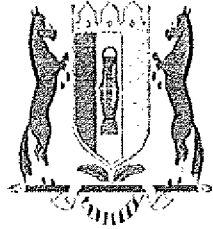| DAWLADDA PUNTLAND EE SOOMAALIYEED WasaaraddaMaaliyadda		PUNTLAND STATE OF SOMALIA Ministry of Finance

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Office of the Accountant General

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Ref:- XG/DPL /042/2016   Date, 21/02/2016

World Bank
International Development
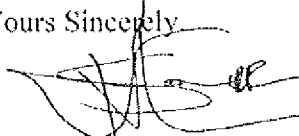1818 II Street, N. W.
Washington, D.C. 20433
United States of America

Sub: **Submission of 2015 an Annual Interim Financial Report IFR**

Project name: Capacity Injection Program (P149971)

Dear Sire,

I am hereby submitting the interim financial report for the CIP project (P149971) as part of the project quarter 1 report covering the period from 13th October-31st December, 2015. I undersigned, confirm the accuracy of the report to the best of our ability.

Yours Sincerely

Abdirisak Said Nur

Accountant General.

Cover Page
Somalia: CIP
Grant No. TF0A0415

Project Number: P149971

Interim Unaudited Financial Report

For the period 13 October 2015 to 31 Dec 2015

Report of the Independent Auditor

To: The Project Management

Report on the financial statements

We have audited the accompanying financial statements of Capacity Injection Project ("the Project"), funded by the International Development Association ("IDA") under the Grant Agreement No TFA0415, which comprise the statement of financial position as at 31 December 2015 and the statement of receipts and payments for the year then ended, and the notes thereto ("the financial statements") as set out on pages 1 to 8. The financial statements have been prepared by Project Management.

Project Management's responsibility for the financial statements

Project Management is responsible for the preparation of the financial statements in accordance with the International Public Sector Accounting Standards and for such internal control as Project Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, except for the effects on the project financial report of the matters referred to above, the financial statements present fairly the cash receipts and payments of the project during the year ended 31 December 2015 and comply with the related grant agreement

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the significant control deficiencies as well as instances of non-compliance which we have provided in a separate management letter. Our audit engagement required an assessment of the controls and procedures applied on the project as well as compliance with the contractual conditions. We have detailed deficiencies identified in this regard on a separate management letter as required by our terms of reference.

Without modifying our opinion, we draw your attention to the fact that the financial statements have not been prepared in full compliance with the International Public Sector Accounting Standards (IPSAS) issued by the Public Sector Committee of the International Federation of Accountants. This is because the financial statements lack notes to the financial statements, accounting policies applied to the project as required by the IPSAS.

Yours faithfully,

Dr Nur Farah   **Villa Somalia**

Auditor General, Federal Government of Somalia   **Mogadishu**
(FGS)

Date 30/06/2016

DISBURSEMENT AND CONTRACT STATUS

Somalia: Capacity Injection Project
Grant No. TF0A0415
Project Number: P149971
Interim Unaudited Financial Report
Disbursements & contract Status Report
Account Number: 0012488205
Account Name: First Community Bank

COMPONENT	Sub-component	Total Contract Value/Budget	Previous period Contract Payments	Current period Contract Payments	Total Contract Payments	Contract Value/ Budget Balance
		US $	US $	US $	US $	US $
Component 1: Support to Core government functions of MDAs in FGS	Sub-component 1.1: Financing eligible civil service salaries in the non-security sectors	3,500,000	0	0	0	0
	Sub-component 1.2 Financing salaries and allowances under CIM					
	Sub-component 1.3 Financing eligible non-salary recurrent costs					
Component 2: Intergovernmental transfers for core government functions (Grants from FGS)	Sub-component 2.1 Transfer to sub-national authorities for core government functions					
	Sub component 2.2 Intergovernmental fora on transfers and information exchange					
Component 3: Strengthening Systems for expanded operations and service delivery	Sub-component 3.1: Setting up basic accountability systems					
	Sub-component 3.2: Financing Eligible salaries and allowances of teachers and health workers					
	Sub-component 3.3: Financing Eligible non-salaries recurrent costs in education and health sectors					
Component 4: Project Management and Coordination	Project Management & Coordination					
	Grand Total	3500000	0	0	0	0

SUMMARY RECEIPTS & PAYMENTS			AMOUNT USD
Receipts			
Receipts from the Grant			-
Other Receipts (if any)			
Total Receipts			-
Bank Interest			-
Total Receipts and Bank Interest			
Payments			
Total Cummulative Payments			
Bank Charges & and other Charges			
Total Payments, Bank Charges & Other charges			
Cash at Hand			
Represented By:			
DA Balances			
Project Advances (if any)			
Others (List)			

Prepared by __Ahmed D. Mohamed   Signature _____   Date__14.02.2016

Approved by   Mohamed A. Mohamed   Signature _____   Date_14.02.2916_____

Somalian Capacity Injection Project

Somalia: Capacity Injection Project

Grant No. TF0A0415
Project Number: P149971
Interim Unaudited Financial Report
Cash book for the month of December 2015
Account Number: 0012488203
Account Name: First Community Bank

Date	Cheque no.	Voucher no.	Narrative	Voucher																	
			Balance B/F		0	0	0	0													
17.12.2015		PV 001	Initial withdrawal Application	PV 001	500,000.00			500,000.00													
17.12.2015		PV 001	Corresponding Bank Charge on WA	PV 001			10.00	499,990.00													
31.12.2015		PV 002	Bank charges on Initial WA	PV 002			21.50	499,968.50													
								499,968.50													
								499,968.50													
			TOTALS FOR THE PERIOD		500,000.00	-	61.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			CUMULATIVE TOTALS		500,000.00	-	61.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Prepared by: _____ Signature: _____ Date: _____

Approved by: _____ Signature: _____ Date: _____

Approved by: _____ Signature: _____ Date: _____

Source & APPLICATION STATMENT

Somalia: Capacity Injection Project
Grant No. TF0A0415
Project Number: P149971
Interim Unaudited Financial Report
Statement of Sources and Application of Funds

Account Number: 0012488203			
Account Name: First Community Bank			
DESCRIPTION		NOTES	AMOUNT IN USD
A	RECEIPTS		
A1	Balances B/F		0.00
	Withdrawal Applications		0.00
	Bank Interest (if any)		0.00
A2	Receipts During the Period		0.00
	Withdrawal Applications	1	500,000.00
	Bank Interest (if any)		0.00
	Total Receipts to Date		500,000.00
B	DISBURSEMENTS		
B1	Balances B/F		0.00
	Component 1: Support to Core government functions of MDAs in FGS		0.00
	Sub-component 1.1: Financing eligible civil service salaries in the non security sectors		0.00
	Sub-component 1.3 Financing eligible non-salary recurrent costs		0.00
			0.00
	Component 2: Intergovernmental transfers for core government functions (Grants from FGS)		
	Sub-component 2.1 Transfer to sub-national authorities for core government functions		0.00
	Sub component 2.2 Intergovernmental foci on transfers and information exchange		0.00
	Component 3: Strengthening Systems for expanded operations and service delivery		
	Sub-component 3.1: Setting up basic accountability systems		0.00
	Sub-component 3.2: Financing Eligible salaries and allowances of teachers and health workers		0.00
	Sub-component 3.3: Financing Eligible non-salaries recurrent costs in education and health sectors		0.00
	Component 4: Project Management and Coordination		0.00
	Project Management & Coordination		0.00
	Sub-total		0.00
B2	Prior Periods Adjustments		
	Component 1: Support to Core government functions of MDAs in FGS		0.00
	Sub-component 1.1: Financing eligible civil service salaries in the non security sectors		0.00
	Sub-component 1.3 Financing eligible non-salary recurrent costs		0.00
	Component 2: Intergovernmental transfers for core government functions (Grants from FGS)		0.00
	Sub-component 2.1 Transfer to sub-national authorities for core government functions		0.00
	Sub component 2.2 Intergovernmental foci on transfers and information exchange		0.00
	Component 3: Strengthening Systems for expanded operations and service delivery		
	Sub-component 3.1: Setting up basic accountability systems		0.00
	Sub-component 3.2: Financing Eligible salaries and allowances of teachers and health workers		0.00
	Sub-component 3.3: Financing Eligible non-salaries recurrent costs in education and health sectors		0.00
	Component 4: Project Management and Coordination		
	Project Management & Coordination		0.00
	Sub-total		0.00
B3	Disbursements During the Period		
	Component 1: Support to Core government functions of MDAs in FGS		0.00
	Sub-component 1.1: Financing eligible civil service salaries in the non security sectors		0.00
	Sub-component 1.3 Financing eligible non-salary recurrent costs		0.00
	Component 2: Intergovernmental transfers for core government functions (Grants from FGS)		0.00
	Sub-component 2.1 Transfer to sub-national authorities for core government functions		0.00
	Sub component 2.2 Intergovernmental foci on transfers and information exchange		0.00
	Component 3: Strengthening Systems for expanded operations and service delivery		
	Sub-component 3.1: Setting up basic accountability systems		0.00
	Sub-component 3.2: Financing Eligible salaries and allowances of teachers and health workers		0.00
	Sub-component 3.3: Financing Eligible non-salaries recurrent costs in education and health sectors		0.00
	Component 4: Project Management and Coordination		0.00
	Project Management & Coordination		41.86
	Sub-total		0.00
	Total Disbursements to date		0.00
	Fund Balance as at 31 December 2015		499,958.20

Prepared by :__Ahmed D. Mohamed_____ Signature: _____ Date_14 02 2016

Approved by: _Mohamed A. Mohamed_____ Signature: _____ Date__14 02 2016

CONTRACTS SUMMARY REPORT

Somalia: Capacity Injection Project
Grant No. TF0A0415
Project Number: P149971
Interim Unaudited Financial Report
Contracts Disbursements Status Report for the period ended December 31, 2015
Account Number: 0012488203
Account Name: First Community Bank

REF	Contract No.	Contractor Name	Start Date	End Date	Category	Component	Sub-component	Contract Type	Contract Amount	Payments	Balance	Comments
1											0	
2											0	
3											0	
4											0	
5											0	
6											0	
7											0	
8											0	
9											0	
10											0	
11											0	
12											0	
13											0	
14											0	
15											0	
16											0	
17											0	
18											0	
19											0	
20											0	

: Bank Reconciliation

Somalia: Capacity Injection Project Grant No. TF0A0415 Project Number: P149971 Interim Unaudited Financial Report Bank Reconciliation Statement Account Number: 0012488203 Account Name: First Community Bank	
DESCRIPTION	AMOUNT IN USD
Balance as per Bank Statement as at 31/12/2015	499,958.20
Deduct: checks issued and transfers requested, not yet presented/charged by the bank (list attached)	0.00
Add: deposits, not yet credited by the bank (detailed individually)	
Add/deduct: errors or omissions by the bank, not yet adjusted (detailed individually below)	
Total Receipts and Bank Interest to date, per the cash book	
Less: Total payments and bank charges as at 21/12/2015	41.80
Balance as per Cash Book as at 31/12/2015	499,958.20
Variance	0

Explanation :

Commulative Expenditure

Prepared by :_____ Signature _____   Date_____

Reviewed by_____Signature_____   Date_____

Approved by_____ Signature_____   Date_____

Unpresented Cheques

Somalia: Capacity Injection Project Grant No. TF0A0415 Project Number: P149971 Interim Unaudited Financial Report List of Unpresented Cheques as at 31/12/2015 Account Number: 0012488203 Account Name: First Community Bank			
Date	Cheque No.	Details	Amount US $

LIST OF ERRORS BY THE BANK NOT YET ADJUSTED AS AT 31ST MARCH, 2014			
Date	Cheque No.	Details	Amount US $
		Total	0

Prepared by   Ahmed D. Mohamed_____ Signature _____   Date_14.02.2016__

Approved by   Mohamed A. Mohamed__ Signature _____   Date 14.02.2016__

	Somalia: Capacity Injection Project		
	Grant No. TF0A0415		
	Project Number: P149971		
	Interim Unaudited Financial Report		
	Trial Balance for the period December 2015		
	Account Number: 0012488203		
	Account Name: First Community Bank		
Codes	**Description**	**Debit**	**Credit**
PV 001	Bank Charges	10.00	
PV 002		31.80	
	First Community Bank	499,958.20	
RV 001	Total Receipt from World Bank		500,000.00
		500,000.00	500,000.00

Prepared by   Ahmed D. Mohaed_   Signature _____   Date__14.02.2016_____

Approved by Mohamed A. Mohamed___   Signature _____   Date___14.02.2016_____