

Future implementation of the SLFMIS will include the following functions: **Treasury and Payment Management; HR and Payroll; Local Governments; Purchasing; Fixed Assets; Revenue Management; Contract Management.**

After successful operationalization of each core module, the SLFMIS will be expanded both in terms of additional modules and users throughout Central and Local Governments and other Key Institutions.

MORE TRANSPARENCY, MORE EFFICIENCY, BETTER RESULTS

The SLFMIS is a web-based system designed to automate and communicate financial transactions in the public sector. These transactions include **budget formulation and execution, accounting and reporting.**

However, the SLFMIS is more than just an IT solution. Instead, it represents a whole new approach to financial management practices.

This approach is set to ensure that the following fundamental elements are implemented during processing of all financial transactions:

- Accuracy, timeliness, complete and reliable data collection, consistency
- Adequate management reporting
- Government-wide and agency policy compliance
- Transparency of budget preparation and execution support
- Government-wide reporting for central agency budgeting and analysis
- Availability of complete audit trails

The SLFMIS will also facilitate real time financial information sharing that can increase participation and efficiency of operations such as budget formulation planning and administration.

PFM REFORM AND YOU: WHY SHOULD YOU CARE?

The PFM Reform strategy will increase national development in three key areas:

Better Public Services . Improved government accountability and transparency will encourage effective use of public funds for service delivery. **Transparency and Integrity**. Improved PFM can also help the executive to clamp down on corruption and reduce wastage or mismanagement of public funds. **A Stronger Economy**. Government accountability will improve the country's credit status and increase involvement of lenders and investors in the open market. This translates to a stronger economy and more jobs. Better fiscal management will also increase export and tax revenue.



**Transparency
Efficiency
Results**

Somaliland Public Financial Management Reform Program

INTRODUCTION TO THE SOMALILAND FINANCIAL MANAGEMENT INFORMATION SYSTEM (SLFMIS)

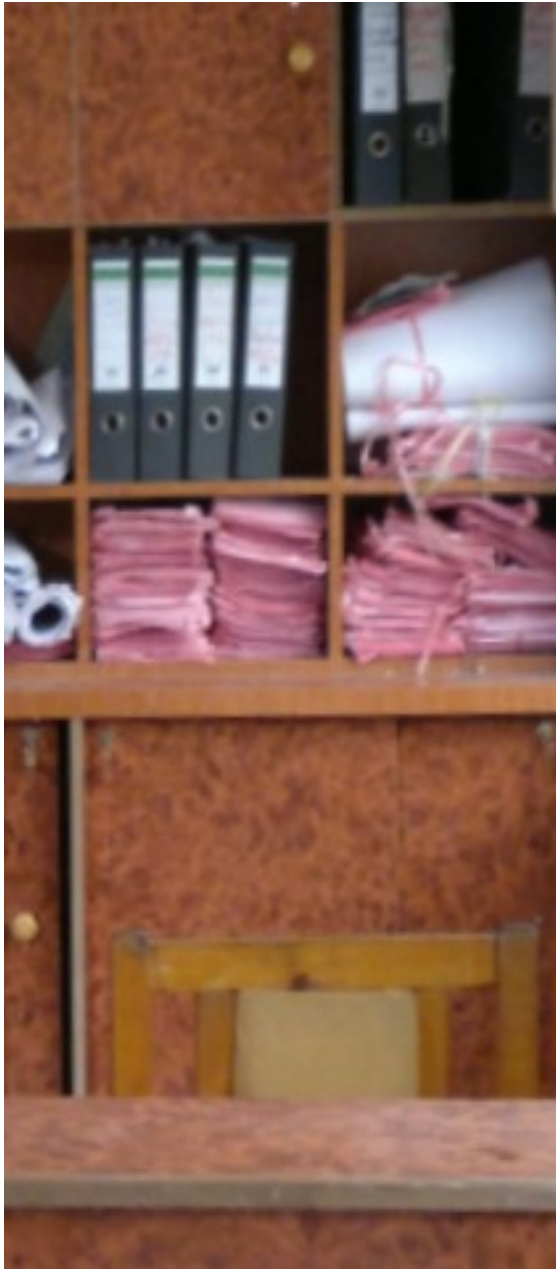
THE PFM REFORM PROGRAM

The Somaliland Public Financial Management (PFM) Reform Program is a country-led initiative that aims to have the highest efficiency, transparency and accountability in the allocation, management and use of public funds. The Vision of the Somaliland PFM Reform Program is: “A government that promotes transparency and efficiency in the use of public funds for the effective delivery of measurable results”.

PROVIDING CRITICAL PFM SUPPORT

PFM processes are complex and time-consuming. Currently, most financial management processes are operated manually and segmented across government. Manual and long Process, time consuming, inefficient process, delay in financial reporting and thus leak of transparency, weak financial control. This means there is high risk of data loss, data errors and delays.

As part of the reform process, the Ministry of Finance (MoF) is implementing the Somaliland Financial Management Information System (SLFMIS). The SLFMIS represents a comprehensive government financial planning system. The SLFMIS will integrate all government institutions and public departments so as to automatically track financial events, implement security controls and produce financial reports. This will facilitate real time financial information sharing that can increase participation and efficiency of operations at various levels. It has thus been designed to ensure alignment with the Somaliland PFM Strategic Pillars.



Currently, most financial management processes are operated manually but the SLFMIS will enable their automation.

THE SLFMIS AND THE PFM STRATEGIC PILLARS

PILLAR 1: Economic and Budget Management

- Improve budget predictability
- Acquire instant Budget Utilization and Performance Monitoring Data

PILLAR 2: Resource Mobilization

- Implement Revenue Management
- Increase the efficiency of cash collection

PILLAR 3: Financial Management and Reporting

- Implement Budget Execution
- Conduct instant financial reporting
- Implement International Best Practices such as "Double-Entry" method

PILLAR 4: Procurement

- Implement Integrated Purchasing Management

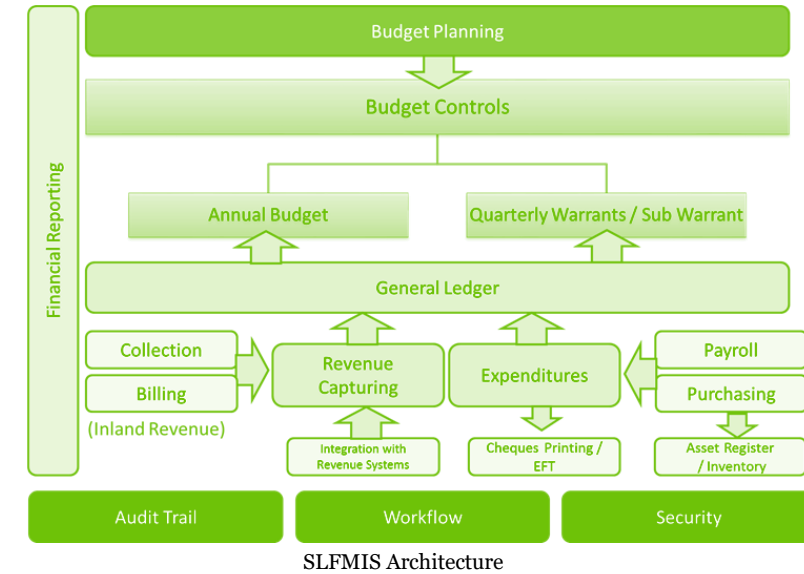
PILLAR 5: PFM Oversight

- Establish robust internal controls
- Conduct Audit Trails

THE OVERALL OBJECTIVE OF THE SLFMIS IS TO PROVIDE A SYSTEM WITH ADEQUATE AUDIT TRAILS TO IMPROVE ADMINISTRATIVE ACCOUNTABILITY IN PROCESSING TRANSACTIONS.

OVERVIEW OF THE SLFMIS

SLFMIS solutions will automate and digitize PFM processes across multiple government institutions. These processes include: Budget planning and execution, Expenditure Management, Revenue Management, Asset Management, Procurement, Payroll & HR, and Financial Reporting.



PHASED IMPLEMENTATION

The SLFMIS consists of several elements representing different PFM functions. The system will be implemented in a phased manner. **PHASE 1** of the SLFMIS includes the four core modules which are

- **Budget Controls**
Capturing of annual national budget and set the budget controls to avoid overspending throughout the budget execution process.
- **Revenue Capture**
Capturing of the Government's revenue and provide analysis report on revenue performance.
- **Expenditures**
Processing of warrants and expense vouchers with automatic control on budget ceilings.
- **Financial Reporting**
Production of different levels of financial reporting and dashboard to support the transparency of the Government's financial transactions.