

I N T R O D U C T I O N .

PROFILE OF THE MINISTRY

The Profile of the Ministry of finance is composed of the flowing components with their details and descriptions:-

- 1) Introduction into the formation of Punt land State.
- 2) The Ministry was established in 1998 and it's first Budget was approved on 1st may 1999 covering it's different items and envisioning it's real aims as shown below:-
 - A. The total income generation from 1st may 1999 up to 31/06/2006.
 - B. The total expenditure from 1st may 1999 up to 31/06/2006.
 - C. The comparison between the revenue and the expenditure as at 1st may 1999 up to 31/06/2006
- 3) During those above mentioned years the budget has gone through different administration, Presidents, Financial Ministries, with their different philosophical economic applications and administrations, hence you will clearly find here their records of their activities in a particular form 8th January 2005 up to 31/06/2006 as shown below: -
 - A. Budget of projects
 - B. Security items
 - C. Essential unexpected expenditure
- 4) The structure of the ministry and its internal functions
- 5) What the puntland ministry of finance did during years 2005 – 2006
- 6) Statistics ship, dhows and air cargo planes imported and exported of puntland ports and airport.

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*Ordered by Minister Of Finance
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PUNTLAND MINISTRY OF FINANCE PROFILE

Before the creation of Puntland, SSDF was controlling politically and administratively the revenue of the customs of Bossaso port, airport customs of Bossaso and Galcaio airport Customs.

The revenue of those customs was divided among the following regions at the ration of percentage: -

- ✓ Bari region, Nugal region, Mudug region, Sanag region, Sol region and the district of Buhodle.

After a long lasting and detailed discussions with the elders, the politicians, the educators and the intellectuals who pertained to Puntland by birth as under the umbrella of SSDF, USP and SNDU as the sole political organs functioning at the time decided during the months of May and June 1998 to Announce to the World and the rest of Somalia the creation of an autonomous Regional State of their own. This newly formed state composed of five regions and district Namely:- Bari, Mudug, Nugal, Sanag, Sool and Buhoodle District under the name of Puntland State of Somalia.

It was then decided, that the regional delegates who would stand for the legislative organ of the newly born State be distributed as the following:-

1. Bari Region	112 Members
2. Mudug Region	65 "
3. Nugal Region	65 "
4. Sanag Region	82 "
5. Sool Region and Buhodle District	119 "
6. Puntland Diaspora	<u>15 "</u>
<i>Total</i>	<i>458 Members</i>

The President and Vice president of the State had been elected by the legislative assembly on the 23rd of July 1998 and were sworn in on 1/08/1998.

The elected president has announced the composition of the executive organs state composed of 9 decanters. One of which was the Ministry Finance that was passed by decree No. 01/08 in accordance with article No. 13 of Puntland constitutional charter. As the Ministry of Finance is the base of all economic organs of the State it has immediately faced huge obstacles after its inception.

- a) There was no financial deposition given to the Ministry whatsoever.
- b) It had no qualified staff that could serve the Ministry and State.

- c) It had no means of transport whatsoever to undertake it's duties and services.
 - d) It had no proper offices and a head Office.
 - e) It had no qualified staff could deal with the taxation regulations.
 - f) It had no laws by which it could impose taxes and collect the incoming money whatsoever.
 - g) Another big problem was the fact that the public had totally forgotten about the idea of Governance.
- 1) Another big problem was how to be able to pay back the borrowed huge expenses incurred during the time that the elections and discussions were going on which has become and an extremely difficult and complicated problem to solve not only for the Ministry, but also for the whole government. The Ministry was facing all these problems while its source of income was dependent on the customs of Bosaso port and Airport and Galkacayo Airport customs.
 - 2) At that point, the then Minister of Finance has proposed the preparation and legalization of the rules and regulation that would govern the taxation system of the state Government.

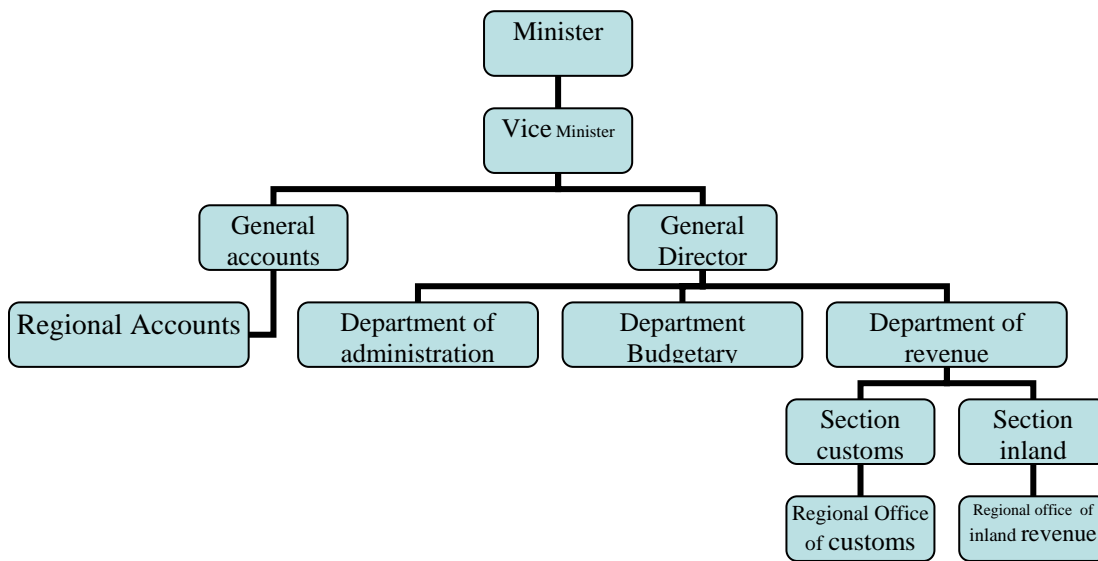
It was only then that the President of the State has issued law number 9 that would govern the inland taxation system on 14/04/1999. Then law number 10 governing the customs taxation system was issued on the same date above mentioned. the president referring to the rules and regulations that the governed the customs and inland taxation, system of the collapsed Somali State, After that, through the Presidential decree law number 25 which would govern the appointment of government civil servants was issued on 10/04/1999.

All the above mentioned laws and decrees had been endorsed and legalized by the General Assembly or parliament on the same date above mentioned i.e 10/04/1999.

- 3) Then the existing Minister of Finance referring the previously mentioned decrees and laws started to officially deploy those people who were working during the SSDF rule before the creation of Puntland State who of course were the most experienced people available, consequently the Ministry has started the collection of custom's taxation while the collection of the inland taxation has started to be collected some times later as their was no qualified personnel to undertake that task. In the same taken, the following structure of the Ministry has been laid down as below:-

- a. The Minister
- b. The Vice Minister
- c. The director General
- d. The department of Revenue (costumes and inland taxation).
- e. The department of the administration.
- f. The budgetary department.
- g. The General Accounts department.

STRUCTURE OF MINISTRY OF FINANCE IN THE YEAR 1999



Then, the minister immediately appointed the accountants of the regions of Bari, Mudug and Nugal that has chosen their two accountants from their own Community. As the law was passed to collect the taxes of the state Government as of 1st May 1999, the State budget was endorsed which was for a period of 8 month. The Ministry had no budget with which to operate but it has concentrated all its efforts to obtain the salaries of the civil servants, security forces and the expenditure of insuring the continuity of the Government activities to keep the state government operational.

As of 1st May 1999 the policy of the Ministry of finance was to operate on the basis of the budget of the central government that was approved and legalized by the parliament

The first budget of the state Government was approved in year 1999 and it has been estimated as bellow:-

B U D G E T

Heads / Income of Budget of state Government

<i>No.</i>	<i>Head / Income</i>	<i>Description/Details</i>
1	1.1.0	Income Expenditure
2	2.1.0	Indirect Tax Income
3	3.1.0	Product Income
4	4.1.0	Income Tax
5	5.1.0	Income from Government Properties
6	6.1.0	Service Income
7	7.1.0	Income for Transfers and Contribution

Table 1:- Budget of central Government in the year 1999 (Shso. Billions)

<i>No.</i>	<i>Year</i>	<i>Estimated Revenue</i>	<i>Estimation of Expenditure</i>
1	1999	22.78	22.78

Source by:- Department of Budget

<i>Estimation Revenue</i>	<i>Estimation Expenditure</i>
Government	Government
Side of Income	Side of Expenses
The End of the Year	
31 Dec.	

Records of Accounts closure

Table A :- Comparison of revenues (Shso. Billions)

<i>No.</i>	<i>Year</i>	<i>Estimated Revenue</i>	<i>Actual Revenue</i>	<i>Sur Plus</i>	<i>Deficit</i>
1	1999	22.78	30.8	8	-

Source by:- Department of Budget

Table B: - Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	1999	22.78	24.8	2.18	-

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	1999	30.8	24.8	6	-

Table D: - Budget Estimated Expenditure for the State (Shso Billion)

No.	Year	Estimated Revenue	Security and Defence	Salary Labor	Govern Sercive	General Expenditure	Devolop Budget	Number of Gover/Labor
1	1999	22.78	10.2	5.4	0.81	0.37	-	705

Remarks:- the salary of the Police and Darwish were not included for the above estimated expenditure

Source by:- General Accountant

The Ministry of Finance has undertaken the Rehabilitation construction of all government building in the Capital Garowe and Bosaso so as to enable the government to function properly and run it's affairs smoothly. The ministry has also paid all the debts incurred during the period in which the discussion and elections of creating Puntland State were on going in Garowe.

From 10/04/1999 the date that the cabinet and the parliament has legalized the collection of the taxes for the central government until 6/08/2001 which is the date that the President Abdulahi Yusuf Ahmed was replaced by Mr. Jamac Ali Jamac, The Ministry of Finance has undertaken the following:-

The Ministry of Finance has implemented the following projects:-

- ✓ Construction of the Presidential Headquarter in Bosaso
- ✓ Construction of the Presidential Headquarter in Garowe
- ✓ Construction of the Presidential Headquarter in Galkaio
- ✓ Construction of run-way of Airport Bosaso and Galkaio

The budget of the state Government was approved in year 2000 and it has been estimated as follows:-

Table 1:- Budget of state Government in the year 2000 (Shso. Billions)

No.	Year	Estimated Revenue	Estimation of Expenditure
1	2000	57.16	57.16

Source by:- Department of Budget
Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

No.	Year	Estimated Revenue	Actual Revenue	Sur Plus	Deficit
1	2000	57.16	79.3	22.3	-

Table B :- Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	2000	57.16	57	-	0.16

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2000	79.3	57	22.3	-

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

No.	Year	Estimated Revenue	Security and Defence	Salary Labor	Govern Service	General Expenditure	Devolop Budget	Number of Gover/Labor
1	2000	57.16	31.19	10.37	1.35	0.710	3.6	775

Remarks: - the salary of the Police and Darwish were not included for the above estimated expenditure

Source by:- General Accountant

During the whole period of Mr. Jama Ali Jama's rule from 6/8/2001 and 8 May 2002 virtually no budget plan has been applied. The state has paid civil servants and security forces no salaries were during that 9 month. As shown by the above-mentioned table all the income during that period has been spent on harmonizing political tensions.

The budget of the state Government was approved in year 2001 and it has been estimated as follows:-

Table 1:- Budget of state Government in the year 2001 (Shso. Billions)

No.	Year	Estimated Revenue	Estimation of Expenditure
1	2001	90.7	90.7

Source by:- Department of Budget
Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

No.	Year	Estimated Revenue	Actual Revenue	Sur Plus	Deficit
1	2001	90.7	63.7	-	27

Table B :- Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	2001	90.7	90.7	-	-

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2001	63.7	90.7	27	-

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

No.	Year	Estimated Revenue	Security and Defence	Salary Labor	Gevern Service	General Expenditure	Devolop Budget	Number of Gover/Labor
1	2001	90.7	33.3	12.6	4.02	2.73	4.66	1,033

Remarks: - the salary of the Police and Darwish were not included for the above estimated expenditure

Source by:- General Accountant

The budget of the state Government was approved in year 2002 and it has been estimated as bellows: -

Table 1:- Budget of central Government in the year 2002 (Shso. Billions)

No.	Year	Estimated Revenue	Estimation of Expenditure
1	2002	90.3	90.3

Source by:- Department of Budget
Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

No.	Year	Estimated Revenue	Actual Revenue	Sur Plus	Deficit
1	2002	90.3	167.8	77.5	-

Table B :- Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	2002	90.3	106.1	15.8	

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2002	167.8	106.1	61.7	-

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

No.	Year	Estimated Revenue	Security and Deference	Salary Labor	Govern Sercive	General Expenditure	Devolop Budget	Number of Gover/Labor
1	2002	90.3	40.8	13.26	3.1	1.88	4.29	1,141

Remarks: - the salary of the Police and Darwish were not included for the above estimated expenditure

Source by:- General Accountant

The budget of the state Government was approved in year 2003 and it has been estimated as bellows:-

Table 1:- Budget of state Government in the year 2003 (Shso. Billions)

No.	Year	Estimated Revenue	Estimation of Expenditure
1	2003	252.2	252.2

Source by:- Department of Budget

Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

No.	Year	Estimated Revenue	Actual Revenue	Sur Plus	Deficit
1	2003	252.2	272.6	20.4	-

Table B :- Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	2003	252.2	276.2	24	-

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2003	272.6	276.2	-	3.6

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

No.	Year	Estimated Revenue	Security and Defence	Salary Labor	Gevern Service	General Expenditure	Devolop Budget	Number of Gover/Labor
1	2003	252.2	123.3	35.8	3.01	1.69	5.48	1,230

Source by:- General Accountant

After 17th May 2003 when President Abdulahi Yusuf Ahmed and General Mohomud Muse Hirse (Ade) signed their agreement of Pacification, Mr. Abdulaahi Yusuf Ahmed was elected President of Somalia. Nearly 50% of Puntland State budget was given to the new Federal Government to help regain the lost Somalia State and 30% was spent on the salaries of civil services and security forces, About 10% of the budget was used for government services while the remaining 10% was spent on programs like:-

- a. Fight against dissertation
- b. Health - like a prevention of cholera etc.

The budget of the state Government was approved in year 2004 and it has been estimated as bellows:-

Table 1:- Budget of state Government in the year 2004 (Shso. Billions)

No.	Year	Estimated Revenue	Estimation of Expenditure
1	2004	263.2	263.2

Source by:- Department of Budget
Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

No.	Year	Estimated Revenue	Actual Revenue	Sur Plus	Deficit
1	2004	263.2	246.8	-	16.4

Table B :- Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	2004	263.2	247.4	15.8	-

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2004	246.8	247.4	-	0.6

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

No.	Year	Estimated Revenue	Security and Defence	Salary Labor	Gevern Sercive	General Expenditure	Devolop Budget	Number of Gover/Labor
1	2004	263.2	116.7	44.77	9.2	6.3	6.0	2,320

Source by:- General Accountant

The budget of the state Government was approved in year 2004 and it has been estimated as bellows:-

On the 8 months in which president Abhulahi Yusuf Ahmed was in Kenya - Nairobi, Mr. Mohomed Abdi Hashi was the acting president of Puntland State until Mr. Abdulahi was elected President of Somalia on 10/10/2004. Mr Hashi was the President of Puntland from 11/10/2004 up to 8/1/2005.

- ✓ 80% was spent on defending the general security and the salaries of the security forces.
- ✓ The remaining 20% was spent on government services and salaries of the civil servants.

Table 1:- Budget of state Government in the year 2005 (Shso. Billions)

No.	Year	Estimated Revenue	Estimation of Expenditure
1	2005	289.7	289.7

Source by:- Department of Budget

Ministry Of finance properties number of fixed Asset (Building)Year 1999-2006

Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

<i>No.</i>	<i>Year</i>	<i>Estimated Revenue</i>	<i>Actual Revenue</i>	<i>Sur Plus</i>	<i>Deficit</i>
1	2005	289.7	285.4	-	4.3

Table B :- Comparison of Expenditure (Shso. Billions)

<i>No.</i>	<i>Year</i>	<i>Estimated Expenditure</i>	<i>Actual Expenditure</i>	<i>Sur Plus</i>	<i>Deficit</i>
1	2005	289.7	285.3	-	4.4

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

<i>No.</i>	<i>Year</i>	<i>Actual Revenue</i>	<i>Actual Expenditure</i>	<i>Sur Plus</i>	<i>Deficit</i>
1	2005	285.4	285.3	0.1	-

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

<i>No.</i>	<i>Year</i>	<i>Estimated Revenue</i>	<i>Security and Defence</i>	<i>Salary Labor</i>	<i>Gevern Sercive</i>	<i>General Expenditure</i>	<i>Devolop Budget</i>	<i>Number of Gover/Labor</i>
1	2005	289.7	123.5	51.2	7.27	4.19	6.36	2,342

<i>No</i>	<i>Location</i>	<i>Deta</i>	<i>No of station</i>	<i>Rooms</i>	<i>Halls</i>	<i>Remarks</i>
1-	Bari region	Head Office Customs Airport/port Inland Revenue Office Custom Control	5	27	1	Built By MOF
2-	Karkar region	Regional Accountant Office Inland Revenue Office	124	_		Built By MOF
3-	Nugaal Region MOF	Regional Accountant Office Customs Office Inland Revenue Office	1	15	1	Built By MOF
4-	Mudug Region MOF	Regional Accountant Office	5	7	_	Built By MOF

						2 Mark, 1 hilux rented by MOF
	2003	3 Hilux, 2 Land Cruzer, 1 bus, 1 Bajeera	15	13	2	3 Hilux, 2 land Curzer 1 Bas, 1 Bajeera
5		4 Mark II 1 Marshedis, 1 Nisaan, 2 Sulfe				nisaan, 2 surfe purchased By MOF
						1 Mark, 1 Hilux rented by MOF
	2004	4 Hilux, 4 Land Cruzer, 1 bus,	18	16	2	2 Hilux, 4 land cruzer, 2 mark, 1 marshis
6		3 Mark II 1 Marshedis, 1 Nisaan, 3 Sulfe 1 Bajeera				1 nisaan, 3 surfe, 1 bajeera purchased By MOF
						2 Hiux, 1 Bus, 1 Mark rented by MOF
	2005	4 Hilux, 4 Land Cruzer, 3 bus, 1 Bajeera	20	16	4	2 Hilux, 4 land curzer, 3 Bus, 3 mark, 1 marshis
7		3 Mark II 1 Marshedis, 1 Nisaan, 3 Sulfe				1 Nisaan, 3 surfe, 1 bajeera purchased by MOF
						2 Hilux, 1 Mark rented By MOF
	2006	4 Hilux, 2 Land Cruzer, 2 bus, 1 Bajeera	15	15	-	2 Bus, 1 bajeera, 2 mark II, 2 Hilux, 2 land cruzer,
8		2 Mark II 1 Marshedis, 1 Nisaan, 2 Sulfe				2 surfe, 1 nisaan, 1 marshis purchased By MOF

1. Bari Region	7
2. Karkaar Region	1
3. Nugal Region	3
4. Mudug Region	3
5. Sool Region	<u>5</u>
Total	15

NB, 13 vehicles purchased by Ministry of Finance 2 vehicles rented by MOF
Sources by:- Department of Administration of MOF (Section of Vehicles)

**DOWLAD G. PUNTLAND
EE SOOMAALIYA
Wasaaradda Maaliyadda
Xafiiska Shaqaalaha**



**PUNTLAND STATE
OF SOMALIA
Ministry of Finance
Personnel Office**

Ministry Of Finance Staffs Of Bari Regions Years 1999-2006

No	Year	No Of Staffs	Male	Female
1	1999	65	56	9
2	2000	81	67	14
3	2001	90	75	15
4	2002	109	90	19
5	2003	158	135	23
6	2004	241	211	30
7	2005	263	231	32
8	2006	276	243	33
Total	Of Staffs	276	243	33

Remarks

No of staffs 276
Male 243
Female 33

**DOWLAD G. PUNTLAND
EE SOOMAALIYA
Wasaaradda Maaliyadda
Xafiiska Shaqaalaha**



**PUNTLAND STATE
OF SOMALIA
Ministry of Finance
Personnel Office**

Ministry Of Finance Staffs Of Karkaar Regions Years 1999-2006

No	Year	No Of Staffs	Male	Female
1	1999	-	-	-
2	2000	2	1	1
3	2001	2	2	-
4	2002	2	2	-
5	2003	3	2	1
6	2004	12	7	5
7	2005	17	11	6
8	2006	18	12	6
Total	Of Staffs	18	12	6

Remarks

No of staffs 18
Male 12
Female 6



Ministry Of Finance Staffs Of Nugaal Regions Years 1999-2006

<i>No</i>	<i>Year</i>	<i>No Of Staffs</i>	<i>Male</i>	<i>Female</i>
1	1999	8	7	1
2	2000	8	7	1
3	2001	10	8	2
4	2002	15	12	3
5	2003	33	24	9
6	2004	54	39	15
7	2005	56	40	16
8	2006	57	41	16
Total	Of Staffs	57	41	16

Remarks

No of staffs 57
Male 41
Female 16

**DOWLAD G. PUNTLAND
EE SOOMAALIYA
Wasaaradda Maaliyadda
Xafiiska Shaqaalaha**



**PUNTLAND STATE
OF SOMALIA
Ministry of Finance
Personnel Office**

Ministry Of Finance Staffs Of Mudug Regions Years 1999-2006

<i>No</i>	<i>Year</i>	<i>No Of Staffs</i>	<i>Male</i>	<i>Female</i>
1	1999	17	15	2
2	2000	19	17	2
3	2001	21	19	2
4	2002	32	28	4
5	2003	38	34	4
6	2004	40	36	4
7	2005	42	38	4
8	2006	43	39	4
Total	Of Staffs	43	39	4

Remarks

No of staffs 43
Male 39
Female 4

**DOWLAD G. PUNTLAND
EE SOOMAALIYA
Wasaaradda Maaliyadda
Xafiiska Shaqaalaha**



**PUNTLAND STATE
OF SOMALIA
Ministry of Finance
Personnel Office**

Ministry Of Finance Staffs Of Sool Regions Years 1999-2006

<i>No</i>	<i>Year</i>	<i>No Of Staffs</i>	<i>Male</i>	<i>Female</i>
1	1999	2	2	-
2	2000	2	2	-
3	2001	2	2	-
4	2002	2	2	-
5	2003	9	8	1
6	2004	14	13	1
7	2005	31	29	2
8	2006	31	29	2
Total	Of Staffs	31	29	2

Remarks

No of staffs 31
Male 29
Female 2

**DOWLAD G. PUNTLAND
EE SOOMAALIYA
Wasaaradda Maaliyadda
Xafiiska Shaqaalaha**



**PUNTLAND STATE
OF SOMALIA
Ministry of Finance
Personnel Office**

Ministry Of Finance Staffs Of Aiyh Regions Years 1999-2006

<i>No</i>	<i>Year</i>	<i>No Of Staffs</i>	<i>Male</i>	<i>Female</i>
1	1999	-	-	-
2	2000	-	-	-
3	2001	-	-	-
4	2002	-	-	-
5	2003	6	4	2
6	2004	6	4	2
7	2005	11	9	2
8	2006	11	9	2
Total	Of Staffs	11	9	2

Remarks

No of staffs 11
Male 9
Female 2



Ministry Of Finance Staffs Of Sanaag Regions Years 1999-2006

<i>No</i>	<i>Year</i>	<i>No Of Staffs</i>	<i>Male</i>	<i>Female</i>
1	1999	-	-	-
2	2000	-	-	-
3	2001	-	-	-
4	2002	-	-	-
5	2003	2	2	-
6	2004	3	3	-
7	2005	4	4	-
8	2006	4	4	-
<i>Total Of Staffs</i>		4	4	-

Remarks

No of staffs 4
Male 4
Female -

**DOWLAD G. PUNTLAND
EE SOOMAALIYA
Wasaaradda Maaliyadda
Xafiiska Shaqaalaha**



**PUNTLAND STATE
OF SOMALIA
Ministry of Finance
Personnel Office**

Ministry Of Finance Staffs Of Puntland Years 1999-2006

<i>No</i>	<i>Year</i>	<i>No Of Staffs</i>	<i>Male</i>	<i>Female</i>
1	1999	92	80	12
2	2000	112	94	18
3	2001	125	106	19
4	2002	160	134	26
5	2003	249	209	40
6	2004	370	313	57
7	2005	424	362	62
8	2006	440	377	63
<i>Total of Staffs</i>		440	377	63

Remarks

No of staffs 440
Male 377
Female 63



Staff Of The Ministry Of Finance (all Region) 2006

1	Bari Rigion	276	Persons
2	Karkaar	19	" "
3	Nugaal	57	" "
4	Mudug	43	" "
5	Sool	31	" "
6	Cayn	11	" "
7	Sanaag	4	" "
<i>Total</i>		440	-

Remarks

No of staffs 440
Male 377
Female 63

Source by:- Department of Administration and Labor of MOF (Labor Section)



Department of Training, Statistics & Planning

The department of training, Statistics and Planning has held the skill the capacity building which involves the laws of taxation and method of collection of taxation and the method to (paying in) on the state treasury.

The number of the participants composed the following categories.

<i>No.</i>	<i>Year</i>	<i>No. Staff of Revenue</i>	<i>No. of Staff Financial guard</i>	<i>Total</i>	<i>Duration of Training</i>
1	2001	35	30	65	15 days
2	2002	30	20	50	15 days
3	2003	40	50	90	20 days
4	2004	30	10	40	10 days
5	2005	30	30	60	20 days
6	2006	20	30	50	20 days

Sources by:- Department of Training, Statistics and Planning of MOF

- ✓ The Ministry has sent 7 members of the Ministries staff for higher education outside the country of which the Ministry pays their expenses.
- ✓ Three of the Ministry staff has already graduated from east African University in Bosaso at the expenses of the Ministries expenditure.
- ✓ 6 of the Ministry staff members is now in the East African University in Bosaso.
- ✓ 15 members of the accounts and administration staff of the Ministry currently studying in UNITAD at the expenses of the ministry, and already about 14 staff members of the ministry have graduated sometime ago.

Central Governments Properties Of Vehicles

No	Government Ministrais	No Of Vehicles	1999	2000	2001	2002	2003	2004	2005	2006
1	Ministry Of Finances	18	1	2	5	10	13	14	15	18
2	Ministry Of Information \$com	3	-	-	-	-	-	2	2	3
3	Ministry Of Sport\$ Labor	1	-	-	-	-	1	1	1	1
4	Ministry Of Health	4	-	-	-	-	1	1	1	4
5	Ministry Of Agr/Livestock	2	-	-	-	1	2	2	2	2
6	Ministry Of Education	2	-	-	-	-	-	1	1	2
7	Plannang and Statistics	1	-	-	-	-	1	1	1	1
8	Presidency	22	-	-	1	8	12	14	4	22
9	Custody Body	1	-	-	-	-	1	1	1	1
10	High Court	2	-	-	-	-	-	-	1	2
11	Defense \$ Security	133	-	2	5	63	111	119	725	133
12	Auditor	3	-	-	-	-	-	1	2	3
13	Parliament	5	-	-	-	-	2	3	3	5
14	Regional Governors	8	2	-	1	2	3	6	8	8
Total		205	2	4	12	84	147	166	167	205

Remarks:-

- ✓ Puntland State properties of Total vehicles year 2006 182
- ✓ Functional and Non functional N/ Available.
- ✓ All vehicles purchased by Ministry of Finance

Source by:- department of Administration of Ministry of Finance
Records of Accounts closure

Table A: - Comparison of revenues (Shso. Billions)

No.	Year	Estimated Revenue	Actual Revenue	Sur Plus	Deficit
1	2005	289.7	285.4	-	4.3

Table B :- Comparison of Expenditure (Shso. Billions)

No.	Year	Estimated Expenditure	Actual Expenditure	Sur Plus	Deficit
1	2005	289.7	285.3	-	4.4

Table C:- Comparison of Actual revenue and actual Expenditure (Shso Billion)

No.	Year	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2005	285.4	285.3	0.1	-

Table D: - Budget Estimated Expenditure of the State (Shso Billion)

No	Year	Estimated Revenue	Security and Defence	Salary Labor	Gevern Sercive	General Expenditure	Devolop Budget	Number of Gover/Labor
1	2005	289.7	123.5	51.2	7.27	4.19	6.36	2,342

Remarks: - the salary of the Police and Darwish were not included for the above estimated expenditure.

Source by:- Department of budget

Comparison of Revenue in the years 2004 - 2005 (Shso. Billion)

No	Detail	Estimation	Actual	Sur plus	Deficit
		Revenue	Revenue		
Year	2004	263.2	246.8	-	16.4
Year	2005	289.7	285.4	-	4.3

Comparison of Expenditure in the years 2004 - 2005 (Shso. Billion)

No	Detail	Estimation	Actual	Sur plus	Deficit
		Expenditure	Expenditure		
Year	2004	263.2	247.4	-	15.8

Year	2005	289.7	285.3	-	4.4
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<i>Comparison of Revenue Jan - Jun (6 Months) 2006 (Shso. Bilons)</i>			
Estimation Revenue	Actual Revenue	Sur plus	Deficit
126	158.6	32.6	-

<i>Comparison of Expenditure Jan - Jun (6 Months) 2006 (Shso. Bilons)</i>			
Estimation Expenditure	Actual Expenditure	Sur plus	Deficit
126	157.3	31.3	-

<i>Comparison of Actual Revenue and Actual Expenditure Jan - Jun (6 Months) 2006 (Shso. Bilons)</i>			
Actual Revenue	Actual Expenditure	Sur plus	Deficit
158.6	157.3	1.3	-

Source by:- General Accountant

Budget

Heads Income Budget of central Government 2004 / 2005 - 31/6/2006

No.	Year	Estimation Revenue	Actual Revenue	Actual Expenditure	Sur Plus	Deficit
1	2004	263.2	247.4	246.8	0.6	-
2	2005	289.7	285.4	285.3	0.1	-
3	2006	126	158.6	157.3	1.3	-

Source by:- General Accountant

**Budget Administrated By Ministry Of Finance (Shso. Billion) 2004/2005-
31/06/2006**

<i>Details Year</i>	<i>Estimation Revenue</i>	<i>Salary civil servant And Security Forces</i>	<i>Govern Service</i>	<i>General Expend</i>	<i>Devolopment Budget</i>	<i>Debts & Commissio</i>	<i>Surplus</i>	<i>Deficit</i>
2004	263.2	117.4	32.3	62.7	0.7	34.3	15.8	-
2005	289.7	121.5	44.6	66.2	2.2	50.8	4.4	-
Jan/Jun 06	126	67.9	24.3	39.8	1.6	23.4	-	31

Source by:- General Accountant

Trends In Expenditure (Actual) 1999 -2005 (Sho.So.Billions)

<i>Head / Expenditure Year</i>	<i>Expenditure 1999</i>	<i>Expenditure 2000</i>	<i>Expenditure 2001</i>	<i>Expenditure 2002</i>	<i>Expenditure 2003</i>	<i>Expenditure 2004</i>
A.Opening Balance	-	-	0.37	5.18	2.15	4.34
B.Budget Expenditure	24.8	57	90.7	106.1	313.3	275.8
C.Extra ordinary Budget Expenditure	2	0.169	0	15.8	99.9	12.6
D.Total Expenditure(B+C)	26.8	57.16	90.7	121.9	413.2	288.4
Total (A+D)	26.8	57.169	91,07	127.08	415.35	292.76

Source by:- General Accountant

Comparison of Budget estimation Revenue, Actual Revenue and Actual Expenditure current Price 1999-2005 (Sh. So. Billions)

<i>No.</i>	<i>Year</i>	<i>Estimation Revenue</i>	<i>Actual Revenue</i>	<i>Actual Expenditure</i>
1	1999	22.78	30.8	24.8
2	2000	77.16	79.3	57
3	2001	90.7	63.7	90.7
4	2002	90.3	167.8	106.1
5	2003	252.2	272.6	313.8
6	2004	263.2	247.4	247.4
7	2005	289.7	285.4	285.3
8	2006	252.2	-----	-----

Source by:- General Accountant

Comparison of Budget estimation Revenue and estimation Expenditure 1999-2006 (Sh. So. Billions)

<i>No.</i>	<i>Year</i>	<i>Estimation Revenue</i>	<i>Estimation Expenditure</i>
1	1999	22.7	22.7
2	2000	57.2	57.2
3	2001	90.7	90.7
4	2002	90.3	90.3
5	2003	252.2	252.2
6	2004	263.2	263.2
7	2005	289.7	289.7
8	2006	252.2	252.2

Source by:- Department of Budget

**Comparison of Budget of the Actual Revenue and Actual Expenditure in the year
1999-2006 (Sh.So. Billions)**

<i>No.</i>	<i>Year</i>	<i>Actual Revenue</i>	<i>Actual Expenditure</i>	<i>Surplus</i>	<i>Deficit</i>
1	1999	30.8	24.8	6	
2	2000	79.3	57	22.3	
3	2001	63.7	90.7		27
4	2002	167.8	106.1	61.7	
5	2003	272.6	313.3		40.7
6	2004	247.4	247.4		-
7	2005	285.4	285.3	0.1	

Source by:- General Accountant

- ◆ On 8/01/05 Gen. Mohamoud Muse Hersi (Gen. Adde) was elected the President of Puntland State and on 31/01/05 he appointed his cabinet Ministries of 16 Ministers. Dr. Mohamed Ali Yusuf (Gaa-Gab) became the Minister of finance. The economic policy laid-down that the ministry will follow are as follows:
 - ✓ To obtain enough revenue that could cover the financial needs of the Government and that could also suffice the various Government expenditures internally and externally.
 - ✓ To apply the rules and regulations of the ministry as it is the economic backbone of the Government and its various different organs.
 - ✓ To look after the economic clients internally and externally, citizens or non-citizens and continuously gain their confidence.
 - ✓ To expand the economic sources of income whether import or export

The Minister has conciliation that the Ministry is responsible for the collection of all economic income of state Government, and its special duties and responsibilities are the following.

1. Collection of the state Government Taxes
2. Controlling state Government expenditure
3. Safeguarding the economic income of state's various economic producers of various agents, Ministries and Organs.
4. Respecting and safe-guarding the approved Government budget
5. Paying the expenditure of the state Government
6. Providing information on the decrease and the increase of the civil servants
7. Creating more vacancies so as to increase the economy of the state.
8. Printing the receipts and invoice of the state Government, independent agencies and the municipalities.

THE STATE MODE REVENUE

If we try to give you a more clear picture as to how the state revenue is gotten, 85% it comes in from the Ministry of finance especially Customs of Puntland (Export and Import) and Inland Taxation of Puntland, the remaining 15% comes from the income generating Ministries and Government agencies such as (Ministry of port and fishery, Ministry of transportation and public works, Ministry of livestock, agriculture and environment protection, Ministry of commerce and industry, Immigration department of Police, Courts of Puntland.

The absolute mainstream income is gotten from the customs, because of the fact that it is difficult to collect the inland taxation from the public as they lived in stateless state for a long period and has consequently forgotten the idea of governance, although the Ministry constantly keeps improving to make it possible to collect in full step-by step.

LADIES AND GENTLEMEN,

It is to be mentioned here that you deserve to be provided with a full information of the returns of the year 2005 -31/06/06, Being in mind that all Puntland citizens are entitled to be provided with such on information so as to have a clear picture on the economic situation of the country.

The country has faced many problems and obstacles during the year 2005 as the following:-

- a) Puntland has faced territorial dispute in which huge expenses has been spent upon.
- b) Long - lasting droughts
- c) Torrential rains the have wiped - out the remaining livestock's which of course as is known in the economic back-bone of the country.
- d) The T-sunami disasters the have destroyed mainly marine resources of the country.

A huge expenditure has been spent in all the above mentioned points that has not been parts of originally estimated expenditure of the budget of state, hence the said expenditure communities to.

As you see my on the returns of the year 2005 to 31/06/2006 according the table above-mentioned and shown below attached the report the closure of the accounts, you will fine the down-fall estimated expenditure of the salaries and

bonus the civil-servants and the security forces, the some thing goes with the general expenditure the state which always is on the increase and is not included with in the approved estimated expenditure the state budget.

The reasons behind the unavailability of the salaries and the bonuses and the increase of the general expenditure are the fact that the government has spent on the following articles: -

- ✓ *Development projects*
- ✓ *Security Items.*
- ✓ *Essential un-expected expenditures.*

WHAT THE PUNTLAND MINISTRY OF FINANCE DID DURING 2005 - 2006

During the existence the General Ada's regime the Ministry of the finance has paid by the order of the state cabinet such as the president and vice president the under shown expenditure in the development sector, please note that the said expenditure in not included in the ordinary budget has undertaken the following:-

If we go back to the estimation of the ordinary budget and it's expenditure in details, we find that the expenditures such as the salaries of the civil servants and security forces, and government services expenditure had not been paid by the government because of the following reasons:-

- ✓ *Huge amounts of money had been spent on security.*
- ✓ *Many social development projects had been undertaken.*
- ✓ *Huge amounts had been spent on politics as well, especially on pacification of neighboring non Puntland territories like Southern Mudug and disputed territories of Sol and Sanag expenditure on the delegations from the Federal Government on several occasions.*

Therefore if we provide you with a clearer picture of the three items above-mentioned i.e security, social development projects, essential unexpected political expenditure, there itemized expenditure is the following:-

The total amount of all there items are \$ **11,376,400** USD this amount of money is sub-divided into the following manner:-

1. The unpaid government civil-servants and security forces salaries amounts originally in the ordinary budget to \$ **8,400,000** USD

2. Unpaid government service also included in the ordinary budget amounts to **\$870,000** USD.
3. The social development projects which were included in the ordinary budget as well amounts to **\$ 600,000** USD
4. Social grants not included in the ordinary budget amounting to **\$ 1,506,400** USD

All these amounts of money some of which were in the ordinary budget and some not, have been spent in the following manner:-

1. The Ministry has built the offices of the Ministry of Finance of Nugal region and Mudug region during in the 2005 spending on it an amount of **\$54,700**
2. The Ministry has built the offices the Ministry of Finance of Karkaar Region in the Year 2005 spending of the Amount of **\$14,700**
3. The Ministry has paid the expenditure of repairing and maintaining the roads within Puntland state during the year 2005 - 2006 being **\$66,600**
4. The Ministry has spent on rehabilitating repairing, and drilling the water walls of the Region, such as Ain Regions, Mudug Regions, Bari Region, Karkar Regions, Sanag Regions during the year 2005 – 31/06/06 the Amount of **\$ 650,000**
5. The Ministry of Finance has taken parts of Building head Quarters Office of Women Ministry in Garowe During the year 2005 spending an Amount of **\$7,000**
6. The Ministry of Finance has paid political expenditure on the preventing Somaliland elections that were to take place with in Puntland territories during the year 2005 – 31/06/06 an amount of **\$160,000**
7. The Ministry has paid the expenditure of repairing the equipments on the security force during the year 2005-31/06/06 an amount of **\$ 4,000,000**
8. The Ministry has paid rationing and the salaries and the running costs of the Federal policy Academy in Armo during the year 2005-31/06/06 an amounting to **\$ 120,000**
9. The Ministry has built the prisons of the following regions Karkaar Region, Bari Region, mudug Region, during the year 2005-31/06/06 spending an amount of **\$211,000**
10. The Ministry has paid the expenditure of the Federal Government delegations on several times during the year 2005-31/06/06 an amount of **\$1,670,000**
11. The Ministry has made an extension on the Presidential and vice Presidential quarters in Garowe Town during the year 2006 paying an amount of **\$65,000**
12. The Ministry has built the presidential HQ of the regions (Galkaio, Garoe, Bossaso) spending an amount of **\$499,000**
13. It has also built the office of the PRA Bosaso spending on it during 2006 an amount of **\$28,000**

14. The Ministry built the regional office of the Ministry Finance of Sool region spending an amount of **\$20,000** during 2005.
15. It has also built the regional prison of Sool spending an amount of **\$10,000** in 2005.
16. It has had built regional police station of Sool in Lascaanood the year 2005 spending an amount of **\$10,000**
17. The Ministry has also built the Terminal of Bosaso Airport and Galkaio airport in 2005 -31/06/06 spending an amount of **\$2,133,000**
18. The ministry has made repairs on the run-ways of the Airports of Bossaso, Galcaio and Garoe spending an amount of \$108,500 in 2005-31/06/06.
19. The Ministry of finance, the Ministry of port, fishery and Puntland Bank in a currently building a big a building to be utilized by Bosaso customs Office an inside Bosaso port and the expected to spent an amount of **\$164,000** in the year 2006.
20. The Ministry has spent on re-maintaining of Bosaso Port and the clearing the deep-water of the port an amount of \$50,000 in 2005-31/06/06
21. The Ministry has bought a huge electricity generator to function day and night for Bosaso port during 2006 costing an amount **\$17,500**
22. the Ministry has bought a big land for the Police department in Bosaso in 2006 paying and amount of **\$20,000**
23. The Ministry has bought a huge land to be utilized by the Government near the Presidential Head Quarters in Bosaso paying an amount of **\$78,000** in 2006.
24. The Ministry has spent an amount of **\$ 4,700** on environment protection (**such as Jar coal burnings specially in the Region of Sanag and Karkar**) in the years of 2005-31/06/06.
25. The Ministry has spent on the fight against illegal immigration and their repatriation an amount of **\$40,000** in the year 2005-31/06/06
26. The Ministry has spent an conciliation of south Galkacayo in Mudug Region and Galgudud region during the years 2005 up to 2006 an amount of \$181,000
27. It has also spent on strengthening the Security of all Puntland regions during the year 2005 up to 2006 an amount to \$ 500,000
28. The ministry taken part in refurbishing of the national parliament head-quarters in 2006 paying an amount of \$2,000
29. The Ministry pays the government employee health expenditure for foreign treatment (**abroad**) during 2005 - 31/06/06 an amount of **\$200,000**
30. The Ministry also pays the expenses of troops that deserted and political asylum person from Somaliland armed forces and crossed the border in to the Puntland territory amounting to **\$30,000**.
31. The Ministry has also pays the extension of income of Mudug region during the year 2005 an amount of **\$1,700**
32. The amounts of money that government has spent in the health sector, such as building and repairing Hospitals, MCH and health post is **\$ 150,000**

33. The amount of money spent on the Education Sector like, building and maintaining schools etc is \$ **80,000**.
34. The Ministry of planning has been given \$ **30,000** for the five year plan and their way-bills for their participation of meeting abroad.

REPORT OF ANNUAL ACCOUNT CLOSURE 2005

Referring to the constitution and laws of taxation of Ministry of Finance PSS and respectfully presenting the outturn of expenditure and Revenue from Jan-Dec2005, you are all well aware of the difficult times that the State Government of Puntland has gone through before the year 2005. The expenditure of peace building and pacification made to ease the internal conflicts had an immediate effect on over economic stand and as a result we are facing the following bottlenecks: -

1. The revenue could not cover the needed expenditure.
2. The sensitive political expenditure often creates obstacles to the budget appropriation that as usual postpones the payment of salaries and the other expenditures asserted in the budget particularly.
 - a) *The enforcement of DGPL Security and defense.*
 - b) *Support the federal interim government*

Other than the terms mentioned above, there are also the social security, political stability and social welfare such as an existing employees and a number of government soldiers recruited in the year 2004 that made more economic burden that was estimated monthly 1.5 billion so. sh. that the revenue of 2005 might not to cover.

However, the government had decided to put forward on a 10% reduction on government employee salaries, allowances and defense salaries not exceeding for a period of three months where as the non-reconciled outstanding could not cover the expenditure and revenue.

Referring back, the budget estimate for 2005 was sos.289, 721,400,000, whereby the estimate budget for 2004 was 263,245,200,000. For this sake, we could specify the increase of 2005 budget an amount of sos.26, 476,200,000.

The budget and the returns are based on the capability to generate income, administered on monthly revenue and expenditure, rather than to confirm with the provision of making priority to these government expenses.

THE RETURNS FOR 2005.

If we group together the data for 2005, it is composed of a detailed of state government Revenue and expenditure along the comparison of revenue and expenditure.

The effective state government accounts are actually composed as shown below:

-

REVENUE :-

<i>The Brought forward for 2004</i>	<i>Shs. = 4,346,551,821.</i>
<i>The actual Revenue of (State Gov't).</i>	<i>Shs = <u>285,491,224,256.</u></i>
	<i>Total = 289,837,776,077.</i>

EXPENDITURE:-

The actual expenditure of (State Gov't). Shs. = 285,352,539,945

REVENUE:-

The Budget Estimate on revenue for 2005 shows a figure of 289,721,400,000 though the actual revenue for 2005 indicates Shs 285,491,224,256. There appears a deficit that is 4230,175,744 equivalent to 1.5% of the revenue. The slump down of revenue could be explained on the following points.

- a) Ministry of commerce and Industry, Ministry of Information and Telecommunication, Ministry of Fishing and Ports, the Court and the Ministry of Justice and the Immigration Department all these state organs who did not undertake their maximum effort in contributing to the state income collection as expected of them as they were part of the planned State budget.

The Following table shows the income of the year 2005 clearly prescribing the estimated revenue, the real revenue, the extra and the deficiencies.

The Table A:-

Budget

Heads / Income of Budget of State Government

<i>Head</i>	<i>Details</i>	<i>Estimation</i>	<i>Actual</i>	<i>Sur plus</i>	<i>Deficit</i>
1.1.0	Income Expenditure	211,320,000,000	225,573,369,997	14,253,369,997	-
2.1.0	Indirect Tax Income	26,280,000,000	23,862,784,452	-	2,417,215,548
3.1.0	Product Income	720,000,000	-	-	720,000,000
4.1.0	Income Tax	5,520,000,000	4,288,662,771	-	1,231,337,229
5.1.0	Government Properties Income	4,290,000,000	3,497,240,200	-	792,759,800
6.1.0	Service Income	40,031,400,000	25,179,380,564	-	14,852,019,436
7.1.0	Transfer & Contribution	1,560,000,000	3,089,786,272	1,529,786,272	-
	<i>Total</i>	289,721,400,000	285,491,224,256	15,783,156,269	20,013,332,013

As shown by the above table the expected revenue of the year 2005 budget was Shso.289,721,400,000 and the real revenue of the same year has become Shso.285,491,224,256. This shows down fall revenue amounting to Shso.4,230,175,744 when more detailed explanation is given about the above mentioned Table, the section of the State Government revenue were as shown bellow:-

Revenue

1. Taxation of the Expenditure.

This revenue which is gotten from the import and export of goods is the main source of income of the government and is estimated to be 73%, in year 2005, the estimated expected budget amounted to Sh.So. 211.3 Billion, but the real income

has become Sh. So.225.5 Billion and this P.T.O shows extra income revenue amounting to Sh. So.14.25 Billion.

2. Indirect Taxation.

The estimated inland taxation of the year 2005 was expected to be Sh. So. 26.3 B, and the real has become Sh. So. 23.9 B and shows an income downfall of Sh. So. 2.4 B.

3. Production Taxation

This tax that is supposed to come from the production of the country during the year of 2005 was estimated to be Sh. So. 7.2 B, but virtually nothing has been gotten from it.

4. Income Tax

This tax, which is part of the inland taxation, was in the 2005 expected to reach an estimated amount of Sh. So. 5.5 B, but the real has become Sh. So. 4.3 B, and this show a down fall of Sh. So. 1.2 B.

5. Government Property Taxation

This tax that is supposed to come from the marine transportation holiday and the fishing industry in the 2005-year was estimated to be Shso. 4.3 B, but the real income has become Sh. So. 3.5 B and this show a down fall of Sh. So. 8 M.

6. Government Services Taxation

This tax comes in from the port and an airport service of the country in the year 2005 was estimated to be Sh. So. 40 B and the income has become Sh. So. 25.2 B there is a downfall of Sh. So. 14.8 B.

7. Transferring and Contribution Tax

This income in the year 2005 was estimated to be Sh. So. 1.5 B and the real has become Sh. So. 3 B, and shows an income increase of Sh. So. 1.5 B.

The real income of the year 2005 as shown by the above table in detailed manner when we compare the estimated revenue to that of real income in the year 2005 we fine that the extra income amounts to Sh. So. 15,783,156,265 equally the income shortage amounts to Sh. So. 20,013,332,013 and this shows on income shortage amounting to shso.4,230,175,744.

Expenditure

The estimated expenditure of the year 2005 budget was Sh. So. 289,721,400,000 and the real expenditure spent in 2005 was Sh. So. 285,352,539,945 the difference amounts to Shso.4,368,860,055 this shows that the estimated expenditure of the year 2005 budget has not been covered.

Some of the reasons behind the down fall of the estimated expenditure are the following:-

- *The estimated revenue of the year did not fully come in.*
- *Existing sluggishness in income collection.*

In order to know the spent expenditure of the year 2005, in the following table, we will indicate the estimated expenditure planned in the year 2005 and real spent expenditure while clearly showing the surplus and the downfalls committed during the year 2005.

Table B:-

<i>Head</i>	<i>Details</i>	<i>Estimation</i>	<i>Actual</i>	<i>Sur plus</i>	<i>Deficit</i>
1	Salary / Wages	181,901,952,000	121,499,870,421	-	60,402,081,579
2	Govern Service	38,542,932,000	44,604,490,000	6,061,558,000	-
3	General Expenditure	19,692,516,000	66,260,166,392	46,567,650,392	-
4	Debts&Commissions	40,608,000,000	50,787,165,132	10,179,165,132	-
5	Development	4,800,000,000	2,200,848,000	-	2,599,152,000
6	Budget Reserve	4,176,000,000	-	-	4,176,000,000
	Total	289,721,400,000	285,352,539,945	62,808,373,524	67,177,233,579

As the expenditure table above mentioned shows the expenditure of the central Government is composed of the Following:-

1) Salaries/Bonus :-

This expenditure that is mean to be given out as salaries and bonuses to the houses, security forces & civil servants was during the year 2005 estimated to be Sh. So. 182 B, but the real amount spent in the same year was Sh. So. 121.5 B hence Shso.60.4 B of the estimated amount has no been spent.

2) Government Services:-

This expenditure, which is meant for the running of the government services, was in the year 2005 estimated to be Sh. So. 38.5 B, while Sh. So. 44.6 B has been spent; there is Shso.6.1B over expenditure.

3) General Expenditure:-

This expenditure, which is mean to be spent on different activities of the government like peacekeeping, politics, emergencies, pacification, over-due expenditure etc, was estimated to be Sh. So. 19.7 B in 2005 but Sh. So. 66.3 B has been spent; there is Shso.46.5 B, of over expenditure.

4) Debts and Services:-

This expenditure is meant to be paid the percentage of income services of money collection agencies, the bank and government debts as much as possible and was estimated to be 2005 Sh. So. 40.6 B, but the actual expenditure was Sh. So. 50.8 B, there is Sh. So. 10.2 B, of over expenditure.

5) Development schemes or Project

This is meant to go to the development schemes or projects and Sh. So. 4.8 B, was estimated for it during 2005, but only Sh. So. 2.2 B has been actually spent. There is Sh.so.2.6 B unspent from the original amount.

6) Aids and Deposits

This expenditure was estimated to be Sh. So. 5.7 B during the year 2005 but virtually not a penny has been spent on it through the year.

C O N C L U S I O N

Mr., Chairman, Mr., President, Ladies and Gentlemen

This accounts closure in front of you is based on the income and expenditure of the year 2005. It shows an income downfall or deficiency of Sh. So. 4.2 B and the downfall of the expenditure amount to sh. So. 4.3 B. This indicates that there was an income deficiency which in it's turn caused the incapability of being able to cover the estimated expenditure of the year 2005 planned budget.

This income decline will be a heavy burden on implementing the budgets of the coming years because there exist an outstanding unpaid debt services to be paid by the government.

Moreover, the government agencies or organs do not work hard to collect government taxation, and taxes need a lot of activity to collect from all regions of the state especially the inland taxes that must be collected from all districts of Puntland state.

Hence, tax collection should be the economic policy of the government. It is therefore, essential that there is clear economic strategy with well-laid steps to be implemented by all government economic organs. This also makes a must that we all minimize our expenditure so as to stop the habit of overspending which has become the style of all government organs and civil servants.

Finally we request you to give a special attention particularly the return of the year 2005 while considering the ability of our revenue, the expenditure we need and how we would be able to develop our regional government, our community in terms of economic strength, political stability and security.

We hereby promise to put all our efforts to increase our revenue, avoid all unnecessary expenditure and strengthen the process of the accountability and transparency so that we would have government deposition account to deal with all emergency issues.

Finally, this is to be a concise edition of the returns of the year 2005 from January to December hoping that will satisfy all of us. Therefore, we request the honorable houses of government and parliament to approve of it as it is based on the rules and regulations laid down by the charter of our be-loved stated of Puntlnad.

Thank you in advance

*The Minister of Finance
Dr. Mohomed Ali Yusuf*