

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.

- GARDO DISTRICT 13TH - 14TH - OCTOBER - 2015 -

Conducted by:



Conducted by:



FINAL DRAFT REPORT

2015

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Abbreviations.

LG:	Local Government
MCS:	Minimum Conditions
PMs:	Performance Measures.
MoI:	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
AT:	Assessment Team
SG:	Secretary General

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Acknowledgement.

From the government of Puntland we thank Mohamed Abdukadir Kaarshe from MOI for his supervision, his Excellency the Mayor of Gardo district, the General Secretary of Gardo district and all other members of the district for their collaboration.

We also thank the funding agency UNCDF who provided financial support and the valuable quality assurance.

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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 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 all the districts that are implementing LDF supported projects as per the assessment calendar and guidelines issued by MOI. Gardo is among those districts implementing the LDF projects.

Gardo was the second district to be assessed based on the new LG PAM from **13th -14th – October 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 evidence of compliance was obtained.

Gardo district has met all the Minimum conditions except the 5th indicator that was not supposed to be assessed this year in accordance with the provisions in the LG PAM. The district scored **86.5 out of 90** that were supposed to be assessed this year. Areas that Gardo 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 the internal audit function.

1. Introduction

a. Assessment team.

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

b. Timing and duration of the assessment.

As per the calendar **Gardo** was the second district to be assessed on both the Minimum Conditions and Performance Measures based on the revised LG PAM. The assessment was conducted from **13th to 14th October** 2015 between 7:00am and 4:00pm during the two days.

c. Assessment Process.

The MOI informed Gardo District about the assessment a week before the scheduled time as per the Assessment calendar of the Assessment 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 and 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.

Secondly the mayor of Gardo district officially opened the assessment and urged the team to make ensure fairness, since Gardo had scored the second position in the last assessment. Lastly the Mayor requested the departments to collaborate 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 Gardo district the team faced some challenges, these included:

I. Challenges

- Few departments were represented and wanted to answer all the questions, and this shows that the work of the district is dependent on a few individuals.
- 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 difficulty 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 Minimum Conditions.

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
Planning and Budgeting	1	A LG has an annual work plan for the current year approved by the LG Council	Met		From the office of the Planning department was obtained and reviewed the current annual work plan approved by the council with minutes and dated on 26 Jan. 2015
	2	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 of Gardo was obtained and reviewed an approved budget for the current year with minute of the council meeting. Meeting held on 5 th -26 th Jan. 2015.
	3	The LG Budget for the current FY is balanced	Met		From the office of the Secretary the revenue forecast of the current FY was obtained, reviewed, and found that revenue and expenditures are equal. (SoSh.17,672,446,500) The revenue forecast was submitted to Mol on 05/01/2015
Financial management and audit	4	LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to Mol	Met		From the MOI LG department AT obtained and reviewed a draft of final accounts of the previous FY. On 05/01/2015 it was submitted to Mol.
LDF Specific	5	LG has signed a Participation Agreement with Mol and		Not met	This indicator is applicable in this assessment. All LG will score

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
		witnessed by MoF and AG			zero and it will not affect their allocation as agreed by MOI and UNCDF.
	6	LG has an operational LDF Bank Account in a Commercial Bank	Met		From the office of the Secretary, AT received and reviewed the LDF Bank Account, and LDF Bank Account No. is 1663, Dahabshii, Garowe Branch. The Mayor and The Executive Secretary are mandated to sign the account's activities
		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	Gardo LG office of Planning was obtained and reviewed the latest version DDF that has clear outputs, indicators, investment priorities, and gender Cross-cutting Issues with environment issues Considerations also district Profile developed and submitted to Mol.
	2.	Quality of the planning and budgeting process <i>Maximum – 9 points</i>	9	From Gard LG Planning office it was Obtained consultation meetings held with minutes. VDCs priorities were considered and video of women's participation was demonstrated. Technical staff checked overlaps and acceptance letter issued. The engineer provided the technical designs and environmental Impact assessment. Hence they have been awarded all their points in this indicator as per guideline.

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
	3.	Quality of the Annual work plan and Budget <i>Maximum – 6 points</i>	5.5	From Moi and LG Planning department we obtained AWP&B of the current year. Moi has received the AWP&B. (Moi) and AT discussed with the finance persons and reviewing the annual work plan and found that all prioritized projects are captured in the work plan and budget. Further the budget and the annual work plan are linked. However other sources of funding for the LG is not clearly defined in the revenue forecast. For this the LG received 5.5 out of 6 marks
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 applicable and 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	Gardo Municipality revenue/Tax Unit produced 2 property registers. One manual and the other computerized. A printed copy of the LG property was handed to the AT and is filed. Also there 2 kinds of business registers, manual and computerized (BIMS). We have copies of invoices printed from the BIMS that were prepared in the presence of AT. The copies of invoices are available in the files of the AT. For that the LG received all the 6 points of the indicator in accordance with the guidelines.
	6.	Local Revenue Administration <i>Maximum –8 points</i>	7	In 2014 Gardo municipality collected about 87.3% of the planned revenue. They also allocated 15.1% of the local revenue collected to development projects including LDF as per calculation made by the assessment team hence they are awarded all the points as per the guideline. On the other hand Local revenue collected in the previous FY (n -1) compared to the last FY (N - 2) has increased 8.3%. i.e. (5% - 10%) and they awarded 2 points out of 3 points as

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
				per guideline.
C) Procurement <i>Maximum - 15 points</i>	7.	Existence of capacity to manage the procurement function <i>Maximum –5 points</i>	5	Procurement officer/focal point was appointed officially his name is Waise Aidrous Gure. Graduate of SIBA management and accounting Institute 2006 with IT background, nominated on 05/10/2013 CV and letter of appointment are recorded in AT's file. The procurement committee meets. There are minutes and attendance lists properly recorded; hence they are awarded all the 5 points of this indicator.
	8.	Procurement Planning <i>Maximum –5 points</i>	5	The procurement plan was approved by the council on 20/12/2013 and signed by the Mayor. On the same date the procurement plan was submitted to Mol. Mol confirmed receipt. AT obtained a copy. The Procurement plan is prepared as per format. All the three prioritized projects are included in the procurement plan. Hence they are awarded all the 5 points of this indicator.
	9.	Procurement Management <i>Maximum –5 points</i>	4	From the procurement Focal person we obtained all the bid documents for all procurements, also all the LDF procurements were made as per plan, Gardo procurement focal person also provided the contract activity file of all procurements of LDF however, the Contract register was available but not up to date. 1 point was deducted as per 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>	5	From Gardo district LG AT obtained and reviewed a separate cash book for the LDF bank account. The LDF cash book is signed by the head of finance. (The cash book was too big for the AT to take as an evidence of its existence). The reconciliation is signed by two senior officials. A copy of signed checks which were issued in 03/09/2015 is kept by the AT. We verified existence of two signatures on the LDF cash books and Revenue cash book, also other books were obtained and reviewed such as, vote book,

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
				cash receipts, were maintained. Accordingly they scored all the 5 points
	11.	LG has established the Internal Audit function <i>Maximum –6 points</i>	5	Internal Audit submitted 4 reports on July and October 2014 and 2 reports in April 2015. Only 2 reports out of the 4 was responded to by the council. The council meets twice in a year, since they only responded two reports they gained 1 point each for 0.5 and deducted 1 point each for 0.5 as per assessment guideline. Also the AT obtained and reviewed follow up actions taken by the executive secretary on the decisions of the council in the Internal Audit reports
	12.	Asset Management: inventory of infrastructure and assets <i>Maximum –4 points</i>	4	From Admin and Finance Department was obtained and reviewed the Asset register which is maintained and up to date, latest update was on 23 rd Sep,2015. Assets were reflected in the final accounts of the previous FY. And they are awarded all their points as per assessment guideline.
E) Project Execution/ Implementation <i>Maximum - 15 points</i>	13.	Projects implemented as per plan and budget <i>Maximum –7 points</i>	7	All the necessary information and documents of this indicator was obtained from Gardo LG planning department. Including: The projects are Wadajir Round about, Shimbirale drift road and Line Dheere tarmac road. A completion report was submitted by the District Engineer on 25 July, 2015. Hence, they were awarded all their 7 points in this indicator since all the planned projects were implemented as per plan and budget.
	14.	Project Execution Capacity <i>Maximum –8 points</i>	8	The engineer's name is Mohamed Elmi Muse. Nomination letter and CV were obtained. Percentage of the LDF received and spent is 99.3% which is more than 80%. So they scored 3. Certificates of completion of all projects are maintained. Projects are completed and commissioned. Hence they got all their points as per assessment guideline.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks ¹
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	From Gardo LG secretary we obtained and reviewed 2 meeting minutes with dates and full quorum. 4-23 Jan. 2014 and 5-26 Jan. 2015 The meeting minutes were recorded clearly and it was obtained. Also project monitoring was carried out by the councils on 12-13 November, 2014 and copies of reports are received and kept in file and hence they are awarded all their points.
	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>	7	On the LG notice board was seen and checked, the Publications include: LDF allocations, local revenue and how it spent, procurement plan, awarded contracts and amounts, physical progress reports Performance results, and annual work plan and budget. AT also interviewed the VDC and NGOs and they said that all these publications have been made through: Media, meetings, Newspapers and they also confirmed that they are aware of the last performance assessment results. AT met with female VDCs and an NGO Called Gallad that works in Social development. Both of the participants acknowledged their participation. Hence they are awarded all their 7 points.
	17	Timely submission of accountability and progress reports to Mol ³ <i>Maximum –4 points</i>	0	This indicator is not to be assessed. All LG will score zero and it will not affect their allocation as agreed by MOI and UNCDF.
		Total	86.5 out of 90	Meaning = 96.1%

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

4. Overview of Capacity Building Requirement of the LG

1. Limited knowledge of the district staff on the new LG PAM
2. Limited knowledge of office management
3. Poor asset management skills
4. Improper use of BIMS by the revenue staff
5. Some departments are missing and needed to be created
6. High turnover of employees
7. Financial resources of the Gardo district are limited
8. Social affairs department doesn't have special office space
9. The district accounts had not been audited by the External auditor at the time of assessment
10. Audit training is needed
11. Procurement training needed
12. Project management/ Cycle training needed
13. Need to refresh training on PEM Modules.

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Annexes

Annex 1. List of documents consulted.

1. Gardo Mock Assessment Report
2. Gardo District development Frame Work (DDF)
3. Annual work plan and Budgeting For Gardo District 2015 (AWP and B)
4. Annual work plan and Budgeting For Gardo District 2014 (AWP and B)
5. List of Tax Collectors and their appointment letters
6. Feasibility Analysis documents
7. Environmental impact Assessment Document
8. Bidding document for: Constriction of Line Dhere Tarmac Road 2014
9. Bidding Documents for: Construction of Wadajir ROUNDABOUT and Tarmac Road 2014
10. Bidding Documents for: Construction of Shimbirale Tarmac Road (Concrete road). 2014
11. Business Licensees Register
12. Property Tax Bill
13. Business Licenses Tax Bill
14. Gardo LG Revenue Document 2014
15. Gardo LG revenue Document 2015
16. JPLG project Completion Reports
17. Projects Approval Forms- Overall Check list
18. Minutes of Consolation Meeting with Gardo district Councils and Village Committee
19. Internal audit reports
20. Responses of internal audit reports by the council and Executives
21. Final Accounts Documents
22. Minutes of meeting for Technical Evaluation, costs and avoiding overlap
23. Bid Opening Minutes for Shibirale Road
24. Minutes of Gardo District council meeting on January 2014
25. Minutes of Gardo District council meeting on January 2015
26. LG Closing Accounts for 2014 (12 documents)
27. LDF Bank Account Statement, Ac # GRWDOOO1663

Annex 2. List of people met

#	Name	Title	Location
1	Abdi Said Osman	District Mayor	Gardo
2	Mohamud Mohamed Shire	Secrarty General Gardo District	Gardo
3	Wais Aidarus Gure	Procurement officer	Gardo
4	Awil Mohamoud Ali	Consultant	Gardo
5	Farah Mohamec Ahmed	Social Affairs person	Gardo
6	Yasin Abdi Jama	Director of Finance	Gardo
7	Mohamed Abdi Yusuf	Consultant	Gardo
	Suaad Yusuf Mohamed	Department of public affairs	Gardo
8	Mohamed Elmi Muse	District Engineer	Gardo
9	Matryan Abdi Mohamed	Secretary office of mayor	Gardo
10	Abdirizak Omar Farah	Deputy Mayor	Gardo
11	Mohamed Abdulahi Omar	Accountant	Gardo
12	Canbaro Maxamed Ise	VDCs	Gardo
13	Fadumo Cumar Xusseine	VDCs	Gardo
14	Cabdiladif Husseine Ali	NGOs	Gardo
15	Astur Jawase Abdi	Council	Gardo
16	Abdirizak Ali Artan	Regional Accountant	Gardo
17	Abdikadir Osman Yusuf	Tax department	Gardo
18	Ayan Osman Haji Mire	Admin	Gardo

.END.