

# 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.

– JARIIBAN DISTRICT 24<sup>TH</sup> – 25<sup>TH</sup> – OCTOBER – 2015 -

Conducted by:



Conducted by:



FINAL DRAFT REPORT

2015

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## Abbreviations and Acronyms.

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
AT:	Assessment Team
SG:	Secretary General

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## **Acknowledgements.**

We acknowledge MoI Puntland for their handy supervision and their observance to revive the guiltiness of assessment whenever needed. We also recognize Mr. Kaarshe's guidance in ensuring that assessment is conducted in line with the guidelines and schedule.

We thank his Excellency, the Mayor of Jariiban district, Mr. Mohamed Yusuf Shirwa who gave us support and instructed all the staff not to do any other work during the assessment days. We also thank the General Secretary Mohamed Shire and District Finance director Burhan Ga'ayte, 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 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.

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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 since the districts have been receiving the LDF fund for 4 years.

PIDAM University implemented the annual assessment in 2014 for the whole JPLG target districts in Puntland. Jariiban is among those districts implementing the LDF projects. The AT with the supervision of MOI conducted the exercise, as per the assessment calendar and guidelines provided in the LG PAM.

Jariiban was the Fourth district to be assessed using the new PAM from **24<sup>th</sup> -25<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, DDF, annual plans and budgets approval, approval of the projects and completion certificates etc.

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

Consequently, Jariiban, has met all the Minimum conditions except the 5<sup>th</sup> indicator which was not supposed to be assessed this year as agreed. The district scored **69** out of **90** against the **PMs indicators**

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

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

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

- Asset management and inventory

- Communication
- Application of AIMS in the District
- Procurement.
- Internal Auditing.
- Transparency and Participation.
- DDF Quality
- AWP\$B
- Tax administration and registration

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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, 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 17 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 by reduced their performance allocation ratio i.e. Those who have failed to achieve the agreed minimum score in the annual assessment are also expected not to receive any LDF grant.

### **a. The Assessment Team.**

The assessment team was 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 Jariban.

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

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

As per the assessment calendar Jariiban was the 4<sup>th</sup> district to be assessed using both the Minimum Conditions and Performance Measures under the revised LG PAM. The assessment duration for the LG was two days, from 24<sup>th</sup> – 25<sup>st</sup> 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 team arrived in Jariiban, the district had been informed so as to be ready for the assessment according to the assessment calendar for this year. As a result, 19 participants comprising the district department official, the Mayor 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 them on changes that have been made both in the MCs and PMs and the overall scoring scheme. Finally, AT mentioned that the team will conduct this assessment as fairly as possible and shall avoid any inconveniences to he district.

After opening remarks, the AT started the assessment by first 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 in the tool, and received a copy of each relevant document. The team also visited the LG Notice Board, the projects sites and finally interviewed the individuals from the Village Development Committees (VDCs) and NGOs.

Lastly, after the data was compiled and edited, the team held a recap meeting to inform the district officials on areas where they 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:**

- ☞ Jariiban District have no consultants who are supposed to support the district staff and this has consequently affected their performance.
- ☞ Jariiban had gone through the experience of a dissolved district Council after council members had experienced recurrent disputes that affected the district's capacity to enhance service delivery.
- ☞ Jariiban municipality does not use both AIMS and BIMS system
- ☞ The time of assessment is too short for the team to be able to prepare a comprehensive narrative report 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.

**II. Mitigation Measures.**

District staff should have been trained on the use of the new performance Assessment Manual prior to the commencement of the Assessment. The 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 as per law no 7, and decentralization policy should be added to the MCs.

## 2. Results of Minimum 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		The annual work plan for the current year (2015) was obtained and reviewed by the AT and approved by the LG council on <b>18/12/2014</b> and also reviewed the minutes of councillors approval from the office of the Secretary with the signatures 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 LG budget for the current financial year and minutes of council with the approval of the budget on <b>13/1/2015</b> , was obtained from the office of the secretary.
	3	The LG Budget for the current FY is balanced	Met		The secretary General at Jariban municipality produced the current FY budget which was balanced both Revenue and expenditure (R& E) - were equal as follows.  <b>R=6,063,276,600(shillings)</b>  <b>E=6,063,276,000 (shillings)</b>
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 confirmed and produced the annual financial statements/the Final accounts for the previous FY that were submitted to MOI on <b>29/12/2014</b> .
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 zero and it will not affect them as agree by MOI and UNCDF.

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
		LG has an operational LDF Bank Account in a Commercial Bank	Met		From Jariban LG Executive secretary was obtained a copy of dedicated LDF account with bank branch and the Name of the bank which was <b>Dahabshiil Bank – Garowe Branch</b> and # <b>2661</b> and signature mandates of signers of the account who are <b>Mohamed Yusuf Shirwa</b> (Mayor) and <b>Mohamed Ali Shire</b> (Executive secretary).
		Overall	Met		

### 3. 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>	4	DDF, of Jariban district was received and reviewed by the AT and it has clear specified out puts and clear investment priorities, however in cross-cutting issues it was only seen gender but not environmental issues, so they missed 1 point and lastly DDF has been submitted to the MOI on <b>8/8/2014</b>
	2.	Quality of the planning and budgeting process  <i>Maximum – 9 points</i>	8	AT verified that village consultation meetings were held, compared the Annual Work Plan and found that village priorities were considered with pictures

<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>
				<p>showing participation of village members in the planning process. At discussed with the sector staff and made clear that the priorities were implemented using the LDF. AT discussed with sector staff to insure cost implications and to avoid overlap with other planned activities. LG Executive Committee discussed the prioritized investments to be funded by the LDF. LG Planning Department produced the Feasibility analyses and technical costing of the prioritized investments and made clear that they were done based on technical designs. The LG Planning Department showed that environmental screening was made and mitigation measures were planned and budgeted. However the LG did not did provide LG council discussions and approval of the AWP &amp; B hence they missed 1 point.</p>
	3.	Quality of the Annual work plan and Budget  <i>Maximum – 6 points</i>	5.5	In this indicator, 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

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
				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 were captured in the work plan respectively.
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 them as agree by MOI and UNCDF.
	5.	Tax Assessment – existence of tax registers  <i>Maximum – 6 points</i>	2	AT obtained and reviewed Jariban Municipality revenue/Tax department information, the AT did not find any property register, it was deducted 2 points, on the other hand the AT found and reviewed the business register, however there were no other revenue collection books, hence they missed 2 points.
	6.	Local Revenue Administration  <i>Maximum – 8 points</i>	7	In 2014 Jariban municipality collected <b>87.2%</b> of the planned revenue. Also Revenue collected by Jariban district FY (n -1) compared to the last FY (N – 2) had increased by <b>7.3%</b> . As per calculations made by the AT, On the other hand the district has

<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>
				allocated <b>12%</b> of the local revenue collected to development projects as per calculations made by the AT, which is more than <b>10%</b> as per guidelines.
C) Procurement  <i>Maximum - 15 points</i>	7.	Existence of capacity to manage the procurement function  <i>Maximum -5 points</i>	3	The AT confirmed that there is a dedicated procurement officer - Mr. Ahmed Muse Nur, the tender committees is properly formed and they are as follows: 1) tahlil Jama Hure 2) Ahmed Said Matan 3) Mohamed Jama Kite 4) Mohamed Abdi Shire. But the procurement person failed to submit the minutes of the tender committee meetings and the minutes of the tender committee were not properly recorded and stored, so they missed 2 points.
	8.	Procurement Planning  <i>Maximum -5 points</i>	5	From Mol, LG department was obtained the procurement plan for the CFY of Jariban, which was made according to the procurement plan format in PEM4, also all the approved AWP&B projects are included in the procurement plan and MOI received it on <b>17/3/2014</b> , so they scored the required marks under this indicator.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
	9.	Procurement Management  <i>Maximum –5 points</i>	4	AT interviewed procurement Focal point Mr. Ahmed Muse Nur all the bid documents including POQ, evaluation minutes, opening minutes and the awarded contractor are in place. Also all the LDF procurements were made as per plan, but the focal point failed to show an updated contract register, hence 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 cashbook for the LDF bank account, and Account is No: <b>GRWD0002661</b> .  However, the cashbook was not up to date and was not signed by the director of finance, hence they missed 1 point. However, the bank reconciliation statement is in place and checked by the AT, they also obtained and reviewed the cash book for the local revenue. Beyond the cash book there are also other books of revenue collection, such as Receipt Vouchers.
	11	LG has established the Internal Audit function  <i>Maximum –6 points</i>	1	Jariban LG's internal auditor produced only two reports, but there were no responses made by the council on the internal audit reports. Hence they missed

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
				5 points under the internal audit's function.
	12	Asset Management: inventory of infrastructure and assets  <i>Maximum –4 points</i>	1	AT obtained and reviewed the asset register from LG Admin and finance department and awarded one point for it, but the asset register was not up to date, so they missed 1 point, on the other hand AT reviewed final account in the previous year but the assets were not also reflected in the final account, hence it was deducted 2 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	The AT obtained and reviewed following documents of this indicator and the documents reviewed include: the list of the project  1 Construction of jariban primary school meeting hall  2. Construction of buubi health post  3.Constraction of balibusle minimarket  4. Construction of jariban minimarket  5. Construction of jariban hospital  6. Construction Galhagar primary

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
				<p>school.</p> <p>The AT reviewed 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, <b>100%</b> completed on <b>30/6/2015</b>. 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>	7	<p>Jariban LG have an engineer whose name and qualification were obtained and also the LG development project cost was budgeted.</p> <p>The AT also obtained and reviewed the draft of the final account for the previous year and <b>99%</b> of Jariban, LDF allocation was used as per calculation made by the AT the Project was completed on time (<b>100%</b>) on <b>4/12/2014</b> but completion certificates were not obtained and reviewed, so they missed 1 point, on the other</p>

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
				hand the AT visited a sample of works project, and found that they were clearly labelled and all necessary information Such as contractor, amounts and durations were displayed.
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	The AT obtained and reviewed minutes of two meetings with dates and full quorum, minutes of meetings were clearly recorded and stored, however the local council standing committee did not monitor the 2014 projects and hence they lost 1 point. Finally, the performance assessment results for last year, were not discussed by the council, so they lost another 1 point.
	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	AT checked all publications which include LDF allocations, local revenue collection and how it was spent, budget and annual approved projects procurement plan, awarded contract and amounts, physical progress reports and finally last performance results. AT reviewed all the above publications and also interviewed of VDCs, so they scored all the points as per guidelines.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>1</sup>
	17	Timely submission of accountability and progress reports to MoI <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 them as agree by MOI and UNCDF.
		Total	<b>67.5</b> out of <b>90</b>	= <b>75 %</b>

#### 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 develop Internal Audit manual and guidelines by MOI and JPLG since all the district have used different guidelines and formats.
5. Finance and budget making is weak.
6. Revenue mobilization training to be provided.
7. Human Resource Management training to be conducted in Jariiban.
8. Refresher training on PEM to be conducted in Jariiban.
9. No use of AIMS and BIMS in Jariiban/it is not installed in the district finance and revenue offices.
10. Monitoring and Evaluation training to be provided

<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. DDF 2014 and 2015 at Jaribanb district
3. District Profile
4. VDCs Consultation meeting
5. Executive committee meeting
6. Minutes for project prioritization
7. Environmental impact Assessment Check Lists
8. Bid Documents
9. Procurements plan
10. Feasibility Analyses and technical Costing for the prioritized projects
11. Name and qualification of Procurements focal point
12. Name and qualification of district engineer
13. LG Closing Accounts for 2014 (12 documents)
14. Tax Revenue Collection books
15. Cash Books
16. Check books with signatories
17. LG Asset Register
18. List of Projects Implemented in Jariban LG
19. Tender Approval Letters for 2014
20. Tender Approval Letters for 2015
21. Approval for Procurement Plan 2014
22. List of tender Committees
23. Completion certificates for LDF project
24. Commissioning reports for project completion
25. LG Closing Accounts for 2014 (12 documents)
26. LDF Cash book
27. LG Budget for the current Fiscal year
28. LDF Bank Account Statement, **Ac # GRWE2661**
29. Cash Books
30. Check books with signatories
31. LG Budget for the current Fiscal year
32. Video and pictures of community consultations with men and women in VDCs
33. LDF Cash book
34. Nomination Letters
35. Curriculum Vitae for LG Engineer
36. Environmental impact Assessment Check Lists
37. Contract Agreements

**Annex 2. List of People Met In Jiriban.**

#	Name	Title	Location
1	Mohamed Yusuf Shirwa	Mayor of Jiriban	Jiriban
2	Burhan Gaita Abdi	Admin & Finance	Jiriban
3	Ahmed Muse Nur	Procurement	Jiriban
4	Mohamed Abdi Shire	Secretary General	Jiriban
5	Ahmed Saeed Matan	Social Affairs Department	Jiriban
6	Deak Mohamed Abdulle	General Works	Jiriban
7	Saido Aw Yusuf	Land	Jiriban
8	MaryanMoalimYarow	Chairwoman of Sanitation	Jiriban

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