

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.

- GALKACYO DISTRICT 20TH - 21ST - OCTOBER - 2015 -

Conducted by:



FINAL DRAFT REPORT
2015

Conducted by:



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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 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 in doing the financial calculations required in the assessment that contributed to the quality of the assessment itself and the final result.

Mayor of Galkacyo district, Mr. Abdiasis Jama Gulled who supported us in mobilizing all the staff to focus on the assessment exercise during the assessment days. We also thank the General Secretary for coordinating the assessment and ensuring that the departments delivered all the required documents. We owe many thanks to the district's department officers and employees for being ready for the AT with their records and files that indicated their commitment and that facilitated the entire assessment activity.

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

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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 Decentralized Service Delivery (JPLG) for Somalia, as well as 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 Minimum conditions and Performance Measures. The revised LG PAM will guide the LG Assessment for the second phase since the districts have been receiving the LDF fund for the past 4 years.

PIDAM University conducted the annual assessment in 2014 for the all JPLG target districts in Puntland. Galkacyo is among those districts implementing the LDF projects and the AT with the supervision of MOI conducted the exercise, as per the assessment calendar and guidelines.

Galkacyo was the Fourth district to be assessed using the new LG PAM from 20th -21st– October 2015. During the assessment all the target people were met and all the necessary documents were obtained and reviewed. Among the documents were: income and expenditure statements, ledger accounts, minutes of meetings, payroll sheets, attendance sheets, contracts, appointment letters, job descriptions, personnel register, bank statements and bank deposits/deposit slips, DDF, annual plans and budgets approval, approval of the projects and completion certificates etc.

Further, the assessment team conducted field visits and interviewed members of the Village District Committees and members of Local Non-Governmental Organizations to verify public participation that is necessary for fostering decentralized service delivery.

Consequently, Galkacyo district has met all the Minimum conditions except the 5thindicator which was not supposed to be assessed this year as agreed. The district scored **77.5 out of 90 on the PMs.**

Areas that the district performed well include:

- Project execution/implementation,
- Project Feasibility
- Bid Management
- Finance and Revenue

- Project Completion and commissioning
- Maintaining records in Separate files

The areas that the district underperformed include:

- Asset management and inventory
- Communication
- Application of AIMS in the District
- Procurement.
- Internal Auditing.
- Transparency and Participation.

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1. Introduction.

The Local Development Fund (LDF) is a performance-based grant system that was established through an inter-ministerial collaboration of the ministry of interior and the ministry of Finance under the government of Puntland with technical support of the United Nations Joint Program on local governance and service delivery (JPLG) for Somalia.

The LDF is connected to the performance assessment of districts that is measured by indicators for Minimum Conditions (MCs) and Performance Measures (PMs). In order to determine the districts that qualify to access the LDF each year, the Ministry of Interior (MOI) with support from JPLG/UNCDF organizes and manages an Annual Assessment to determine the districts that have the capacity to manage development funds and therefore eligible to access the LDF Grants.

The MCs are aimed at ensuring that LDF funds transferred to local authorities are used effectively and efficiently, with integrity, accountability and in a sustainable manner. In 2014 assessment year, there are 6 (six) minimum conditions that each district should meet in order to be eligible for Local Development Funds.

The PMs were intended to provide incentives for improving service delivery, governance and resource management. The PMs is based on 16 performance indicators in 2014 assessment year. (Indicator # 4 & 17 is not considered in this assessment). The assessment of PMs is undertaken in order to recompense those districts that have performed well by rewarding them and to penalize those that did not perform well i.e. those that have failed to achieve the agreed minimum score in the annual assessment.

a. The Assessment Team.

The assessment team is directed and led by

1. **Said Mohamed Hirsi** (Consultant and lecturer at PIDAM University)
2. **Ismail Mohamed Muse** Lecturer at PIDAM University, and University of Bossaso.
3. **Abdirizak Haji Isse** – Assistant.

b. Timing and duration of the assessment.

As per the calendar Galkacyo was the third district being assessed by using both the Minimum conditions and performance assessment measures. The assessment duration for each LG is two days, from 20th – 21st – October - 2015. Usually the assessment starts at 7:30AM to 15:00PM each of the two days in all districts.

c. Assessment Process.

Before the Assessment commenced, Galkacyo district was notified and requested to be ready for the assessment as per the calendar/schedule issued for the year. As a result 25 participants comprising the district departmental officials, the Mayor and the relevant employees attended the opening session.

The assessment started with introductory session between the AT and the district officials. First the team leader presented the process to be followed by the AT during the assessment and highlighted the changes that have been made on both the MCs and PMs and the overall marks. Finally AT leader confirmed that the team will conduct the assessment as fairly as possible and shall avoid any inconveniences.

After the introductory session, the AT started the assessment by first obtaining and reviewing the internal assessment report. The team followed the procedures of the assessment by meeting department by department. The team reviewed all the documents in accordance and sequence of tool, and received a copy of each necessary document. The team also visited the LG Notice Board, the projects sites and finally interviewed some individuals from the VDCs and NGOs.

Lastly, after the was data compiled and edited, the team communicated the overall results that the district has received and also made a recap meeting on where they best performed and where they performed poorly. If the district raises complaints on the results, the AT welcomes the issues openly, discusses it and presents rational justifications.

d. Process Challenges and Mitigation measures.

I. Challenge:

It was difficult for the AT to get regular meetings with departmental directors in the district, due to other work that is currently going in the district.

II. Mitigation Measures.

- ✓ The time of assessment is too short making it difficult to prepare comprehensive narrative reports soon after a long day of activities. It would be more convenient for the team to spend 2 days on assessment and a day for report writing.
- ✓ New performance Assessment Manual should be disseminated through an orientation training for the district staff. 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 some indicators are overlapping and needs to be removed. For example:

- ✓ the indicators showing that Local councilors AWP&B approval minutes is both reflected in MCs and PMs which should remain either in MCs or PMs.

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

2. Results 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	Yes		The annual work plan for the current year (2015) was obtained from the office of the Secretary together with the minutes of council that approved the plan dated 2nd/02/2015.
		A LG has a budget (estimates of revenue and expenditure) for the current year approved by the Council and submitted to Mol	Yes		The LG budget for the current financial year and minutes of council with the approval of the budget and date was obtained from the office of the secretary with date submitted to MOI on 21 st Dec, 2014, and budget estimates of 30,000,000,000 Somali Shillings.

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
	3	The LG Budget for the current FY is balanced	Yes		The secretary General at Galkacyo municipality has shown and submitted to MOI a current FY budget which was balanced both Revenue and expenditure (R&E) and showing Revenue of 30,000,000,000 Somali Shillings and Expenditure of 30,000,000,000 Somali Shillings. .
Financial management and audit		LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to MoI	Yes		MOI LG department confirmed the submission of annual financial statements of the Final accounts of previous FY to MOI and dated on 29 st – Dec - 2014.
LDF Specific		LG has signed a Participation Agreement with MoI and witnessed by MoF and AG		No	This indicator is not supposed to be assessed this year. UNCDF and MOI have agreed that all LG to score No or Zero, but it will not affect their allocation.
		LG has an operational LDF Bank Account in a Commercial Bank	Yes		From Galkacyo LG Executive secretary was obtained a copy of dedicated LDF account with bank branch and the Name of the bank which was Dahabshiiil– Galkacyo with account # 346 and signature mandates of signers of the account, which is the mayor and Executive secretary.
		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	DDF, of Galkio district was received from the MOI planning department and it has clearly specified outputs; investment priorities; Gender; cross-cutting issues; Environmental as well as the district profile submitted to MOI on 10 th April 2013. Hence they were awarded 5 marks.
	2.	Quality of the planning and budgeting process <i>Maximum – 9 points</i>	9	AT obtained and reviewed evidence from Gakaio LG Planning Department and Office of the Executive secretary, that consultation meetings were held with minutes dated 19 th Feb, 2014; VDCs priorities were considered and a video demonstrating women

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
				participation was presented. Technical staff checked overlaps, and acceptance letter issued obtained, also engineer obtained technical designs and Environmental Impact Assessment (hence they got all the 9 points.
	3.	Quality of the Annual work plan and Budget <i>Maximum – 6 points</i>	5.5	In this indicator, Galkio LG and MOI have provided/obtained and reviewed by the AT these documents, Annual work plans and Budget submitted by Galkaio LG, also MOI obtained Annual work plan and budget with revenue forecast including LDF fund allocation and its cofounding funds, meanwhile in the budget they did not captured revenue arrears hence it was deducted 0.5 marks. MOI LG department obtained a copy of Galkacyo annual work-plan and budget after a review it was noted that all the prioritized projects were implemented and AT visited the project sites for all the projects captured in the AWP&B. Hence they are awarded 5.5 as per assessment guideline.
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. UNCDF and MOI have agreed that all LG to score Zero, but it will not affect their allocation.
	5.	Tax Assessment – existence of tax registers <i>Maximum – 6 points</i>	6	From Galkayo LG revenue/Tax unit obtained and reviewed all the necessary documents under these indicator including property register in place and premeditated, also Business Information Management systems (BIMS) showing LG business registration, also Galkacyo LG has other registers, including Daily business register known as Sanco book, and Cash book for Business registration, Polo that they use to register only for business that generate daily revenues, and they are properly developed and maintained. Lastly Galkacyo has own property registration book with 24 properties

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
				owned by Galkacyo LG. Hence they got 6 marks
	6.	Local Revenue Administration <i>Maximum –8 points</i>	7	In 2014 Galkio municipality have collected above 92.2% of the planned revenue. Also Revenue collected by the district in FY (n -1) compared to the last FY (N - 2) has increased 9.3%. On the other hand the district has allocated 16% of the local revenue collected to development projects which is more than 10%. As indicated above since the revenue increased by less than 10% i.e. 9.3% they are awarded 2 points and hence they missed 1 point, as per assessment guideline. Also the appointment letters of tax collectors were available and reviewed, names segregated as per tax head and the appointment letter with the pictures were obtained.
C) Procurement <i>Maximum - 15 points</i>	7.	Existence of capacity to manage the procurement function <i>Maximum –5 points</i>	5	AT has obtained and interviewed the staff dedicated to perform procurement function whose name is Ahmed Ali with title of Procurement officer under public works department, with Secondary school certificate. Also LG has tender committee, the names of tender committee in Galkacyo Ahmed ALI, Mohamed Yusuf, Kadiido, Saahid and Cumar Abdulahi and all of them are in line with the procurement guideline and they are the right members, also minutes of tender committee meetings was obtained with dates on 25 th July, 2014, and 5 th Feb, 2015, all these minutes are recorded in one file.
	8.	Procurement Planning <i>Maximum –5 points</i>	5	Mol LG department was obtained the procurement plan of the CFY of Galkio submitted by Galkacyo LG on 18 th – March - 2015, and the procurement plan is approved by the council on 6 th /Jan/2015 and signed by the mayor on same day, 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 and they scored the required marks under this indicator.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
	9.	Procurement Management <i>Maximum –5 points</i>	4	At Galkio AT obtained and reviewed procurement Focal point for all the bid documents. On other hand all the LDF procurements were made as per plan, but the focal point failed to show an updated contract register, and they missed 1 mark.
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	The AT obtained and reviewed the cash book for the LDF bank account, however the cash book was not up to date and not signed by the director of finance, hence they missed 1 point. On the other hand the bank reconciliation statement is in place and checked by the AT month by month, they also obtained and reviewed the cash book for the local revenue. Beyond the cash book there are also other books of revenue collection which include: void book RVs, and Daily journal. Hence they awarded 4 points out of 5 points
	11.	LG has established the Internal Audit function <i>Maximum –6 points</i>	4	Galkio LG internal auditor has produced 25 reports in 2014; AT obtained and reviewed all the reports. The Secretary of the LG Council also submitted to the AT minutes of the council meeting on the internal auditor's reports, dated on June, 4 th 2015, but there was no follow up that has been made by the council and no evidence was obtained and no actions taken. Hence they missed 2 marks and since they auditor prepared more than 4 reports and councillors discussed the issue they are awarded 4 points as per the guideline.
	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 lastly checked on 29 th Sep, 2015, and signed by the admin and finance director. However, after reviewing final accounts in the previous year some assets were not reflecting the final account, hence it was deducted 2 point as per guideline.
E) Project Execution/	13.	Projects implemented as per plan	7	From Galkio LG planning department was

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
Implementation <i>Maximum - 15 points</i>		and budget <i>Maximum –7 points</i>		obtained a list of Projects implemented in 2014 namely: 1. Durdur Tarmac Road. After obtaining DDF and Annual work plan and budget, all the projects implemented adhere to investment menu, also all the projects implemented have approved technical designs including BOQs, designs, and Clear technical specification. the only one project of Galkacyo district have completed as per the work plan set in the sign board, lastly, all the projects implemented in Galkacyo are also completed within the budget in the BoQ and in the allocation. Hence they got all their points in this indicator.
	14.	Project Execution Capacity <i>Maximum –8 points</i>	7	Galkio LG have an engineer his name is Abdihamid Farah and qualification is diploma in civil engineering, also LG has 5% allocation of project admin cost which is \$ 5,000 USD only. AT obtained and reviewed the draft of final account for the previous year and 100% of Galkio LDF allocation is used. And Project completion certificates were obtained and reviewed, on the other hand AT visited the sample works of the project, but unfortunately the AT was not found any sample works shown of the project and then they missed 1 point, also the AT was obtained and reviewed the Commissioning of the LDF completed projects reports dated on 2 nd Dec- 2014 and as per guidelines for each indicator they scored 7 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>	3	AT was obtained and reviewed 2 meeting minutes with dates and full quorum date on 30 th Jan – 13 th Feb –2015 and 2 nd July – 24 th July 2015 reports from LG council secretary, on the other hand the meeting minutes were recorded clearly, stored , however the local council standing committee was not monitored in 2014 projects one monitoring report produced together with VDC. Meanwhile, the performance assessment results in last year was not discussed by the council because PAMs was not implemented Galkio in last year, so the AT following

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
				assessment procedure have agreed to deduct 1 point in order to follow the assessment procedures and Guidelines as agreed by the parties.
	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>	4	AT has checked and reviewed all publications and some publications were found and others was not, the founded and reviewed publications include: LDF allocations, budget and annual approved projects, procurements plan, awarded contracts and amounts. The publications was not founded include: local revenue collected and how spent, physical progress reports, las year PAMs results. AT also interviewed the VDC and NGOs and they told that some of these publications have been made though: Media, meetings, Newspapers, and some of them not being informed or seen it.
	17.	Timely submission of accountability and progress reports to Mol ³ <i>Maximum –4 points</i>	0	This indicator is not supposed to be assessed this year. UNCDF and MOI have agreed that all LG to score Zero, but it will not affect their allocation.
		Total	77.5 out of 90	Meaning that = 86.1%

4. Overview of Capacity Building Requirement of the LG.

1. Limited knowledge of the district staff on the new LG PAM
2. Poor asset management skills
3. Procurement unit is weak and needs more training on PEM⁴ guidelines.
4. Need to developed an Internal Audit Manual and Guidelines by MOI and JPLG since all the district have used different guidelines and formats.
5. Human Resource Management training to be conducted in Galkacyo.
6. Refresher PEM training to be conducted in Galkacyo.
7. No use of BIMS in Galkacyo/it is not installed in the district finance and revenue offices.
8. Monitoring and Evaluation training to be provided.
9. Poor equipment in the offices.

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. DDF 2014 and 2015 at Galkio district
3. District Profile
4. VDCs Consultation meeting
5. Tender committee meeting
6. Executive committee meeting
7. Minutes for project prioritization
8. Reports of Auditor with recommendations
9. Environmental impact Assessment Check Lists
10. Bid Documents
11. Procurements plan
12. Feasibility Analyses and technical Costing for the prioritized projects
13. Name and qualification of Procurements focal point
14. Minutes of Meeting and attendance list of 5th Council Meeting in 2014
15. Name and qualification of district engineer
16. Completion certificates for LDF project
17. Commissioning reports for project completion
18. LG Closing Accounts for 2014 (12 documents)
19. LDF Cash book
20. LG Budget for the current Fiscal year
21. LDF Bank Account Statement.
22. Cash Books
23. Check books with signatories
24. Cheque
25. LG Budget for the current Fiscal year
26. LDF Bank Account Statement, Video and pictures of community consultations with men and women in VDCs
27. LDF Cash book
28. Nomination Letters
29. Curriculum Vitae for LG Engineer
30. Environmental impact Assessment Check Lists
31. Contract Agreements
32. LG Closing Accounts for 2014 (12 documents)
33. Tax Revenue Collection books
34. Cash Books
35. Check books with signatories
36. AIMS Database used in the LG
37. BIMS Database used in the LG
38. LG Asset Register
39. List of Projects Implemented in Galkacyo LG
40. Tender Approval Letters for 2014
41. Tender Approval Letters for 2015
42. Approval for Procurement Plan 2014

Annex 2: List of People Met

1	Abdiaziz Jama Guled	Mayor of Galkayo City	Galkayo
2	SahidMohamud Ali	Consultant	Galkayo
3	Yahyeahmed Mohamed	Director of Planning	Galkayo
4	Ahmed Mohamed Ali	Director of Finance	Galkayo
5	Mohamed Dubed	Executive Secretary	Galkayo
6	Abdirashid Hasan Dhaqane	District Engineer	Galkayo
7	Ahmed Abdi Mohamud	Internal Auditor	Galkayo
8	Ahmed Mohamed Jama	Council Secretary	Galkayo
9	Yusuf Elmi Mohamed	Director of Revenues	Galkayo
10	Abdirashid Mohamed Ali	Engineer	Galkayo
11	Abdirizak Omar Gaab	Human Resource Manager	Galkayo
12	Omar Abdulahi Farah	Assistant Consultant	Galkayo
13	Mohamed Aden Sha'iyie	Councilor	Galkayo
14	YasinAbdulahi Salah	Councilor	Galkayo
15	Mohamud Mohamed	TA	Galkayo
16	AbdifitahAbdulahi Jama	Councilor	Galkayo
17	AbdihakimMohamud Mohamed	Councilor	Galkayo
18	Muhiadin Abdi Warsame	Councilor	Galkayo
19	Mohamed MohamudHusein	Deputy of Chairman of the City Council	Galkayo
20	Omar Habun Shirdon	Treasurer	Galkayo
21	Abdulkadir Mohamud Omar	Councilor	Galkayo