

THE GOVERNMENT OF PUNTLAND



Annual Assessment of Minimum Conditions and Performance
Measures for Local Governments 2015

ASSESSED PERFORMANCE YEAR - 2014 -

INDIVIDUAL LOCAL GOVERNMENT PERFORMANCE
ASSESSMENT REPORT.

- BAYLA DISTRICT 31st- OCTOBER to 1st November - 2015 -

Conducted by:



FINAL DRAFT REPORT

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Abbreviations and Acronyms.

AG:	Accountant General
AT:	Assessment Team
BIMS:	Business Information Management systems
LG:	Local Government
MCs:	Minimum Conditions
MoF	Ministry of Finance
MoI:	Ministry of Interior.
PAM;	Performance Assessment Manual.
PIDAM:	Puntland Institute of Development Admin
PMs:	Performance Measures.
SG:	Secretary General
UNCDF;	United Nations Capital Development fund
VDC:	Village Development Committee

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Acknowledgements.

We acknowledge Mr. Kaarshe and Juba of MoI Puntland for his handy supervision and his observance to revive the guiltiness of assessment whenever needed. We also recognize Mr. Kaarshe's skills and guidance to ensure that assessment is conducted as per the guidelines.

Mayor of Bayla district, Mr. Said Aden Ali (Ateno) who gave us a support and instructed all the staff not do any other work during the assessment days. We also thank the Executive secretary and Bayla district Capacity Building Consultants Farah Mohamed Dacar and QasimIsse Ahmed, for coordinating the assessment supporting the departments to be calm and deliver the required documents. We owe many thanks to the district's department officers and employees for being ready waiting for the AT with their records and files which demonstrated their commitment and facilitated the entire assessment activity.

We also thank the funding agency UNCDF who provided financial resources for this assessment and the valuable quality assurance.

Executive Summary.

The Local Development Fund (LDF) is a performance-based grant system that was established through an inter-ministerial collaboration of the Ministry of Interior (MOI) and the Ministry of Finance (MOF) under the government of Puntland with technical support of the United Nations Joint Program on Local Governance and Service delivery (JPLG) for Puntland.

This year, a revised LG Performance Assessment Manual has been prepared by the Ministry of Interior, Local Government and Rural Development (MoI) in collaboration with the Ministry of Finance (MoF) with support from JPLG II/UNCDF in order to provide detailed guidance on how to prepare, execute, report and use the results of the LG performance assessment for both the Minimum conditions and Performance Measures, since the districts have been receiving the LDF fund for 4 years.

PIDAM University with supervision from MOI conducted the annual assessment for the FY 2014 for the districts that are implementing LDF supported projects as per the assessment calendar and guidelines issued by MOI. Bayla is among those districts implementing the LDF projects.

Bayla was the sixth district to be assessed based on the new LG PAM from **31st October –1st November 2015**. During the assessment all the target people were met and all the necessary documents were obtained and reviewed. Further, during the assessment the team conducted field visits and interviewed Village Development Committees to ensure that all the necessary evidences of compliance was obtained.

Bayla district has met all the Minimum conditions except the 5th indicator which was not supposed to be assessed this year in accordance with the provisions in the LG PMA. The district scored **84 out of 90** that were supposed to be assessed this year. Areas that Bayla district performed well include: project execution/implementation, Transparency-communication, procurement, local revenue and administration,

planning and budgeting, oversight and monitoring, the areas that the district underperformed in, include: Asset management and inventory, and quality of annual work plan and budget.

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1. Introduction.

a. Assessment team.

- 2) The assessment team was directed and led by **Said Mohamed Hirsi** (Independent Consultant and lecturer at PIDAM University)
- 3) **Ismail Mohamed Muse** Lecturer at PIDAM University, and University of Bosaso) and.
- 4) **Abdirizak Haji Isse** – Assistant.

b. Timing and duration of the assessment.

As per the calendar **Bayla** was the sixth district to be assessed on both the Minimum conditions and performance assessment measures based on the revised LG PAM. The assessment was conducted from **31st October – 1st November 2015**. Between 7:00am and 4:00pm during the two days.

c. Assessment Process.

The MOI informed Bayla District about the assessment a week before the scheduled time as per the Assessment calendar to enable the district prepare the basic documents, evidence and make other arrangements required to ensure that the Assessment is successfully undertaken.

The assessment started with introductory session with district mayor, deputy mayor the General Secretary (GS) of the Local Government (LG), some of the department staff, the supervisor of the team, and assessment team. First the team leader presented the process that the AT will follow during the assessment and briefed them on changes/revisions that has been made both in the MCs and PMs in the revised LG PAM and the overall scores. Finally the AT mentioned that the team will conduct this assessment fairly and shall avoid any inconveniences to the district.

Secondly the Mayor of Bayla district officially opened the assessment and urged the team to ensure fairness. Lastly the Mayor requested the departments to cooperate with the team.

After opening session, the AT started the assessment by first receiving and reviewing the internal assessment report. The team followed the assessment procedures laid down in the revised LG PAM. They told the district members that they will meet them department by department.

The team reviewed all the documents one by one, and received a copy of each necessary documents, the team also visited the LG board, the projects sites and finally interviewed the respective VDCs and NGOs.

Lastly, after two days of assessment the team conducted a wrap up session during which the district was informed of their areas of strength and weakness.

d. Process Challenges and Mitigation measures.

During the assessment in Bayla district the team faced some challenges, these included:

i. Challenges.

- Documents were not clearly classified, because some were filed together instead of each type of document being filed in separate files.

ii. Mitigation Measures.

- The time of assessment is too short making it difficult to compile the report after a long day of activities. The team should stay at least 3 days at each LG.
- Training on the new performance Assessment manual should have been provided to the district staff prior to the commencement of the assessment. LGs argued that they were not familiar with the new LG PAM.

e. Any proposed improvement on the LG PAM.

The LG PAM is good and only need one improvement as per our suggestion which is

- An indicator that requires existence of all the basic departments for an LG should be added to the MCs.

2. Results of the Assessment of Minimum Conditions.

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
Planning and Budgeting		A LG has an annual work plan for the current year approved by the LG Council	Met		The annual work plan for the current year (2015) was obtained and reviewed by the AT. It was approved by the LG council on 9/7/2014 . The AT also reviewed the minutes of councillor's approval from the office of the Secretary with the signatures and list of the council.
		A LG has a budget (estimates of revenue and expenditure) for the current year approved by the Council and submitted to MoI	Met		The AT Obtained and reviewed LG budget for the current financial year and minutes of council and it was approved on 22/12/14 in the second annual meeting of the LG council 2014 .
	3	The LG Budget for the current FY is balanced	Met		The secretary General at Benderbaila municipality has shown a current FY budget which was balanced both Revenue and expenditure. Below are the figures of R & E. R=5,565,786,210 (Shillings) E= 5,565,786,210 (shillings)
Financial management and audit		LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to MoI	Met		MOI LG department have confirmed the submission of annual financial statements of the Final accounts of previous FY. Submitted to the MOI

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
					on 5/1/2015 .
LDF Specific		LG has signed a Participation Agreement with MoI and witnessed by MoF and AG		Not met	This indicator is not supposed to be assessed this year. All LG will score NOT MET and it will not affect their performance as agreed by UNCDF and MOI.
		LG has an operational LDF Bank Account in a Commercial Bank	Met		Benderbaila AT obtained and reviewed a dedicated LDF account No: GRWD0002664 and Bank Name: Dahabshiil Bank -Garowe branch and authorized by the mayor of B/baila Said Adan Ali and Executive secretary Abshir shire Amaan .
		Overall	Met		

3. Results of Performance Measures.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
A) Planning and Budgeting <i>Maximum - 20 points</i>	1.	Quality of Medium Term Planning Frameworks (District Profile and District Development Framework) <i>Maximum – 5 points</i>	5	The DDF, of Benderbaila district received from the MOI planning department and it has clearly specified out puts, the DDF also has investment priorities, cross-cutting issues and lastly it was approved and submitted to the MOI on 22/02/14 . Hence they got 5 points as per guidelines.
	2.	Quality of the planning and budgeting process	8	The AT obtained and reviewed the following documents: meeting minutes of VDCs consultations,

¹ Provide comments on each of the aspects in the scoring guide to justify the score(s) awarded.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
		<p><i>Maximum – 9 points</i></p>		<p>on 10/9/2013 VDCs priorities in the annual work plan were compared and VDCs priorities were considered, also reviewed gender participations in the planning process and confirmed from the list of the participants, also AT reviewed the minutes of technical staff which they discussed the priorities, also obtained and reviewed the minutes of the executive committee which they discussed the priorities investment to be funded by LDF, AT also obtained the minutes of the LG council that approved the annual work plan, on the other hand AT obtained and reviewed the feasibility analysis from the engineer , however AT did not obtained the EIA form or the environmental screening and hence they deducted 1 point.</p>
	3.	<p>Quality of the Annual work plan and Budget</p> <p><i>Maximum – 6 points</i></p>	5.5	<p>The AT obtained and reviewed the necessary documents under this indicator which include: the budget and the and annual work plan, revenue forecasting from all sources (local revenue, CG, LDF, Donor fund) ,during the reviewing of the above sources AT did not find Donor fund and they deducted 0.5 point, because each one was marked 0.5, on the other hand all prioritized infrastructures are captured in the work plan</p>

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
				irrespectively.
B) Local Revenue Generation and Administration <i>Maximum - 20 points</i>	4.	Existence and quality of the Local revenue enhancement/ mobilization plan for the current FY ² <i>Maximum – 6 points</i>	0	This indicator is not supposed to be assessed this year. All LG will score zero and it will not affect their performance as agreed by UNCDF and MOI.
	5.	Tax Assessment – existence of tax registers <i>Maximum – 6 points</i>	6	From Benderbaila Municipality revenue/Tax department AT obtained and reviewed following documents: existence of tax registers e.g property register they register their property books and data base, AT also reviewed business register, in the business register they use BIMS, AIMS , on the other hand there are also other revenue collection registers which include: Vote book, RVs and, betty Cash . Hence they got 6 points as per guidelines.
	6.	Local Revenue Administration <i>Maximum –8 points</i>	7	In 2014 Benderbaila municipality have collected above 77.2% of the planned revenue. Also Revenue collected by Benderbaila district FY (n -1) compared to the last FY (N - 2) has increased 18.8% . On the other hand the district has allocated 30% of the local revenue collected to development projects which is more than 10% .
C) Procurement	7.	Existence of capacity to manage the	5	AT obtained and reviewed the

² This indicator is not supposed to be scored during the 2015 performance assessment – all LGs should be scored 0.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
<i>Maximum - 15 points</i>		procurement function <i>Maximum –5 points</i>		<p>procurement unit , procurement focal point was dedicated, Najma Mohamed Elmi, Procurement officer, secondary leaving certificate, Certificate of procurement management, certificate of office management(Accounting, management, Computer), AT also reviewed the tender committee and it was formed, they also has the right membership, their names include:</p> <p>1.Najma Mohamed (officer) 2.Mohamoud Omar (Member) 3.Ahmed Mohamoud (Member) 3...AW-said Ahmed (member) 5.Sufi Hasan (member), the AT also obtained the minutes of the tender committee, the procurement person also recorded and properly stored the meeting minutes.</p>
	8.	Procurement Planning <i>Maximum –5 points</i>	5	From MoI LG department was obtained the procurement plan of the CFY of Benderbaila, which was made according to the procurement plan format in PEM4, and the council had approved it and it was also signed by the mayor, also the procurement plan covers all infrastructure projects approved in the annual work plan. Hence they got the required points.
	9.	Procurement Management	5	At Benderbaila AT obtained from the procurement Focal point all

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
		<i>Maximum –5 points</i>		the bid documents. On other hand all the LDF procurements were made as per plan, and contract register was prepared and updated. And complete procurement activity files.
D) Accounting, Financial Management and Audit <i>Maximum - 15 points</i>	10	LG maintains the basic books of accounts <i>Maximum –5 points</i>	4.5	The AT obtained and reviewed the cashbook for the LDF bank account, and it was up to date and signed by the director of finance. On the other hand the bank reconciliation statement is in place and checked by the AT, they also obtained and reviewed the cash book for the local revenue. However the finance department person also shown only one other book of account namely RVs . Hence it was deducted 0.5 since its only one book.
	11	LG has established the Internal Audit function <i>Maximum –6 points</i>	6	Benderbaila LG internal auditor reports was obtained and reviewed by the AT he produced 4 reports in 2014. And on the other hand the council had discussed the internal audit's reports and responses to the audits reports was taken. And they got all the points as per guidelines.
	12	Asset Management: inventory of infrastructure and assets <i>Maximum –4 points</i>	2	AT obtained and reviewed the asset register from LG Admin and Finance department and the asset register was also up to date. The AT also reviewed final accounts in the previous year, but the assets were not reflecting the final

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
				account, hence they deducted 2 points as per guideline.
E) Project Execution/ Implementation <i>Maximum - 15 points</i>	13	Projects implemented as per plan and budget <i>Maximum –7 points</i>	7	<p>The AT obtained the necessary information and documents of this indicator and the documents founded include: the list of the project 1.Baila Access concrete road.</p> <p>The AT obtained list of the projects implemented for the previous year and found that that these project are in LDF investment menu. Also the infrastructure projects have approved technical designs. On the other hand the projects were completed as per plan work, 100% completed on 30/6/2015. And lastly; the projects were completed with no minus of original budget. And they were awarded all their 7 points in this indicator as per score guideline.</p>
	14	Project Execution Capacity <i>Maximum –8 points</i>	8	<p>Benderbaila LG has an engineer his name and qualification were reviewed and obtained by the AT and LG development project cost was budgeted.</p> <p>AT was obtained and reviewed the draft of final account for the previous year and 100% of Benderbaila LDF allocation is used. And Project completion certificates were obtained and reviewed, on the other hand AT</p>

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
				visited the sample works of the project, and all projects were clearly labelled indicating the name of the project, contractor, amount, and durations. Also the AT was obtained and reviewed the Commissioning of the LDF completed projects reports and projects were complete on June 2015 and as per guidelines for each indicator they scored all 8 points.
F) Oversight, monitoring, accountability and communication <i>Maximum - 15 points</i>	15	LG Council performs oversight and accountability function <i>Maximum –4 points</i>	4	AT obtained and reviewed 4 meeting minutes with dates and full quorum, reports from LG council secretary, on the other hand the meeting minutes were recorded clearly, stored and the local council standing committee monitored the 2014 projects and Finally the performance assessment results in last year, was discussed by the council. Hence they got all points as per guidelines.
	16	Transparency – communication to the public by for example posting information on LG notice boards, through the media and posting information on websites <i>Maximum –7 points</i>	5	AT was checked and reviewed all publications and publications were found included : LDF allocations, local revenue collected and how spent, Budget and annual work plan approved, procurement plan, awarded contract amount, physical progress reports, and lastly AT did not find the LG performance assessment results in the last year. And hence they deducted 1 point

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
	17	Timely submission of accountability and progress reports to MoI ³ <i>Maximum –4 points</i>	0	This indicator is not supposed to be assessed this year. all LG will score zero and it will not affect their performance as agreed by UNCDF and MOI.
		Total	83 of 90	93.3%

4. Overview of Capacity Building Requirement of the LG.

The gaps identified in Bayla were few including the following:

1. Limited knowledge by the district staff on the new LG PAM
2. Poor asset management skills
3. Need t developed Internal Audit manual and guideline by MOI and JPLG since all the district have used different guidelines and formats.
4. Revenue mobilization training.
5. Human Resource Management training to be conducted in Bayla.
6. Monitoring and Evaluation training.
7. Planning PEM2 training.

³ For 2015, this indicator will not be assessed – all LGs will score 0

Annexes

Annex 1. List of documents consulted.

1. Mock Assessment Report
2. Benderbaila DDF 2014 not updated
3. Annual Work Plan of 2014 and 2015 approved by the council
4. LG Budget for the current Fiscal year
5. LDF Bank Account Statement, Ac # **GRWD0002664**
6. LDF Cash book
7. Feasibility Analyses and technical Costing for the prioritized projects
8. Minutes of Meeting for Approving 2014 Budget
9. Minutes of meeting for Approving 2015 Budget
10. Minutes of Meeting and attendance list of 12th Council Meeting in 2014
11. Minutes of Meeting and attendance list of 6th Council Meeting in 2014
12. Tender Approval Letters for 2014
13. Approval for Procurement Plan 2014
14. List of tender Committees
15. LG Closing Accounts for 2014 (12 documents)
16. Tax Revenue Collection books
17. Cash Books
18. Check books with signatories
19. Appointment Letters
20. Curriculum Vitae for LG Engineer
21. LG Asset Register
22. List of Projects Implemented in Benderbail LG
23. Bid Documents
24. Reports of Auditor with recommendations
25. List of the Audit Committee
26. Income and Expenditure Statement
27. List Businesses in Benderbaila
28. Minutes of Annual Work Plan Approval
29. Minutes of meeting for Technical Evaluation, costs and avoiding overlap
30. Progress reports
31. List tax collectors and Appointments letters
32. Curriculum Vitae for procurement officer
33. Environmental impact Assessment Check Lists
34. Contract Agreements

Annex 2. List of People Met In Bayla.

#	Name	Title	Location
1	Said Aden Ali	Mayor of Bayla	Bayla
2	Liban Jama Caaqil	Revenue	Bayla
3	Ali Said Mahad	IT Intern	Bayla
4	Mohamud Omar Mohamed	Director of admin and Finance	Bayla
5	Omar Mohamed Salat	District Engineer	Bayla
6	Mohamud Ali Farah	Punlic Works	Bayla
7	Najmo Mohamed	Procurement	Bayla
8	Badriyo Dayid Mohamed	Councilor	Bayla
9	Suufi Hassan Muse	Social affairs	Bayla
10	Bile Nor Farah	Tax	Bayla
11	Ahmed Mohamud Jama	Planning	Bayla
12	Farah Mohamed Dacar	Consultant	Bayla
13	Ali Haji Farah	Village	Bayla
14	Ahmed Abdirisak	Village committee	Bayla
15	Mursal Mohamud samantar	Admin and finance	Bayla