

# THE GOVERNMENT OF PUNTLAND



## INDIVIDUAL LOCAL GOVERNMENT PERFORMANCE ASSESSMENT REPORT

*BOSASO DISTRICT*

*10<sup>TH</sup> - 11<sup>TH</sup> - October - 2015*

ANNUAL MINIMUM CONDITIONS AND PERFORMANCE ASSESSMENT –  
PUNTLAND

Conducted by:

YEAR OF ASSESSMENT 2014.



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**Abbreviations.**

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

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**Acknowledgements.**

PIDAM Assessment team is warmly appreciating the support from MOI – Consultant Mohamed Abdukadir Kaarshe for his guidance and support, the UNCDF for their financing and backstopping we also appreciates the consultants or other technical who have prepared the PAM manual for their efforts and time they put in developing this comprehensive manual.

Lastly we appreciate the support given by Mayor and Executive secretary of Bosaso municipality during the assessment, we also appreciates the efforts and support of other directors of departments of Bosaso LG.

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## **Executive Summary.**

This assessment was conducted by PIDAM with supervision of MOI as per assessment calendar and guidelines, the first district to be assessed using the new PAM was Bosaso district from 10<sup>th</sup> – 11<sup>th</sup> – October – 2015, during this assessment all the target people were met and all the necessary documents were obtained and reviewed, also during the assessment the team conducted a field visit and interviewed Villagecommittees to ensure all the necessary evidences was gathered and considered.

BosasoDistrict met all the Minimum conditions except the 5<sup>th</sup> which was not supposed to be assessed during the 2015 annual assessment. The district scored 70.5 out of 90 on the PMs indicators that were supposed to be assessed this year. The Areas that BosasoDistrict performed well include: procurement, Revenue management, and planning and budgeting. The district underperformed in the areas of: communication and accountability, oversight and monitoring, internal auditing and Asset management.

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## **1. Introduction**

### **a. Assessment team.**

The assessment team comprised of two Experts and one Assistant from Puntland Institute for Development Administration and Management (PIDAM), a local Service Provider that was competitively selected through a merit-based process. The following are the assessment team members:

1. Said Mohamed Hirsi – PIDAM – Consultant.
2. Ismael Mohamed Muse – PIDAM – Consultant.
3. Abdirizak Haji Isse - Assistant.

### **b. Timing and duration of the assessment.**

As plan the assessment commenced in Bosaso district being the first district to be assessed for both Minimum Conditions and Performance Measures. The Assessment was conducted between Saturday 10<sup>th</sup> – Sunday 11<sup>th</sup> – October – 2015.

### **c. Assessment process in Bosaso.**

During the assessment the team reviewed documents as secondary data to collect information regarding a number of indicators before fieldwork. The assessment team conducted fieldwork in the LGs to collect information. The assessment team held an introductory meeting with the Mayor, Executive secretary and technical staff and agreed on the process. The first day the team visited the district offices and participated together with MOI and district in the official opening remarks, after opening remarks, the team started the process with the review internal/Mock assessment report to see the silent issues that needs special attention, later on the team started Minimum conditions and eventually the Performance assessment. After the team finished the assessment in the second day, a wrap up meeting was conducted to inform the district of their weakness and strengths. The assessment was supervised by a team from the Ministry of Interior.

### **d. Assessment Challenges and Mitigations.**

#### **❖ Assessment challenges.**

- ☞ During the assessment each district is supposed to stay a maximum of two days that is limited time compared to the many daily activities and report preparation.

#### **❖ Mitigation Measures.**

- ☞ The assessment team should take at least three days in each district.

- ☞ The district staff should be trained on how to use the new performance Assessment manual before the assessment begins.

**e. Any improvements on the local government PAM.**

Indicator suggesting existence of all departments should be added to the new manual.

**2. Results of Minimal Conditions.**

Minimum Condition	N o.	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		From the office of the Secretary it was obtained AWP&B for the CFY with the minutes of councillor approval dated on 25/04/2015
		A LG has a budget (estimates of revenue and expenditure) for the current year approved by the Council and submitted to Mol	Met		From the office of the secretary was obtained the LG budget for the current financial year and minutes of council for the approval of the budget dated on 20/1/2014
	3	The LG Budget for the current FY is balanced	Met		The secretary General of the Bosaso municipality have shown a current FY budget which was balanced both R&E; R 36,947,748,000 and E 36,947,748,000
Financial management and audit		LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to Mol	Met		MOI LG department have provided an annual financial statements of the Final accounts of previous FY submitted to MOI on 2nd – Jan 2015.
LDF Specific		LG has signed a Participation Agreement with Mol and witnessed by MoF and AG		No	This indicator is not supposed to be assessed this year. All LG will score zero and it will not affect their allocation as agreed by MOI and UNCDF.
		LG has an operational LDF Bank Account in a Commercial Bank	Met		From Bosaso LG Executive secretary was obtained a copy of dedicated LDF account with bank branch and the Name of the bank which was Dahabshiiil – BosasoAcc # BSSAD001950 and signature mandate is made for the Mayor and the Secretary General.
		Overall	Met		

### 3. Results of Performance Assessment.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
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>	4	From the planning department we obtained the DDF. It has clear outputs and indicators. DDF has gender and environment issues. The LG was developed and submitted to Mol. The LG received 4 marks. The LG has no clear investment priorities, for this the LG missed 1 mark.
	2.	Quality of the planning and budgeting process <i>Maximum – 9 points</i>	9	The planning Department provided minutes of village consultation meetings. The consultation meetings was held on 05/02/2014. The priorities of District Villages were considered in annual work plan. Pictures were provided and a copy is taken by the AT and a video demonstrating women's participation was played to the AT. The technical staff analysed and approved the cost implications of the VDCs priorities and declared that there is no overlapping of the planned activities. The executive committee discussed and prioritized investment that should be funded by the LDF. The LG council discussed and approved the LG work planned and budget on 25/04/2015. Also the planning department provided feasibility study of the prioritized investment submitted by the District Engineer and a copy of the environmental impact assessment was delivered to AT with the presence of the District Engineer. Therefore, the LG has received all the 9 points of this indicator.
	3.	Quality of the Annual work plan and Budget <i>Maximum – 6 points</i>	4	The District Development Department shows the AT that that annual work plan was submitted to Mol. The annual Budget includes local revenue, CG transfers, LDF and donor funds. They got 4 points out of 6. The LG they failed to show

<sup>1</sup> 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 <sup>1</sup>
				the team that all the infrastructural projects in the AWP&B irrespective of funding source. They have only shown the JPLG funded projects, hence they did not include non JPLG projects in their AWP&B, for this reason the LG lost 2 marks in this sub-indicator.
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 <sup>2</sup> <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 allocation as agreed by MOI and UNCDF.
	5.	Tax Assessment – existence of tax registers <i>Maximum – 6 points</i>	6	Bosaso Municipality revenue/Tax department have shown that they maintain a property register manually and computerised. The LG has computerized business register (BIMS). The LG has the ability to print invoices for its Business clients using the BIMS. The LG has shown the AT a daily Cash Book, Expenses Register, different Receipt Vouchers and Payment Voucher. So they scored all 6 points of the indicator.
	6.	Local Revenue Administration <i>Maximum –8 points</i>	8	In 2014 Bosaso municipality have collected about 94% of the planned revenue. Also Revenue collected by Bosaso district FY (n -1) compared to the last FY (N - 2) has increased 17%. Also Bosaso district have allocated 17.7% of the local revenue collected to development projects including LDF as per calculation made by the assessment team.
C) Procurement <i>Maximum - 15 points</i>	7.	Existence of capacity to manage the procurement function <i>Maximum –5 points</i>	5	The Procurement Officer of Bosaso District's name is Ahmed Mohamud Da'ar. He has bachelors in Business Administration from East Africa University inBosaso 2009. His nomination letter was submitted to Mol on 28/12/2010. The LG has a procurement/tender committee consisting of 5 persons. The committee's assignment letter was submitted to Mol on 13/11/2010. The tender committee meets. One their meetings was held on 13/03/2014. As a result the LG got 5 marks as per guidelines.
	8.	Procurement Planning	4	From Mol LG department the team

<sup>2</sup> 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 <sup>1</sup>
		<i>Maximum –5 points</i>		obtained the procurement plan of the CFY of Bosaso. The latest plan was made on 17/08/2015, and this procurement plan was made according to the procurement plan format in PEM4, also all the approved AWP&B projects are included in the procurement plan. However, they failed to show the minutes of the meeting that the councillors approved the procurement plan and hence it was deducted 1 point as per score guide.
	9.	Procurement Management <i>Maximum –5 points</i>	5	From Bosaso procurement Focal point was obtained all the bid documents for all the procurements, and all the LDF procurements were made as per plan, Bosaso procurement focal point also provided a contract registrar and also a contract activity file of all procurements of LDF. Hence they got all the points as per score guideline.
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	From Bosaso LG finance department was obtained and reviewed a cash book for the LDF bank account which was up to date and signed by the director of finance, also the reconciliation statement are in place and checked by the executive secretary, they also obtained and reviewed the cash book for the local revenue. However, apart from the cash book we obtained only void book and since was obtained from them only one account book they are awarded 0,5 as per score guideline.
	11.	LG has established the Internal Audit function <i>Maximum –6 points</i>	2	From Bosaso LG internal auditor was obtained and reviewed 4 reports produced in 2014. However, local government executive secretary did not obtain minutes of the council meeting on the internal auditor reports and also no actions were taken. Hence they are only rewarded 2 points since the internal auditor produced the reports.
	12.	Asset Management: inventory of infrastructure and assets <i>Maximum –4 points</i>	3	From Bosaso LG Admin and Finance department we obtained and reviewed asset register and the asset registrar obtained was also up to date, up dated on 13 <sup>th</sup> / August/

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
				2015. However, after reviewing final accounts in the previous year some assets were not reflected, hence it was deducted 1 point 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	From Planning Office we obtained the list of 4 projects implemented in the previous year and were derived from the annual work plan of 2014 which was approved by the council on 17/02/2014. The implemented projects have approved technical designs shown to AT and a copy is kept by the AT. All the projects are completed as per work plan and are being by the public except that the Airport road has encountered a lake that brings flood in the rainy seasons. The Engineer described the problem as an unforeseen difficulty that should be solved. As a result the LG scored all the 7 points of under the indicator.
	14	Project Execution Capacity <i>Maximum –8 points</i>	5	Bosaso LG have an engineer his name and qualification were reviewed and obtained also LG development project cost was budgeted also Mol LG department was obtained and review a draft of final account for the previous year and 99% of Bosaso LDF allocation is used. However, Project completion certificates were not obtained from Bosaso also sample works of the project are not clearly labelled the amount and starting and end dates also commissioning of the LDF completed projects have not taken place hence they were deducted 3 points as per score guide.
F) Oversight, monitoring, accountability and communication <i>Maximum - 15 points</i>	15	LG Council performs oversight and accountability function <i>Maximum –4 points</i>	2	From Bosaso LG secretary was obtained and reviewed 2 meeting minutes with dates and full quorum, also the meeting minutes were recorded clearly. However local council standing committee did not monitored 2014 projects and also they have not discussed the performance assessment report of last year, hence they are deducted 2 – points as per guidelines.
	16	Transparency – communication to the public by for example posting information	2	In Bosaso LG notice board it was only seen/checked publication of

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
		on LG notice boards, through the media and posting information on websites <i>Maximum –7 points</i>		LDF allocations and Procurement plan and they were awarded 2 points as per score guide Hence they were deducted the rest of points since it was not seen/checked in the Bosaso LG notice board
	17	Timely submission of accountability and progress reports to Mol <sup>3</sup> <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 allocation as agreed by MOI and UNCDF.
		Total	<b>70.5</b> out of <b>90</b>	<b>Meaning that = 78.3 %</b>

#### 4. Overview of Capacity gaps in Bosaso district.

1. Limited knowledge of the district staff for the new PAM manual
2. Absence of Internal Audit Manual/Guideline
3. Limited knowledge of PEM 2 budget guidelines/System.
4. Limited knowledge of Bosaso district admin and finance department on financial transparency that led bosaso to underscore the transparency indicators.
5. Poor Inventory/Asset Management skills.
6. Limited coordinators between the departments – Absence of Coordination.
7. Absence of Roles and Responsibilities among the Council and the departments – lack of induction.
8. Improper use of BIMS by the revenue staff.
9. Need to refresh training on PEM Modules.

<sup>3</sup> 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. Bosaso DDF updated 2015
3. Annual Work Plan of 2014 approved by the council
4. LG Budget for the current Fiscal year
5. LDF Bank Account Statement, Ac # BSSD001950
6. Video and pictures of community consultations with men and women in VDCs
7. LDF Cash book
8. Nomination Letters
9. Curriculum Vitae for LG Engineer
10. Environmental impact Assessment Check Lists
11. Contract Agreements
12. LG Closing Accounts for 2014 (12 documents)
13. Tax Revenue Collection books
14. Cash Books
15. Check books with signatories
16. AIMS Database used in the LG
17. BIMS Database used in the LG
18. LG Asset Register
19. List of Projects Implemented in Bosaso LG
20. Bid Documents
21. Feasibility Analyses and technical Costings for the prioritized projects
22. Minutes of Meeting for Approving 2014 Budget
23. Minutes of meeting for Approving 2015 Budget
24. Minutes of Meeting and attendance list of 5<sup>th</sup> Council Meeting in 2014
25. Minutes of Meeting and attendance list of 6<sup>th</sup> Council Meeting in 2014
26. Tender Approval Letters for 2014
27. Tender Approval Letters for 2015
28. Approval for Procurement Plan 2014
29. List of tender Committees
30. List of LG Council Members
31. Reports of Auditor with recommendations
32. List of the Audit Committee
33. Income and Expenditure Statement
34. List of the LG houses, BIMS
35. List Businesses in Bosaso, BIMS
36. Minutes of Annual Work Plan Approval
37. Minutes of meeting for Technical Evaluation, costs and avoiding overlap
38. Curriculum Vitae for LG Procurement Officer
39. Request for installment payments from contractors
40. AWP&B for 2014/15

## Annex 2. List of People met.

#	Name	Title	Location
1	Mohamed Ali Nor, Juba	Mol Director of Planning, LG & Focal Point for the JPLG	Garowe
2	Mohamed Abdulkadir Karshe	Mol Admin & finance Expert, LDF	Garowe
3	Mohamed Mumin Yusuf	Chairman, PIDAM	Bosaso
4	Abdinour Yusuf farah	Deputy, Pidam	Bosaso
	Mohamed Ugaas	Mol Coordinator in Bari region	Bosaso
5	Eng. Yasin Mire Mohamud	Mayor of Bosaso LG	Bosaso
6	Abdirizak Ahmed Geeldoon	Bosaso LG Executive Secretary	Bosaso
7	Yusuf Aden gaas	Director of Planning Dpt. Bosaso LG	Bosaso
	Ibrahim MohamudHersi	Internship, Planning Dpt.	Bosaso
8	AbdihakimYasin Abdi	Accountant, Bosaso LG	Bosaso
9	Ahmed Said Yusuf	Director of Finance	Bosaso
10	Mohamed Sh. Osman	Engineer of Bosaso LG	Bosaso
11	Ahmed Mohamed Hassan	Deputy Director of Audit	Bosaso
12	Ahmed Mohamed Da'ar	Procurement officer	Bosaso
13	Mohamed said Hassan	Revenues	Bosaso
14	SahraMogamedBulhan	HRM	Bosaso
15	Mohamed Khalid Elmi	Employee, BIMS	Bosaso
16	Mohamed Ahmed Kasim	Employee, BIMS	Bosaso
17	Ali Awed Mohamed	Council Secretary	Bosaso
18	Khadija Ahmed Mohamed	Dayaha, Village	Bosaso
19	SalaadoAbtidoon	Girible Village, section A	Bosaso