassified Expenditures –** USD 318,000: Expenditures of USD 318,000 relating to ordinary operational costs (vehicle hire, hall rental, refreshments, accommodation, and vehicle maintenance) were charged to the Conflict Resolution budget head without documented linkage to conflict resolution activities, undermining budget credibility and the reliability of financial reporting.
- **Weak Asset Management Controls:** GSS does not maintain a fully operational centralized Capital Asset Register. Annual physical verification of assets was not performed, assets were not consistently tagged with unique identification numbers, and no reconciliation was performed between physical inventory and accounting records, preventing me from obtaining sufficient appropriate audit evidence over the completeness and existence of State assets.

I consider the effects of the above matters to be material to the financial statements.

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions, together with the ethical requirements relevant to my audit of the financial statements set out in 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Without further qualifying my opinion, I draw attention to the following matters disclosed in the accompanying Management Letter:

- **Local Government Audits:** The 2025 audits of Adado, Galkayo, and Guriel Local Governments identified recurring weaknesses consistent with those noted at State level. Collectively, the three Local Governments reported approximately USD 537,294 in revenue collections, of which approximately USD 525,857 in payments were unsupported. Adado and Galkayo also recorded approximately USD 74,681 in expenditure incurred without approved budget allocation and approximately USD 194,169 in ad hoc procurement conducted outside approved procedures.
- **Inconsistent Transfers to Local Governments:** The mode of payment for transfers to Local Governments was inconsistent – in some instances routed through vendors or suppliers rather than directly to Local Government bank accounts – creating ambiguity over the nature, recipient, and accountability of these transfers.

These matters highlight weaknesses in internal controls that, if not addressed, could result in misappropriation or inefficient use of public resources.

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.

- **Weak Revenue Controls:** Revenue collection remains largely manual, with no reconciliation between revenue records, the cash book, bank deposits, the Revenue Management System, and the Financial Management Information System, and donor/Federal Government transfers are not regularly reconciled. Tax receipts frequently omitted the applicable tax base and approved rates.
- **Irregular Procurement Practices:** Widespread non-compliance with procurement procedures, including incomplete procurement files, unjustified sole-source awards, repeated contract amendments without competitive re-tendering, and the absence of a functioning Procurement Committee as required by Regulation 8 of the PFM Act.
- **Absence of a Centralized Asset Register and Verification:** No centralized Capital Asset Register is in operation, no annual physical asset counts are conducted, and assets are not tagged or reconciled to accounting records, posing significant risk to asset safeguarding.
- **Ineffective Internal Audit Function:** Although an Internal Audit Department has been established, it did not issue internal audit reports during the period under review, limiting management's assurance over the effectiveness of internal controls, risk management, and governance.
- **Absence of Fraud Prevention Mechanisms:** GSS has not developed or implemented a formal fraud prevention and anti-corruption policy, nor does it conduct periodic fraud risk assessments.
- **Public Debt Management Weaknesses:** The Ministry of Finance did not prepare or submit the statutory biannual debt reports to the President and Parliament, did not publish a report on outstanding debt and medium-term debt service projections, omitted the required public debt annex from the proposed budget, could not evidence ministerial signature on loan agreements, and has not developed a Public Debt Management Strategy.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS – Financial Reporting Under the Cash Basis of Accounting and applicable 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 GSS's ability to continue as a going concern, disclosing, as applicable, matters relating 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 GSS'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 the International Standards of 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, consistent with the International Standards of 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 GSS's 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 GSS'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 this report; however, future events or conditions may cause GSS 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 identified during the audit. I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in this report unless law or regulation precludes public disclosure, or, in extremely rare circumstances, I determine that a matter should not be communicated because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name: Hashi Osman Mohamed

Title: Auditor General, Office of the Auditor General, Galmudug State of Somalia

Date: 15 August 2026

Signature:

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

For the Year Ended 31 December 2025

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 - 2025 Financial Statements

The 2025 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 2025.

For and on behalf of the Galmudug State of Somalia

Farahan Ali Mohamoud.

Minister for Finance

DOWLADA GOBOLEEDKA SOOMAALIYEED EE GALMUDUG
WASAARADDA MAALIYADDA
MINISTRY OF FINANCE
GALMUDUG STATE OF SOMALIA

18/04/2026

Date:

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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, 2025 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 2025 and GSS's financial cash position as of 31st December 2025. 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 2025 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 2025 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	2025 USD	2024 USD
Revenue	32,769,690	27,362,927
Expenditure	29,130,075	27,385,053
Surplus	**3,639,615**	**(22,126)**
% Change	**89%**	**100%**

	2025 USD	2024 USD
Original Budget	46,042,566	34,695,177
Revised Budget (Mid-year Revision)	55,056,531	39,995,041
Actual Expenditure	32,769,690	29,130,075
Under Spending (Budget Saving)	**(22,286,841)**	**(10,864,966)**
% Change	**60%**	**73%**

Revenue Analysis

Galmudug State's total revenue has increased from **$27,362,927** in 2025 to **$32,769,690** in the 2025 financial year, an increase of $**5,406,764.** 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 Revenue Type	2025	2024
Taxes	9,525,788	8,923,839
Other Revenue	1,288,651	1,476,784
Proceeds from domestic borrowing	75,000	111,000
Grants	21,880,251	16,851,303
Total	**32,769,690**	**27,362,927**

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 2025

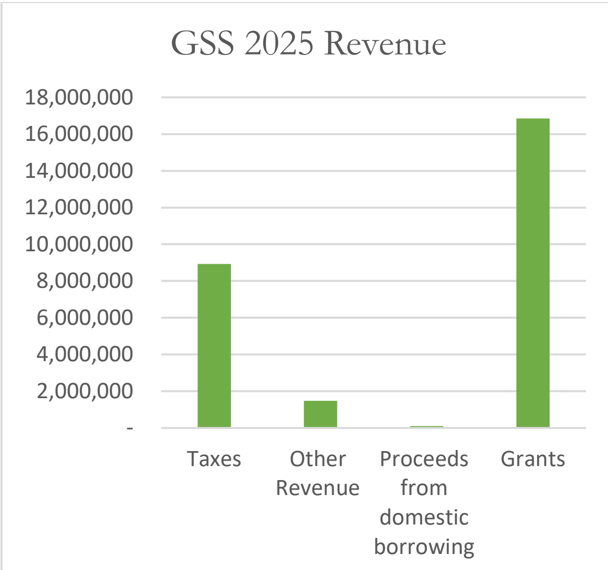
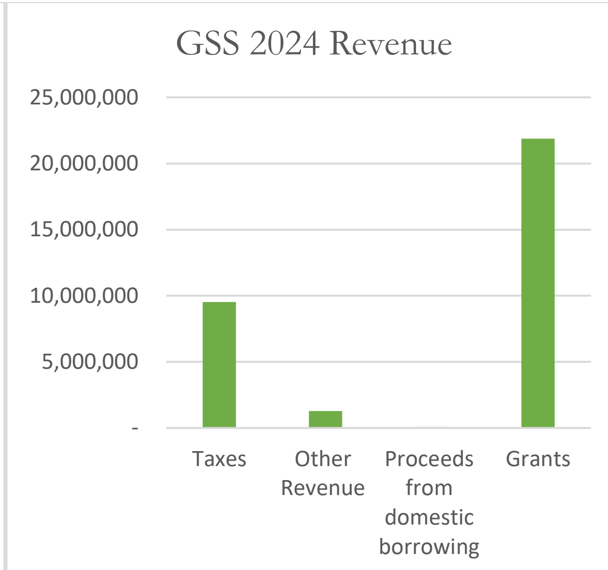


Chart 2: Revenue breakdown FY 2024



Tax Receipts

In the financial year 2025, tax revenue rose from $**8,923,839** in 2025 to $**9,525,788**, reflecting an increase of $**601,949**. This growth is primarily attributed to the tax on goods and services, as well as Taxes on income, profits and capital gain. Notably, as illustrated in Chart 1, tax revenue comprised 29% of the total revenue for the year.

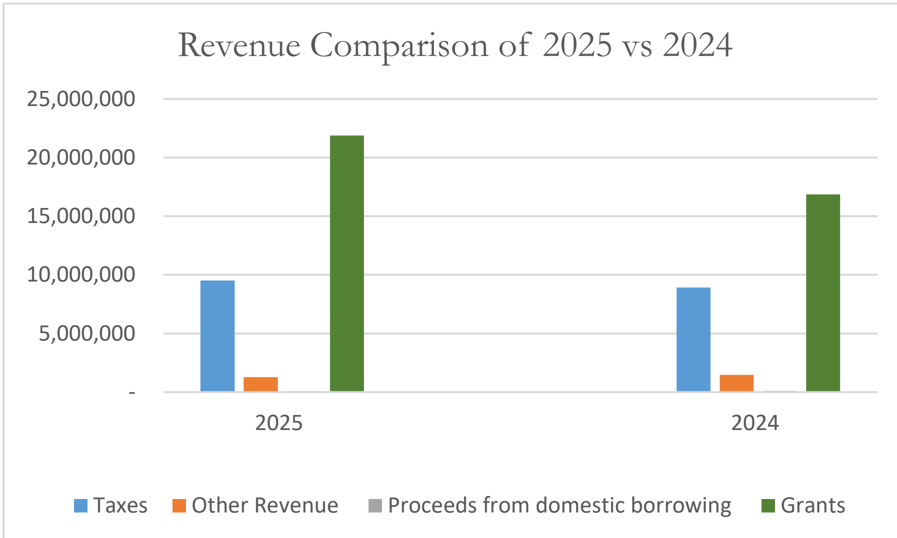
Other Revenue

For the 2025 financial year, Other Revenue recorded a total of $1,288,651, marking a significant decrease of $188,134 compared to the previous year's collection of $1,476,784.
This downturn is primarily attributed to a decline in the Sales of Goods and Services, with the most notable underperformance seen in number plate registrations and work permit taxes when compared to their previous year's levels.
As a result of these factors, non-tax receipts contributed only **4%** to the total revenue for the year, as illustrated in Chart 1.

Grants

External assistance and grants from international partners, along with transfers from the Federal Government of Somalia, were crucial sources of funding, totaling $**21,880,251**, which represents **67%** of the total revenue. This marks an increase from $**16,851,303** in 2024, reflecting a growth of $**5,028,948**. The rise is largely attributed to the anticipated grants received in 2025. Further details and comparisons between the current and previous years are illustrated in Chart 3.

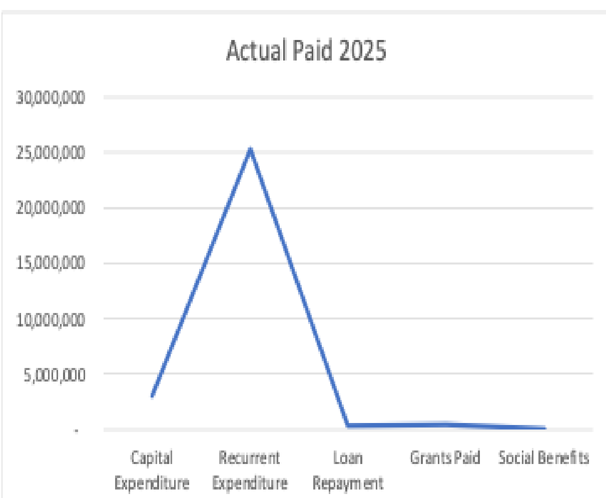
Chart 3: Revenue comparison 2025 vs 2024

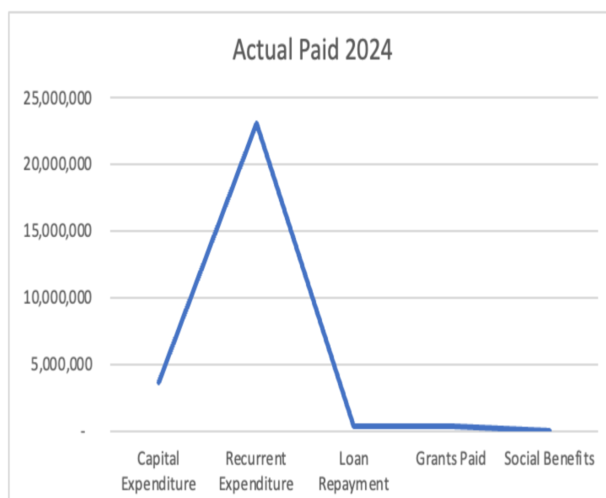


Expenditure Analysis

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$ **29,130,075** in comparison to US$ **27,385,053** in 2024. Overall, GSS has increased its expenditure by US$ **1,745,023**, with the highest increase coming from the use of goods and services (38%) 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$**14,386,452**, which was 49% of the total expenditure. The second-highest cost is the purchase of non-financial asset expenditure, which was 9% of total expenditure for the year.

Table 3 below shows expenditure categories for the 2025 financial year compared with the year 2024 financial.

Table 3: Summary of Expenditure for 2 years

	2025 USD	2024 USD	Variance USD	Variance %
Employee Compensation	10,929,425	10,487,807	(441,618)	-4%
Use of Goods and Service	14,386,452	12,608,007	(1,778,445)	-12%
Grants Paid	401,091	337,046	(64,045)	-16%
Capital Expenditure	3,045,517	3,609,655	564,137	19%
Interest	-	-	-	#DIV/0!
Repayments	367,590	342,538	(25,053)	-7%
Subsidy	-	-	-	#DIV/0!
Social benefits	-	-	-	#DIV/0!
Other Payments	-	-	-	#DIV/0!
Total	**29,130,075**	**27,385,053**	**(1,745,023)**	**#DIV/0!**
% 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$3,045,517 compared to US$3,609,655 for the previous year, a decrease of US$564,137. The major areas of expenditure were wells and water holes, followed by buildings other than dwellings and Machinery & equipment. 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$ 55,056,531. 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 2025

Expenditure Category	2025			
	Budget	**Actual**	**Variance (Underspend)**	**%**
Compensation of Employees	13,536,262.40	10,929,425.05	2,606,837	81
Use of Goods & Services	21,945,901.27	14,386,451.84	7,559,449	66
Grants Paid	510,500.00	401,090.80	109,409	79
Capital Expenditure	18,064,908.85	3,045,517.40	15,019,391	17
Loan repayments	998,958.50	367,590.00	631,369	37
Subsidy	-	-	-	-
Social benefit	-	-	-	#DIV/0!
Other Expenditure (Contingency Fund)	-	-	-	-
Total Expenditure	**55,056,531**	**29,130,075**	**25,926,456**	#DIV/0!

Galmudug State of Somalia
Consolidated Fund Statement of Cash Receipts and Payments
Treasury Single Accounts
For the Year Ended 31 December 2025

	Note	2025 Controlled by TSA USD	2024 Controlled by TSA USD
Receipts / Inflows			
Receipts / Inflows			
Taxes			
Taxes on income, profits, and capital gains	2	525,883	369,804
Taxes on payroll and workforce	3	883,550	836,310
Taxes on goods and services	4	8,080,732	7,648,925
Taxes on International Trade and Transactions	5	35,624	68,800
Taxes		**9,525,788**	**8,923,839**
Grants			
From international organizations	6	2,481,465	1,727,704
From other general government units	7	19,398,786	15,123,599
Grants		**21,880,251**	**16,851,303**
Other Revenue			
Sale of goods and services	8	843,700	1,019,605
Transfers not elsewhere classified	8	444,951	457,180
Other Revenue		**1,288,651**	**1,476,784**
Loan			
Proceeds from Domestic borrowing	10	75,000	111,000
Loan		**75,000**	**111,000**
Receipts / Inflows		**32,769,690**	**27,362,927**
Payments / Outflows			
Compensation of Employees			
Wages and Salaries	11	10,929,425	10,487,807
Compensation of Employees		**10,929,425**	**10,487,807**
Use of Goods and Services			
Travel & Conferences	12	3,681,286	3,334,513
Operating Expenses	13	5,498,164	5,093,711
Rent	14	1,107,034	1,128,728
Other Operating Expenses	15	3,286,748	1,977,455
Conflict Resolution Expenses	16	813,220	1,073,600
Use of Goods and Services		**14,386,452**	**12,608,007**
Grants			
Grants To Other General Government Units	17	401,091	337,046
Grants		**401,091**	**337,046**
Other Expenses			
Miscellaneous other expense	18	367,590	342,538
Other Expenses		**367,590**	**342,538**
Nonfinancial assets			
Fixed Assets	19	3,045,517	3,609,655
Nonfinancial assets		**3,045,517**	**3,609,655**
Payments / Outflows		**29,130,075**	**27,385,053**
Increase Decrease in Cash		**3,639,615**	**(22,126)**
Cash at Beginning of Year		**1,475,931**	**1,498,057**
Cash at End of Year	1.4	**5,115,546**	**1,475,931**

Galmudug State of Somalia
Consolidated Fund Statements of Comparison of Budget and Actual Amounts
For the Year Ended 31 December, 2025
Appropriation Budget Approved on Cash Basis
Classfication of Payments by Economic Class

		2025				2024
		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		340,000	340,000	525,883	185,883	369,804
Taxes on payroll and workforce		960,000	960,000	883,550	(76,450)	836,310
Taxes on goods and services		7,956,658	7,956,658	8,080,732	124,074	7,648,925
Taxes on International Trade and Transactions		2,440,384	2,440,384	35,624	(2,404,760)	68,800
Taxes	20	**11,697,042**	**11,697,042**	**9,525,788**	**(2,171,254)**	**8,923,839**
Grants						
From international organizations		3,534	2,718,989	2,481,465	(237,524)	1,727,704
From other general government units		32,976,750	39,275,260	19,398,786	(19,876,474)	15,123,599
Grants	21	**32,980,284**	**41,994,249**	**21,880,251**	**(20,113,998)**	**16,851,303**
Other Revenue						
Sale of goods and services		955,240	955,240	843,700	(111,540)	1,019,605
Fines, penalties and forfeits		10,000	10,000		(10,000)	
Transfers not elsewhere classified		400,000	400,000	444,951	44,951	457,180
Other Revenue	22	**1,365,240**	**1,365,240**	**1,288,651**	**(76,589)**	**1,476,784**
Loan						
Proceeds from Domestic borrowing				75,000	75,000	111,000
Loan				**75,000**	**75,000**	**111,000**
Receipts / Inflows		**46,042,566**	**55,056,531**	**32,769,690**	**(22,286,841)**	**27,362,927**

	Note	2025				2024
		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**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		13,534,906	13,536,262	10,929,425	(2,606,837)	10,487,807
Compensation of Employees	23	**13,534,906**	**13,536,262**	**10,929,425**	**(2,606,837)**	**10,487,807**
Use of Goods and Services						
Travel & Conferences		3,528,224	4,779,318	3,681,286	(1,098,031)	3,334,513
Operating Expenses		4,818,642	7,726,298	5,498,164	(2,228,134)	5,093,711
Rent		647,548	1,308,007	1,107,034	(200,974)	1,128,728
Other Operating Expenses		5,514,311	5,718,703	3,286,748	(2,431,955)	1,977,455
Conflict Resolution Expenses		749,500	1,283,420	813,220	(470,200)	1,073,600
RCRF Non-Salary Recurrent Cost		2,907,492	280,155		(280,155)	
Contingency		800,000	850,000		(850,000)	
Use of Goods and Services	24	**18,965,717**	**21,945,901**	**14,386,452**	**(7,559,449)**	**12,608,007**
Grants						
Grants To Other General Government Units		390,500	510,500	401,091	(109,409)	337,046
Grants	25	**390,500**	**510,500**	**401,091**	**(109,409)**	**337,046**
Other Expenses						
Miscellaneous other expense		1,085,000	995,473	367,590	(627,883)	342,538
Premiums,fees,claims related to non-life insurance		3,486	3,486		(3,486)	
Other Expenses	26	1,088,486	**998,959**	**367,590**	**(631,369)**	**342,538**
Nonfinancial assets						
Fixed Assets		12,062,957	18,064,909	3,045,517	(15,019,391)	3,609,655
Nonfinancial assets	27	**12,062,957**	**18,064,909**	**3,045,517**	**(15,019,391)**	3,609,655
Payments / Outflows		**46,042,566**	**55,056,531**	**29,130,075**	**(25,926,456)**	**27,385,053**

Galmudug State of Somalia
FGS Statement of Government Operations
For the Year Ended 31 December, 2025

	2025 USD	2024 USD
Transactions Affecting Net Worth		
Revenue	**32,769,690**	**27,362,927**
Taxes	**9,525,788**	**8,923,839**
Taxes on income, profits, and capital gains	525,883	369,804
Taxes on payroll and workforce	883,550	836,310
Taxes on goods and services	8,080,732	7,648,925
Taxes on International Trade and Transactions	35,624	68,800
Grants	**21,880,251**	**16,851,303**
From international organizations	2,481,465	1,727,704
From other general government units	19,398,786	15,123,599
Other Revenue	**1,288,651**	**1,476,784**
Sale of goods and services	843,700	1,019,605
Transfers not elsewhere classified	444,951	457,180
Loan	**75,000**	**111,000**
Proceeds from Domestic borrowing	75,000	111,000
Expense	**26,084,558**	**23,775,398**
Compensation of Employees	**10,929,425**	**10,487,807**
Wages and Salaries	**10,929,425**	**10,487,807**
Use of Goods and Services	14,386,452	12,608,007
Travel & Conferences	**3,681,286**	**3,334,513**
Operating Expenses	5,498,164	5,093,711
Rent	1,107,034	1,128,728
Other Operating Expenses	3,286,748	1,977,455
Conflict Resolution Expenses	813,220	1,073,600
Grants	401,091	337,046
Grants To Other General Government Units	401,091	337,046
Other Expenses	**367,590**	**342,538**
Miscellaneous other expense	367,590	342,538
Gross Operating Balance	**6,685,133**	**3,587,529**
Transactions In Non Financial Assets		
Change In Net Worth. Transactions (Assets)	**3,045,517**	**3,609,655**
Nonfinancial assets	**3,045,517**	**3,609,655**
Fixed Assets	**3,045,517**	**3,609,655**
Transactions in Financial Assets & Liabilities		
Change In Net Worth. Transactions (Assets)	3,639,615	(22,126)
Financial assets	**3,639,615**	**(22,126)**
Domestic	**3,639,615**	**(22,126)**
Liabilties	-	-
Liabilties	-	-
Liabilties	**-**	**-**

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 2025 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 2025* 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) 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 2025 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	2025 USD	2024 USD
Treasury Single Account - Main	3,193,931	107,388
Ministry of Interior & Local Government	61	61
MOIFAR Galmudug-LDF/JPLG Project	0	1
BARNAAMIJKA DAYACTIRKA LAAMIGA GALMUI	9,070	5,853
	3,203,062	**113,302**

DAHABSHIIL BANK	2025 USD	2024 USD
Galmudug State Treasury Single Account Dahabshil	32,007	27,898
Wasaaradda Caafimaadka Galmudug	45,019	3,400
	77,026	**31,298**

AMAL BANK	2024 USD	2023 USD
Galmudug State Treasury Single Account AMAL	2,141	92
	2,141	**92**

CENTRAL BANK OF SOMALIA	**2025 USD**	**2024 USD**
Khasnadda Galmudug State TSA CBS	109,787	-
Ministry Of Health-Galmudug State Of Somalia CBS	23,523	-
Wasaaradda Waxbarashada Galmudug CBS	207,045	1
SURP II FOR FMS DHUSAMAREB CBS	165,867	185,452
Project Account-RCRF III CBS	523,326	127,884
WB RCRF Ill pbcs Galmudug State Of Somalia CBS	547	304,140
Damal Caafimaad Galmudug CBS	12,339	17,265
SWRR CBS	265,874	28,814
Somali Education for Human Capital Development CBS	144,914	217,829
KOBCIYE PROJECT GALMUDUG CBS	266	310
Ground Water for Resilience Project CBS	103,293	51,049
FSRP GSS CBS	539	378,907
Somali Enhencing Public Resource Management GSS	213,192	19,588
Child PIP for MOWHRD for Galmudug	5,905.00	-
Ministry of Interior and Local Government	56,497	-
Covid-19 Emergency Vaccination Project in GSS	402	-
	1,833,316	**1,331,238**

1.4 Cash & Cash Equivalents

Cash and cash equivalents mean notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognized as its nominal amount.

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

	2025 USD	**2024 USD**
Cash on Hand and balances with banks	**5,115,546**	**1,475,931**
	5,115,546	**1,475,931**

The Treasury Single Account reports a closing balance of USD 5,115,546, derived from internally generated revenue and other funds of GSS, representing the official year-end balance. Furthermore, the GSS Ministry of Finance recorded improved fiscal conditions during the final two quarters of 2025 compared to the preceding year. This positive trajectory has contributed to strengthened national efforts against Al-Shabaab, with the objective of restoring and securing areas within Galmudug, despite ongoing challenges, including nationwide drought conditions.

1.*5 Reporting Currency*

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

1.6 Undrawn External Assistance

In 2017, the 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. 2025and 2025 Cash on Hand and bank balance is 523,326 and 127,884 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 $3,460,125 from the RCRF II project against a budget of $3,447,904, which is 100% 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 8*th of Oct 2025*. 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 **18/04/2025** by Mr Farhan Ali Mohamud, Minister for Finance.

2 Taxes on income, profits, and capital gains

In 2025, the Galmudug State of Somalia will continue to implement various taxation measures, including the collection of Personal Income Tax from civil servants, which constitutes a significant revenue source for the 2025 fiscal budget.

	2025	2024
	USD	**USD**
Personal income tax on Public employee	525,882.60	369,804
Total	**525,883**	**369,804**

3 Taxes on payroll and workforce

In 2022, the Galmudug State of Somalia introduced a new revenue stream through the implementation of a payroll tax on non-governmental employees. This policy measure has significantly strengthened domestic revenue mobilization and has contributed positively to overall budget performance, exceeding initial projections. The impact of this revenue enhancement is illustrated in the diagram below.

	2025	2024
	USD	**USD**
Private Payroll taxes on non-civil servants	883,550	836,310
Total	**883,550**	**836,310**

4 Taxes on goods and service

During FY2025, the Galmudug State of Somalia collected revenue from several key sources, including road user tax, turnover tax, local passenger charges, fishing fees, and urban road user taxes (Triamterene). The road user tax is assessed based on the gross vehicle weight rather than the quantity or value of goods transported. A uniform tax rate is applied across applicable vehicles. Notably, the main highway connecting Galmudug to the Port of Bosasso served as the primary corridor generating revenue from road user taxation.

Turnover tax is imposed on registered businesses operating within the state. At present, collections are concentrated in major commercial centers, including Dhusamareb, Guri'el, Adado, Abudwaq, and Galkayo. The enforcement of this tax has strengthened domestic revenue mobilization and broadened the tax base within the formal business sector.

Furthermore, the airports located in Guri'el, Ugasnor, and Adado are fully administered by the Ministry of Finance. This direct oversight has enhanced accountability and efficiency in the collection of local passenger service charges, thereby contributing an additional and reliable stream of non-customs revenue to the state treasury.

Overall, revenue performance in FY2025 demonstrated a notable increase compared to the previous fiscal year. This growth is primarily attributable to strengthened enforcement and improved compliance across multiple tax categories, including turnover tax, local passenger charges, road user taxes, fishing fees, and urban road user taxes. A comprehensive breakdown of these revenue streams and their respective contributions is provided in the sections that follow.

	2025 USD	**2024 USD**
Turnover tax	813,393	695,301
Local passenger charge	242,217	231,789
Road user taxes	6,611,896	6,624,876
Fishing Fees	248,902	16,737
Urban road users taxes (tremistrale)	164,323	80,222
Total	**8,080,732**	**7,648,925**

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 former customs duties framework as part of its broader revenue reform initiatives.

In 2020, excise taxes on cigarette and tobacco products were introduced, with collections primarily administered at Hobyo Sea Port. Furthermore, in 2025, the State implemented taxes on vehicles and spare parts, particularly targeting imported vehicles entering Hobyo Port.

During the current fiscal year, revenue from both cigarette/tobacco products and vehicle and spare parts taxes declined significantly compared to the previous financial year. A detailed breakdown of these revenue streams is presented below.

	2025 USD	2024 USD
Cigarate and tobacco product	20,000	20,000
Vehicle and spare parts	15,624	48,800
Total	**35,624**	**68,800**

6 Grants from International Organizations

Treasury Single Account

The Galmudug State of Somalia (GSS) has received grant funding from several international development partners to support the implementation of priority programs across key sectors. These partners include Save the Children, World Vision, Population Services International (PSI), UNICEF, UN-HABITAT, the United Nations, and PREMIS Support. The financial assistance provided under these partnerships has contributed significantly to service delivery, institutional strengthening, and community development initiatives within the State.

In particular, United Nations-supported programs have focused on strengthening local governance structures and enhancing social protection mechanisms. For example, projects aimed at improving the capacity of local councils in major districts such as Adado, Galkacyo, and Abudwaq have contributed to better municipal service delivery and accountability. Additional programs supported by development partners address critical areas including child protection, basic health services, and community resilience.

Furthermore, several international non-governmental organizations (INGOs) support teacher incentive programs within GSS, providing financial assistance to enhance education service delivery and sustaining the teaching workforce. UNICEF continues to play a key role in strengthening essential health services, while other partners contribute to urban development, social services, and institutional support initiatives.

The table below provides a detailed summary of the grants received from the development partners.

	2025 USD	2024 USD
Save The Children	16,419	44,673
World Vision	346,150	184,596
Care international	-	7,000
PREMIS SUPPORT	80,901	19,505
UNICEF	1,636,231	1,122,733
UN HABITAT	80,891	-
United Nations	288,656	349,197
Population Service International PSI	32,219	-
Total	**2,481,465**	**1,727,704**

7 Grants from Other Government Units.

Currently, the Galmudug State of Somalia (GSS) does not generate sufficient internally sourced revenue to fully finance its operational and development expenditures. To address this fiscal gap, the Federal Government of Somalia (FGS) provides regular budget support to ensure the continuity of essential government functions and public service delivery.

In addition to direct budget support, GSS benefits from several development projects financed by the World Bank and other development partners, which are channeled through the Federal Government. These programs provide critical financial and technical assistance to strengthen foundational government sectors, including health, education, civil service salary support, agriculture, fisheries, infrastructure development, decentralization of local governments, and rural development initiatives. Notably, rural resilience interventions include the construction of water catchment systems and boreholes to support communities during dry seasons. These projects collectively contribute to institutional strengthening, service delivery improvement, and long-term socio-economic development.

	2025	2024
	USD	**USD**
Somali Urban Resilliance II	603,660.45	478,195.60
RCRFIII	3,460,124.63	3,392,788.92
FGS Budget Support to GSS	6,720,243.49	5,834,280.04
SOMALIA COVID-19 EMERGENCY	408,697.44	-
Barwaaqo	2,611,305.37	2,934,862.35
GPE	385,947.60	153,980.00
Damal Caafimaad	184,590.00	278,502.00
SEHCD Project	877,789.33	748,011.22
Groundwater for Resilience Revenue	361,437.30	144,492.92
SERP Project	1,014,396.65	399,069.18
FSRP Project	2,101,968.99	626,374.00
Fishing Fees	668,624.95	133,042.41
Total	**19,398,786**	**15,123,599**

8 Other Revenue (Sale of goods and services)

In addition to core tax revenues and grants, the Galmudug State of Somalia (GSS) generated income from various non-tax revenue streams during the fiscal year. These revenues play an important role in supporting government operations and strengthening domestic resource mobilization.

During the current fiscal year, active revenue streams included: work permit taxes, business and professional licenses, landing fees, international NGO registrations, local NGO registrations, fishing license fees, and number plate registration fees. These sources contributed to internally generated revenue through regulatory services, licensing frameworks, and administrative fees.

While these revenue categories remained operational throughout the year, overall collections recorded a moderate decline compared to the previous fiscal year. The decrease may be attributed to reduced economic activity and compliance challenges affecting certain sectors.

The table below provides a detailed breakdown of the revenue generated from each of the aforementioned sources during the reporting period.

	2025 USD	**2024 USD**
Work permit taxes	22,400	73,000
Business and profession licenses	48,430	34,073
Landing fees	160,230	112,815
International NGO's registrations	7,000	17,000
Local NGO's registrations.	8,500	9,284
Fishing licenses fees	20,600	28,600
Number plate registration fees	576,540	744,826
Total	**843,700**	**1,019,598**

9 Other Revenue (Transfers not elsewhere classified)

Individual donations represent voluntary financial contributions made by private citizens to support state road maintenance initiatives. This revenue head was newly introduced as part of efforts to mobilize community participation in infrastructure rehabilitation.

The funds collected under this category consist of voluntary public contributions specifically designed for the repair and maintenance of roads that have sustained damage. This initiative reflects a collaborative approach between the government and the community to address critical infrastructure needs.

	2025	2024
	USD	USD
Individual Donations	444,951	457,180
Total	**444,951**	**457,180**

10 Loan and advances

During the fiscal year 2025, the Galmudug State of Somalia (GSS) received USD 75,000 in financial support from local businesses to facilitate the continuity of government operations.

This financing is classified under Loans and Advances, representing short-term funding arrangements utilized to address temporary cash flow shortages. The purpose of such advances is to ensure that essential government functions and service delivery activities are not disrupted during periods of liquidity constraints.

These short-term borrowings are intended as bridging mechanisms, to be regularized once sufficient revenue inflows are realized. This approach reflects prudent cash management practices aimed at maintaining operational stability while safeguarding fiscal discipline.

	2025	2024
	USD	USD
Loan and Advances	75,000	111,000
Total	**75,000**	**111,000**

11 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.

	2025 USD	2024 USD
Basic salaries for general Civil Service	1,433,740	1,130,625
Teachers salary	-	679,632
Health workers salary	726,910	561,330
Temporary staff salary	44,820	159,070
Legislature salary	1,138,578	1,143,740
Political appointees salary	111,900	193,125
Security sector salaries	3,859,261	3,342,050
Contract Employees	1,839,865	1,416,790
Regular food and supplies	829,330	878,497
Daily meals	396,885	401,848
Teachers allowances	7,650	23,760
Health workers allowances	-	33,660
Security sector allowances	253,894	223,932
Incentive allowances	286,593	299,748
Total	**10,929,425**	**10,487,807**

During the current fiscal year, expenditure on compensation of employees recorded notable increases across key categories. Salaries for permanent employees rose by USD 303,115, representing a 21% increase compared to the previous fiscal year. This increment was primarily financed through the Recurrent Cost and Reform Financing (RCRF III) project, reflecting continued support toward strengthening public sector workforce stability and institutional capacity. Similarly, expenditure on security personnel salaries increased by USD 517,212, equivalent to a 13% rise over the prior fiscal year. This increase is attributed to the intensification of national security operations and the acceleration of stabilization efforts within the state. Furthermore, salaries paid directly by the state government also recorded an increase of USD 423,074, representing a 23% growth compared to the previous year. This upward adjustment reflects expanded workforce commitments and enhanced government service delivery responsibilities. Overall, the growth in salary expenditures demonstrates the state's prioritization of public service delivery, institutional strengthening, and security sector support during the reporting period.

12 Travel and Conferences

Conferences and travel expenses relate to costs incurred by officials of the Galmudug State of Somalia (GSS) in attending official meetings, conferences, and related engagements throughout the fiscal year. These expenditures cover both domestic and international travel undertaken in the execution of governmental duties.

During the current fiscal year, total expenditure under this category amounted to USD 3,681,286. This figure represents the cumulative costs associated with transportation, accommodation, allowances, and other conference-related expenses incurred across various ministries and government institutions.

The following section provides a detailed breakdown of the total costs incurred under this expenditure category.

	2025 USD	2024 USD
Internal Travel	934,401	1,046,497
External Travel	150,890	249,867
Local conference	1,818,984	1,715,589
Accomandation	777,011	322,560
Total	**3,681,286**	**3,334,513**

13 Operating Expenses

Operating expenses represent the routine costs incurred to support the day-to-day functioning of all ministries and government institutions within the Galmudug State of Somalia (GSS). These expenditures include administrative costs, utilities, office maintenance, supplies, and other operational requirements necessary to ensure effective service delivery.

During the fiscal year 2025, operating expenses increased by USD 404,453, representing a 7% growth compared to the previous fiscal year. This moderate increase reflects the continued operationalization and stabilization of ministerial offices established in prior years, as well as the ongoing expansion of government service delivery responsibilities.

The table below provides a detailed breakdown of operating expenses for the reporting period.

	2025 USD	2024 USD
Electricity	219,623	203,334
Water	51,929	71,951
Refuse collection	9,200	5,900
Other utilities	114,430	148,566
Telephone fees	4,800	15,039
Internet fees	151,462	141,955
Other Communication Expense	54,985	-
Diesel and oil	649,743	744,258
Stationary	193,674	106,007
Publications fees	33,891	41,008
Refreshment	655,054	408,925
Cleaning supplies	28,392	37,066
Medical supplies	636,222	849,239
Construction materials	-	10,000
Maintenance and repair of equipment and heavy m	400	-
Maintenance and repairs of furniture and fittings	1,167	7,987
Maintenance and repairs of vehicles, boats and ves	291,702	488,242
Maintenance and repairs of building	1,182,413	1,235,625
Wales, canals and dwellings maintenance	126,412	131,288
Road Maintenance	1,092,665	447,320
Total	**5,498,164**	**5,093,711**

14 Rent

During the fiscal year 2025, total rental expenses amounted to USD 1,107,034. This total comprises USD 165,653 for office rent, USD 845,018 for vehicle rent, USD 91,401 for venue rent, and USD 4,962.00 for other rental-related costs.

Compared to the previous fiscal year, rental expenses recorded a slight decrease. This reduction reflects gradual improvements in infrastructure capacity, including the continued utilization of government-owned facilities in key cities such as Dusamareb, Adado, Galkayo, and Guri'el, thereby reducing reliance on rented premises in certain areas.

The table below provides a detailed breakdown of rental payments by ministry and category for the reporting period.

	2025 USD	2024 USD
Ministry of Interior Federal & Reconciliation	91,711	65,000
Ministry of Justice & Judiciary Affairs	600	1,250
Ministry of Finance	181,234	146,732
Ministry of Internal Security	-	41,547
Ministry of Planning & Economic Development	-	2,330
Ministry of Endowment & Religious Affairs	1,100	5,750
Ministry of Public Works & Housing	4,000	14,000
Ministry of Commerce & Industry	750	3,000
Ministry of Aviation & Transport	-	5,000
Ministry of Education Culture & Higher Education	216,925	195,840
Ministry of Agriculture	57,288	74,950
Ministry of Health and Social Services	425,447	354,824
Ministry of Women and Human Right	21,835	42,145
Ministery of Labour and Social Affairs	2,500	7,044
Ministry of Youth & Sport	-	9,500
Ministry of Constitution Affairs	585	-
Ministry of Ports	500	2,566
Ministry of Humanitarian Affairs and Disaster Management	3,600	500
Office of Presidency	41,998	47,000
Office of the Speaker and Pariament	17,200	40,000
Civil Service Commission	12,000	12,750
Office of Audit General	12,000	12,000
Ministry of Livestock	15,760	45,000
Total	**1,107,034**	**1,128,728**

15 Other Operating Expenses

During the fiscal year 2025, total Other Operating Expenses amounted to USD 3,286,748, representing a substantial increase compared to USD 1,977,455 recorded in FY2025. This significant year-on-year growth reflects the expansion of administrative activities and enhanced institutional operations during the reporting period, as illustrated in the chart below.

These expenditures include costs associated with training and tuition fees, educational materials and supplies, professional consultancy services, non-consultant services, audit fees, bank charges, bid printing, and media advertisements through television and newspapers. Such expenses are essential to sustaining government functionality and supporting policy implementation across various sectors.

The administrative costs facilitated the operations of several key government institutions, including the Ministry of Finance, Ministry of Water and Electricity, Ministry of Education, the Presidency, Ministry of Planning, the Office of the Auditor General, the Civil Service Commission, the Ministry of Environment and Forest, and the Ministry of Interior and Local Government.

The chart below provides a detailed presentation of how these expenditures were distributed across ministries and expenditure categories during the fiscal year.

	2025 USD	2024 USD
Training Tuition fee	540,874	244,128
Educational Materials and Supplies	152,590	18,900
Consulting and professional fees	1,950,679	1,511,922
Fees for service provided (non-consultant service)	290,055	106,250
Audit fees	222,377	30,083
Bank commissions	4,868	-
Bank charges	130	51
Printing, bidding	23,730	3,350
TV and Newspaper advertisement	101,446	62,771
Total	**3,286,748**	**1,977,455**

16 Conflict Resolution Expenses

During the fiscal year 2025, the Ministry of Interior and Local Government continued its efforts to promote peacebuilding and social cohesion across communities within the Galmudug State of Somalia (GSS). These initiatives are primarily aimed at addressing longstanding disputes and fostering reconciliation among communities, particularly pastoral groups sharing common grazing areas in rural regions.

In addition to conflict resolution activities, the current fiscal year reflects an expanded expenditure scope under this budget line. Specifically, two additional categories were introduced: Materials and Supplies for the Army and Other Specialized Materials and Services for the Army, reflecting increased support to security and stabilization operations.

Total expenditure under this combined category amounted to USD 813,220 during FY2025. This represents a decrease compared to the previous fiscal year, in which conflict resolution activities alone accounted for USD 1,073,600. The reduction indicates a comparatively lower level of spending on reconciliation activities during the reporting period, despite the broader inclusion of security-related support costs.

The table below provides a detailed breakdown of expenditures under conflict resolution and army-related materials and services for the fiscal year 2025.

	2025 USD	2024 USD
Materials and supplies for army	720	-
Other specialized materials and services for army	54,500	-
Conflict Resolution Expenses	758,000	1,073,600.000
Total	**813,220**	**1,073,600**

17 Grants to Other General Government Units

During the fiscal year 2025, a total of USD 401,091 was transferred to lower levels of government, reflecting an increase compared to the previous fiscal year. These transfers were disbursed from the Treasury Single Account to support decentralization efforts and strengthen local governance structures across the State.

The allocated funds were provided to the local governments of Adado, Galkacyo, Abudwaq, Hobyo, Guricel, and Dhusamareb. The purpose of these transfers was to facilitate institutional expansion, enhance administrative capacity, and promote effective service delivery at the district level.

The increase in transfers during the reporting period demonstrates the State's continued commitment to empowering local governments and advancing good governance practices through fiscal decentralization.

	2025 USD	2024 USD
Current grants to local level of government	401,091	337,046
Total	**401,091**	**337,046**

18 Miscellaneous other expense

For the year end, the total amount recorded under Scholarships and Other Educational Benefits Payable for Household is 367,590, compared to 342,538 in the previous fiscal year. This reflects an increase of 25,052, indicating the State's continued commitment to supporting educational initiatives and providing financial assistance to households across Galmudug. This increase demonstrates the ongoing allocation of resources toward education-related support programs.

	2025 USD	2024 USD
Obligations	-	200,000
Scholarships and other educational benefits payable for households	367,590	142,538
Total	**367,590**	**342,538**

19 Non-Financial Assets

Treasury Single Account

In the fiscal year 2025, the Government of Galmudug State continued to invest in non-financial assets, which included buildings other than dwellings, road construction, other structures, wells and water holes, information, computer, and telecommunication equipment, machinery and equipment not classified elsewhere, furniture and fixtures, tools and specialized professional services, as well as tree, crop, and plant resources yielding recurring products. These acquisitions were financed through the Treasury Single Account (TSA) and supported by all projects received by the State, including those financed by the World Bank, other international donor funds, as well as the State's own revenue sources.

For FY25, the total value of non-financial assets acquired amounted to 3,045,517, compared to 3,609,655 in the previous fiscal year. The decrease primarily reflects adjustments in procurement priorities, project implementation timelines, and resource allocation strategies during the year. Despite this reduction, the State has maintained its commitment to strengthening public infrastructure, enhancing operational capacity, and promoting sustainable management of natural and physical resources throughout Galmudug.

This report demonstrates the continued efforts of Galmudug State to ensure effective investment in critical assets that support socio-economic development and public service delivery, while also emphasizing accountability and prudent financial management in line with government policies and strategic objectives.

	2025 USD	2024 USD
Buildings other than dwellings	636,782	1,005,609
Road construction	-	200,000
Other structures	97,045	-
Wells and water holes	832,261	1,222,034
Information, computer, and telecommunication (CIT) equipment	62,558	157,196
Machinery and equipment not elsewhere classified	764,994	677,236
Furniture and fixture	347,452	146,474
Tools and specialized professional services	-	24,959
Tree, crop , and plant resources yielding repeat products	304,426	176,148
Total	**3,045,517**	**3,609,655**

20 Taxes

FY2025 revenue performance demonstrates strong growth in selected domestic tax streams, particularly Personal Income Tax (154.67%), Turnover Tax (140.24%), Fishing Fees (829.67%), and Urban Road User Taxes (117.37%), all of which exceeded budget projections.

However, several categories underperformed, including Local Passenger Charges (71.24%), Vehicle and Spare Parts (52.08%), and Cigarette and Tobacco Products (20%). Road User Taxes remained broadly stable at 96.29% of budget.

Most notably, the Khat revenue stream—despite having a substantial budget allocation—recorded no collections during the fiscal year, significantly affecting overall revenue realization.

In conclusion, while domestic revenue mobilization shows strengthening in key sectors, revenue volatility in certain trade-related streams highlights the need for improved forecasting and enforcement mechanisms.

Tax Type	Final Approved Budeget USD	Actual USD	Variance USD
Personal income tax on Public employee	340,000	525,883	185,883
Private Payroll taxes on non-civil servants	960,000	883,550	(76,450)
Turnover tax	580,000	813,393	233,393
Fishing fees	30,000	248,902	218,902
Local passenger charge	340,000	242,217	(97,783)
Urban road users taxes (tremistrale)	140,000	164,323	24,323
Road user taxes	6,866,658	6,611,896	(254,762)
Vehicle and spare parts	30,000	15,624	(14,376)
Khat	2,310,384		(2,310,384)
Cigarate and tobacco product	100,000	20,000	(330,000)
Total	**11,697,042**	**9,525,788**	**(2,421,254)**

21 Grants

The budget versus actual analysis reflects variances in funding performance across partners during the reporting period. Overall, actual receipts fell short of budgeted projections for most funding sources, indicating underperformance against planned targets.

The most significant negative variance was recorded under the Federal Government of Somalia, where actual receipts were substantially below the approved budget. Similar shortfalls were observed for Save the Children, World Vision, the United Nations, and PREMIS Support, suggesting lower-than-anticipated disbursements during the year.

Conversely, UNICEF and UN-Habitat exceeded their respective budget allocations, reflecting favorable performance against projections. Population Services International (PSI) shows actual receipts recorded during the year without a corresponding budget allocation, which is unanticipated donor funds receive during the period

Overall, while certain partners outperformed expectations, the aggregate position reflects a general shortfall against budgeted revenue targets, primarily driven by lower-than-anticipated government-related funding.

Donor Name	Final Approved Budeget USD	Actual USD	Variance USD
Save The Children	22,471	16,419	(6,053)
Federal Government of Somalia	39,275,260	19,398,786	(19,876,474)
World Vision	527,690	346,150	(181,540)
Population Service International PSI		32,219	32,219
UNICEF	1,622,809	1,636,231	13,422
UN HABITAT	60,674	80,891	20,216
United Nations	403,568	288,656	(114,913)
PREMIS SUPPORT	81,776	80,901	(875)
Total	**41,994,249**	**21,880,251**	**(20,113,998)**

22 Other revenue

The budget execution reflects varied performance across revenue streams. Stronger-than-expected collections were achieved in landing fees, number plate registrations, and individual donations. However, most other revenue lines, including work permits, fishing licenses, business licenses, and NGO registrations, fell short of their targets. Public notary fees and penalties recorded no collections during the period.

In summary, although select categories outperformed, overall revenue performance remained below the approved budget due to widespread shortfalls in key regulatory income sources.

Revenue Heads	Final Approved Budget USD	Actual USD	Variance USD
Work permit taxes	70,000	22,400	(47,600)
Business and profession licenses	80,000	48,430	(31,570)
Landing fees	110,240	160,230	49,990
International NGO's registrations	25,000	7,000	(18,000)
Local NGO's registrations.	45,000	8,500	(36,500)
Fishing licenses fees	70,000	20,600	(49,400)
Number plate registration fees	535,000	576,540	41,540
Public notary fees	20,000	-	(20,000)
Penalties	10,000	-	(10,000)
Individual Donations	400,000	444,951	44,951
Total	**1,365,240**	**1,288,651**	**(76,589)**

23 Employee Compensation

Employee compensation paid during the year amounted to USD 10,929,425, compared to an approved budget of USD 13,536,262. This indicates an overall budget utilization rate of 81% of the final Employee Compensation allocation.

The variance of USD 2,606,837 (19%) represents the unspent balance at year-end. This under-execution may be attributed to factors such as delayed recruitment processes, vacant positions, staff turnover, cost containment measures, or adjustments made during the fiscal year.

Overall, the expenditure level reflects prudent budget management; however, a detailed review of staffing plans, payroll projections, and implementation timelines is recommended to assess the underlying causes of the variance and to enhance the accuracy of future budgeting and workforce planning processes.

Employee Compensation	Final Approved Budeget USD	Actual USD	Variance USD
Basic salaries for general Civil Service	1,608,371	1,433,740	(174,632)
Health workers salary	921,690	726,910	(194,780)
Temporary staff salary	48,060	44,820	(3,240)
Legislature salary	1,152,000	1,138,578	(13,422)
Political appointees salary	867,695	111,900	(755,795)
Security sector salaries	4,354,500	3,859,261	(495,239)
Contract Employees	2,350,081	1,839,865	(510,216)
Regular food and supplies	886,000	829,330	(56,671)
Daily meals	415,011	396,885	(18,126)
Basic allowances for general Civil Service	18,000		(18,000)
Teachers allowances	7,650	7,650	-
Security sector allowances	447,847	253,894	(193,953)
Incentive allowances	459,357	286,593	(172,764)
Total	**13,536,262**	**10,929,425**	**(2,606,837)**

24 Use of Goods and Services

Expenditure under Use of Goods and Services during the reporting year totaled USD 14,386,452 compared to an approved budget of USD 21,945,901, representing a budget utilization rate of 66% of the final allocation.

Use of Good and Services	Final Approved Budeget USD	Actual USD	Variance USD
Internal Travel	1,054,046	934,401	(119,645)
External Travel	210,764	150,890	(59,874)
Local conference	2,403,968	1,818,984	(584,985)
Accommodation	1,110,539	777,011	(333,528)
Electricity	422,839	219,623	(203,216)
Water	139,401	51,929	(87,472)
Refuse collection	9,200	9,200	-
Other utilities	183,995	114,430	(69,565)
Telephone fees	15,900	4,800	(11,100)
Internet fees	255,564	151,462	(104,102)
Other Communication Expense	65,780	54,985	(10,795)
Diesel and oil	764,012	649,743	(114,269)
Stationary	244,501	193,674	(50,827)
Publications fees	106,007	33,891	(72,116)
Refreshment	694,308	655,054	(39,254)
Cleaning supplies	51,470	28,392	(23,078)
Medical supplies	1,043,629	636,222	(407,407)
Maintenance and repair of equipment and heavy machiner	4,000	400	(3,600)
Maintenance and repairs of furniture and fittings	7,216	1,167	(6,049)
Maintenance and repairs of vehicles, boats and vessels	463,671	291,702	(171,969)
Maintenance and repairs of building	1,799,265	1,182,413	(616,852)
Wales, canals and dwellings maintenance	126,418	126,412	(6)
Road Maintenance	1,329,123	1,092,665	(236,458)
Office rent	209,900	165,653	(44,247)
Vehicle rent	999,349	845,018	(154,332)
Venue rent	93,790	91,401	(2,389)
Other rents	4,968	4,962	(6)
Education Tuition Fee	25,029		(25,029)
Training Tuition fee	2,096,241	540,874	(1,555,368)
Educational Materials and Supplies	391,000	152,590	(238,410)
Consulting and professional fees	2,192,205	1,950,679	(241,526)
Fees for service provided (non-consultant service)	305,000	290,055	(14,945)
Audit fees	433,013	222,377	(210,636)
Bank commissions	5,000	4,868	(132)
Bank charges	100,417	130	(100,287)
Printing, bidding	30,590	23,730	(6,860)
TV and Newspaper advertisement	140,208	101,446	(38,762)
Materials and supplies for army	720	720	-
Other specialized materials and services for army	347,700	54,500	(293,200)
Conflict resolution expenses	935,000	758,000	(177,000)
Holding account	280,155		(280,155)
Contingency	850,000		(850,000)
Total	**21,945,901**	**14,386,452**	**(7,559,449)**

25 Grants to Other Governments Units

Local government transfers during the year amounted to USD 401,091, compared to an approved budget of USD 510,500, reflecting an overall budget utilization rate of 76% of the allocated amount. The resulting variance of USD 109,409 (24%) represents the unutilized balance at year-end. The under-execution may be attributed to delays in fund disbursement, phased implementation of decentralization activities, fulfillment of conditional requirements by beneficiary districts, or adjustments to cash flow priorities during the fiscal period.

Despite the variance, the level of execution demonstrates continued fiscal support to local governments and progress toward strengthening decentralized governance structures. Ongoing efforts to improve planning accuracy, disbursement scheduling, and coordination with district administrations will further enhance budget absorption and the effectiveness of intergovernmental transfers in future fiscal cycles.

Grants to Other Governments Units	Final Approved Budeget USD	Actual USD	Variance USD
Current grants to local level of government	510,500	401,091	(109,409)
Total	**510,500**	**401,091**	**(109,409)**

26 Other expense

Scholarships and other educational benefits payable to households under the Other Revenue section were budgeted at USD 995,472.50 for the year. However, actual disbursements amounted to USD 367,590.00, reflecting a significant under-execution against the approved allocation. This indicates that only a portion of the planned educational support was implemented during the reporting period. Additionally, no actual expenditures were recorded under vehicle insurance for the year, despite the presence of a budget allocation. This resulted in a full variance for that line item.

Miscellaneous other expense	Final Approved Budeget USD	Actual USD	Variance USD
Scholarships and other educational benefits payable for househol	995,473	367,590	(627,883)
Vehicle insurance	3,486	-	(3,486)
Total	**998,959**	**367,590**	**(631,369)**

27 Non-Financial Assets

During the year, GSS recorded non-financial asset acquisitions totaling USD 3,045,517, against an approved budget of USD 18,064,909, resulting in an unutilized balance of USD 15,019,391.45 (83%). While execution was below the initial projection, this outcome may reflect a deliberate prioritization approach, phased implementation of capital projects, or prudent expenditure management during the reporting period. The variance suggests that asset acquisition plans were either deferred, re-sequenced, or subject to procurement and funding timelines, rather than fully abandoned. Overall, the lower level of capital spending indicates controlled execution of investment activities, with remaining allocations potentially earmarked for future implementation phases or subject to revised planning adjustments

Non-Financial Assets	Final Approved Budeget USD	Actual USD	Variance USD
Buildings other than dwellings	5,293,943	636,782	(4,657,161)
Road construction	7,235,000		(7,235,000)
Other structures	251,984	97,045	(154,939)
Wells and water holes	1,323,305	832,261	(491,044)
Other water infrastructure	385,000		(385,000)
Information, computer, and telecommunication (CIT) equipment	89,614	62,558	(27,056)
Machinery and equipment not elsewhere classified	1,624,094	764,994	(859,100)
Furniture and fixture	855,820	347,452	(508,368)
Cultivated biological resources of animal yielding repeat products	129,200		(129,200)
Tree, crop , and plant resources yielding repeat products	516,771	304,426	(212,345)
Research and development	360,177		(360,177)
Total	**18,064,909**	**3,045,517**	**(15,019,391)**

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 2025

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

Ministry of Interior , Federal government and Reconciliation

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**1,473,844**	**1,820,618**	**1,456,867**	**(363,751)**	**1,644,526**
Grants						
From international organizations			171,274	177,885	6,611	
Grants			**171,274**	**177,885**	**6,611**	
Receipts / Inflows		**1,473,844**	**1,991,893**	**1,634,752**	**(357,140)**	**1,644,526**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		120,844	98,424	68,610	(29,814)	51,980
Compensation of Employees	23	**120,844**	**98,424**	**68,610**	**(29,814)**	**51,980**
Use of Goods and Services						
Travel & Conferences		320,000	433,600	377,150	(56,450)	370,000
Operating Expenses		107,500	171,695	142,406	(29,289)	155,500
Rent		80,000	97,510	91,711	(5,799)	65,000
Other Operating Expenses			18,000	17,899	(101)	
Conflict Resolution Expenses		325,000	488,000	358,000	(130,000)	645,000
RCRF Non-Salary Recurrent Cost		130,000	2,889		(2,889)	
Use of Goods and Services	24	**962,500**	**1,211,694**	**987,167**	**(224,528)**	**1,235,500**
Grants						
Grants To Other General Government Units		390,500	510,500	401,091	(109,409)	337,046
Grants	25	**390,500**	**510,500**	**401,091**	**(109,409)**	**337,046**
Nonfinancial assets						
Fixed Assets						20,000
Nonfinancial assets	27					**20,000**
Payments / Outflows		**1,473,844**	**1,820,618**	**1,456,867**	**(363,751)**	**1,644,526**

Ministry of Justice & Judiciary Affairs

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**99,524**	**67,524**	**8,824**	**(58,700)**	**17,849**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		51,024	24,524	6,024	(18,500)	11,024
Compensation of Employees	**23**	**51,024**	**24,524**	**6,024**	**(18,500)**	**11,024**
Use of Goods and Services						
Travel & Conferences		13,500	8,000	1,130	(6,870)	3,750
Operating Expenses		20,000	20,000	650	(19,350)	1,825
Rent		7,000	7,000	600	(6,400)	1,250
Use of Goods and Services	**24**	**40,500**	**35,000**	**2,380**	**(32,620)**	**6,825**
Nonfinancial assets						
Fixed Assets		8,000	8,000	420	(7,580)	
Nonfinancial assets	**27**	**8,000**	**8,000**	**420**	**(7,580)**	
Payments / Outflows		**99,524**	**67,524**	**8,824**	**(58,700)**	**17,849**

Ministry of Finance

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
	Note	Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**4,667,966**	**5,012,762**	**3,784,902**	**(1,227,860)**	**3,247,092**
Taxes						
Taxes on income, profits, and capital gains		340,000	340,000	525,883	185,883	369,804
Taxes on payroll and workforce		960,000	960,000	883,550	(76,450)	836,310
Taxes on goods and services		7,786,658	7,786,658	7,667,507	(119,151)	7,568,703
Taxes on International Trade and Transactions		2,410,384	2,410,384	20,000	(2,390,384)	20,000
Taxes	**20**	**11,497,042**	**11,497,042**	**9,096,939**	**(2,400,103)**	**8,794,817**
Grants						
From international organizations			81,776	80,901	(875)	19,505
From other general government units		10,770,803	11,853,635	11,863,390	9,754	9,298,066
Grants	**21**	**10,770,803**	**11,935,411**	**11,944,291**	**8,879**	**9,317,571**
Other Revenue						
Transfers not elsewhere classified		400,000	400,000	444,951	44,951	457,180
Other Revenue	**22**	**400,000**	**400,000**	**444,951**	**44,951**	**457,180**
Loan						
Proceeds from Domestic borrowing				75,000	75,000	111,000
Loan				**75,000**	**75,000**	**111,000**
Receipts / Inflows		**27,335,811**	**28,845,215**	**25,346,082**	**(3,499,133)**	**21,927,660**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,648,075	1,528,611	1,399,792	(128,820)	1,342,723
Compensation of Employees	**23**	**1,648,075**	**1,528,611**	**1,399,792**	**(128,820)**	**1,342,723**
Use of Goods and Services						
Travel & Conferences		290,900	815,492	723,911	(91,581)	268,677
Operating Expenses		782,319	1,038,648	932,825	(105,823)	882,886
Rent		168,368	201,978	181,234	(20,744)	146,732
Other Operating Expenses		116,700	394,301	367,290	(27,011)	168,961
RCRF Non-Salary Recurrent Cost		800,000	13,383		(13,383)	
Contingency		800,000	700,000		(700,000)	
Use of Goods and Services	**24**	**2,958,287**	**3,163,802**	**2,205,260**	**(958,542)**	**1,467,256**
Other Expenses						
Miscellaneous other expense						200,000
Other Expenses	**26**					**200,000**
Nonfinancial assets						
Fixed Assets		61,604	320,349	179,850	(140,499)	237,113
Nonfinancial assets	**27**	**61,604**	**320,349**	**179,850**	**(140,499)**	**237,113**
Payments / Outflows		**4,667,966**	**5,012,762**	**3,784,902**	**(1,227,860)**	**3,247,092**

Ministry of Internal Security

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**6,345,113**	**6,916,827**	**5,621,919**	**(1,294,908)**	**5,427,195**
Grants						
From international organizations		3,534	29,504	29,504		38,190
Grants		**3,534**	**29,504**	**29,504**		**38,190**
Receipts / Inflows		**6,348,647**	**6,946,331**	**5,651,423**	**(1,294,908)**	**5,465,385**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		5,578,106	5,594,706	4,952,637	(642,069)	4,456,015
Compensation of Employees	23	**5,578,106**	**5,594,706**	**4,952,637**	**(642,069)**	**4,456,015**
Use of Goods and Services						
Travel & Conferences		175,000	158,000	144,000	(14,000)	96,166
Operating Expenses		323,507	404,357	253,648	(150,709)	401,467
Rent						41,547
Conflict Resolution Expenses		54,500	348,420	55,220	(293,200)	
Use of Goods and Services	24	**553,007**	**910,777**	**452,868**	**(457,909)**	**539,180**
Nonfinancial assets						
Fixed Assets		214,000	411,344	216,414	(194,930)	432,000
Nonfinancial assets	27	**214,000**	**411,344**	**216,414**	**(194,930)**	**432,000**
Payments / Outflows		**6,345,113**	**6,916,827**	**5,621,919**	**(1,294,908)**	**5,427,195**

Ministry of Planing and Economic Development

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**755,151**	**726,477**	**611,428**	**(115,049)**	**709,127**
Grants						
From other general government units		3,810,383	3,681,012	2,611,305	(1,069,707)	2,934,862
Grants	**21**	**3,810,383**	**3,681,012**	**2,611,305**	**(1,069,707)**	**2,934,862**
Other Revenue						
Sale of goods and services		70,000	70,000	15,500	(54,500)	26,284
Other Revenue	**22**	**70,000.00**	**70,000**	**15,500**	**(54,500)**	**26,284**
Receipts / Inflows		**4,635,534**	**4,477,489**	**3,238,233**	**(1,239,256)**	**3,670,273**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		183,366	155,957	108,809	(47,148)	118,312
Compensation of Employees	**23**	**183,366**	**155,957**	**108,809**	**(47,148)**	**118,312**
Use of Goods and Services						
Travel & Conferences		98,190	152,017	141,602	(10,415)	153,966
Operating Expenses		96,277	84,933	51,355	(33,578)	99,379
Rent						2,330
Other Operating Expenses		356,199	333,571	309,662	(23,909)	335,140
Use of Goods and Services	**24**	**550,665**	**570,520**	**502,619**	**(67,901)**	**590,815**
Nonfinancial assets						
Fixed Assets		21,120				
Nonfinancial assets	**27**	**21,120**				
Payments / Outflows		**755,151**	**726,477**	**611,428**	**(115,049)**	**709,127**

Ministry of Endowment & Religious Affairs

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**144,491**	**91,791**	**31,468**	**(60,323)**	**48,493**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		69,768	52,268	27,768	(24,500)	27,768
Compensation of Employees	23	**69,768**	**52,268**	**27,768**	**(24,500)**	**27,768**
Use of Goods and Services						
Travel & Conferences		25,000	3,300	2,050	(1,250)	6,250
Operating Expenses		30,000	22,500	550	(21,950)	8,725
Rent		13,000	7,000	1,100	(5,900)	5,750
Other Operating Expenses		6,723	6,723		(6,723)	
Use of Goods and Services	24	**74,723**	**39,523**	**3,700**	**(35,823)**	**20,725**
Payments / Outflows		**144,491**	**91,791**	**31,468**	**(60,323)**	**48,493**

Ministry of Petrolium and Mining Resources

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**77,000**	**48,700**		**(48,700)**	**1,000**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		42,000	24,500		(24,500)	1,000
Compensation of Employees	**23**	**42,000**	**24,500**		**(24,500)**	**1,000**
Use of Goods and Services						
Travel & Conferences		12,000	9,500		(9,500)	
Operating Expenses		18,000	11,250		(11,250)	
Rent		5,000	3,450		(3,450)	
Use of Goods and Services	**24**	**35,000**	**24,200**		**(24,200)**	
Payments / Outflows		**77,000**	**48,700**		**(48,700)**	**1,000**

Ministry of Public Works and Housing

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**4,600,555**	**10,284,860**	**1,680,747**	**(8,604,113)**	**1,669,038**
Grants						
From other general government units		3,471,568	8,945,114	603,660	(8,341,453)	478,196
Grants	21	**3,471,568**	**8,945,114**	**603,660**	**(8,341,453)**	**478,196**
Other Revenue						
Sale of goods and services		50,000	50,000	43,580	(6,420)	30,623
Other Revenue	22	**50,000**	**50,000**	**43,580**	**(6,420)**	**30,623**
Receipts / Inflows		**8,122,123**	**19,279,974**	**2,327,987**	**(16,951,987)**	**2,177,857**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		112,824	126,824	50,224	(76,600)	26,374
Compensation of Employees	23	**112,824**	**126,824**	**50,224**	**(76,600)**	**26,374**
Use of Goods and Services						
Travel & Conferences		115,250	131,402	113,204	(18,198)	84,312
Operating Expenses		849,775	1,397,422	1,064,938	(332,484)	387,839
Rent		6,000	6,000	4,000	(2,000)	14,000
Other Operating Expenses		409,220	415,273	391,297	(23,976)	346,603
RCRF Non-Salary Recurrent Cost		200,000				
Contingency			150,000		(150,000)	
Use of Goods and Services	24	**1,580,245**	**2,100,097**	**1,573,439**	**(526,658)**	**832,754**
Other Expenses						
Premiums,fees,claims related to non-life insuran		3,486	3,486		(3,486)	
Other Expenses	26	**3,486**	**3,486**		**(3,486)**	
Nonfinancial assets						
Fixed Assets		2,904,000	8,054,453	57,084	(7,997,369)	809,910
Nonfinancial assets	27	**2,904,000**	**8,054,453**	**57,084**	**(7,997,369)**	**809,910**
Payments / Outflows		**4,600,555.09**	**10,284,859.81**	**1,680,746.73**	**(8,604,113.08)**	**1,669,038.00**

Ministry of Commerce and Industry

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**136,000**	**83,300**	**2,650**	**(80,650)**	**25,200**
Other Revenue						
Sale of goods and services		30,000	30,000	4,850	(25,150)	3,450
Other Revenue	22	**30,000**	**30,000**	**4,850**	**(25,150)**	**3,450**
Receipts / Inflows		**166,000**	**113,300**	**7,500**	**(105,800)**	**28,650**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		57,000	26,500		(26,500)	4,000
Compensation of Employees	23	**57,000**	**26,500**		**(26,500)**	**4,000**
Use of Goods and Services						
Travel & Conferences		20,000	7,000	1,400	(5,600)	5,750
Operating Expenses		50,000	40,800	500	(40,300)	8,700
Rent		9,000	9,000	750	(8,250)	3,000
Use of Goods and Services	24	**79,000**	**56,800**	**2,650**	**(54,150)**	**17,450**
Nonfinancial assets						
Fixed Assets						3,750
Nonfinancial assets	27					**3,750**
Payments / Outflows		**136,000**	**83,300**	**2,650**	**(80,650)**	**25,200**

Ministry of Information

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	Note	USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**76,632**	**47,982**	**6,832**	**(41,150)**	**7,132**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		46,632	29,132	4,632	(24,500)	7,132
Compensation of Employees	23	**46,632**	**29,132**	**4,632**	**(24,500)**	**7,132**
Use of Goods and Services						
Travel & Conferences		15,000	6,000	1,350	(4,650)	
Operating Expenses		15,000	12,850	850	(12,000)	
Use of Goods and Services	24	**30,000**	**18,850**	**2,200**	**(16,650)**	
Payments / Outflows		**76,632**	**47,982**	**6,832**	**(41,150)**	**7,132**

Ministry of Aviation and Transport

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**354,748**	**320,173**	**197,546**	**(122,627)**	**218,942**
Taxes						
Taxes on goods and services		140,000	140,000	164,323	24,323	80,222
Taxes on International Trade and Transactions		30,000	30,000	15,624	(14,376)	48,800
Taxes	**21**	**170,000**	**170,000**	**179,947**	**9,947**	**129,022**
Other Revenue						
Sale of goods and services		645,240	645,240	736,770	91,530	857,641
Other Revenue	**22**	**645,240**	**645,240**	**736,770**	**91,530**	**857,641**
Receipts / Inflows		**1,169,988**	**1,135,413**	**1,114,263**	**(21,150)**	**1,205,605**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		204,748	159,748	84,628	(75,120)	96,342
Compensation of Employees	**23**	**204,748**	**159,748**	**84,628**	**(75,120)**	**96,342**
Use of Goods and Services						
Travel & Conferences		15,000	3,600	1,618	(1,982)	8,000
Operating Expenses		35,000	31,825	300	(31,525)	3,350
Rent						**5,000**
Other Operating Expenses		100,000	125,000	111,000	(14,000)	106,250
Use of Goods and Services	**24**	**150,000**	**160,425**	**112,918**	**(47,507)**	**122,600**
Payments / Outflows		**354,748.00**	**320,173.00**	**197,546.00**	**(122,627.00)**	**218,941.66**

Ministry of Education Culture and Hihgher Education

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**8,105,762**	**9,198,343**	**2,984,844**	**(6,213,500)**	**3,117,239**
Grants						
From international organizations			812,582	779,494	(33,088)	398,550
From other general government units		6,938,042	6,938,042	1,263,737	(5,674,305)	1,363,106
Grants	21	**6,938,042**	**7,750,623**	**2,043,231**	**(5,707,393)**	**1,761,656**
Receipts / Inflows		**15,043,804**	**16,948,967**	**5,028,074**	**(11,920,893)**	**4,878,895**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		853,395	1,105,927	736,590	(369,337)	987,075
Compensation of Employees	23	**853,395**	**1,105,927**	**736,590**	**(369,337)**	**987,075**
Use of Goods and Services						
Travel & Conferences		423,859	534,399	350,181	(184,218)	554,299
Operating Expenses		463,216	869,501	562,537	(306,964)	656,020
Rent		68,280	244,406	216,925	(27,481)	195,840
Other Operating Expenses		1,224,156	1,264,403	457,143	(807,259)	425,045
RCRF Non-Salary Recurrent Cost		254,400	73,882		(73,882)	
Use of Goods and Services	24	**2,433,910**	**2,986,591**	**1,586,786**	**(1,399,805)**	**1,831,204**
Other Expenses						
Miscellaneous other expense		765,000	995,473	367,590	(627,883)	142,538
Other Expenses	26	**765,000**	**995,473**	**367,590**	**(627,883)**	**142,538**
Nonfinancial assets						
Fixed Assets		4,053,456	4,110,353	293,878	(3,816,476)	156,423
Nonfinancial assets	27	**4,053,456**	**4,110,353**	**293,878**	**(3,816,476)**	**156,423**
Payments / Outflows		**8,105,762**	**9,198,343**	**2,984,844**	**(6,213,500)**	**3,117,239**

Ministry of Post and Communication

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**77,000**	**42,220**		**(42,220)**	**1,500**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		42,000	24,500		(24,500)	1,500
Compensation of Employees	23	**42,000**	**24,500**		**(24,500)**	**1,500**
Use of Goods and Services						
Travel & Conferences		10,000	3,870		(3,870)	
Operating Expenses		18,000	12,850		(12,850)	
Rent		7,000	1,000		(1,000)	
Use of Goods and Services	24	**35,000**	**17,720**		**(17,720)**	
Payments / Outflows		**77,000**	**42,220**		**(42,220)**	**1,500**

Ministry of Agriculture

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**3,973,881**	**3,546,739**	**1,653,199**	**(1,893,540)**	**460,421**
Grants						
From international organizations			38,020	28,920	(9,100)	62,422
From other general government units		6,464,714	6,023,817	2,101,969	(3,921,848)	626,374
Grants	**21**	**6,464,714**	**6,061,837**	**2,130,889**	**(3,930,948)**	**688,796**
Receipts / Inflows		**10,438,595**	**9,608,576**	**3,784,088**	**(5,824,488)**	**1,149,217**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		160,774	274,853	111,553	(163,300)	80,520
Compensation of Employees	**23**	**160,774**	**274,853**	**111,553**	**(163,300)**	**80,520**
Use of Goods and Services						
Travel & Conferences		323,891	317,176	205,976	(111,200)	34,970
Operating Expenses		223,500	262,610	211,291	(51,319)	117,673
Rent		36,000	67,760	57,288	(10,472)	74,950
Other Operating Expenses		1,410,984	1,290,354	688,711	(601,644)	65,994
RCRF Non-Salary Recurrent Cost		130,000				
Use of Goods and Services	**24**	**2,124,375**	**1,937,900**	**1,163,265**	**(774,634)**	**293,587**
Other Expenses						
Miscellaneous other expense		260,000				
Other Expenses	**26**	**260,000**				
Nonfinancial assets						
Fixed Assets		1,428,732.14	1,333,986.14	378,380.79	(955,605.35)	86,313.50
Nonfinancial assets	**27**	**1,428,732.14**	**1,333,986.14**	**378,380.79**	**(955,605.35)**	**86,313.50**
Payments / Outflows		**3,973,880.93**	**3,546,738.93**	**1,653,199.21**	**(1,893,539.72)**	**460,420.59**

Ministry of Environment and Climate Change

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**801,367**	**763,587**	**358,558**	**(405,030)**	**357,537**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		83,586	74,035	34,363	(39,672)	38,032
Compensation of Employees	23	**83,586**	**74,035**	**34,363**	**(39,672)**	**38,032**
Use of Goods and Services						
Travel & Conferences		37,361	15,183	11,056	(4,127)	34,673
Operating Expenses		38,800	34,500	21,247	(13,254)	27,360
Other Operating Expenses		33,900	33,900	33,900		21,324
Use of Goods and Services	24	**110,061**	**83,583**	**66,203**	**(17,381)**	**83,357**
Nonfinancial assets						
Fixed Assets		607,720	605,969	257,992	(347,977)	236,148
Nonfinancial assets	27	**607,720**	**605,969**	**257,992**	**(347,977)**	**236,148**
Payments / Outflows		**801,367**	**763,587**	**358,558**	**(405,030)**	**357,537**

Ministry of Health and Social Service

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	Note	USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**3,466,638**	**5,472,965**	**4,111,076**	**(1,361,890)**	**3,642,196**
Grants						
From international organizations			1,437,792	1,264,368	(173,424)	1,093,207
From other general government units		880,640	1,193,040	593,287	(599,753)	278,502
Grants	21	**880,640**	**2,630,832**	**1,857,655**	**(773,177)**	**1,371,709**
Receipts / Inflows		**4,347,278**	**8,103,797**	**5,968,731**	**(2,135,066)**	**5,013,905**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,043,064	1,248,484	948,737	(299,747)	1,022,044
Compensation of Employees	23	**1,043,064**	**1,248,484**	**948,737**	**(299,747)**	**1,022,044**
Use of Goods and Services						
Travel & Conferences		399,204	581,851	477,267	(104,584)	565,788
Operating Expenses		546,858	2,122,532	1,516,452	(606,081)	1,351,378
Rent		97,200	485,368	425,447	(59,921)	354,824
Other Operating Expenses		797,820	778,770	537,413	(241,357)	285,223
RCRF Non-Salary Recurrent Cost		542,492				
Use of Goods and Services	24	**2,383,574**	**3,968,521**	**2,956,578**	**(1,011,943)**	**2,557,212**
Nonfinancial assets						
Fixed Assets		40,000	255,960	205,760	(50,200)	62,939
Nonfinancial assets	27	**40,000**	**255,960**	**205,760**	**(50,200)**	**62,939**
Payments / Outflows		**3,466,638**	**5,472,965**	**4,111,076**	**(1,361,890)**	**3,642,196**

Ministry of Women and Human Rights

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	Note	USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**119,048**	**171,828**	**95,776**	**(76,052)**	**206,609**
Grants						
From international organizations			110,030	88,035	(21,995)	98,858
Grants	21		**110,030**	**88,035**	**(21,995)**	**98,858**
Other Revenue						
Sale of goods and services						7
Other Revenue	22					**7**
Receipts / Inflows		**119,048**	**281,858**	**183,811**	**(98,047)**	**305,473**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		54,048	67,298	20,336	(46,962)	53,638
Compensation of Employees	23	**54,048**	**67,298**	**20,336**	**(46,962)**	**53,638**
Use of Goods and Services						
Travel & Conferences		30,000	27,170	19,470	(7,700)	37,703
Operating Expenses		26,000	40,235	22,785	(17,450)	46,243
Rent		9,000	25,475	21,835	(3,640)	42,145
Other Operating Expenses			11,650	11,350	(300)	19,880
Use of Goods and Services	24	**65,000**	**104,530**	**75,440**	**(29,090)**	**145,971**
Nonfinancial assets						
Fixed Assets						7,000
Nonfinancial assets	27					**7,000**
Payments / Outflows		**119,048**	**171,828**	**95,776**	**(76,052)**	**206,609**

Ministry of Labour and Social Affairs

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**73,024**	**67,320**	**19,443**	**(47,878)**	**28,244**
Grants						
From international organizations			19,071	13,419	(5,653)	16,973
Grants	21		**19,071**	**13,419**	**(5,653)**	**16,973**
Other Revenue						
Sale of goods and services		70,000	70,000	22,400	(47,600)	73,000
Other Revenue	22	**70,000**	**70,000**	**22,400**	**(47,600)**	**73,000**
Receipts / Inflows		**143,024**	**156,392**	**55,262**	**(101,130)**	**118,217**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		48,024	30,524	6,024	(24,500)	11,824
Compensation of Employees	23	**48,024**	**30,524**	**6,024**	**(24,500)**	**11,824**
Use of Goods and Services						
Travel & Conferences		9,000	14,911	9,967	(4,944)	109
Operating Expenses		12,000	10,937	952	(9,985)	9,267
Rent		4,000	7,000	2,500	(4,500)	7,044
Other Operating Expenses			1,600		(1,600)	
Use of Goods and Services	24	**25,000**	**34,448**	**13,419**	**(21,029)**	**16,420**
Nonfinancial assets						
Fixed Assets			2,348		(2,348)	
Nonfinancial assets	27		**2,348.45**		**(2,348.45)**	
Payments / Outflows		**73,024.00**	**67,320.45**	**19,442.76**	**(47,877.69)**	**28,243.51**

Ministry of Youth and Sport

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**109,264**	**55,434**	**12,266**	**(43,168)**	**67,324**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		51,264	33,764	9,264	(24,500)	12,764
Compensation of Employees	23	**51,264**	**33,764**	**9,264**	**(24,500)**	**12,764**
Use of Goods and Services						
Travel & Conferences		28,000	8,500	2,332	(6,168)	30,000
Operating Expenses		20,000	10,170	670	(9,500)	10,060
Rent		10,000	3,000		(3,000)	9,500
Use of Goods and Services	24	**58,000**	**21,670**	**3,002**	**(18,668)**	**49,560**
Nonfinancial assets						
Fixed Assets						5,000
Nonfinancial assets	27					**5,000**
Payments / Outflows		**109,264**	**55,434**	**12,266**	**(43,168)**	**67,324**

Ministry of Water and Electricity

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**2,352,378**	**2,067,923**	**1,375,055**	**(692,869)**	**1,875,071**
Grants						
From other general government units		640,600	640,600	361,437	(279,163)	144,493
Grants	21	**640,600**	**640,600**	**361,437**	**(279,163)**	**144,493**
Receipts / Inflows		**2,992,978**	**2,708,523**	**1,736,492**	**(972,032)**	**2,019,564**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		135,882	204,482	143,407	(61,075)	62,678
Compensation of Employees	23	**135,882**	**204,482**	**143,407**	**(61,075)**	**62,678**
Use of Goods and Services						
Travel & Conferences		54,231	104,944	79,963	(24,981)	68,220
Operating Expenses		352,701	193,193	166,428	(26,764)	250,527
Rent			3,000		(3,000)	
Other Operating Expenses		54,000	79,000	54,000	(25,000)	169,134
RCRF Non-Salary Recurrent Cost		640,600				
Use of Goods and Services	24	**1,101,532**	**380,137**	**300,391**	**(79,746)**	**487,881**
Nonfinancial assets						
Fixed Assets		1,114,964	1,483,305	931,256	(552,048)	1,324,513
Nonfinancial assets	27	**1,114,964**	**1,483,305**	**931,256**	**(552,048)**	**1,324,513**
Payments / Outflows		**2,352,378**	**2,067,923**	**1,375,055**	**(692,869)**	**1,875,071**

Ministry of Constitution Affairs

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**87,000**	**45,586**	**2,190**	**(43,396)**	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		42,000	24,500		(24,500)	
Compensation of Employees	**23**	**42,000**	**24,500**		**(24,500)**	
Use of Goods and Services						
Travel & Conferences		17,000	3,420	1,420	(2,000)	
Operating Expenses		21,000	16,666	185	(16,481)	
Rent		7,000	1,000	585	(415)	
Use of Goods and Services	**24**	**45,000**	**21,086**	**2,190**	**(18,896)**	
Payments / Outflows		**87,000**	**45,586**	**2,190**	**(43,396)**	

Ministry of Ports

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**107,680**	**63,760**	**2,700**	**(61,060)**	**13,812**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		51,680	37,680		(37,680)	3,500
Compensation of Employees	23	**51,680**	**37,680**		**(37,680)**	**3,500**
Use of Goods and Services						
Travel & Conferences		20,000	3,700	1,700	(2,000)	4,667
Operating Expenses		30,000	21,380	500	(20,880)	3,079
Rent		6,000	1,000	500	(500)	2,566
Use of Goods and Services	24	**56,000**	**26,080**	**2,700**	**(23,380)**	**10,312**
Payments / Outflows		**107,680**	**63,760**	**2,700**	**(61,060)**	**13,812**

Ministry of Humanitarian Affairs and Disaster management

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**105,492**	**90,932**	**52,432**	**(38,500)**	**41,992**
Grants						
From international organizations			18,940	18,940		
Grants	21		**18,940**	**18,940**		
Receipts / Inflows		**105,492**	**109,872**	**71,372**	**(38,500)**	**41,992**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		75,492	72,032	47,532	(24,500)	37,492
Compensation of Employees	23	**75,492**	**72,032**	**47,532**	**(24,500)**	**37,492**
Use of Goods and Services						
Travel & Conferences		8,000	2,700		(2,700)	4,000
Operating Expenses		17,500	11,100	1,300	(9,800)	
Rent		4,500	5,100	3,600	(1,500)	500
Use of Goods and Services	24	**30,000**	**18,900**	**4,900**	**(14,000)**	**4,500**
Payments / Outflows		**105,492**	**90,932**	**52,432**	**(38,500)**	**41,992**

Office of Presidency

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**2,026,936**	**2,325,861**	**2,003,316**	**(322,545)**	**2,216,635**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		778,936	657,236	586,136	(71,100)	602,253
Compensation of Employees	23	**778,936**	**657,236**	**586,136**	**(71,100)**	**602,253**
Use of Goods and Services						
Travel & Conferences		510,000	752,625	641,600	(111,025)	717,950
Operating Expenses		321,500	412,500	327,082	(85,418)	400,832
Rent		40,000	50,000	41,998	(8,002)	47,000
Conflict Resolution Expenses		350,000	427,000	380,000	(47,000)	428,600
Use of Goods and Services	24	**1,221,500**	**1,642,125**	**1,390,680**	**(251,445)**	**1,594,382**
Nonfinancial assets						
Fixed Assets		26,500	26,500	26,500		20,000
Nonfinancial assets	27	**26,500**	**26,500**	**26,500**		**20,000**
Payments / Outflows		**2,026,936**	**2,325,861**	**2,003,316**	**(322,545)**	**2,216,635**

Office of the Speaker and Parliament

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**1,599,416**	**1,652,848**	**1,563,745**	**(89,103)**	**1,708,531**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		1,242,416	1,242,416	1,223,824	(18,592)	1,230,842
Compensation of Employees	23	**1,242,416**	**1,242,416**	**1,223,824**	**(18,592)**	**1,230,842**
Use of Goods and Services						
Travel & Conferences		203,000	235,000	218,000	(17,000)	223,200
Operating Expenses		125,800	134,232	84,721	(49,511)	214,489
Rent		8,200	21,200	17,200	(4,000)	40,000
Conflict Resolution Expenses		20,000	20,000	20,000		
Use of Goods and Services	24	**357,000**	**410,432**	**339,921**	**(70,511)**	**477,689**
Payments / Outflows		**1,599,416**	**1,652,848**	**1,563,745**	**(89,103)**	**1,708,531**

Civil Service Commision

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**157,196**	**133,407**	**97,239**	**(36,168)**	**97,378**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		118,396	104,107	83,107	(21,000)	80,896
Compensation of Employees	**23**	**118,396**	**104,107**	**83,107**	**(21,000)**	**80,896**
Use of Goods and Services						
Travel & Conferences		9,000	3,750		(3,750)	500
Operating Expenses		17,800	13,550	2,132	(11,418)	3,232
Rent		12,000	12,000	12,000		12,750
Use of Goods and Services	**24**	**38,800**	**29,300**	**14,132**	**(15,168)**	**16,482**
Payments / Outflows		**157,196**	**133,407**	**97,239**	**(36,168)**	**97,378**

Office of Audit General

Consolidated Fund Statement of Cash Receipts and Payments & Comparison to Budget
For the Year Ended 31 December, 2025
Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**126,532**	**104,087**	**77,676**	**(26,411)**	**80,682**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		84,732	67,732	62,732	(5,000)	62,728
Compensation of Employees	**23**	**84,732**	**67,732**	**62,732**	**(5,000)**	**62,728**
Use of Goods and Services						
Travel & Conferences		8,000	8,000		(8,000)	2,250
Operating Expenses		21,800	16,355	2,944	(13,411)	3,704
Rent		12,000	12,000	12,000		12,000
Use of Goods and Services	**24**	**41,800**	**36,355**	**14,944**	**(21,411)**	**17,954**
Payments / Outflows		**126,532**	**104,087**	**77,676**	**(26,411)**	**80,682**

Ministry of Livestock

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**3,539,928**	**3,628,886**	**1,306,723**	**(2,322,164)**	**440,134**
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		274,150	349,788	202,040	(147,748)	43,196
Compensation of Employees	23	**274,150**	**349,788**	**202,040**	**(147,748)**	**43,196**
Use of Goods and Services						
Travel & Conferences		289,518	418,888	154,940	(263,947)	59,314
Operating Expenses		148,790	240,950	128,916	(112,034)	50,178
Rent			15,760	15,760		45,000
Other Operating Expenses		1,004,609	966,159	307,083	(659,076)	33,900
RCRF Non-Salary Recurrent Cost		210,000	190,000		(190,000)	
Use of Goods and Services	24	**1,652,917**	**1,831,757**	**606,700**	**(1,225,057)**	**188,392**
Other Expenses						
Miscellaneous other expense		60,000				
Other Expenses	26	**60,000**				
Nonfinancial assets						
Fixed Assets		1,552,861	1,447,341	497,983	(949,359)	208,545
Nonfinancial assets	27	**1,552,861**	**1,447,341**	**497,983**	**(949,359)**	**208,545**
Payments / Outflows		**3,539,928**	**3,628,886**	**1,306,723**	**(2,322,164)**	**440,134**

Supreme Court

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows	**Note**	**USD**	**USD**	**USD**	**USD**	**USD**
Consolidated Fund Appropriations		**137,000**	**56,120**		**(56,120)**	
Other Revenue						
Sale of goods and services		20,000	20,000		(20,000)	
Fines, penalties and forfeits		10,000	10,000		(10,000)	
Other Revenue	22	**30,000**	**30,000**		**(30,000)**	
Receipts / Inflows		**167,000**	**86,120**		**(86,120)**	
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		74,000	18,200		(18,200)	
Compensation of Employees	23	**74,000**	**18,200**		**(18,200)**	
Use of Goods and Services						
Travel & Conferences		17,000	3,000		(3,000)	
Operating Expenses		28,000	21,920		(21,920)	
Rent		18,000	13,000		(13,000)	
Use of Goods and Services	24	**63,000**	**37,920**		**(37,920)**	
Payments / Outflows		**137,000**	**56,120**		**(56,120)**	

Office of the Atterney General

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

	Note	2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
		A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**107,000**	**34,998**		**(34,998)**	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		74,000	18,165		(18,165)	
Compensation of Employees	23	**74,000**	**18,165**		**(18,165)**	
Use of Goods and Services						
Travel & Conferences		8,000	4,000		(4,000)	
Operating Expenses		17,000	10,833		(10,833)	
Rent		8,000	2,000		(2,000)	
Use of Goods and Services	24	**33,000**	**16,833**		**(16,833)**	
Payments / Outflows		**107,000**	**34,998**		**(34,998)**	

Office of the Solicitor General

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**102,000**	**39,165**		**(39,165)**	
Receipts / Inflows						
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		74,000	18,165		(18,165)	
Compensation of Employees	23	**74,000**	**18,165**		**(18,165)**	
Use of Goods and Services						
Travel & Conferences		7,000	3,000		(3,000)	
Operating Expenses		17,000	14,000		(14,000)	
Rent		4,000	4,000		(4,000)	
Use of Goods and Services	24	**28,000**	**21,000**		**(21,000)**	
Payments / Outflows		**102,000**	**39,165**		**(39,165)**	

Ministry of fishery and Marine resources

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

For the Year Ended 31 December, 2025

Government Uses a Treasury Single Account System to Manage Funds

		2025				2024
		Original Estimate Appropriation	Final Estimate Appropriation	Controlled by TSA	Difference Between Final Budget and Actual	Controlled by TSA
	Note	A	B	C	C-B	
Receipts / Inflows		USD	USD	USD	USD	USD
Consolidated Fund Appropriations		**137,000**	**73,505**	**10,656**	**(62,849)**	**14,156.00**
Taxes						
Taxes on goods and services		30,000	30,000	248,902	218,902	
Taxes	**20**	**30,000**	**30,000**	**248,902**	**218,902**	
Other Revenue						
Sale of goods and services		70,000	70,000	20,600	(49,400)	28,600.00
Other Revenue	**22**	**70,000**	**70,000**	**20,600**	**(49,400)**	**28,600.00**
Receipts / Inflows		**237,000**	**173,505**	**280,158**	**106,653**	**42,756.00**
Payments / Outflows						
Compensation of Employees						
Wages and Salaries		58,680.00	41,180.00	10,656.00	(30,524.00)	14,156.00
Compensation of Employees	**23**	**58,680.00**	**41,180.00**	**10,656.00**	**(30,524.00)**	**14,156.00**
Use of Goods and Services						
Travel & Conferences		16,320.00	5,320.00		(5,320.00)	
Operating Expenses		24,000.00	20,005.00		(20,005.00)	
Rent		8,000.00	2,000.00		(2,000.00)	
Use of Goods and Services	**24**	**48,320.00**	**27,325.00**		**(27,325.00)**	
Nonfinancial assets						
Fixed Assets		30,000.00	5,000.00		(5,000.00)	
Nonfinancial assets	**27**	**30,000.00**	**5,000.00**		**(5,000.00)**	
Payments / Outflows		**137,000.00**	**73,505.00**	**10,656.00**	**(62,849.00)**	**14,156.00**

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 2025*. 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 2025*.

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 represent revenue generated from multiple sources, including personal income tax, private payroll taxes, turnover tax, business and professional licenses, passenger and road user charges, property tax, NGO registrations, fishing fees, vehicle-related fees, work permits, customs duties on tobacco and khat, as well as other regulatory collections. Although some entities classified as cost centers generate revenue, they do not retain these funds. All collections are remitted to the Treasury Single Account (TSA) and are subsequently used to finance approved budget expenditures. In most cases, revenue collection is administered by Ministry of Finance staff to ensure centralized oversight and accountability.

For the fiscal year, the approved tax revenue budget amounted to USD **11,697,042**, while actual collections totaled USD **9,525,788**, reflecting a budget execution rate of approximately 79%. Although collections were substantial, the outturn fell short of projections, indicating the need for continued improvements in revenue mobilization and compliance enforcement.

4. Grants

Grants from international organizations and the Federal Government of Somalia are channeled through the Treasury Single Account (TSA) and are therefore recorded under the Ministry of Finance in line with established public financial management procedures. This centralized arrangement ensures proper oversight, transparency, and alignment of external resources with approved budget priorities.

During the reporting period, total grant income was budgeted at USD **41,994,249**, while actual receipts amounted to USD **21,880,251**, representing approximately 52% execution against the approved projection. The variance reflects lower-than-anticipated disbursements during the year, which may be attributable to phased funding schedules, conditional release mechanisms, or implementation timelines agreed with development partners.

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) reimburse 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 capacity to finance its operating costs, goods and services, and other expenditure depends entirely on its ability to mobilize or receive adequate revenue to support budget implementation. As GSS does not have access to credit facilities, expenditure levels are directly aligned with actual revenue inflows.

Given this constraint, GSS adopted a prioritization approach during the reporting period and executed approximately 66% of the approved budget across budget entities. The table below presents a summary of expenditures by each benefiting budget entity.

Budget Entity	Budget USD 2025	Actual USD 2025	Percentage %
Ministry of Interior Federal & Reconciliation	1,211,694	987,167	81%
Ministry of Justice & Judiciary Affairs	35,000	2,380	7%
Ministry of Finance	3,163,802	2,205,260	70%
Ministry of Internal Security	910,777	452,868	50%
Ministry of Planning & Economic Development	570,520	502,619	88%
Ministry of Endowment & Religious Affairs	39,523	3,700	9%
Ministry of Petroleum and Mining Resources	24,200	-	0%
Ministry of Public Works & Housing	2,100,097	1,573,439	75%
Ministry of Commerce & Industry	56,800	2,650	5%
Ministry of Information	18,850	2,200	12%
Ministry of Aviation & Transport	160,425	112,918	70%
Ministry of Education Culture & Higher Education	2,986,591	1,586,786	53%
Ministry of Post & Communication	17,720	-	0%
Ministry of Agriculture	1,937,900	1,163,265	60%
Ministry of Environment & Climate Change	83,583	66,203	79%
Ministry of Health and Social Services	3,968,521	2,956,578	75%
Ministry of Women and Human Right	104,530	75,440	72%
Ministery of Labour and Social Affairs	34,448	13,419	39%
Ministry of Youth & Sport	21,670	3,002	14%
Ministry of Water & Electricity	380,137	300,391	79%
Ministry of Constitution Affairs	21,086	2,190	10%
Ministry of Ports	26,080	2,700	10%
Ministry of Humanitarian Affairs and Disaster Management	18,900	4,900	26%
Office of Presidency	1,642,125	1,390,680	85%
Office of the Speaker and Pariament	410,432	339,921	83%
Civil Service Commission	29,300	14,132	48%
Office of Audit General	36,355	14,944	41%
Ministry of Livestock	1,831,757	606,700	33%
Supreme Court	37,920	-	0%
Office of The Attorney General	16,833	-	0%
Office of The Solicitor General	21,000	-	0%
Ministry of Fishery and Marine Resources	27325	-	0%
Total	**21,945,901**	**14,386,452**	**66%**

7. Other Operating Expenses

Treasury Single Account

During the current fiscal year, total operating costs amounting to USD **3,286,748** were incurred to support the functioning of government institutions. These expenditures covered training tuition fees, educational materials and supplies, consulting and professional fees, non-consultancy service fees, audit fees, bank charges, printing and binding, as well as TV and newspaper advertisements. The operating costs were incurred across the following institutions: Ministry of Interior, Ministry of Finance; Ministry of Planning, Ministry of Endowment and Religious Affairs, Ministry of Public Works and Housing; Ministry of Education Culture & Higher Education; Ministry of Aviation and Transport; Ministry of Women and Human Rights; Ministry of Water and Electricity; Ministry of Agriculture; Ministry of Environment, Ministry of Health and Social Services and Ministry of Livestock.

These expenditures were financed through a combination of transfers from the Federal Government of Somalia, support from international development partners, and internally generated revenues. The above-listed entities represent the ministries and institutions that incurred operating costs during the current fiscal year.

8. Grants to Other Government Units.

Other government units refer to lower-tier administrations, including city municipalities. In Galmudug, the active local governments comprise the municipalities of Adado, Dhusamareeb, Guriceel, Abudwaq, Hobyo, and Galkayo, all of which undertake both revenue collection and expenditure responsibilities within their respective jurisdictions.

During the reporting period, these municipalities received financial support from the Ministry of Interior and Local Government to strengthen service delivery to their communities. A total of USD **401,091** was transferred to these local government units as subsidy support.

9. Non-Financial Assets

Non-financial assets comprise assets acquired by government entities to support and enhance the delivery of public services and operational functions. These assets are utilized in the day-to-day execution of institutional mandates and contribute to long-term service capacity and infrastructure development.

During the Fiscal Year 2025 reporting period, GSS recorded total non-financial asset acquisitions amounting to USD **3,045,517**. These investments were directed toward strengthening ministerial operations, expanding public infrastructure, and improving service delivery systems across various sectors.

The table below provides a detailed breakdown of the non-financial asset acquisitions recorded during the Fiscal Year 2025

	2025							
		Buildings other than dwellings	**Other structures**	**Wells and water holes**	**Information, computer, and telecommunication (CIT) equipment**	**Machinery and equipment not elsewhere classified**	**Furniture and fixture**	**Tree, crop , and plant resources yielding repeat products**
Ministry of Justice & Judiciary Affairs	**420**	-	-	-	-	-	420	-
Ministry of Finance	**179,850**	79,906	-	-	18,874	74,575	6,495	-
Ministry of Internal Security	**216,414**	-	-	-	-	216,414	-	-
Ministry of Public Works & Housing	**57,084**	-	-	-	26,684	-	30,400	-
Ministry of Education Culture & Higher Education	**293,878**	278,878	-	-	15,000	-	-	-
Ministry of Agriculture	**378,381**	-	-	-	-	99,283	138,924	140,174
Ministry of Environment & Climate Change	**257,992**	-	97,045	-	-	-	48,925	112,022
Ministry of Health and Social Services	**205,760**	-	-	-	2,000	185,760	18,000	-
Ministery of Labour and Social Affairs	**-**	-	-	-	-	-	-	-
Ministry of Water & Electricity	**931,256**	98,996	-	832,261	-	-	-	-
Office of Presidency	**26,500**					26,500		
Ministry of Fishery and Marine Resources	**-**	-	-	-	-	-	-	-
Ministry of Livestock	**497,983**	179,003	-			162,463	104,288	52,230
Total	**3,045,517**	**636,782**	**97,045**	**832,261**	**62,558**	**764,994**	**347,452**	**304,426**