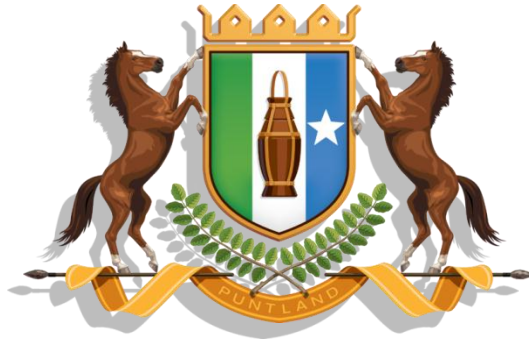


# THE GOVERNMENT OF PUNTLAND



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

ASSESSED PERFORMANCE YEAR - 2014 -

### INDIVIDUAL LOCAL GOVERNMENT PERFORMANCE ASSESSMENT REPORT.

- GAROWE DISTRICT 17<sup>TH</sup> - 18<sup>TH</sup> - OCTOBER - 2015 -

Conducted by:



**FINAL DRAFT REPORT**

Conducted by:



**2015**

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

His Excellency the Mayor of Garowe district, Mr. Hassan Mohamed Isse, did not move from his chair from 7:30AM 14:00PM. He said: "All of us must remain at office so that we become ready in order to carry out the assessment as planned". We also thank the General Secretary 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 and waiting 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 of LD since the districts have been receiving the LDF funds for the past 4 years.

PIDAM University conducted the annual assessment in 2014 for all the participating districts. Garowe is among those districts implementing the LDF projects with the supervision of MOI, as per the assessment calendar and guidelines.

Garowe becomes the third district to be assessed using the new LG PAM. The assessment was conducted from **17<sup>th</sup> -18<sup>th</sup> – October 2015**. During this assessment all the target people were met and all the necessary documents were obtained and reviewed. Among the documents reviewed are: income and expenditure statements, ledger accounts, minutes of the meetings, payroll sheets, attendance sheets, contracts, appointment letters, job descriptions, personnel register, bank statements and bank deposits/deposit slips, the DDF, annual plans and budgets approval, approval of the projects and completion certificates.

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

Consequently, Garowe, have met all the Minimum conditions except the 5<sup>th</sup> indicator which was not supposed to be assessed this year as agreed by MOI and UNCDF and it will not affect district since it will be affective in the next year. The district scored **81.5 out of 90 on PMs**

### **Areas that district performed well include:**

- Project execution/implementation,
- Project Feasibility
- Procurement
- Internal Auditing Functions
- Bid Management
- Project Completion and commissioning
- Maintaining records in Separate files

### **The areas that the district underperformed include:**

- Asset management and inventory
- Communication
- Budget Classification
- Application of AIMS in the District

## **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. However, one of the indicators (5<sup>th</sup> indicator) will not be assessed this year and will not affect the status of the Minimum Conditions as agreed by MOI and UNCDF.

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 Bosaso.
3. **Abdirizak Haji Isse** – Assistant.

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

As per the calendar Garowe was the third district to be assessed using both the Minimum Conditions and Performance Measures under the revised LG PAM. The assessment duration for each LG was two days, from 17<sup>th</sup> – 18<sup>th</sup> – October - 2015. Usually the assessment starts at 7:30AM to 15:00PM in all districts.

***c. Assessment Process.***

Before the team reached Garowe district they had informed the district to be ready for the assessment according to the calendar for the assessment, in this year. As a result, 28 participants comprising the Mayor; district department officials, and other 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 that the AT will follow during the assessment and briefed the district team on changes that have been made both in the MCs and PMs and the overall scoring scheme. Finally, the AT confirmed that they will conduct this assessment as fairly as possible and shall avoid any inconveniences to the district's other operations.

After the opening session, the AT started the assessment by first receiving 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 in the LG PAM and guidelines, and received a copy of each the relevant document. The team also visited the LG Notice Board, the projects sites and finally interviewed individuals from VDCs and NGOs.

Lastly, after the data collected was compiled and edited, the team held a recap meeting with the district to let them know the areas they performed well and the areas they performed poorly.

**d. Process Challenges and Mitigation measures.**

**I. Challenge:**

The team did not encounter any challenges in Garowe district.

**II. Mitigation Measures.**

In Garowe district the process took place smoothly and the AT and MOI appreciates this level of preparedness and encourages the district to continue this good work.

**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 in Law no, 7 should be added to the MCs.

**1. 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	Yes		The annual work plan for the current year (2015) was obtained from the office of the Secretary together with the minutes of councillors' meeting that approved the plan dated 5 <sup>th</sup> – 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	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, minutes dated 13 <sup>th</sup> – Jan – 2015.
	3	The LG Budget for the current FY is balanced	Yes		The secretary General at Garowe municipality has shown a current FY budget which was balanced both Revenue and expenditure (R& E).the revenue and Expenditure forecasted is; Revenue Sh.So. 9,983,614,000 and Expenditure of Sh.So. 9,983,614,000
Financial management and audit	4	LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to Mol	Yes		MOI's LG department confirmed the submission of annual financial statements of the Final accounts of for the previous FY to MOI dated on 31 <sup>st</sup> – Dec - 2014.
LDF Specific	5	LG has signed a Participation Agreement with Mol and		No	This indicator is not supposed to be assessed this year. As agreed by MOI

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
		witnessed by MoF and AG			and UNCDF this will not affect the district
	6	LG has an operational LDF Bank Account in a Commercial Bank	Yes		From Garowe LG Executive Secretary has <u>was</u> obtained a copy of dedicated LDF account # 850 with bank branch and the Name of the bank which was Dahabshiil, Garowe and the mandated signatories of the account which are the Mayor and the executive secretary.
		Overall	Met		

## 2. Results of Performance Measures.

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>	5	DDF of Garowe district received from the MOI planning department and it has clear specific outputs, investment priorities, Gender cross-cutting, Environmental as well as district profile submitted to MOI – on March – 18 <sup>th</sup> – 2013. Hence, they got 5 marks.
	2.	Quality of the planning and budgeting process  <i>Maximum – 9 points</i>	9	From Garowe LG planning office was obtained consultation meetings held with minutes dated on 2 <sup>nd</sup> – Jan – 2014, VDCs priorities were considered and video of women participation was demonstrated. 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 of this indicator.
	3.	Quality of the Annual work plan and Budget  <i>Maximum – 6 points</i>	5.5	AT reviewed the received documents, and obtained from MOI LG department Annual work plans and Budget submitted by Garowe LG, also from MOI was obtained Annual work plan and budget with revenue forecast of the LDF and Donors funds as a one source and hence it was deducted 0.5 marks, also from MOI LG department was obtained LG annual work-plan and budget,

<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>
				and 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 <sup>2</sup>  <i>Maximum – 6 points</i>	0	This indicator is not supposed to be assessed this year. As agreed by MOI and UNCDF this will not affect the district.
	5.	Tax Assessment – existence of tax registers  <i>Maximum – 6 points</i>	6	Garowe Municipality revenue/Tax department were obtained and all the necessary documents under these indicator including property register in place and designed, also Business Information Management systems showing LG business registration, also Garowe LG has other registers, including Daily business register known as Sanco book, and Cash book for Business registration, lastly Garowe LG has own property registration book with 7 properties owned by Garowe LG. Hence they got 6 marks.
	6.	Local Revenue Administration  <i>Maximum –8 points</i>	6	In 2014 Garowe municipality have collected above 90% of the planned revenue. Also Revenue collected by Garowe district FY (n -1) compared to the last FY (N - 2) has increased by 27%. On the other hand, the district has allocated only 5.5% of the local revenue collected to development projects. But the LDF was not included in the revenue as per calculation made by the assessment team, hence they got zero marks since the LDF was not included in the percentage that has been allocated for development. Then 1 mark was deducted. Also the appointment letters of tax collectors were not available, only their names were available, and also on other 1 mark was deducted for that reason.

<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>
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 Abdiwali Ismael Yusuf with title of Procurement officer under public works department, with Bachelor of Business administration. Also Garowe LG has tender committee, the names of tender committee in Garowe are Abdiwali Ismael, Jama Isse, Abdirisak Nero, Dabaylaqore, and Hawo Isse 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 3 <sup>rd</sup> /Feb, 2013, 4 <sup>th</sup> – April, 2014, and 17 <sup>th</sup> , March, 2015, all these minutes are recorded in one file.
	8.	Procurement Planning  <i>Maximum –5 points</i>	5	The LG department of Mol has obtained the procurement plan of the CFY of Garowe submitted on 25 <sup>th</sup> – April - 2015, and the procurement plan was approved by the council on 27 <sup>th</sup> /Jan/2015 and signed by the mayor on same day, the 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 all the marks under this indicator.
	9.	Procurement Management  <i>Maximum –5 points</i>	4	From Garowe procurement Focal point obtained all bid documents for all procurements, also all projects in the Procurement plan are made according work plan and budget also, in the office of the procurement focal point it was also obtained a complete contract file but the focal point failed to show an updated contract register and they missed 1 mark 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>	4.5	From Garowe LG finance department we obtained and reviewed a cash book for the LDF bank account which was up to date and signed by the director of finance on 10 <sup>th</sup> – October - 2015, also the reconciliation statement is in place and checked by the executive secretary on 10 <sup>th</sup> – October - 2015 also obtained and we

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
				reviewed the cash book for the local revenue. However, apart from the cash book we obtained only a vote book and since they obtained only two account book namely RV and Void Book, hence they are awarded 1 and for the two book we awarded 0.5 as for each as per score guideline.
	11.	LG has established the Internal Audit function  <i>Maximum –6 points</i>	4	From Garowe LG internal auditor was obtained and we reviewed 4 reports produced in 2014. However, the secretary of the LG council also obtained the minutes of the council meeting on the internal auditor reports dated on 12 <sup>th</sup> – Jan - 2015 but there was no follow up that has been made by the council and no actions taken. Hence they missed 2 marks.
	12.	Asset Management: inventory of infrastructure and assets  <i>Maximum –4 points</i>	2	From Garowe LG Admin and Finance department obtained and AT reviewed the asset register that is up to date, lastly updated on 2 <sup>nd</sup> – October - 2015. However, after reviewing final accounts in the previous year some assets were not reflected, hence 2 points was deducted 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 Garowe planning department was obtained a list of Projects implemented in 2014 namely: 1. Garowe round about construction. 2. Wadajir Tarmac Road, and 3. Extension of Garowe round about 2. After obtaining DDF and Annual work plan and budget, all the projects implemented are those adhere to investment menu, also all the projects implemented have approved technical designs including BOQs, designs, and Clear technical specification. All the projects of Garowe are completed as per the work plan set in the signboard, lastly, all the projects implemented in Garowe are also completed within the budget in the BOQs. Hence all the marks of this indicator was rewarded.
	14.	Project Execution Capacity	8	Garowe LG have an engineer his name is Abdulqadir Joomitri and qualification was

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
		<i>Maximum –8 points</i>		Diploma in civil engineering also development project cost was budgeted which was \$ 3,707 USD only. The LG department of MoI obtained and AT reviewed a draft of final account for the previous year and 100% of Garowe LDF allocation is used. And Project completion certificates were obtained and reviewed by the AT also sample works of the project are clearly labelled the amount and starting and end dates. Commissioning of the LDF completed projects have taken place and all their 8 points were awarded 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>	4	From Garowe LG secretary obtained and AT reviewed 2 meeting minutes with dates and full quorum, also the meeting minutes were recorded clearly dates of these meeting was 1 <sup>st</sup> – Jan – 2015 and 7 <sup>th</sup> – June - 2015, and local council standing committee monitored 2014 projects and discussed the performance assessment results of last year as seen from agendas and actions points of the meetings, and all their points were given as per score guide.
	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>	6	From 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 except the publication of the annual approved projects. AT also interviewed the VDC and NGOs and they told 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 and nevertheless they told that the district has got an award certificate. In Garowe notice board was not seen in the annual work plan and budget of 2014 and 2015 and hence they are deducted on mark as per guidelines.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
	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. As agreed by MOI and UNCDF this will not affect the district
		Total	<b>81</b> out of <b>90</b>	<b>Meaning = 90 %</b>

### 3. Overview of Capacity Building Requirement of the LG

1. District staff have limited knowledge of the the new LG PAM
2. Poor asset management skills
3. Department of Finance of Garowe is relatively weak.
4. Need to develop Internal Audit manual and guideline by MOI and JPLG since all the district have used different guidelines and formats.
5. Human Resource Management training to be conducted in Garowe.
6. Refresher PEM training to be conducted in Garowe.
7. Improper use of BIMS by the finance staff

<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. District development Frame Work (DDF)
3. Annual work plan and Budgeting for District 2015 (AWP and B)
4. Annual work plan and Budgeting for District 2014 (AWP and B)
5. District Profile
6. List of JPLJ Projects Planned in 2014
7. Feasibility Analysis documents
8. Environmental impact Assessment Document
9. Bidding document for: Constriction of New Tarmac Wadajir/Horsee/Waberi 2014
10. Bidding Documents for: Construction of Round About 2014
11. Business License Register
12. Property Tax Bill
13. Business Licenses Tax Bill
14. LG Revenue Document 2014
15. LG revenue Document 2015
16. JPLG project Completion Reports
17. Project completion Certificates
18. Project Commissioning Documents and Color Pictures
19. Projects Approval Forms- Overall Check list
20. Minutes of Consolation Meeting with district Councils and Village Committee
21. Internal audit reports
22. Responses of internal audit reports by the Council and Executives
23. Minutes of meeting for Technical Evaluation, costs and avoiding overlap
24. Bid Opening Minutes
25. Minutes of District council meeting on September 2014
26. Minutes of District council meeting on March 2014
27. LG Closing Accounts for 2014 (12 documents)
28. LDF Bank Account Statement, Ac # GRWD0000850.

## Annex 2. List of people met

#	Name	Title	Location
1	Hassan Mohamed Isse	District Mayor	Garowe
2	Osman Mohamud Saeed	Deputy Mayor	Garowe
3	Kassim Mohamed Abdi	General Secretary	Garowe
4	Abdiwali Ismail Yusuf	Procurement Officer	Garowe
5	Sharmarke Jama Hassan	Internal Audit	Garowe
6	Ahmed khalif Hassan	Cashier	Garowe
7	Halima Abdulkadir Barre	Women Affairs	Garowe
8	Abdi Ali Shire	Consultant	Garowe
9	Abdullahi Isse Mohamud	Accountant	Garowe
10	Mohamud Mohamed Jama	Director of General Works	Garowe
11	Abdi Hersi Mohamed	District Engineer	Garowe
12	Saeed Ahmed Shira	Engineer	Garowe
13	Saeed Abdikarim Mohamud	Planning Department	Garowe
14	Hawa Abdullahi Mohamed	Finance Assistant	Garowe
15	Mohamed Abdirahman Gure	Consultant	Garowe
16	Fadumo Yusuf Abdirahman	Planning Department	Garowe
17	Zuhour Hashi Mohamed	Department of Social Affairs	Garowe
18	Abdirashid Isse Abdi	Director of Social Affairs	Garowerah
19	Hawo Khalif F	Chairwoman for Israa' Village	Garowe
20	Abshiro Ibrahim Hasan	Chairwoman for Waberi Village	Garowe
21	Asha Abdi Hassan	Director of Saacom (women development) LNGO	Garowe